

Walsin Lihwa Corporation

2023 Annual Shareholders' Meeting Handbook

Date: Friday, May 19, 2023

Time: 9:00 am

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist.,
Taipei City.

Convening Method: Hybrid shareholders' meeting (i.e., a physical shareholders'
meeting supported by video-conferencing)

Video Conferencing Platform: Taiwan Depository & Clearing Corporation
Shareholder e-Voting Platform

(<https://www.stockvote.com.tw/evote/index.html>)

Walsin Lihwa Corporation

2023 Annual Shareholders' Meeting Handbook

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Walsin Lihwa Corporation

Meeting Procedure and Agenda of the 2023 Annual Shareholders' Meeting

Time: 9:00 am, Friday, May 19, 2023

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei City

1. The Meeting Called to Order

2. Chairman's Address

3. Matters to Be Reported:

- (1) General Manager's Report (The 2022 Business Report and Final Account Report)
- (2) Audit Committee review the Audit Report and Communication Report with the Chief Audit Executive
- (3) The Distribution Report of Compensation of the Employees and Directors for the Year 2022
- (4) Report of the Distribution of Cash Dividends in 2022
- (5) Other Matters to be Reported

4. Matters to Be Ratified, Discussed and Elected

- (1) Ratification of the 2022 Business Report and Final Account Statements.
- (2) Ratification of the 2022 Earnings Distribution Proposal.
- (3) Discussion of the issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash via book building.
- (4) Discussion of the amendments to the Articles of Incorporation.
- (5) Discussion of the amendments to Procedures for Lending Funds to Other Parties.
- (6) Discussion of the amendments to the Derivatives Trading Procedure.
- (7) Election of the Company's Directors of the 20th term.
- (8) Discussion of the proposal for the release of new Directors' Non-Competition Obligations.

5. Ad-Hoc Motions

6. Adjournment

Matters to Be Reported

I. General Manager's Report

Please review and approve the Company's 2022 business report and final account report. For details, please see pp.13 – 26 of the Appendix to the Handbook.

II. Audit Committee review the Audit Report and Communication Report with the Chief Audit Executive

1. For the Audit Committee's examination of the Company's 2022 final account report, please see p.35 of the Appendix to the Handbook for detail.
2. For the communications between the Audit Committee and the Chief Audit Executive, please see pp.36 – 37 of the Appendix to the Handbook.

III. The Distribution Report of Compensation of the Employees and Directors for the year 2022.

Please refer to p.38 of the Appendix to the Handbook for the status of the distribution of compensation to employees and directors for 2022.

IV. Report of the Distribution of Cash Dividends in 2022

1. It is conducted in accordance with Article 240 of the Company Act and the Company's Articles of Incorporation.
2. The 23rd meeting of the Board of Directors of the Company of the 19th term resolved to distribute cash dividends of NT\$6,716,399,306 from the earnings reported in the Company's 2022 final accounting results.
3. The Chairman shall be authorized to determine the distribution record date and distribution date. In the event that the Company issues or repurchases shares, thereby affecting the number of outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend date.
4. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.

V. Other Matters to Be Reported

1. Report on the Company's investments in mainland China as of March 31, 2023. Please see pp.39 – 42 of the Appendix to the Handbook for details.
2. Report on the amendments to the Company's Board of Directors Meeting Regulations:
The Company's Board of Directors Meeting Regulations have been amended by a resolution adopted in a board of directors meeting dated January 10, 2023. Please see pp.43 – 49 of the Appendix to the Handbook for the full content of the amended version.

3. Report on the amendments to the Company's rules and regulations relating to corporate governance:

The Company's Corporate Governance Best Practice Principles have been amended by a resolution adopted in a board of directors meeting dated August 5, 2022 and February 24, 2023. In addition, the Sustainable Development Practice Principles have been amended by a resolution adopted in a board of directors meeting dated February 24, 2023. Please see pp.50 – 72 of the Appendix to the Handbook for the full content of the amended version.

4. Report on the shareholdings of directors in the Company as follows:

- (1) According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shareholding of the all of the Company's directors shall be 3% of its issued and outstanding shares; provided, however, this does not apply to the supervisors of the Company because the Company has an Audit Committee.

- (2) The Company has 4 independent directors. The shareholding ratio of all of the directors (excluding the independent directors) is reduced to 80% of the above minimum shareholding ratio.

- (3) For the shareholdings of individuals and total directors recorded in the shareholder register prior to the book closure date for the 2023 Annual Shareholders' Meeting, please see p.73 of the Appendix to the Handbook.

- (4) The shareholdings of all of the Company's directors have all met the requirement for the statutory shareholding ratio.

5. Report on the acceptance of shareholders' proposals and nominations by the 2023 Annual Shareholders' Meeting:

During the period for accepting the shareholders' proposals and nominations from March 6, 2023 to March 16, 2023, none of the shareholders submitted any written proposal or nomination to the Company according to Article 172-1 and Article 192-1 of Company Act.

6. Report on the material transactions with related parties in 2022. Please refer to pp.74 – 75 of the Appendix to the Handbook.

Ratification, Discussion and Election

Proposal 1

Proposed by the Board of Directors

Subject: Ratification of the Company's 2022 business report and financial statements.

Explanations:

1. Please see pp.13 – 26 of the Appendix to the Handbook for the business report and the financial statements.
2. The financial statements have been approved at the Company's 23th board meeting of the 19th term, and audited as well as certified by the CPA. They were submitted along with the business report to the Audit Committee for audit, which then has audited the same.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: Ratification of the Company's 2022 Earnings Distribution Proposal.

Explanations:

1. Please see below for the 2022 Earnings Distribution Proposal.
2. This proposal was approved at the Company's 23th board meeting of the 19th term and submitted to the Audit Committee, which has audited the same.
3. Upon the approval of the board meeting, it is proposed that the Chairman be authorized to otherwise determine the distribution record date and distribution date. In the event that the Company issues or repurchases shares, thereby affecting the number of outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend date.
4. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.

Resolution:

Walsin Lihwa Corporation

Earnings Distribution Proposal for 2022

Unit: NTD

Summary	Amount
Beginning of Period Retained Earnings	\$32,020,732,725
Add: Cumulative Gains or Losses Directly Transferred to Retained Earnings by Affiliates' Disposal of Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	75,958,535
Add: Re-measurements of Defined Benefit Plans Recognized in Retained Earnings	313,270,425
Adjusted Retained Earnings	32,409,961,685
Add: Net Income	19,352,097,051
Minus: Legal Reserve	<u>(1,974,132,601)</u>
Distributable Earnings	49,787,926,135
Distribution	
Cash Dividend to Shareholders (NT\$1.8 per Share)	<u>(6,716,399,306)</u>
End of Period Retained Earnings	\$43,071,526,829

Note 1: The Company's issued and outstanding common stock totaled 3,731,332,948 shares as of February 22, 2023.

Note 2: According to the rules specified in the letter from the Ministry of Finance dated August 5, 1999 (Ref. No.: Tai-Cai-Shui-881933217), the year of this distribution of earnings is 2022.

Responsible Person: Chiao, Yu-Lon (Seal)

Manager: Fred Pan (Seal)

Accounting Chief: Wu, Chin-Sheng (Seal)

Proposal 3

Proposed by the Board of Directors

Subject: Discussion of the issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash via book building.

Explanations:

1. It is conducted in accordance with Article 266 of the Company Act and Article 16 of the Company's Article of Incorporation.
2. In order to meet the Company's long-term capital needs (including, but not limited to, the replenishment of its working capital, the repayment of its bank loans, the improvement of its financial structure or other capital-raising purposes in line with its long-term strategic development), and in consideration of the internationalization and diversification of capital raising approaches, it is proposed to request the shareholders' meeting to authorize the Board of Directors to choose to carry out, by using such capital-raising tools at such time it deems proper, either one or a combination of, a capital injection through an offering of GDRs by issuing new common shares and/or a capital injection through an issuance of new common shares by way of book-building, in either or each case, within the limit of 300 million common shares (the "Capital Injection"), for the purpose of raising long-term capital. Please refer to pp.76 – 77 of the Appendix to the Handbook for the description of the issuance method and contents of the Capital Injection.
3. The rights and obligations of the new shares issued under the Capital Injection will be the same as those of the originally issued common shares. The Capital Injection is expected to help enhance the Company's financial structure and development of long-term competitiveness and thus have positive effects on shareholders' rights and interests.
4. It is proposed that the shareholders' meeting authorize the Board of Directors to adjust, formulate and carry out the main contents of the plan of offering under the Capital Injection in line with the prevailing market conditions, including but not limited to the actual issue price, the number of shares to be issued, the conditions of the issue, the record date for the capital injection, the planned items, the expected progress, the expected benefits, and all other matters relating to the plan of offering, and to handle all relevant matters or anything not covered above in the future in the case of any modification thereto upon any instructions of the competent authorities or due to the evaluation from an operational perspective or changes in the objective circumstances.
5. In order to carry out the issuance under the Capital Injection, it is proposed to authorize the Chairman or his designee to handle the above-mentioned matters and sign the relevant contracts and documents on behalf of the Company.

Resolution:

Proposal 4**Proposed by the Board of Directors**

Subject: Review and approval of the amendments to the Articles of Incorporation.

Explanations:

1. In keeping with its business development, the Company's English name and detailed business scope have been specified in its Articles of Incorporation.
2. Certain wording of Article 28 has been amended according to the letter from the Ministry of Economic Affairs dated June 6, 2022 (Ref. No.: Jin-So-Shang-Zi-11101093290).
3. In summary, the Comparison Table of the Amended Articles of the Articles of Incorporation is set out on pp.78 – 79 of the Appendix to the Handbook.

Resolution:

Proposal 5**Proposed by the Board of Directors**

Subject: Review and approval of Procedures for Lending Funds to Other Parties.

Explanations:

1. It is conducted in accordance with Subparagraph 3, Paragraph 1, Article 14-5 of the Securities and Exchange Act.
2. In order to increase the flexibility of the Group's capital allocation and utilization, the Company intends to revise its Procedures for Lending Funds to Other Parties in accordance with the Q&As for the Guidelines for Handling Loans of Funds, Endorsements and Guarantees by Public Companies amended in December 2021.
3. The Comparison Table of the Amended Articles of Procedures for Lending Funds to Other Parties of the Company is set out on pp.80 – 82 of the Appendix to the Handbook.

Resolution:

Proposal 6**Proposed by the Board of Directors**

Subject: Review and approval of the Derivatives Trading Procedure.

Explanations:

1. It is conducted in accordance with Subparagraph 3, Paragraph 1, Article 14-5 of the Securities and Exchange Act.
2. It is proposed that certain articles be amended in response to the change of the corporate organization and that of the name of the responsible departments.
3. The Comparison Table of the Derivatives Trading Procedure is set out on pp.83 – 85 of the Appendix to the Handbook.

Resolution:

Proposal 7**Proposed by the Board of Directors**

Subject: Election of the Company's Directors of 20th term.

Explanations:

1. It is conducted in accordance with Article 14 of the Company's Articles of Incorporation.
2. The Company's Directors of 19th term were elected at the Annual General Meeting of Shareholders dated May 29, 2020 and their terms will soon expire. It is proposed that the 2023 Annual General Shareholders' Meeting hold an election of the Company's Directors of 20th term in accordance with Article 14 of the Company's Articles of Incorporation, and the proposed number of Directors should be 11, including 4 Independent Directors.
3. The new Directors should be appointed for a term of three years commencing on the date of election (i.e., 19 May 2023) and ending on 18 May 2026.
4. Please refer to pp.86 – 89 of the Appendix to the Handbook for relevant information.

Election:

Proposal 8**Proposed by the Board of Directors**

Subject: Release of the directors of the Company from non-compete restrictions set forth in Article 209 of the Company Act.

Explanations:

1. It is conducted in accordance with Paragraph 1, Article 209 of the Company Act, which provides that “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders meeting the essential contents of such an act and secure its approval.”
2. For the Company's newly-elected directors who serve as directors or managerial officers in companies operating the same/similar businesses as/to the Company, please see pp.90 – 91 of the Appendix to the Handbook.
3. It is proposed that the shareholders' meeting approve the release of the newly-elected directors from non-compete restrictions on engaging in any business within the Company's business scope under Paragraph 1, Article 209 of the Company Act, as well as approve the abstention from exercise of the disgorgement rights against the directors mentioned above as of the date of serving as directors or managerial officers of other companies engaging in competing business.

Resolution:**Ad-Hoc Motions****Adjournment**

Appendix

Walsin Lihwa Corporation

2022 Business Report

1. Preamble

In 2022, the Company's net income after taxes reached NT\$19.4 billion, which is the best in its history, with earnings per share of NT\$5.45. The below is the overview of the operational performance of each business group. The Wire and Cable Business Group has been able to grasp the demand for factory construction in Taiwan and the business opportunities for domestic power grid construction and renewable energy, resulting in steady growth in orders and higher gross margins. The Stainless Steel Business Group completed the integration of global production and sales by acquiring the Cogne stainless steel plant in Italy and building an advanced, integrated, intelligent stainless steel plant in Yantai. The Resources Business Group has expanded its production capacity of nickel pig iron and nickel matte to meet the global demand for stainless steel and nickel for electric vehicles, making it an important business for the Company.

2. Explanation for Financial Result

Unit: NT\$ million

	2022	2021	Amount of Increase (Decrease)
Operating Revenue	180,401	156,665	23,736
Gross Profit	17,346	19,809	(2,463)
Operating Expenses	7,848	6,464	1,384
Income from Operations	9,499	13,346	(3,847)
Non-Operating Income and Expenses	13,903	5,777	8,126
Profit Before Tax	23,402	19,122	4,280
Net Income After Taxes	19,352	14,643	4,709

(1) Operating Revenue

Operating revenue increased by NT\$23.7 billion in 2022, mainly due to the full capacity of nickel pig iron and power plants in the Resources Business Group and the growth of revenue from the Stainless Steel Business Group in Mainland China.

(2) Gross Profit

Gross profit decreased by \$2.5 billion in 2022 due to the disposal of Borrego's department of solar project development in the second quarter.

(3) Operating Expenses

The increase in operating expenses in 2022 was due to the increase in employee bonuses and compensation as a result of the Company's improved profitability.

(4) Non-Operating Income and Expenses

The increase in non-operating income and expenses in 2022 was due to the disposal of assets of subsidiaries and the increase in gains from reinvested companies due to equity method and foreign exchange gains.

3. Operating Overview and Prospects of the Business Units

Looking ahead to 2023, challenges such as the war between Russia and Ukraine, geopolitics, inflation, environmental sustainability, and demand for new energy, will continue to affect the Company's business operations. The Company will turn those challenges into opportunities by continuing to promote corporate process transformation, digital transformation, and strengthening of core competitiveness and deploying energy creation, storage, transportation, utilization and circular economy, in order to actively respond to the challenges of changing business environment, climate change, and environmental issues.

(1) Wire and Cable

We continue to build smart manufacturing plants and innovate service models to enhance customer value and maintain our market leadership. We are also developing industrial cables to seize opportunities for green energy, developing solar energy and offshore wind power businesses, and fully engaging in the domestic market for high-voltage power transmission via power grids.

(2) Stainless Steel

We continue to integrate global production and sales, with the goal of "business marketing, quality and environmental protection." The Yantai smart high efficiency rolling mill started its mass production; the Yanshui Plant continues to optimize the production process, expand the proportion of high-value products, and develop an innovative service model, in order to become a leading global manufacturer of stainless steel long products.

(3) Resources

We have completed the capacity expansion of nickel pig iron and nickel matte as planned to extend the value chain of nickel industry. In addition, we have carved out the green energy and carbon reduction path to meet the trend towards environmental protection and reduce the production cost.

(4) Real Estate

The leasing business of the office building has been stabilized, with a stable growth in occupancy. With dynamic adjustments to the mall's property mix, we expect to increase foot traffic and sales and create stable cash flows.

Responsible person: Chiao, Yu-Lon (Seal)

Manager: Fred Pan (Seal)

Chief Accountant: Wu, Chin-Sheng (Seal)

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	\$ 19,397,973	8	\$ 10,387,581	6
Financial assets at fair value through profit or loss - current	7,631	-	16,147	-
Financial assets at amortized cost - current	2,202	-	-	-
Financial assets for hedging - current	20,615	-	89,232	-
Contract assets - current	3,022,237	1	5,750,344	3
Notes receivable	4,537,322	2	2,627,411	2
Trade receivables	17,294,990	7	11,045,689	6
Finance lease receivables - current	60,020	-	58,042	-
Other receivables	3,857,091	2	1,620,595	1
Inventories	36,080,291	14	31,659,723	17
Other financial assets - current	546,126	-	530,650	-
Other current assets	<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	2,639,755	1	-	-
Financial assets at fair value through other comprehensive income - non-current	12,342,232	5	16,290,587	9
Financial assets at amortized cost - non-current	189,242	-	-	-
Financial assets for hedging - non-current	144,404	-	-	-
Investments accounted for using the equity method	46,189,399	18	39,451,117	22
Property, plant and equipment	65,656,466	26	41,474,488	23
Right-of-use assets	4,309,355	2	1,803,510	1
Investment properties	16,123,806	7	10,431,063	6
Goodwill	83,393	-	152,771	-
Other intangible assets	4,883,141	2	20,659	-
Deferred tax assets	3,448,277	1	2,818,549	1
Refundable deposits	288,948	-	207,622	-
Finance lease receivables - non-current	602,523	-	662,543	-
Other non-current assets	<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	\$ 22,496,307	9	\$ 7,108,766	4
Financial liabilities at fair value through profit or loss - current	64,772	-	37,439	-
Financial liabilities for hedging - current	222,272	-	-	-
Contract liabilities - current	6,014	-	3,426	-
Notes payable	591,536	-	346,947	-
Trade payables	17,497,315	7	8,493,921	5
Other payables	9,939,969	4	4,861,341	3
Current tax liabilities	6,103,462	2	6,082,152	3
Lease liabilities - current	245,223	-	71,470	-
Current portion of long-term borrowings	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	363,192	-	-	-
Bonds payable	7,742,955	3	7,500,000	4
Long-term borrowings	40,820,860	16	24,785,952	14
Long-term notes and bills payable	1,497,914	1	-	-
Deferred tax liabilities	5,797,938	3	2,214,650	1
Lease liabilities - non-current	2,309,732	1	243,676	-
Net defined benefit liabilities - non-current	348,779	-	560,362	-
Other non-current liabilities	<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				
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	<u>123,580,876</u>	<u>49</u>	<u>105,883,524</u>	<u>58</u>
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>

(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	\$ 180,400,719	100	\$ 156,664,766	100
OPERATING COSTS	<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	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	(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	<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)				

(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	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	260,538	-	(153,272)	-
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	<u>(644,358)</u>	<u>(1)</u>	<u>2,906,573</u>	<u>2</u>
	<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	<u>180,029</u>	<u>-</u>	<u>(127,834)</u>	<u>-</u>
	<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				
Basic	<u>\$ 5.45</u>		<u>\$ 4.27</u>	
Diluted	<u>\$ 5.44</u>		<u>\$ 4.26</u>	

(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	

(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
CASH FLOWS FROM OPERATING ACTIVITIES		
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	<u>13,904,807</u>	<u>1,316,155</u>
CASH FLOWS FROM INVESTING ACTIVITIES		

(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
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>
CASH FLOWS FROM FINANCING ACTIVITIES		
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>
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>

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

(Concluded)

WALSIN LIHWA CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 10,956,239	6	\$ 5,023,659	3
Financial assets at fair value through profit or loss - current	-	-	8,864	-
Contract assets - current	267,147	-	151,065	-
Notes receivable	25,058	-	36,993	-
Trade receivables	3,652,066	2	4,488,125	3
Trade receivables from related parties	296,053	-	630,518	-
Other receivables	8,272,172	4	985,084	1
Inventories	11,819,088	6	15,567,272	10
Other current assets	2,060,227	1	2,051,688	1
Total current assets	37,348,050	19	28,943,268	18
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current	2,567,786	1	-	-
Financial assets at fair value through other comprehensive income - non-current	12,206,200	6	16,139,524	10
Investments accounted for using equity method	117,556,202	59	92,360,069	56
Property, plant and equipment	18,760,190	9	17,411,273	10
Right-of-use assets	1,459,994	1	81,050	-
Investment properties	8,170,554	4	8,243,668	5
Deferred tax assets - non-current	700,710	-	1,291,573	1
Refundable deposits	31,197	-	27,548	-
Other non-current assets	2,281,237	1	182,006	-
Total non-current assets	163,734,070	81	135,736,711	82
TOTAL	\$ 201,082,120	100	\$ 164,679,979	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 6,600,565	3	\$ 5,074,632	3
Financial liabilities at fair value through profit or loss - current	51,505	-	37,439	-
Trade payables	3,226,544	2	3,040,224	2
Other payables	2,884,659	1	2,498,452	2
Other payables to related parties	9,273,554	5	178,362	-
Current tax liabilities	1,420,015	1	2,040,190	1
Lease liabilities - current	38,519	-	20,564	-
Current portion of long-term borrowings	-	-	10,500,000	7
Other current liabilities	227,916	-	372,874	-
Total current liabilities	23,723,277	12	23,762,737	15
NON-CURRENT LIABILITIES				
Bonds Payable	7,500,000	4	7,500,000	5
Long-term borrowings	37,445,270	18	24,640,014	15
Long-term notes and bills payable	1,497,914	1	-	-
Deferred tax liabilities	5,495,675	3	2,151,564	1
Lease liabilities - non-current	1,498,347	1	64,580	-
Net defined benefit liabilities - non-current	147,420	-	451,697	-
Other non-current liabilities	193,341	-	225,863	-
Total non-current liabilities	53,777,967	27	35,033,718	21
Total liabilities	77,501,244	39	58,796,455	36
EQUITY				
Share capital	37,313,329	18	34,313,329	21
Capital surplus	24,672,454	12	18,440,875	11
Retained earnings				
Legal reserve	7,564,090	4	6,109,568	4
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings	51,762,058	26	38,965,389	24
Total retained earnings	62,038,398	31	47,787,207	29
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(4,256,774)	(2)	(6,100,687)	(4)
Unrealized gain on financial assets at fair value through other comprehensive income	6,693,877	3	11,534,267	7
Loss on hedging instruments	(105,801)	-	-	-
Other equity - other	(2,774,607)	(1)	(91,467)	-
Total other equity	(443,305)	-	5,342,113	3
Total equity	123,580,876	61	105,883,524	64
TOTAL	\$ 201,082,120	100	\$ 164,679,979	100

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

WALSIN LIHWA CORPORATION

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	\$ 98,420,045	100	\$ 97,789,648	100
OPERATING COSTS	(87,224,447)	(89)	(84,881,753)	(87)
REALIZED (UNREALIZED) GAIN	<u>11,802</u>	<u>-</u>	<u>(13,335)</u>	<u>-</u>
GROSS PROFIT	<u>11,207,400</u>	<u>11</u>	<u>12,894,560</u>	<u>13</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,431,892	1	1,258,609	1
General and administrative expenses	1,833,812	2	1,257,078	1
Research and development expenses	<u>200,649</u>	<u>-</u>	<u>180,944</u>	<u>-</u>
Total operating expenses	<u>3,466,353</u>	<u>3</u>	<u>2,696,631</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>7,741,047</u>	<u>8</u>	<u>10,197,929</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	119,155	-	225,171	-
Dividend income	764,885	1	560,552	1
Other income - other	405,699	-	447,284	-
Gain on disposal of property, plant and equipment	78,846	-	683	-
Foreign exchange gain (loss), net	1,732,956	2	(311,352)	-
(Loss) gain on valuation of financial assets and liabilities at fair value through profit or loss	(165,235)	-	654,576	1
Other expenses	(124,715)	-	(78,196)	-
(Loss) gain on disposal of investments	(597,501)	(1)	461,026	-
Recognition of impairment loss	-	-	(557,721)	(1)
Interest expense	(727,747)	(1)	(425,367)	-
Share of profit of subsidiaries and associates accounted for using the equity method	<u>15,429,151</u>	<u>16</u>	<u>7,218,874</u>	<u>7</u>
Total non-operating income and expenses	<u>16,915,494</u>	<u>17</u>	<u>8,195,530</u>	<u>8</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	24,656,541	25	18,393,459	19
INCOME TAX EXPENSE	<u>(5,304,444)</u>	<u>(5)</u>	<u>(3,750,830)</u>	<u>(4)</u>
NET PROFIT FOR THE YEAR	<u>19,352,097</u>	<u>20</u>	<u>14,642,629</u>	<u>15</u>

(Continued)

WALSIN LIHWA CORPORATION

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	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	260,538	-	(160,650)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(4,022,988)	(4)	2,611,742	2
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(688,713)</u>	<u>(1)</u>	<u>2,892,990</u>	<u>3</u>
	<u>(4,451,163)</u>	<u>(5)</u>	<u>5,344,082</u>	<u>5</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,663,884	2	(67,717)	-
Share of other comprehensive income (loss) of associates accounted for using the equity method	<u>74,228</u>	<u>-</u>	<u>(127,834)</u>	<u>-</u>
	<u>1,738,112</u>	<u>2</u>	<u>(195,551)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(2,713,051)</u>	<u>(3)</u>	<u>5,148,531</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 16,639,046</u>	<u>17</u>	<u>\$ 19,791,160</u>	<u>20</u>
EARNINGS PER SHARE				
Basic	<u>\$ 5.45</u>		<u>\$ 4.27</u>	
Diluted	<u>\$ 5.44</u>		<u>\$ 4.26</u>	

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

(Concluded)

WALSIN LIHWA CORPORATION

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

						Other Equity				
			Retained Earnings				Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations				
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
Appropriation of 2020 earnings (Note 20)										
Legal reserve	-	-	681,368	-	(681,368)	-	-	-	-	-
Special reserve	-	-	-	(398,160)	398,160	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(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
Changes in capital surplus from investments in associates accounted for using the equity method	-	(26,782)	-	-	77,160	-	(77,160)	-	(91,467)	(118,249)
Issuance of new shares in exchange for the shares of another company	2,053,327	2,771,798	-	-	-	-	-	-	-	4,825,125
Net profit for the year ended December 31, 2021	-	-	-	-	14,642,629	-	-	-	-	14,642,629
Other comprehensive (loss) income for the year ended December 31, 2021, net of income tax	-	-	-	-	(174,569)	(195,552)	5,518,652	-	-	5,148,531
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,468,060	(195,552)	5,518,652	-	-	19,791,160
Others	-	2,329	-	-	-	-	-	-	-	2,329
BALANCE AT 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
Appropriation of 2021 earnings (Note 20)										
Legal reserve	-	-	1,454,522	-	(1,454,522)	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(5,490,133)	-	-	-	-	(5,490,133)
Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(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
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	313,270	1,843,913	(4,764,433)	(105,801)	-	(2,713,051)
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
Share-based payment transaction (Note 25)	-	225,000	-	-	-	-	-	-	-	225,000
Others	-	6,686	-	-	-	-	-	-	-	6,686
BALANCE AT DECEMBER 31, 2022	\$ 37,313,329	\$ 24,672,454	\$ 7,564,090	\$ 2,712,250	\$ 51,762,058	\$ (4,256,774)	\$ 6,693,877	\$ (105,801)	\$ (2,774,607)	\$ 123,580,876

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

WALSIN LIHWA CORPORATION

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 24,656,541	\$ 18,393,459
Adjustments for:		
Depreciation expenses	1,422,173	1,343,326
Amortization expenses	11,750	445
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	165,235	(654,576)
Interest expenses	727,747	425,367
Interest income	(119,155)	(225,171)
Dividend income	(764,885)	(560,552)
Compensation costs of employee share options	225,000	-
Share of profit of subsidiaries and associates accounted for using the equity method	(15,429,151)	(7,218,874)
Gain on disposal of property, plant and equipment	(78,846)	(683)
Loss (gain) on disposal of investments	597,501	(461,026)
Impairment loss recognized on non-financial assets	-	557,721
(Realized) unrealized gain on the transaction with associates	(11,802)	13,335
Unrealized loss on foreign currency exchange	7,352	1,784
Loss on lease modification	6	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	(555,033)	297,214
Increase in contract assets	(116,082)	(138,128)
Decrease (increase) in notes receivable	11,935	(9,716)
Decrease (increase) in trade receivables	1,170,524	(2,532,916)
Increase in other receivables	(625,476)	(640,575)
Decrease (increase) in inventories	3,748,184	(7,064,475)
Decrease in other current assets	232,752	406,860
Increase in other financial assets	(241,290)	(14,820)
Decrease (increase) in other operating assets	93,091	(64,888)
Increase in trade payables	186,320	517,896
Increase in other payables	146,827	525,554
(Decrease) increase in net defined benefit liabilities	(43,738)	810
Decrease in other current liabilities	(133,155)	(399,500)
(Decrease) increase in other operating liabilities	(50,009)	38,202
Cash generated from operations	15,234,316	2,536,073
Interest received	118,408	235,112
Dividends received	2,161,080	1,358,109
Interest paid	(649,093)	(498,619)
Income tax paid	(1,989,646)	(138,061)
Net cash generated from operating activities	14,875,065	3,492,614

(Continued)

WALSIN LIHWA CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(90,000)	(1,944,281)
Disposal of financial assets at fair value through other comprehensive income	335	-
Capital reduction and refund from financial assets at fair value through other comprehensive income	-	3,615
Purchase of financial assets at fair value through profit or loss	(2,686,100)	-
Disposal of financial assets at fair value through profit or loss	-	4,948,895
Acquisition of investments accounted for using the equity method	(17,718,066)	(6,760,343)
Repatriation through capital reduction of investee companies accounted for using the equity method	11,178,225	699,515
Purchase of property, plant and equipment	(2,467,304)	(1,729,419)
Proceeds from disposal of property, plant and equipment	129,210	2,204
Increase in refundable deposits	(3,650)	(635)
(Increase) decrease in other receivables	(6,710,599)	7,016,224
Purchase of investment properties	(183)	(2,362)
Increase in prepaid long-term investments	(2,204,073)	-
Other investing activities	<u>(524,195)</u>	<u>(404,184)</u>
Net cash (used in) generated from investing activities	<u>(21,096,400)</u>	<u>1,829,229</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,518,581	(1,559,788)
Proceeds from bonds payable	-	7,500,000
Proceeds from long-term borrowings	21,755,400	4,000,000
Repayment of long-term borrowings	(19,450,144)	(6,000,000)
Increase in long-term notes and bills payable	1,497,914	-
Increase (decrease) in other payables to related parties	3,345,925	(5,640,652)
Repayment of the principal portion of lease liabilities	(30,665)	(23,133)
Cash dividends paid	(5,489,781)	(3,088,030)
Proceeds from issuance of ordinary shares	9,000,000	-
Other financing activities	<u>6,685</u>	<u>2,329</u>
Net cash generated from (used in) financing activities	<u>12,153,915</u>	<u>(4,809,274)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,932,580	512,569
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,023,659</u>	<u>4,511,090</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 10,956,239</u>	<u>\$ 5,023,659</u>

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

(Concluded)

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.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Walsin Lihwa Corporation

Opinion

We have audited the accompanying financial statements of Walsin Lihwa Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the 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 financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing 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 financial statements as of and for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Sales Revenue Recognition

In 2022, the main products of the Company's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Company prepares reports on point of sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually in which their amounts are significant to the 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 21 to the 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 equity-method investees included in the 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 investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT\$14,685,608 thousand and NT\$5,587,877 thousand, which constituted 7.30% and 3.39% of the total assets as of December 31, 2022 and 2021, respectively; and the investment gains amounted to NT\$(118,414) thousand and NT\$743,761 thousand for the years ended December 31, 2022 and 2021, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

Review Report from the Audit Committee

The Board of Directors has prepared and submitted the Company's 2022 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Wen-Yea Shyu and Ker-Chang Wu CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements (including consolidated financial statements) and the profit distribution proposal have been reviewed by the Audit Committee to be without any discrepancies. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve the same.

Walsin Lihwa Corporation

The convener of the Audit Committee: Hsueh, Ming-Ling

February 24, 2023

Walsin Lihwa Corporation

Communications between the Audit Committee and the Chief Audit Executive in 2022

1. Policy on Communications between Independent Directors and the Chief Audit Executive

- (1) The Chief Audit Executive and the Independent Directors shall report on the status of the Company's internal audit and the operation of internal control through regular meetings of the Audit Committee at least once a quarter, and may convene a meeting at any time in case of any significant extraordinary events.
- (2) In addition to the aforementioned regular meetings, the convener of the Audit Committee holds quarterly discussions at any time with the Chief Audit Executive on the operation of internal controls.

2. Summary of communications between the Independent Directors and the Chief Audit Executive for the year 2022.

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
February 18, 2022, Audit Committee	Report on audit implementation in the 4 th quarter of 2021.	Nil.	The report on audit implementation for the 4 th quarter of 2021 has been passed by the Audit Committee and reported to the Board of Directors.
April 29, 2022, Audit Committee	Report on audit implementation in the 1 st quarter of 2022.	Nil.	The report on audit implementation for the 1 st quarter of 2022 has been passed by the Audit Committee and reported to the Board of Directors.
July 29, 2022 Audit, Committee	Report on audit implementation in the 2 nd quarter of 2022.	Nil.	The report on audit implementation for the 2 nd quarter of 2022 has been passed by the Audit Committee and reported to the Board of Directors.
October 24, 2022, Audit Committee	1. Report on audit implementation in the 3 rd quarter of 2022. 2. Discussion of 2023 annual audit plan.	1. Nil. 2. Nil.	1. The report on audit implementation for the 3 rd quarter of 2022 has been passed by the Audit Committee and reported to the Board of Directors. 2. The 2023 annual audit plan has been passed by the Audit Committee and submitted to the Board of Directors for discussion.

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
December 9, 2022, Audit Committee	<p>1. Major work results in 2022.</p> <p>2. Work objectives and key points for 2023.</p>	<p>1. (1) Please continue to follow up on the improvement on the ESH issue. (2) Please continue to follow up on the risk management and the promotion of the ethical management.</p> <p>2. Please hire more computer auditors to increase the effectiveness of the audit.</p>	<p>1. (1) We have been following up on the improvement on the ESH issue. (2) We have been following up on the risk management and the promotion of the ethical management</p> <p>2. We have strengthened the computer auditing capability of our existing staff and will prioritize the recruitment of computer auditors in the future.</p>

The Distribution Report of Compensation of the Employees and Directors for the year 2022

The distribution report of compensation of the employees and directors for the year 2022 is as follows:

1. This is conducted in compliance with Article 235-1 of the Company Act and the letter from MOEA dated June 11, 2015 (Ref. No.: Jin-Shang-Zi-10402413890) and the letter from MOEA dated October 15, 2015 (Ref. No.: Jin-Shang-Zi-10402427800).
2. According to Article 25-1 of the Articles of Incorporation of the Company, if it has any profit after the closing of its annual book, the Company shall distribute no less than one percent as employee compensation and no more than one percent as director compensation.
3. For 2022, the audited profit of the Company was NT\$25,008,591,000 (i.e., the gross profit before tax and excluding employees and directors compensation).
4. The Company intended to distribute NT\$252,000,000 of employees compensation and NT\$100,050,000 of directors compensation in cash for 2022.
5. The above employees and directors compensation has been adopted by a majority vote at the board of directors' meeting dated February 24, 2023 (i.e., the 23th meeting of the Board of Directors of the 19th term) attended by more than two-third of the directors. The Company has distributed the above compensation accordingly.

Walsin Lihwa Corporation

Investments in Mainland China

As of March 31, 2023

Company Name	Investment Amount (in USD)	Shareholding Ratio	Major Products Produced/Sold
Jiangying Walsin Steel Cable Co., Ltd. (Note 1)	26.04 million	100%	Steel cables
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. (Note 2)	14.956 million	95.71%	Power wires and cables
Hangzhou Walsin Power Cable & Wire Co., Ltd. (Note 3)	80.68 million	40%	Power wires and cables
Walsin (China) Investment Co., Ltd. (Note 4)	78.6 million	100%	Investment
Changshu Walsin Specialty Steel Co., Ltd.	97 million	100%	Specialty steel tubes
Dongguan Walsin Wire & Cable Ltd. (Note 5)	26 million	100%	Bare copper cables and wires
Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (Note 6)	49 million	100%	Cold rolled stainless steel, flat rolled products, nickel alloys, galvanized alloys and steel strand wires
Xi'an Walsin Metal Product Co., Ltd. (Note 7)	31.895 million	100%	Research and development, production and sales of medium-thickness specialty steel plates
Yantai Walsin Stainless Steel Co., Ltd. (Note 8)	335.065 million	100%	Research and development, production, sales, wholesales related to various steels of new-type alloy materials, carbon steel, alloy steel and steel products; Recycling of waste and old substances and whole sale of related products
Changzhou China Steel Precision Materials Co., Ltd.	13.08 million	30%	Products related to Ti, nickel alloys, specialty alloy mould steel, colored forged materials
Nanjing Taiwan Trade Mart Management Co., Ltd.	1 million	100%	Business, asset management and consultation of various kinds of advertising.
Shanxi Tianhong Silicon Industrial Corp Co., Ltd. (Note 9)	RMB 228 million	19%	Polysilicon

Company Name	Investment Amount (in USD)	Shareholding Ratio	Major Products Produced/Sold
Jiangsu Taiwan Trade Mart Development Co., Ltd.	RMB 2 million	20%	Development, operating and management of Nanjing Taiwan Trade Mart projects
Shaanxi Electronic Information Group Co., Ltd. (Note 9)	RMB 19 million	6.02%	Communications electronic equipment and electronic component materials
Walsin (Nanjing) Construction Limited	50 million	99.60%	Construction, rental and sale of buildings and industrial factories, etc.
Nanjing Walsin Property Management Co., Ltd. (Note 9)	RMB 1 million	99.60%	Property Management, Consulting for Property Management and rental of house, etc.
Dong Guan Cogne Steel Products Co., Ltd. (Note 10)	28.57 million	About 70%	Production, sales and distribution of stainless steel products

Note 1: Including the USD15 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin (China) Investment Co., Ltd. (hereinafter referred to as "Walsin CIC"). During 2019, by way of the investment structure, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin Steel Cable Co., Ltd. (hereinafter referred to as "Jiangying Walsin") from the original Chinese shareholder Fasten Group Co., Ltd. in a share transfer. After the transfer, the Company indirectly holds 100% of the shareholding in Jiangying Walsin; for this transfer transaction, Investment Commission, Ministry of Economic Affairs (hereinafter referred to as "MOEAIC") approved (for reference) an investment amount of RMB73,750,000 (equivalent to USD11,041,080), with the cumulative approved (for reference) amount being USD 26,041,080. In addition, the increase in the investment amount in mainland China due to this share transfer was partially offset by the amount of RMB53,290,669 (equivalent to USD 7,978,123) arising from the disposal of the shares in Hangzhou Walsin Power Cable & Wire Co, Ltd. (hereinafter referred to as "Hangzhou Walsin") (please refer to Note 3), which was retained in Walsin CIC; therefore, the actual increase in the amount of investment in mainland China for the Company was RMB20,459,331 (equivalent to USD3,062,957).

Note 2: Including the USD14.95 million re-investment (including the USD7.6 million equity converted from debt) from the increased share capital of Walsin CIC.

Note 3: Including the USD13.3 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin CIC.

1. The original investment amount in Hangzhou Walsin by the Company was USD41.21 million (shareholding ratio: 89.78%) through Walsin CIC.
2. In mid-2015, the Company sold 44.89% of the shares of Hangzhou Walsin through Walsin CIC in the amount of RMB95.36 million (approximately USD15.57 million). At the end of 2015, the Company re-invested USD4.8 million in Hangzhou Walsin through Walsin CIC with the income received from the previous sale.

3. In mid-2016, the Company invested USD53 million in Hangzhou Walsin through a BVI holding company, ACE RESULT GLOBAL LIMITED ("ACEL"), and later on sold 9.707% shares of Hangzhou Walsin through ACEL in the amount of RMB61.44 million (approximately USD9.28 million). At the end of 2016, the Company re-invested USD 6.4 million in Hangzhou Walsin through ACEL, with the income received from the 2016 sale. After the aforementioned various transactions, the Company's indirect shareholding ratio is 38.933%, and the actual investment amount went down to USD80.56 million. However, since the income received from the sales was not remitted to Taiwan, the investment in China has not been deducted. The investment amount approved for Hangzhou Walsin and registered with the MOEAIC as a result remains USD94.21 million as of the date hereof.
4. In mid-2017, the Company increased its equity interest in Nanjing Walsin by 1.25% (such company has been disposed of during 2019 and such disposal has been reported to the MOEAIC) through Walsin CIC, which originally disposed Hangzhou Walsin's equity stake of USD1,851,268. After this transaction, the Company's record of investment amount of Hangzhou Walsin in the MOEAIC was reduced to USD92.36 million.
5. In 2019, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin by using the gain on the disposal of its shares in Hangzhou Walsin equal to USD7,978,123 (please refer to Note 1 for detail). After this transaction, the actual amount of the investment made by the Company in Hangzhou Walsin approved for reference and recorded by the MOEAIC was reduced to USD84,380,000 (which is equivalent to transferring the cumulative investment amount in China for Hangzhou Walsin to Jiangying Walsin).
6. At the end of October 2021, the Company acquired 1.067% equity interest in Hangzhou Walsin through Walsin CIC by paying its own capital of RMB743,700 to the former Japanese shareholder of Hangzhou Walsin, Sumitomo Electric Industries, Ltd. for the assumption of such shares. After the transaction, the Company holds 24.521% and 15.479% of Hangzhou Walsin through Walsin CIC and ACEL, respectively, and holds a total of 40% equity interest in Hangzhou Walsin. In this case, the cumulative approved amount recorded in the MOEAIC was US\$80.68 million, and the cumulative approved amount for the investment was US\$84.5 million.

Note 4: Including the increased share capital of USD28.6 million arising from debt-to-equity conversions.

Note 5: Including the USD 26 million re-investment from the increased share capital of Walsin CIC.

Note 6: Including the USD 4.5 million re-investment from the increased share capital of Walsin CIC.

Note 7: The merger of Xi'an Walsin Precious Metal Product CO., LTD. (hereinafter referred to as "Xi'an Walsin (Metal)") and Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. has been filed for the corporate change in mainland China on November 18, 2019 and has been approved by the MOEAIC for record on March 20, 2021, and the cancellation of investment plan relating to Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. was approved by the MOEAIC. After the merger was filed with the MOEAIC for record, the amount of investments made by the Company indirectly in Xi'an Walsin (Metal) is USD 31,895,467.

Note 8: The Company holds a 100% shareholding in Yantai Walsin Stainless Steel Co., Ltd. (hereinafter referred to as "Yantai Walsin") through its subsidiary incorporated in the BVI, CONCORD INDUSTRIES LTD. (hereinafter referred to as "CONCORD"), and its wholly-owned Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (hereinafter referred to as

“Jiangyin Alloy”); as of the date of the 2021 Annual Shareholders' Meeting, the accumulated paid-in capital was USD335,065,300. The formation of the Company's share capital is described as follows:

1. Of Yantai Walsin's original share capital, RMB 578,796,300 was originated from the re-investment made by the original entity invested in by the Company in China and was no need approved by the MOEAIC. After the merger of Yantai Walsin between Yantai Dazhong Resources Recycling Co., Ltd. (the investment amount approved (or approved for record) by the MOEAIC was USD30 million and the paid-in capital was equivalent to RMB192,932,100) and Yantai Huanghai Iron and Steel Co., Ltd. ("YHISC") (the Company acquired 25% of the shareholding in YHISC (the paid-in capital was RMB 205,890,000), the investment amount approved (or approved for record) by the MOEAIC was $\text{USD } 183,101.90 + \text{USD } 2,743,536.58 = \text{USD } 2,926,638.48$; the remaining 75% of the shareholding was the re-investment made by the entity invested in by the Company in China and was rejected by the MOEAIC. After the merger, CONCORD acquired Yantai Walsin's paid-in capital of RMB977,618,400 (equivalent to USD155,065,300), which accounted for 25% of the shares in Yantai Walsin, and the investment amount approved (or approved for record) by the MOEAIC was USD32,926,638.48. In addition, CONCORD increased the capital of Yantai Walsin by USD 100 million from 2019 to 2021. Therefore, the paid-in capital of Yantai Walsin was USD 255,065,300 as of the cut-off date, with CONCORD and Jiangyin Alloy holding 54.4% and 45.6% of the shares in Yantai Walsin respectively. Moreover, the accumulated investment amount approved (or approved for record) by the MOEAIC was USD132,926,638.48 (USD100 million + USD32,926,638.48).
2. The capital injection by the Company into Yantai Walsin in the amount of USD80,000,000 through Concord was approved by the MOEAIC on December 30, 2019. As of the end of 2021, it has obtained approval for the financial close by the MOEAIC. Thus, the paid-in capital of Yantai Walsin had increased to USD335,065,300; based on the latest actual amount of capital contributed by shareholders, CONCORD and Jiangyin Alloy held 65.29% and 34.71% of the shares in Yantai Walsin respectively. In addition, the cumulative investment amount approved by the MOEAIC is USD212,926,638.48 (USD100 million + USD32,926,638.48 + USD80,000,000).

Note 9: These entities are the investments made by the Company's existing investment entity in China, and thus such investments are not required to be approved by the MOEAIC.

Note 10: As approved by the MOEAIC on September 28, 2022, the Company acquired approximately 85.03% of the shares of MEG S.A. (based in Luxembourg) (i.e., 5,102 shares, representing approximately 85.03% of such company's 6,000 issued shares in total) through a newly-established, fully-owned subsidiary in Luxembourg, WALSIN LIHWA EUROPESARL, thereby indirectly acquiring approximately 70% of the shares of COGNE ACCIAI SPECIALI S.P.A. (based in Italy) and further indirectly acquiring approximately 70% of the shares in Dong Guan Cogne Steel Products Co., Ltd. The equity transaction has been closed, and was filed to the MOEAIC for record on January 13, 2023, with the approved investment amount of EUR26.61 million (equivalent to USD28.57 million).

Note 11: The corporate registration of Shanghai Baihe Walsin Lihua Special Steel Products Co., Ltd. was revoked on July 13, 2022, which was filed to the MOEAIC for record on September 1, 2022.

Walsin Lihwa Corporation

Board of Directors Meeting Regulations

Article 1 Foundation

The Board of Directors Meeting Regulations (the Regulations) are adopted pursuant to Article 26-3 paragraph 8 of the Securities and Exchange Act and the Regulations Governing Board of Directors Meetings.

Article 2 Scope

Unless relevant laws and regulations provide otherwise, agenda, procedures, minutes, announcements, and other relevant matters of the Company's board of directors meetings (board meetings) shall be conducted in accordance with the Regulations.

Article 3 Convention and notification

Board meetings shall be convened at least once quarterly.

Directors of the board shall be notified in writing of the subject matters, time, and place of any board meeting seven days in advance, based on the date when such notification is sent, but a meeting may be called on short notice in case of emergency.

Board meeting notices may be delivered via post, fax, or email.

The aforementioned board meeting notices can be delivered via email with the agreement by counterparts.

All matters set out in the subparagraphs of Article 7 shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 4 Meeting place and time

A board of directors meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to directors and suitable for holding such a meeting.

Article 5 Meeting notification and materials

The board of directors shall assign a secretary for board meeting planning and administration, and shall appoint the President Office as the agenda working group. The agenda working group shall prepare agenda items for board of directors meetings and provide sufficient pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6 Agenda A

Agenda items for regular board of directors meetings shall include at least the following:

1. Reports:

- a) Minutes of the last meeting and actions arising as well as follow-ups with any resolution that has yet to be completely executed

- b) Important financial and business matters
 - c) Internal audit activities
 - d) Other important matters
2. Discussions:
- a) Items discussed and continued from the last meeting
 - b) Items for discussion at this meeting
3. Extraordinary motions

Article 7 Agenda B

The Company shall submit the following items for discussion by the board of directors:

1. Shareholders' meeting convention and execution of shareholders' meeting resolutions
2. Any review of the articles of incorporation, important rules and regulations, and important contracts
3. Business plan decisions
4. Any budget settlement and business plan review
5. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
6. Adoption or amendment of an internal control system pursuant to Article 14-1, and an assessment of the effectiveness of the internal control system.
7. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
8. The offering, issuance, or private placement of any equity-type securities.
9. Performance evaluation and remuneration standards of managerial officers and associated persons
10. The appointment or discharge of the chairperson and vice chairperson of the board
11. The appointment or discharge of a financial, accounting, or internal audit officer.
12. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. A donation to a related party or a non-related party in the preceding paragraph shall be defined under the provisions of Paragraph 2.
13. Any acquisition and disposal of valuable property that is subject to approval by the board of the company.
14. Decisions on branch, representative office, business premises, and plant establishment and dissolution as well as other changes.

15. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 12 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. If the Company has set other limits that do not exceed the foregoing donation amount, such limits should be followed.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.

Article 8 Agenda C

The remuneration committee charter, and any amendment thereto, shall be adopted by resolution of the board of directors. The remuneration committee members shall be appointed by resolution of the board of directors.

The remuneration committee shall provide recommendation on the remuneration for directors of the board and managerial officers for deliberation and resolution by the board of directors.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported in accordance with Article 19-2.

Article 9 Authorization

When the board of directors delegates any party to exercise the power on its behalf, the levels of such delegation and matters delegated therein shall be definite and specific. therein shall be definite and specific.

Article 10 Attendance book and proxy arrangement

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy as provided in the preceding two paragraphs may accept a proxy from one person only.

Article 11 Chairperson and delegation

Meetings of the board of directors shall be called and chaired by the chairperson of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

In the board of directors meeting convened by a majority of the directors on their own in accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the directors shall elect from among themselves a chairman.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, delegation of the chairperson as provided in paragraph 3 of Article 208 of the Company Act shall apply mutatis mutandis.

Article 12 Reference materials and nonvoting participants

When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify non-director officers from relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 13 Meeting convention

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chairperson may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-call the meeting following Article 3-2 of the Regulations.

The term "all board directors" shall be calculated as the number of incumbent directors.

Article 14 Agenda discussion

A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting. During a meeting, the chairperson may, at his or her discretion, set time for intermission or negotiation.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, upon motion by the directors sitting at the meeting the chairperson shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.

Article 15 Control and moderation by the chairperson

The chairperson at a board meeting may personally answer the questions raised by attending directors or designate relevant executives to answer such questions, or designate nonvoting professionals at the meeting to provide relevant information as necessary.

The chairperson may stop repeated statements on any same proposal or irrelevant statements when such statements hinder meeting proceeding.

Article 16 Voting A

When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chairperson puts the matter before all directors present at the meeting and none voices objection, the matter is deemed approved. If there is an amendment to or substitute for this proposed resolution, the chairperson shall decide the sequence of voting for the proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed.

If objection is voiced after solicitation by the chairperson, the resolution shall be voted.

The method of voting shall be one of the following as determined by the chairperson, but the chairperson shall solicit the opinions of a majority to determine the method when objection is voiced by any attending director.

1. By showing of hands
2. By voicing votes
3. By casting ballots
4. By other methods selected by the board of directors of the Company

The term “all board directors” as referred to in Article 12 does not include any non-voting director as prescribed in paragraph 1 of Article 17.

Article 17 Voting B, vote monitoring and ballot counting

Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. The resolution shall be reported and recorded at the meeting.

If and when necessary, the chairperson may appoint several persons for vote monitoring and ballot counting.

Such persons shall be appointed from among the board of directors and shall help ensure the integrity of voting and ballot counting.

Ballots shall be deemed void under any of the following conditions:

1. Ballots not prepared by the Company
2. Ballots not placed in the ballot box

3. Blank ballots not completed by the voter
4. Ballots with other written characters, letters, and/or symbols in addition to the area(s) required to be filled
5. Ballots that are illegible, altered, and/or written over

Article 18 Recusal of directors due to conflicts of interest

If an interested party relationship exists between any director, or a juristic person the director represents, and any agenda item, the director shall disclose the important aspects of the interested party relationship at the respective meeting, shall not participate in discussion of or voting on that agenda item, shall recuse himself or herself from the discussion or the voting on the item, and shall not exercise voting rights as proxy for any other director if such relationship is likely to prejudice the interests of the Company.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

With respect to a resolution at a board of directors meeting, paragraph 2 of Article 180 of the Company Act, as applied mutatis mutandis under paragraph 3 of Article 206 of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 19 Meeting minutes and signature

Minutes shall be prepared of the discussions at board of directors meetings; the meeting minutes shall record the following in detail:

1. Session (or year), time, and place of meeting
2. Name of the meeting chairperson
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent
4. Names and titles of those attending the meeting as nonvoting participants
5. Name of minutes taker
6. Matters reported
7. Agenda items: the resolution method and result of each proposal, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing
8. Extraordinary motions: the name of the persons proposing the extraordinary motions, the resolution method and result of each motion, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding

article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing

9. Other matters required to be recorded: Objections or reservations expressed by independent directors on the items in Article 7 and the circumstances and cause for the difference if the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee

Any resolution passed at a meeting of the board of directors that securities authorities require publication shall be published on the websites designated by such authorities within two days of the meeting.

The attendance book shall be part of the minutes for each board of directors meeting and shall be well preserved throughout the existence of the Company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records throughout the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 20 Board meeting proceeding recording

The Company shall take audio or video record of tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years in electronic form.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded and the aforementioned five-year rule shall not be applicable.

Where a board of directors meeting is held via tele- or video conferencing, the documentation of the meeting shall be considered part of the meeting minutes and be well preserved throughout the existence of the Company.

Article 21 (Deleted)

Article 22 Supplement

The adoption of the Regulations and any amendment to the Regulations shall be approved by the board of directors of the Company and reported to the Company's shareholders' meeting.

The Regulations came into force on January 1, 2007. The first, second, third, fourth, fifth, sixth, seventh and eighth amendments were respectively made on March 25, 2008; March 23, 2012; March 21, 2013; August 13, 2014; August 4, 2017; February 27, 2020; August 4, 2020; April 9, 2021; and January 10, 2023, becoming effective with approval by the board of directors meetings.

Walsin Lihwa Corporation

Corporate Governance Best Practice Principles

The amendment was adopted by the Board of Directors on February 24, 2023

Chapter 1 General Principles

Article 1 The Corporate Governance Best Practice Principles of Walsin Lihwa (hereafter referred to as “the Company”) developed pursuant to the Corporate Governance Best Practice Principles for Taiwan Stock Exchange Corporation (hereafter referred to as “TWSE”) and Taipei Exchange (hereafter referred to as “TPEX”) Listed Companies is intended to assist the Company in establishing a sound corporate governance system to have its effective corporate governance framework implemented.

Article 2 The Company's corporate governance system is established in compliance with relevant laws and regulations as well as the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors and each functional committee.
3. Respect the rights and interests of stakeholders.
4. Enhance information transparency.

Article 3 The Company shall follow the Regulations Governing Establishment of Internal Control Systems by Public Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement its internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. The Company is advised to establish channels and mechanisms of communication between its Audit Committee and the chief internal auditor. The Audit Committee shall periodically hold discussions with internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up to have improvements implemented and a report submitted to the board of directors and the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

The appointment and dismissal, evaluation and review and compensation of the Company's internal auditor shall be submitted by the chief auditor to the chairman of the board for approval.

Article 3-1 In accordance with the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers (hereafter referred to as "Directions"), the Company should have an adequate number of corporate governance personnel with appropriate qualifications according to the size, business conditions and management needs of the Company, and appoint a chief corporate governance officer as the highest-ranking officer in charge of the Company's corporate-governance-related matters according to the requirements of the competent authority, TWSE and TPEX. The qualification, appointment and dismissal and requirement of continuing education hours for/of the corporate governance officer shall be in compliance with these Directions.

The corporate governance affairs mentioned in the preceding paragraph shall include at least the following items:

Handling matters relating to board meetings and shareholders' meetings according to laws.

Preparing minutes of board meetings and shareholders' meetings.

Assisting in the onboarding and continuing education of directors.

Furnishing information required for business execution by directors of the board.

Assisting directors with legal compliance.

Reporting to the board the results of its review of whether the time of nomination and election of independent directors as well as their terms of tenure comply with relevant laws and regulations.

Assisting in changes in directors of the board.

Other matters set out in the Articles of Incorporation of the Company or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 The Company's corporate governance system shall protect shareholders' rights and interests and treat all shareholders equitably.

The corporate governance system established by the Company shall be able to ensure shareholders' rights of being fully informed of, participating in, and making decisions over important matters of the Company.

Article 5 The Company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations, provide comprehensive rules for such meetings, and faithfully implement resolutions adopted by shareholders' meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders' meetings of the Company shall comply with relevant laws and regulations as well as the Articles of Incorporation of the Company.

Article 6 The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders' meetings and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders' meetings at a convenient location supported by video conferencing when appropriate and necessary, with sufficient

time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders' meeting called by the board of directors, it is advisable that the chairman of the board chair the meeting, a majority of the directors (including at least one independent director) and the convener of the Audit Committee attend in person, and at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders' meeting minutes.

Article 7 The Company shall encourage its shareholders to actively participate in corporate governance and ensure shareholders' meetings can proceed on a legal, effective and secure basis. The Company shall also seek all ways and means, including fully exploiting technologies for information disclosure and casting votes, to upload notices, agendas and supplementary information of shareholders' meetings in both Chinese and English concurrently to enhance shareholders' attendance rates at shareholders' meetings and ensure their exercise of rights at such meetings in accordance with laws.

Shareholders may select either electronic voting or voting in person at a shareholders' meeting held by the Company to avoid raising extraordinary motions and amendments to original proposals.

The Company is advised to arrange for its shareholders to vote on each separate proposal in the shareholders' meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS)

Article 8 The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders' meeting minutes the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders' meeting minutes shall be properly and perpetually kept by the Company during its legal existence and should be sufficiently disclosed on the Company's website.

Article 9 The chairman of the shareholders' meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders' meetings established by the Company. The chairman shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairman declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders' meetings, it is advisable for the members of the board of directors other than the chairman of the shareholders' meeting to promptly assist the attending shareholders at the shareholders' meeting in electing a new chairman of the shareholders' meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 The Company shall place high importance on the shareholder right to know, while preventing insider trading, and shall faithfully comply with applicable regulations regarding information disclosure to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To treat all shareholders equally, it is advisable that the Company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting Company insiders from trading securities using information not disclosed to the market.

The provision in the foregoing paragraph is advisable to include the stock trading control measures for the Company's insiders as of the date of having access to the Company's financial reports or related business performance.

Article 10-1 The Company shall, at shareholders' meetings, report its board of directors' remunerations including the remuneration policy, remuneration contents and values, as well as the relevance between the remunerations and board performance evaluation results.

Article 11 The shareholders shall be entitled to profit distributions by the Company. To ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the Audit Committee, and may decide profit distributions and deficit off-setting plans by resolution. To proceed with the above examination, the shareholders' meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars and specific transaction documents and records of the Company.

The board of directors, Audit Committee, and managers of the Company shall fully cooperate in the examination conducted by the inspector in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders' meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the Company's financial structure thereafter.

When the management or any major shareholder of the Company participates in any merger or acquisition, whether the members on the Company's Audit Committee reviewing the aforementioned merger or acquisition meet Article 3 of the Regulations

Governing Appointment of Independent Directors and Compliance Matters for Public Companies, are not any related party of the counterpart of the merger or acquisition, or have any interest relationship with the aforementioned counterpart that may affect their independence, and whether the design and implementation of relevant procedures comply with relevant laws and regulations, and whether material information is fully disclosed in accordance with relevant laws and regulations shall be provided by independent lawyers' legal opinions.

The qualifications of the aforementioned independent lawyers shall also meet Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, i.e., they shall not be any related party of the counterpart of the merger or acquisition and not have any interest relationship with the aforementioned counterpart that may affect their independence.

Relevant personnel of the Company handling the aforementioned merger or acquisition or public tender shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 To protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders' meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors or managers in performing their duties.

It is advisable that the Company appropriately handles the matters referred to in the preceding two paragraphs and keeps relevant written records for future reference incorporate the procedures in its internal control system for management purposes.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1 The board of directors of the Company is responsible for establishing a mechanism for interaction with the shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 In addition to communicating with the shareholders through the shareholders' meetings and encouraging the shareholders to participate in such meetings, the board of directors of the Company together with the managers and the independent directors shall engage with the shareholders in an efficient manner to ascertain the shareholders' views and concerns, and expound the Company policies explicitly, in order to gain the shareholders' support.

Section 3 Governance of the Relations between the Company and Its Related Parties

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between itself and its affiliated enterprises, i.e., the subsidiaries over which the Company has actual control or the subsidiaries in which the Company directly and indirectly holds more than fifty percent of the voting shares, with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 Any manager of the Company concurrently assuming any other position shall comply with applicable laws and regulations.

A director who engages in any transaction for himself or herself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders' meeting and obtain its consent.

Article 16 The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers and implement the necessary control mechanisms to reduce credit risk.

Article 17 Any financial business dealing or transaction between the Company, its related parties, and shareholders shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper channeling of profits shall be prohibited.

The aforementioned written agreement shall include the procedures for management of purchase and sale transactions, asset acquisitions or disposals, and loans and endorsements, while relevant material transactions shall be submitted to the board for resolution and passage to be submitted to or approved by a shareholders' meeting.

Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. The corporate shareholder shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or not profitable.
2. The corporate shareholder's representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders' meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
3. The corporate shareholder shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders' meeting or board meeting.
4. The corporate shareholder shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. The corporate shareholder shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall periodically disclose important information about its shareholders holding more than 10 percent of the outstanding shares of the Company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who own 5 percent or more of the outstanding shares of the Company or the shareholding stake thereof is on the top 10 list, but the Company may set up a lower shareholding threshold according to the actual shareholding stake that may control the Company.

Chapter 3 Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and the shareholders. The Company's various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders' meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not fewer than five, in consideration of the Company's business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company managers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing and technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership.
8. Ability to make policy decisions.

Article 21 The Company establishes a fair, just, and open procedure for the election of directors, encourages shareholder participation, and adopts the cumulative voting mechanism to fully reflect shareholders' views, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the Company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 In accordance with the laws and regulations stipulated by the competent authority, the Company shall specify in its Articles of Incorporation that it adopts the candidate nomination system for elections of directors, carefully reviews the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and acts in accordance with Article 192-1 of the Company Act.

Article 23 Clear distinctions shall be drawn between the responsibilities and duties of the chairman of the board of the Company and those of its general manager.

It is inappropriate for the chairman to concurrently act as the general manager or any officer with equivalent duties.

The Company shall clearly define the responsibilities and duties of its functional committees.

Section 2 Independent Director System

Article 24 The Company shall, in accordance with its Articles of Incorporation, appoint at least three independent directors comprising at least one-fifth of the total directors. Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be complied with when an independent director concurrently assumes other positions. Independent directors shall also maintain independence within the scope of their directorial duties and may not have any direct or indirect interest in the Company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or manager as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the TWSE/TPEX listed company, any foundation to which the TWSE/TPEX listed company's cumulative direct or indirect contribution of funds exceeds fifty percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the TWSE or TPEX Securities Market.

Article 25 The Company shall submit the matters that should be submitted to the board of directors to the board of directors for approval by resolution as provided in the Securities and Exchange Act, the Articles of Incorporation and Article 35 hereof. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting.

Article 26 The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company and shall also take the overall operational risks of the Company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the Company's scale, type of operations, and number of its board members, may set up functional committees for auditing, nomination, compensation and remuneration, strategic growth or any other functions, set up sustainable development, corporate social responsibility, business integrity or other committees on the basis of corporate social responsibility and sustainable operation, and expressly provide for the committee mentioned above in the Articles of Incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the Company for exercise of power by the committee.

Article 28 The Company's Audit Committee shall be composed of the entire number of independent directors and shall not be fewer than three persons, one of whom shall be the convener, and at least one of them shall have accounting or financial expertise.

The exercise of power by the Audit Committee and its independent directors as well as related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1 The Company has its Compensation Committee. It is advisable that the majority of its members be independent directors. The professional qualifications for its members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2 The Company's Nomination Committee Charter prescribes a majority of the committee members shall be independent directors and the committee chairperson shall be an independent director, too.

Article 28-3 The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.

Article 29 To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. Regarding any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions by establishing channels and mechanisms of communication between the Audit Committee, and the attesting CPA while incorporating procedures for that purpose into the Company's internal control system for management purposes.

The Company shall factor in the Audit Quality Indicators (AQIs) to evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. If the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the board of directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, the board of directors or the management is involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The Audit Committee or an independent director of the Audit Committee may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the Company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 The board of directors of the Company shall meet at least once every quarter or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall have its rules of procedure for board of directors meetings (hereafter referred to as "the Company's Rules of Procedure for Board of Directors Meetings"), which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the Company's Rules of Procedure for Board of Directors Meetings.

Article 33 When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the company shall attend the board meeting in person and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the Audit Committee but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professionals may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairman and secretary of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

The Company shall record in audio or video format the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the Company's Articles of Incorporation, or resolutions adopted in the shareholders' meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 The Company shall submit the following matters to its board of directors for discussion:

1. Convention of shareholders' meetings and implementation of meeting resolutions
2. Review and approval of the Articles of Incorporation, important by-laws and rules as well as important contracts

3. Business plan determination
4. Closing report and business report compilation and review
5. Annual financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
6. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and evaluation of effectiveness of an internal control system.
7. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
8. The offering, issuance, or private placement of any equity-type securities.
9. The appointment, dismissal, performance assessment and the standard of remuneration of the managers.
10. The appointment or dismissal of a financial, accounting, or internal audit officer.
11. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition. The preceding donation to a related party or a major donation to a non-related party shall be made pursuant to Article 7 of the Company's Rules of Procedure for Board of Directors Meetings.
12. Any acquisition and disposal of any important asset that shall require approval by the board of directors
13. Any decision on the establishment and closure of any branch company, representative office, business premises, and branch plant or other relevant changes
14. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, Articles of Incorporation or bylaw to be approved by resolution at a shareholders' meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or the Company's Articles of Incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the Company's Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

The Company, with its rules and procedures for board of directors performance assessments, not only should conduct annually scheduled performance assessments of the board of directors and individual directors through self-assessment or peer-to-peer assessments, but also may engage outside professional institutions, or in any other appropriate manner. The performance assessment of the board of directors (functional committees) should include the following aspects, and that appropriate assessment indicators should be developed in consideration of the Company's needs:

1. Its participation in the Company's operations.
2. Improvement in the quality of its decision-making.
3. Its composition and structure.
4. The election of the directors and their continuing professional education.
5. Internal control.

The performance assessments of board members (self-assessments or peer-to-peer assessments) should include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their grasp of the Company's goals and missions.
2. Their recognition of directors' duties.
3. Their degree of participation in the Company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal control.

The performance assessments conducted by the Company of a functional committee may include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Its participation in the Company's operations.
2. Its recognition of its duties as the functional committee.
3. Improvement in the quality of its decision-making.
4. Its composition and election of members.
5. Internal control.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation, nomination and renewal of term of office of each director.

Article 37-1 It is advisable for the Company to establish a succession plan for the management. The development and implementation of such a plan shall be periodically evaluated by the board of directors to ensure its sustainable operation.

Article 37-2 The Board of Directors is advisable to evaluate and monitor the Company's business direction and performance regarding intellectual property in the following aspects to ensure that the Company establishes its intellectual property management system based on the management cycle of "planning, execution, inspection and action":

1. Formulation of intellectual property management policies, objectives and systems related to operating strategies.
2. Establishment, implementation and maintenance of a management system for the acquisition, protection, maintenance and use of its intellectual property according to its scale and type.
3. Determination and provision of resources sufficient to effectively implement and maintain an intellectual property management system.
4. Identification of internal and external risks or opportunities related to intellectual property management and implementation of response measures.

The Company will plan and implement mechanisms for continuous improvement to ensure the operation and effectiveness of the intellectual property system are in line with the Company's expectations.

Article 38 If a resolution of the board of directors violates law, regulations or the Company's Articles of Incorporation, at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering any likelihood that the Company might suffer material injury, members of the board of directors shall proceed in accordance with what is prescribed in the foregoing paragraph and immediately report to an independent director member of the Audit Committee.

Article 39 The Company, in accordance with its Article of Incorporation, is required to apply for liability insurance for its board of directors with respect to liabilities resulting from exercising their duties during their terms of occupancy to reduce and diversify the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

The Company is required to report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has applied for or renewed for its board of directors, at the next board meeting

Article 40 Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, or law offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 41 The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.

Article 42 The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the Company and its decision-making process. When any of their legal rights or interest is harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 44 In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and to publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the Company's information, and establish a spokesperson system to ensure the proper and timely disclosure of information about the policies that might affect the decisions of shareholders and stakeholders.

Article 46 To enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently. The Company shall appoint one or more who shall represent the Company when the spokesperson cannot perform his/her duties in making statements independently, provided that the order of authority of such acting spokespersons is established to avoid any confusion.

To implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 To keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. It is also advisable for the Company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and timely updated.

Article 48 The Company shall hold any institutional investor briefing in compliance with the regulations of the TWSE and shall keep an audio or video record of the briefing. The financial and business information disclosed at the briefing shall be announced on the Market Observation Post System (MOPS) and provided for inquiry through the Company's website or through other channels in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49 The Company's website shall disclose and update from time to time the following information regarding corporate governance: :

1. The board, such as the resumes and responsibilities of directors of the board and how board diversity is effectively carried out;
2. Function committees, such as the resumes and responsibilities of members on individual function committees;
3. Corporate governance-related regulations, such as the Articles of Incorporation, Board of Directors Meeting Regulations, and charters of individual function committees; and

Important information on corporate governance, such as the installation of the Corporate Governance Director.

Chapter 6 Supplementary Provisions

Article 50 The Company shall at all time monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate governance mechanisms to enhance corporate governance effectiveness.

Article 51 The enactment of, and amendment to, the Principles shall be approved by the board of directors and reported to the shareholders' meeting of the Company.

Article 52 Enacted on August 1, 2014, these Principles were amended on January 19, 2018 for the first time, on April 9, 2019 for the second time, on April 10, 2020 for the third time, on April 9, 2021 for the fourth time, on August 5, 2022 for the fifth time, and on February 24, 2023 for the sixth time, and became effective after approval by the board of directors.

Walsin Lihwa Corporation

Sustainable Development Practice Principles

Amended and passed by the board of directors on February 24, 2023

Chapter I General Principles

Article 1 The Sustainable Development Practice Principles of Walsin Lihwa (hereafter referred to as the Company), developed pursuant to the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, is intended to fulfill the Company's corporate social responsibilities and promote economic, environmental, and social advancement.

Article 2 The Principles apply to the entire operations of the Company and its subsidiaries to encourage the Company and its subsidiaries to actively carry out sustainable development in the course of business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as a responsible corporate citizen, and to enhance competitive edges built on sustainable development.

Article 3 To promote sustainable development, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, assess the risks associated with its operations as well as governance, environmental, and social issues for relevant risks management policy or strategy development.

Article 4 To carry out sustainable development, the Company follows the principles as below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

Article 5 The Company shall take into consideration the correlation between the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing its sustainability policy, system or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors.

When a shareholder proposes a motion involving sustainable development pursuant to Article 172-1 of the Company Act, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter II Exercising Corporate Governance

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish its effective corporate governance framework and relevant ethical standards to enhance corporate governance.

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the Company to carry out sustainable development, examine the results of the implementation thereof from time to time and continually make adjustment to ensure the thorough implementation of its sustainable development policy.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the Company's promotion of its sustainable development goals:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, relevant systems or management guidelines.
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors of the Company shall appoint the Sustainable Development Committee or executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For effective management of its sustainable development initiatives, the Company has an exclusively (or concurrently) dedicated unit in charge of proposing and enforcing its sustainable development policy, system, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to have a reasonable remuneration policy to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The Company is advised to combine its employee performance evaluation system with its sustainable development policy and establish a clear and effective incentive and discipline system.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter III Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to utilize energies more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources

Article 13 The Company is advised to establish proper environment management systems based on the characteristics of its industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans and examining the results of their operation on a regular basis.

Article 14 The Company's Environment, Health, and Safety Committee is responsible for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for the Company's managerial officers and other employees on a periodic basis.

Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:

1. Reduce resource and energy consumption of its products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to assess its potential business risks and opportunities resulting from climate change to adopt corresponding measures for climate change issues.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other indirect greenhouse gas emissions: emissions from operations that are owned or controlled by other organizations.

The Company is advised to take inventory of greenhouse gas emissions, water consumption, and the total weight of waste generated to develop strategies for energy conservation, carbon and greenhouse gas reduction, water saving, and waste reduction. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on climate change.

Chapter IV Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.

The Company shall comply with the International Bill of Human Rights, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure its human resource policy do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed for the Company to respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for its employees for them to understand the labor laws and the rights they enjoy in the countries where the Company has business operations.

Article 20 The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for its employees on a regular basis.

Article 21 The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall stipulate and effect reasonable employee benefits plans including compensation, leaves, and other benefits, and shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions and shall provide the employees with necessary information and hardware equipment to improve the negotiation and cooperation among the Company, its employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness

and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. The Company further shall establish and disclose policies on consumer rights and interests and enforce them during business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumer.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of tits industries.

The Company shall follow relevant laws, regulations and international guidelines when marketing or labeling its products and services to factor in customer health, safety, and privacy and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints and shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the Company is advised to stipulate its suppliers management policy to ask suppliers to comply with environmental protection, occupational health and safety, and/or labor rights laws and regulations, and assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against its corporate social responsibility policy.

When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with both parties' corporate social responsibility policies, and that the contract may be terminated or rescinded any time if the supplier has violated such policies and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of tits business operations on the community, and adequately employ personnel from the location of the business operations to enhance community acceptance.

The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services etc., participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1 The Company is advised to, through donations, sponsorships, investments, procurements, strategic cooperation, voluntary technology services, and/or other models of support, continue providing resources to art and cultural activities or cultural and creative industries to help promote cultural development.

Chapter V Enhancing Disclosure of Sustainable Development Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability report to disclose the status of its implementation of its sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter VI Supplementary Provisions

Article 30 The Company shall always monitor the development of domestic and foreign sustainable development standards and business environment changes to examine and improve its established sustainable development framework and obtain better results from the implementation of its sustainable development policy.

Article 31 The Principles became effective after passage by the board of directors of the Company on October 29, 2014. The same applied when the Principles were amended respectively on January 19, 2018, April 10, 2020, January 11, 2022, and February 24, 2023.

Walsin Lihwa Corporation

Directors shareholdings stated in the shareholder register for the 2023 Annual Shareholders' Meeting

As of March 21, 2023

Title	Name	Shares held	% of issued shares
Chairman	Yu-Lon Chiao	50,460,440 shares	1.35%
Vice Chairman	Patricia Chiao	109,085,587 shares	2.92%
Director	Yu-Cheng Chiao	41,001,551 shares	1.10%
Director	Yu-Heng Chiao	65,343,810 shares	1.75%
Director	Andrew Hsia	0 shares	0.00%
Director	Wei-Shin Ma	244,033 shares	0.01%
Director	Chin Xin Investment Co., Ltd. Representative: Pei-Ming Chen	247,399,375 shares	6.63%
Independent Director	Ming-Ling Hsueh	0 shares	0.00%
Independent Director	King-Ling Du	0 shares	0.00%
Independent Director	Shiang-Chung Chen	0 shares	0.00%
Independent Director	Fu-Hsiung Hu	0 shares	0.00%
Shares held by all directors		513,534,796 shares	13.76%

Note: As of the book closure date for the 2023 Annual Shareholders' Meeting, the Company had issued 3,731,332,948 shares of common stock.

Walsin Lihwa Corporation

Material Transactions With Related Parties in 2022

The Company's material transactions with its related parties for the purchase or sale of goods, labor services or technical services, as well as for the acquisition or disposal of real estate or its right-of-use assets, or for the acquisition or disposal of assets other than real estate or its right-of-use assets, with the transaction amount reaching NT\$300 million or more, are listed as follows:

1.

Name and Nature of the Subject Matter	Equity in Walsin Lihwa Europe SARL
Date and Price of the Original Acquisition by the Related Party, the Counterparty, and Its Relationship with the Company and the Related Party	Date of Approval by Board: 2022.5.31 Total Transaction Price: EUR210,300,000 Counterparty: Walsin Lihwa Europe SARL Its Relationship with the Company: One of the Company's fully-owned subsidiaries
Actual Transaction Amount	EUR207,003,540
Purpose, Necessity And Expected Benefits Of The Acquisition or Disposal Of The Assets	Investment in Europe
Reasons for Selecting the Related Party as the Counterparty	Capital Injection
Valuation Report/CPA's Opinion	N/A

2.

Name and Nature of the Subject Matter	Common shares in Walsin Singapore Pte. Ltd. Description of this transaction: The Company transferred the shares in its following invested companies to its fully-owned subsidiary, Walsin Singapore Pte. Ltd. After the transfer, the Company then injected the same amount of the capital into Walsin Singapore Pte. Ltd. 1. 50.1% of the shares in PT. Sunny Metal Industry (Indonesia): USD200,000,000 2. 40% of the shares in Innovation West Mantewe Pte. Ltd. (Singapore): USD79,200,000 3. 29.5% of the shares in PT. Westrong Metal Industry (Indonesia) : USD146,000,000
Date and Price of the Original Acquisition by the Related Party, the Counterparty, and Its Relationship with the Company and the Related Party	Date of Approval by Board: 2022.11.4 Total Transaction Price: USD425,200,000 Counterparty: Walsin Singapore Pte. Ltd. Its Relationship with the Company: Walsin Singapore Pte. Ltd. is one of the Company's fully-owned subsidiaries
Actual Transaction Amount	USD346,000,000
Purpose, Necessity And Expected Benefits Of The Acquisition or Disposal Of The Assets	Adjustment to the Group's investment structure
Reasons for Selecting the Related Party as the Counterparty	Adjustment to the Group's investment structure
Valuation Report/CPA's Opinion	Wu, Mong-Da, CPA of Crowe (TW) CPAs, has issued an opinion on the reasonableness of the transaction price

3.

Name and Nature of the Subject Matter	Common shares in Walsin Singapore Pte. Ltd.
Date and Price of the Original Acquisition by the Related Party, the Counterparty, and Its Relationship with the Company and the Related Party	Date of Approval by Board: 2022.11.4 Total Transaction Price: USD300,000,000 Counterparty: Walsin Singapore Pte. Ltd. Its Relationship with the Company: Walsin Singapore Pte. Ltd. is one of the Company's fully-owned subsidiaries
Actual Transaction Amount	USD180,000,000 (as of 2023.3.31)
Purpose, Necessity And Expected Benefits Of The Acquisition or Disposal Of The Assets	Required for the allocation of the Group's funds
Reasons for Selecting the Related Party as the Counterparty	Capital injection
Valuation Report/CPA's Opinion	N/A

4.

Name and Nature of the Subject Matter	Earn-out, a reported financial asset measured at its fair value through profit or loss
Date and Price of the Original Acquisition by the Related Party, the Counterparty, and Its Relationship with the Company and the Related Party	Date of Approval by Board: 2022.11.4 Total Transaction Price: USD83,614,000 Counterparty: Walsin Lihwa Holdings Limited Its Relationship with the Company: Walsin Lihwa Holdings Limited is one of the Company's fully-owned subsidiaries
Actual Transaction Amount	USD83,614,000
Purpose, Necessity And Expected Benefits Of The Acquisition or Disposal Of The Assets	To enhance the efficiency of capital utilization and management
Reasons for Selecting the Related Party as the Counterparty	To enhance the efficiency of capital utilization and management
Valuation Report/CPA's Opinion	Wu, Mong-Da, CPA of Crowe (TW) CPAs, has issued an opinion on the reasonableness of the transaction price

Walsin Lihwa Corporation

Explanation of the Method and Contents of the Issuance of New Common Shares for Capital Injection

1. Capital injection through an offering of GDRs by issuing new common shares:

- (1) Under the capital injection through an offering of GDRs by issuing new common shares, 10% to 15% of the total new shares to be issued shall be reserved for subscription by the employees of the Company and those of its parents or subsidiaries who meet certain conditions pursuant to Article 267 of the Company Act. It is proposed that the shareholders' meeting approve that the remaining thereof shall be all allocated in whole for public offering as the underlying securities of this offering of GDRs, after the original shareholders waives their pre-emptive rights to such common shares in accordance with Article 28-1 of the Securities and Exchange Act. It is further proposed that the shareholders' meeting authorize the Chairman to invite specific persons to subscribe for the remaining portion of such common shares left unsubscribed or undersubscribed by such employees at the issue price, or to use the same as the underlying securities of the GDRs to be offered depending on market demand.
- (2) The issue price of the GDRs shall not be less than 80% of the Company's average stock price as calculated by (i) the closing price of its common stock on the pricing date; or (ii) a simple average closing price of its common stock on the date(s) falling either one, three or five business day(s) prior to the pricing date; in each case, after deducting any stock dividends (or any stocks decreased due to any capital decrease) and any cash dividends, in accordance with the Self-Regulatory Rules for Assistance Offered by Member Underwriters of the Taiwan Securities Association (the "TSA") to Issuers with the Offering and Issuance of Securities (these "Self-Regulatory Rules"). If the actual issue price is less than 90% of said stock price, the GDR holders shall not request for redemption of their GDR holdings within three months after the issue, which the Company to specify in the plan of offering and the depositary contract. However, the pricing method may be adjusted in accordance with any changes to the R.O.C. laws and regulations. It is proposed to authorize the Chairman to determine the actual issue price in consultation with the securities underwriters within the aforementioned scope and in accordance with international practice, taking into account the international capital market, domestic stock prices and book-building status. The issue price of the common shares to be issued under the Capital Injection was determined in a manner in line with the relevant laws and regulations, and on the basis of the fair market price of the Company's common shares in the domestic centralized securities market; therefore, the basis for the pricing of such shares should be reasonable.
- (3) The new shares will be issued with a par value of NT\$10 per share, and the rights and obligations with respect thereto shall be the same as those with respect to the originally issued shares. As for the original shareholders' rights and interests, if the number of the common shares to be issued for the offering of GDRs under the Capital Injection is limited to 300,000,000 shares, the original shareholders' shareholding will be diluted by a ratio of approximately 7.44%, which should not cause significant dilution to the original shareholders' shareholding. Besides, the issue price of the GDRs will be determined in accordance with the relevant regulations, so that the original shareholders may still purchase the new common

shares in the domestic centralized securities market at prices close to the issue price of the GDRs, without being exposed to foreign exchange risk and liquidity risk. Therefore, the issuance of new common shares should not have a material impact on the rights and interests of the Company's original shareholders.

2. Capital injection by issuing new common shares:

It is proposed that the new common shares to be publicly underwritten under the Capital Injection be issued by means of book-building.

- (1) The Company may reserve 10% to 15% of its total new shares to be issued for subscription by the employees of the Company and those of its parents or subsidiaries who meet certain conditions, pursuant to Article 267 of the Company Act. It is proposed that the shareholders' meeting approve that the remaining thereof shall be all allocated in whole for public underwriting by way of book-building, after the original shareholders waives their pre-emptive rights to such common shares in accordance with Article 28-1 of the Securities and Exchange Act. It is further proposed that the shareholders' meeting authorize the Chairman to invite specific persons to subscribe for the remaining portion of such common shares left unsubscribed or undersubscribed by such employees at the issue price.
- (2) As for the determination of the issue price, when the case is filed with the FSC and the book-building agreement and/or the underwriting agreement is filed with the TSA, the issue price shall not be less than 90% of the Company's average stock price as calculated by a simple average closing price of its common stock on the date(s) falling on either one, three or five business day(s) prior to the pricing date, after deducting any stock dividends (or any stocks decreased due to any capital decrease) and any cash dividends, in accordance with these Self-Regulatory Rules. It is proposed to authorize the Chairman or his designee to negotiate and determine the actual issue price within the scope specified in the above pricing principles in consultation with the securities underwriter by reference to the book-building status and the conditions of the capital market.

Walsin Lihwa Corporation

Comparison Table of Amended Articles of Articles of Incorporation

Amended Articles	Current Articles	Description
<p>Article 1</p> <p>The Chinese name of the Company is "華新麗華股份有限公司", <u>and its English name is "Walsin Lihwa Corporation."</u> The Company is incorporated pursuant to the Company Act.</p>	<p>Article 1</p> <p>The Chinese name of the Company is "華新麗華股份有限公司", The Company is incorporated pursuant to the Company Act.</p>	<p>The Company's English name has been added here.</p>
<p>Article 2</p> <p>The following is the business scope of the company:</p> <ol style="list-style-type: none"> 1. H701010 Residential and Commercial Building development, Rental and sales Business 2. E601010 Power Equipment Installation and Maintenance Business 3. CC01020 Electric Wires and Cables Manufacturing 4. <u>CA01010 Iron and Steel Smelt</u> 5. <u>CA01020 Steel Rolling</u> 6. <u>CA01050 Secondary Steelmaking</u> 7. <u>B201010 Mining of Metal Ores</u> 8. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations 	<p>Article 2</p> <p>The following is the business scope of the company:</p> <ol style="list-style-type: none"> 1. H701010 Residential and Commercial Building development, Rental and sales Business 2. E601010 Power Equipment Installation and Maintenance Business 3. CC01020 Electric Wires and Cables Manufacturing 4. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations 	<p>The Company's business scope has been detailed here in line with its business needs.</p>
<p>Article 28</p> <p>After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the <u>paid-in capital</u> of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors</p>	<p>Article 28</p> <p>After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the <u>total authorized capital</u> of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors</p>	<p>This amendment has been made in line with Article 237 of the Company Act.</p>

Amended Articles	Current Articles	Description
shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends. ... (omitted)	shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends. ... (omitted)	
Article 31 These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967...the fifty-first amendment was made on May 13, 2022, <u>and the fifty-two amendment was made on May 19, 2023.</u> The same procedure shall apply to any future amendment.	Article 31 These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967... the fifty-first amendment was made on May 13, 2022. The same procedure shall apply to any future amendment.	The date of this amendment has been added.

Walsin Lihwa Corporation

Comparison Table of Amended Articles of Procedures for Lending Funds to Other Parties

Amended Articles	Current Articles	Description
<p>Chapter 2</p> <p>Article 3 Loan term and interest calculation</p> <p>1. The loan term is generally one year. In the event that the Company's operating cycle exceeds one year, it is based on the operating cycle. For the loan to any overseas subsidiary 100% owned directly or indirectly by the Company or between the Company and any of those foreign companies, the <u>term of each loan</u> is not limited to one year but shall not exceed 5 years; provided, <u>however, that the term of those loans made under Article 8 of Chapter 2 hereof may be extended.</u></p> <p>2. The interest rate shall not be lower than the cost of equity capital of the Company, and the interest of the loan shall be negotiated and decided by both the lender and debtor</p>	<p>Chapter 2</p> <p>Article 3 Loan term and interest calculation</p> <p>1. The loan term is generally one year. In the event that the Company's operating cycle exceeds one year, it is based on the operating cycle. For the loan to any overseas subsidiary 100% owned directly or indirectly by the Company or between the Company and any of those foreign companies, the term is not limited to one year but shall not exceed 5 years.</p> <p>2. The interest rate shall not be lower than the cost of equity capital of the Company, and the interest of the loan shall be negotiated and decided by both the lender and debtor</p>	<p>1. In line with the Q&As for the Guidelines for Handling Loans of Funds, Endorsements and Guarantees by Public Companies amended in December 2021, in order to increase the flexibility of the Group's capital allocation and utilization, the term of the loans between the foreign companies in which the Company directly or indirectly holds 100% of the voting shares, as well as that of the loans from any foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares to the Company, may be extended by the Company, provided that the term of such loans and the number of extensions thereof shall be specified</p>

Amended Articles	Current Articles	Description
		<p>in the Company's Procedures for Lending Funds to Other Parties.</p> <p>2. The number of the paragraph has been revised accordingly.</p>
<p>Chapter 2</p> <p>Article 8 Others</p> <p>1. Where a subsidiary of the Company intends to make loans to others, the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations Governing Loaning of Funds and Making Endorsements/Guarantees by Public Companies, and it shall abide by its own procedures when loaning funds. <u>The term of, and the number of term extensions of, the loans between the foreign companies in which the Company directly or indirectly holds 100% of the voting shares, as well as the loans from any foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares to the Company, shall be specified.</u></p> <p>2. <u>Where the Board of Directors approves to extend the term of the loans between the foreign companies in which the Company directly or indirectly holds 100% of the voting shares, as well as the loans from any foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares to the Company, before their expiration, there is no</u></p>	<p>Chapter 2</p> <p>Article 8 Others</p> <p>1. Where a subsidiary of the Company intends to make loans to others, the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations Governing Loaning of Funds and Making Endorsements/Guarantees by Public Companies, and it shall abide by its own procedures when loaning funds.</p>	<p>Please see the above.</p>

Amended Articles	Current Articles	Description
<p><u>need for fund flow for repayment, provided that the loans shall still be repaid through actual fund flows at the end of the extension period. In the case of any violation of the foregoing, the Company may dispose of the collateral provided by the borrower and seek compensation from the guarantor in accordance with the law.</u></p> <p>3. The Company shall apply the international Financial Reporting Guidelines to evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures and audit reports.</p> <p>4. Any matter not set forth in the Procedures shall be processed in accordance with relevant laws and regulations and/or the Company's relevant rules and regulations.</p> <p>5. The Procedures and any amendment to the Procedures shall be approved by the Audit Committee as well as board meeting resolution and submitted to the shareholders' meeting for approval. Any objection expressed by any director of the board that is minuted or provided in writing shall be submitted to the shareholders' meeting for discussion.</p>	<p>2. The Company shall apply the international Financial Reporting Guidelines to evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures and audit reports.</p> <p>3. Any matter not set forth in the Procedures shall be processed in accordance with relevant laws and regulations and/or the Company's relevant rules and regulations.</p> <p>4. The Procedures and any amendment to the Procedures shall be approved by the Audit Committee as well as board meeting resolution and submitted to the shareholders' meeting for approval. Any objection expressed by any director of the board that is minuted or provided in writing shall be submitted to the shareholders' meeting for discussion.</p>	

Walsin Lihwa Corporation

Comparison Table of Amended Articles of Derivatives Trading Procedure

Amended Articles	Current Articles	Description
<p>Chapter II Contents</p> <p>Article 1 Responsible departments</p> <p>1.1 Finance Division: Management on a regular basis of Taiwan Dollar and foreign currency deposits, relevant currency operations, short term investments, receivables and advances, foreign currency based fixed assets, long term investments, as well as Taiwan Dollar and foreign currency borrowings resulting from operating or investment activities.</p> <p><u>1.1.1 Fund Management Unit:</u> Responsible for hedge transactions such as currency or interest rate trading.</p> <p><u>1.1.2 Exchange/Interest Rate Risk Management Unit:</u> Planning and execution of foreign exchange and interest rate hedge trading against exchange rate change risks to net domestic and overseas investment.</p> <p><u>1.2 Key Resources Management Division:</u> Hedge and non-hedge trading conducted by the Materials Risk Management Unit against raw material price risks associated with the Company's operations.</p> <p><u>1.3 Accounting Division:</u> Responsible for transaction confirmation, accounting adjustment, bookkeeping, and evaluation of unrealized gains or losses based on the positions of derivatives held by the Company on a regular</p>	<p>Chapter II Contents</p> <p>Article 1 Responsible departments</p> <p>1.1 Finance Division: Management on a regular basis of Taiwan Dollar and foreign currency deposits, relevant currency operations, short term investments, receivables and advances, foreign currency based fixed assets, long term investments, as well as Taiwan Dollar and foreign currency borrowings resulting from operating or investment activities, with the Fund Management Department responsible for hedge transactions such as currency or interest rate trading.</p> <p><u>1.2 Risk Management Division:</u> Planning and execution of foreign exchange and interest rate hedge trading against exchange rate change risks to net domestic and overseas investment.</p> <p><u>1.3 Resources Business Group:</u> Hedge and non-hedge trading against raw material price risks associated with the Company's operations.</p> <p><u>1.4 Accounting Division:</u> Responsible for transaction confirmation, accounting adjustment, bookkeeping, and evaluation of unrealized gains or losses based on the positions of derivatives held by the Company on a regular basis.</p> <p><u>1.5 Auditing Office:</u> Responsible for audit of transactions and</p>	<p>1. In response to the change of organization and department name, the description of the responsible units hereof has been changed.</p> <p>2. Certain paragraph number and wording have been modified.</p>

Amended Articles	Current Articles	Description															
<p>basis.</p> <p><u>1.4</u> Auditing Office: Responsible for audit of transactions and outstanding positions based on the reports prepared by the Accounting Division and evaluation of compliance with the Procedures on a regular basis.</p>	<p>outstanding positions based on the reports prepared by the Accounting Division and evaluation of compliance with the Procedures on a regular basis.</p>																
<p>Article 2 Functions and management principles</p> <p>2.3 Limits on trading</p> <p>2.3.1 Hedge positions:</p> <p>(1) Foreign exchange and interest rate trading: By the <u>Exchange/Interest Risk Management Unit</u> based on its authorization.</p> <p>(2) Raw materials: By the <u>Material Risk Management Unit</u> based on its authorization.</p>	<p>Article 2 Functions and management principles</p> <p>2.3 Limits on trading</p> <p>2.3.1 Hedge positions:</p> <p>(1) Foreign exchange and interest rate trading: By the <u>Risk Management Division</u> based on its authorization.</p> <p>(2) Raw materials: By the <u>Resources Business Group</u> based on actual needs.</p>	<p>In response to the change of organization and department name, the description of the responsible units hereof has been changed.</p>															
<p>Article 3 Implementation procedures</p> <p>3.2 The authorized limits as provided in 3.3 shall be <u>complied with</u> when engaging in derivative trading, and written approval by the chairman of board shall be required for other categories of hedge trading.</p> <p>3.3 Total value of accumulated open interests to be approved by the highest authorized levels of the Company:</p> <p>Foreign exchange and interest rate trading</p> <p>(in million USD)</p> <table border="1"> <thead> <tr> <th>Level</th><th>Hedging Contracts</th><th>Non-Hedging Contracts</th></tr> </thead> <tbody> <tr> <td><u>Head of Each Level under Exchange/Interest Rate Risk Management Unit</u></td><td>Authorized by the Chairman based on actual needs</td><td>0</td></tr> </tbody> </table>	Level	Hedging Contracts	Non-Hedging Contracts	<u>Head of Each Level under Exchange/Interest Rate Risk Management Unit</u>	Authorized by the Chairman based on actual needs	0	<p>Article 3 Implementation procedures</p> <p>3.2 Risk Management Division shall <u>comply with</u> the authorized limits as provided in 3.3 when engaging in derivative trading, and written approval by the chairman of board shall be required for other categories of hedge trading.</p> <p>3.3 Total value of accumulated open interests to be approved by the highest authorized levels of the Company:</p> <p>Foreign exchange and interest rate trading</p> <p>(in million USD)</p> <table border="1"> <thead> <tr> <th>Level</th><th>Hedging Contracts</th><th>Non-Hedging Contracts</th></tr> </thead> <tbody> <tr> <td><u>Risk Management Division Head</u></td><td>Authorized by the Chairman based on actual needs</td><td>0</td></tr> <tr> <td>General Manager</td><td>Authorized by the Chairman based on actual needs</td><td>0</td></tr> </tbody> </table>	Level	Hedging Contracts	Non-Hedging Contracts	<u>Risk Management Division Head</u>	Authorized by the Chairman based on actual needs	0	General Manager	Authorized by the Chairman based on actual needs	0	<p>Please see the above.</p>
Level	Hedging Contracts	Non-Hedging Contracts															
<u>Head of Each Level under Exchange/Interest Rate Risk Management Unit</u>	Authorized by the Chairman based on actual needs	0															
Level	Hedging Contracts	Non-Hedging Contracts															
<u>Risk Management Division Head</u>	Authorized by the Chairman based on actual needs	0															
General Manager	Authorized by the Chairman based on actual needs	0															

Amended Articles			Current Articles			Description
Level	Hedging Contracts	Non-Hedging Contracts	Level	Hedging Contracts	Non-Hedging Contracts	
General Manager	Authorized by the Chairman based on actual needs	0	Chairman	Conducted according to actual needs	0	
Chairman	Conducted according to actual needs	0				
Materials Unit: Metric Ton			Materials Unit: Metric Ton			
Item	Hedging Contracts	Non-Hedging Contracts	Item	Hedging Contracts	Non-Hedging Contracts	
Total value of accumulated open interests	Conducted according to actual needs	Copper: 40,000 Nickel: 20,000	Total value of accumulated open interests	Conducted according to actual needs	Copper: 40,000 Nickel: 20,000	
Highest authorized level	<u>Head of Center of Materials Risk Management Unit</u>	Chairman	Highest authorized level	<u>General Manager of Resources Business Group</u>	Chairman	
Article 4 Operating Requirements 4.2.9 Others (1) Authorized personnel of different levels responsible for derivatives trading shall strictly abide by the Procedures as well as other relevant rules and regulations. (2) The Procedures are established <u>jointly by Exchange/Interest Rate Risk and Material Risk Management Units</u> and shall be passed by an audit committee as well as the board of directors and submitted to the shareholders' meeting for approval. Any amendment to the Procedures shall also follow the aforementioned process.			Article 4 Operating Requirements 4.2.9 Others (1) Authorized personnel of different levels responsible for derivatives trading shall strictly abide by the Procedures as well as other relevant rules and regulations. (2) The Procedures are established <u>by Risk Management Division</u> and shall be passed by an audit committee as well as the board of directors and submitted to the shareholders' meeting for approval. Any amendment to the Procedures shall also follow the aforementioned process.			

Walsin Lihwa Corporation

List of Candidate for Directors and Independent Directors

No.	Category of Candidates	Name	Sex	Education	Experience	Current Positions	Shareholding (Unit: share)
1	Director	Yu-Lon Chiao	M	Business Administration Department, University of Washington	Chairman, Walsin Lihwa Corporation	Chairman of Walsin Lihwa Corporation, Concord Venture Capital Group, and Walsin Energy Cable System Co., Ltd.; Vice Chairman of Walsin (Hangzhou) Power Cable Co., Ltd.; Director of Walsin Lihwa Holding Co., Ltd., Walsin Specialty Steel Corporation, Jincheng Construction Co., Ltd., Walton Advanced Engineering, Inc., Ltd., Walsin (Nanjing) Development Co., Ltd., Borrego Energy Holdings, Concord Industries Limited, and Cogne Acciai Speciali S.p.A.; Vice President Commissioner of P.T. Walsin Lippo Industries and PT. Walsin Lippo Kabel.	50,460,440
2	Director	Patricia Chiao	F	MBA at College of Notre Dame	Assistant Vice President of Investment Dept., Assistant Vice President of Financial Dept., Head of Financial Investment Dept., Assistant Vice President of Commodity Center and Financial Investment Management Center, President of Insulated Wire & Cable BU of Walsin Lihwa Corporation	Vice Chairman of Walsin Lihwa Corporation; Director of Walsin Lihwa Holding Co., Ltd., Concord Industries Limited, Walsin Specialty Steel Corporation, and Joint Success Enterprises Limited; President of Chin-Xin Investment Co., Ltd.	109,085,587
3	Director	Yu-Cheng Chiao	M	University of Washington Masters of Electrical Engineer and Business Administration	Chairman of Walsin Lihwa Corporation	Chairman of Winbond Electronics Corporation, Chin-Xin Investment Co., Ltd, and Chenghe Investment Co., Ltd.; Director of Walsin Lihwa Corporation, Walsin Technology Corporation, Nuvoton Technology Corporation, Jincheng Construction Co., Ltd., United Industrial Gases Co., Ltd., MiTAC Holdings Corporation, Landmark Group Holdings Ltd., Peaceful River Corporation, Winbond International Corporation, Winbond Electronics Corporation America, Marketplace Management Limited, Nuvoton Investment Holding Ltd., Pigeon Creek Holding Co.,Ltd., Songyong Investment Co., Ltd.; CEO of Winbond Electronics Corporation; Manager, Goldbond LLC; Independent Director, Member of the Audit Committee and the Nomination Committee, and Convener of the Compensation Committee, of Taiwan Cement Corp.	41,001,551

No.	Category of Candidates	Name	Sex	Education	Experience	Current Positions	Shareholding (Unit: share)
4	Director	Yu-Heng Chiao	M	Golden Gate University, Master of Business Administration	Vice Chairman and Vice President of Walsin Lihwa Corporation	Chairman of Walsin Technology Corporation, Walton Advanced Engineering, Inc., HannStar Board Corp., Global Brands Manufacture, Prosperity Dielectrics Co., Ltd., Info-Tek Corp., Silitech Technology Corporation, Career Technology Mfg. Co., Ltd.; Director of Walsin Lihwa Corporation and Inpaq Technology Co., Ltd.	65,343,810
5	Director	Yu-Chi Chiao	M	Doctorate of Business Administration, City University of Hong Kong and Doctorate of Business Administration, Certificate of Completion, Fudan University in Shanghai	Director / President of Walsin Lihwa Corporation; Supervisor of Winbond Electronics Corporation; Director of HannStar Board Corp.; Chairman of HannsTouch Solution Incorporated.	Chairman of HannStar Display Corporation, HannStar Display (Nanjing) Corporation, Hannshine Investment Corporation, Hanns Prosper Investment Corporation, Huali Investment Corp., and Mianlu Catering Co., Ltd.; Director of Coretronic Corporation, HannsTouch Solution Incorporated, Bradford Ltd., HannSpirit (BVI) Holding Ltd., Brightpro Resources Limited, and Hannspree International Holdings Ltd.; Supervisor of Torch Investment Co., Ltd.	51,635,470
6	Director	Andrew Hsia	M	Department of Law, Fu-Jen Catholic University; Master's Degree in Diplomacy, National Chengchi University; MLitt in Law, University of Oxford (UK)	Head of Political Section, Ministry of Foreign Affairs Representative Office in the United States; Deputy Representative of the Ministry of Foreign Affairs Representative Office in Canada; Director of the Ministry of Foreign Affairs Office in New York; Representative of the Ministry of Foreign Affairs in India; Political Deputy Minister of the Ministry of Foreign Affairs; Representative of the Ministry of Foreign Affairs in Indonesia; Deputy Minister of the Ministry of National Defense; Chairman of the Mainland Affairs Council, Executive Yuan	Vice President & Spokesman of Phu My Hung International Corporation; Chief Representative of Central Trading & Development Corporation (Samoa); Director of Walsin Lihwa Corporation	0

No.	Category of Candidates	Name	Sex	Education	Experience	Current Positions	Shareholding (Unit: share)
7	Director	Chin-Xin Investment Co., Ltd.	N/A	N/A	Director of Walsin Lihwa Corporation, Winbond Electronics Corporation, Nuvoton Technology Corporation, HannStar Board Corp., Huabao Seed Breeding Co., Ltd., White Stone Management Consultancy, Global Investment Holdings, and GLMTD Technology Private Limited	Director of Walsin Lihwa Corporation, Winbond Electronics Corporation, Nuvoton Technology Corporation, HannStar Board Corp., Huabao Seed Breeding Co., Ltd., White Stone Management Consultancy, Global Investment Holdings, and GLMTD Technology Private Limited	247,399,375
8	Independent Director	Ming-Ling Hsueh (Note1)	M	Soochow University, Master in Accountancy; Bloomsburg University of Pennsylvania, Master of Business Administration;	PwC Taiwan Director; Executive Director, Taiwan Corporate Governance Association; Adjunct Professor, School of Science and Technology Management, National Tsing Hua University; Adjunct Professor, School of Management, National Taiwan University of Science and Technology.	Director of Tung Hua Book Co., Ltd.; Independent Director of Walsin Lihwa Corporation, Yuanta Financial Holdings & Yuanta Commercial Bank, TTY Biopharm, and Lite-On Technology Corporation.	0
9	Independent Director	Fu-Hsiung Hu	M	MBA, Graduate School of Business, National Taiwan University	Managing Director, Central Trust of China; Director, Mega Bank; Director, Economic Energy and Agriculture Department, Executive Yuan; Deputy Chairman, Council of Agriculture; Chairman, Central Animal Products Association, Animal Science and Technology Research Institute, Joint Credit Information Center, and Taiwan Cooperative Securities Co., Ltd.	Independent Director of Walsin Lihwa Corporation and O-Bank.	0
10	Independent Director	Tyzz-Jiun Duh	M	Ph.D., Institute of Forestry, National Taiwan University	Director General of the Department of Commerce of the Ministry of Economic Affairs; Director General of the Industrial Development Bureau of the Ministry of Economic Affairs; Minister of the Ministry of Economic Affairs; Chairman of the National Development Council; Vice Premier of the Executive Yuan	Policy Advisor of Taiwan Electrical and Electronics Manufacturers' Association; Senior Advisor of Taiwan Transportation Vehicle Manufacturers Association and the Chinese National Federation of Industries; Independent Director of USI Corporation, China Development Financial Holding Corporation & CDIB Capital Group, and Macronix International Co., Ltd.; Director of Shinfox Energy Co., Ltd.	0

No.	Category of Candidates	Name	Sex	Education	Experience	Current Positions	Shareholding (Unit: share)
11	Independent Director	Wey-Chuan Gau	M	Ph.D. in Accounting, Business School, Renmin University of China, Master of Business Administration, Baruch College, City University of New York, Computer Auditing Joint Course Diploma, NYU/Coopers & Lybrand, Bachelor of Accounting, Department of Business, National Taiwan University	Vice President of KPMG Taiwan Inc.; Executive Director of KMPG Taiwan; Head of Insurance Business of KMPG Taiwan; CPA & Counselor of Audit Department of KMPG Taiwan; Director & CFO of Maxpro Capital Acquisition Corp.	Chuanzhi Shared-Office Accounting Firm; Counselor of Lu-Huan-Ko Co., Ltd.	0

Note 1: Mr. Ming-Ling Hsueh, who has been Independent Director for three consecutive terms, has been nominated as Independent Director for this term again, because the Company wishes to leverage his professional competency, financial expertise, and familiarity with corporate governance practices. The Board believes that Mr. Hsueh will continue to possess the requisite independence in his judgment and performance of his duties, without forming such associations with the management (or others) as may compromise his ability to exercise impartial judgment or perform his duties without bias in the best interests of the Company.

Note 2: The following table shows the candidates for Directors and Independent Directors who participated in the board of directors' meetings of the last term, which had been convened 24 times from May 29, 2020 to March 24, 2023, with their respective actual attendance ratios as follows:

Category of Candidates	Director	Director	Director	Director	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Yu-Lon Chiao	Patricia Chiao	Yu-Cheng Chiao	Yu-Heng Chiao	Yu-Chi Chiao	Andrew Hsia	Representative of Chin Xin Investment Co., Ltd.: Chen, Pei-Ming	Ming-Ling Hsueh	Fu-Hsiung Hu	Tyzz-Jiun Duh	Wey-Chuan Gau
Actual Attendance Ratio	100%	92%	96%	75%	-	100%	100%	100%	100%	-	-
Remark					New nominee for this term					New nominee for this term	New nominee for this term

Walsin Lihwa Corporation

Explanations of involvement of directors or their related persons in the field of the Company's business

(1) Mr. Yu-Lon Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Walsin Energy Cable System Co., Ltd.	Chairman	Production and sale of wires and cables (including CC01020 Electric Wires and Cables Manufacturing)
Walsin (Hangzhou) Power Cable Co., Ltd.	Vice Chairman	Production and sale of wires and cables (including CC01020 Electric Wires and Cables Manufacturing)
Jincheng Construction Co., Ltd.	Director	Real estate (including H701010 Housing and Building Development and Rental)
Walsin (Nanjing) Development Co., Ltd.	Director	Real estate
P.T. Walsin Lippo Industries	Vice President Commission	Production and sale of specialty steel
P.T. Walsin Lippo Kabel	Vice President Commissioner	Production and sale of wires and cables (including CC01020 Electric Wires and Cables Manufacturing)
Borrego Energy Holdings, LLC	Director	Construction and development of solar power system
Cogne Acciai Speciali S.p.A.	Director	Production and sale of specialty steel

(2) Mr. Yu-Cheng Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Taiwan Cement Corp.	Independent Director	Real estate (including H701010 Housing and Building Development and Rental)
Jincheng Construction Co., Ltd.	Director	Real estate (including H701010 Housing and Building Development and Rental)

(3) Mr. Yu-Heng Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Global Brands Manufacture Ltd.	Chairman	Production and sale of wires and cables (including CC01020 Electric Wires and Cables Manufacturing) Production and sale of specialty steel CA01020 Steel rolling and extrusion industry

(4) Mr. Yu-Chi Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
HannStar Display Corporation	Chairman	H701010 Housing and Building Development and Rental
Hanns Touch Solution Incorporated	Director	Real estate

(5) Mr. Andrew Hsia

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Phu My Hung Holdings Group	Vice President & Spokesman	Real estate H701010 Housing and Building Development and Rental
Central Trading & Development Corporation (Samoa)	Chief Representative	Real estate H701010 Housing and Building Development and Rental

(6) Chin-Xin Investment Co., Ltd.

Names of Other Companies Where It Serves	Title	Business Items Identical or Similar to the Company's
White Stone Management Consultancy	Director	Real estate H701010 Housing and Building Development and Rental

(7) Mr. Ming-Ling Hsueh

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Lite-On Technology Corporation	Independent Director	H701010 Housing and Building Development and Rental E601010 Electric Appliance Construction

(8) Mr. Tyzz-Jiun Duh

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Shinfox Energy Co., Ltd.	Director	Construction and development of solar power system E601010 Electric Appliance Construction
CDIB Capital Group	Independent Director	H701010 Housing and Building Development and Rental

Regulations

Walsin Lihwa Corporation

Articles of Incorporation

The 51 amendment was adopted by the Shareholders' meeting on May 13, 2022

Chapter I General provisions

Article 1: The name of the company is Walsin Lihwa Corporation which is incorporated pursuant to the Company Act.

Article 2: The following is the business scope of the company:

1. H701010 Residential and Commercial Building development, Rental and sales Business
2. E601010 Power Equipment Installation and Maintenance Business
3. CC01020 Electric Wires and Cables Manufacturing
4. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations

Article 2-1: The Company may act as a guarantor for another person in accordance with the law and relevant requirements.

Article 2-2: The total amount of the Company's investments in other companies is not subject to the restriction of 40% of the Company's paid-up capital.

Article 3: The Company is incorporated in Taipei City. The Company may establish branch office, representative's office, business unit or subsidiary plant in the Republic of China or foreign countries if necessary.

Article 4: deleted

Chapter II Shares

Article 5: The Company's total capital is Sixty Five Billion New Taiwan Dollars (NT\$65,000,000,000) which is divided into 6,500,000,000 shares with a face value of Ten New Taiwan Dollars (NT\$10) per share. The afore-mentioned shares shall be issued in installments, and the unissued shares may be issued according to resolutions adopted by the board of directors as it deems necessary.

Share subscription warrants, corporate bonds with warrants or preferred shares with warrants may be issued within the amount of Eight Billion New Taiwan Dollars (NT\$8,000,000,000) of the preceding capital with the total of 800,000,000 shares and each share at a face value of Ten New Taiwan dollars (NT\$10). These shares may be issued in installments.

Where the Company is entitled to buy back its own shares according to the law, the board of directors is authorized to undertake such share buyback pursuant to the law.

Article 6: The stock certificates of the Company shall be in registered form, and before they are issued, shall be numbered serially, be affixed with the signature or personal seals of the Directors representing the Company, and be authenticated by the bank eligible for such authentication pursuant to law

The Company may be exempted from printing share certificates if such shares have been registered with a securities depository enterprise.

Article 7: Shares which are transferred, lost or destroyed shall be handled in accordance with the Company Act and the relevant regulatory requirements.

Chapter III Shareholders' Meeting

Article 8: The Company's regular meeting of shareholders shall be held once every year within six months from the expiration of the fiscal year. Special meeting of shareholders may be held according to the law if necessary.

Article 9: The convening of regular and special meetings of shareholders shall be governed by the Company Act and the meeting proceedings shall be governed by the Company's rules and procedures governing Shareholders' meetings.

Article 9-1: The Company's shareholders' meetings may be held by video conferencing or other means announced by the central competent authority.

If a shareholders' meeting is held by video conferencing, the shareholders who participate in the meeting by video conferencing shall be deemed to be present in person.

If otherwise stipulated by the securities competent authority with respect to the provisions of the preceding two paragraphs, the stipulation of the securities competent authority shall prevail.

Article 10: Unless otherwise provided for by law, the voting right of the Company's shareholders is based on one-share-one-vote.

Article 11: Unless otherwise provided for by law, a resolution of a shareholders' meeting shall be adopted by a majority vote of the shareholders who are present at the meeting and represent more than half of the total number of issued shares. The shareholders of the Company may also exercise their voting rights by electronic means, and shall be deemed as present in person if they exercise their voting rights by electronic means. Relevant matters thereof shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 12: Shareholders may appoint proxies to attend Shareholders' meetings pursuant to the Company Act and the "Rules Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" promulgated by the competent authority by submitting proxy form printed and distributed by the Company and specifying the scope of authority therein.

Article 13: Where a Shareholders' meeting is convened by the board of directors, the chairperson of the board of directors shall chair the meeting. In the event that the chairperson is on leave or absent or cannot exercise his or her power and authority for any reason, the vice chairperson shall act on behalf of the chairperson. If the vice chairperson is also on leave or absent or cannot exercise his or her power and authority for any reason, a director shall be appointed to act on the chairperson's behalf pursuant to the Company Act.

Where a Shareholders' meeting is convened by a person who has convening right other than the board of directors, such person shall chair the meeting. In the event that there are more than two persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

Chapter IV Directors, Board of Directors and managers

Article 14: The Company shall have 9 to 11 directors including, at least, 3 independent directors. The Board of Director is authorized to determine the number of directors. Directors shall be elected by adopting candidates' nomination system as specified in Article 192-1 of the Company Act; the shareholder may elect the directors among the list of candidates.

The nomination of directors and related announcement or other relevant matters shall comply with the relevant laws and regulations of Company Act, Securities and Exchange Act, and etc.

The election of directors shall be subject to the Rules for Election of Directors of the Company. Unless otherwise provided with by any other law or regulation, the independent and non-independent directors shall be elected at the same time but on separate ballots.

The total registered shares owned by the directors of a Company shall not be less than the percentage of total issued shares specified in the regulations provided by the competent authorities.

Article 14-1: The Company's Audit Committee is composed of all of its Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act. The performance of duties and functions of the Audit Committee and its members and relevant matters shall be handled in accordance with the relevant provisions of the Securities and Exchange Act.

Article 14-2: The Company shall have a Compensation Committee in accordance with Article 14-6 of the Securities and Exchange Act, the charter of which shall be formulated by the Board of Directors in accordance with the relevant laws and regulations.

Article 14-3: The Company may establish other functional committees under the Board of Directors. The number of members, as well as their terms of office and functions and duties, of such functional committees shall be set forth in the charters thereof and shall be implemented by resolution of the Board of Directors.

Article 15: The term of office of directors shall not exceed three years but they are eligible for re-election.

Article 16: The Board of Directors shall consist the directors of the Company and shall have the rights listed below:

1. Convention of the shareholders meeting minutes and execution of the resolutions hereof.
2. Determination of the operation plan.
3. Review and enforcement of the major rules such as the Company's organizational rules and major agreements.
4. Review of and approval on the procurement or disposition of the major assets in accordance with the laws, regulations or the internal rules of the Company.
5. Approval on the hiring, dismissal, performance appraisal or remuneration standards of managers, and financial, accounting, internal audit or other major supervisors.
6. Decision on the establishment, abolition or change of a branch, office, business premise or plant.
7. Editing and review of the budget billing, business report, and the annual financial report.
8. Enforcement or amendment of the internal control system.
9. Enforcement or amendment to the handling procedures for financial or operational actions of material significance, such as to the procedures regarding acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

10. The offering, issuance, or private placement of any equity-type securities.
11. Review of and approval on a donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next Board of Directors meeting for retroactive recognition.
12. Decision-making of other material matters.

Article 17: The board of directors shall elect a chairperson and a vice chairperson from among themselves by a majority vote at a meeting attended by over two-thirds of the directors.

Article 18: The chairperson shall externally represent the Company and take charge of important matters.

Article 19: The chairperson shall convene board of directors meetings.

The notice of convening a board meeting may be served on directors by means of written document, electronic mail or facsimile.

Unless otherwise provided for by law, a resolution of the board of directors shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors.

A director may appoint another director to attend a board meeting on his or her behalf. Nonetheless, a director may accept the appointment to act as the proxy of one other director only.

Article 20: deleted

Article 21: The directors shall be entitled to be compensated with the respective remunerations. The amount of remuneration is authorized to be determined by the Board of Directors based on the evaluation of the remuneration committee evaluating the degree of participation and value of contributions of the directors as well as referring to the typical pay levels adopted by peer companies.

Article 21-1: After obtaining the consent of the Board of Directors, the Company may bear the compensation liabilities incurred by its directors from performing their duties as well as refer to the typical insured value adopted by the domestic or global companies to purchase the directors' and officers' liability insurance during the respective tenure of its directors and supervisors.

Article 22: The Company may establish managers by adopting the resolution of the Board of Directors meeting. The hiring, dismissal and remuneration of the above personnel shall be determined in accordance with Article 29 of the Company Act.

Article 23: deleted

Article 24: deleted

Chapter V Accounting

Article 25: The Company's fiscal year shall commence on January 1 and terminate on December 31 and settlement of accounts shall be undertaken at the end of the year.

Article 25-1: Company may distribute no less than 1% of profit of the current year as employees' compensation and to distribute no maximum 1% of profit of the current year as compensation of directors. The resolution of actual amount of foresaid compensation shall be adopted by a majority vote at a meeting of board of directors attended by two-

thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, company's accumulated losses shall have been covered.

Employees' compensation shall be distributed in the form of shares or in cash; qualification requirements of employees including the employees of parents or subsidiaries of the Company meeting certain specific requirements which shall be defined by board of directors.

The qualification requirements of or the distribution rules for the employees who are entitled to the treasury stock transferred, the employee warrants issued, subscription for new shares issued, and the restricted stock awards issued by the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, shall be formulated by the board of directors as authorized.

Article 26: The Company's chairman, managerial officer and accounting manager shall prepare and sign or affix their chops the statements and records for account settlement which shall be forwarded to audit committee or certified public accountants authorized by audit committee for auditing at least 30 days prior to the date of the regular Shareholders' meeting. Such supervisors or certified public accountants shall produce and submit the reports to the Shareholders' meeting for ratification.

Article 27: deleted

Article 28: After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total authorized capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends.

If the aforementioned distribution of earnings is made in cash, the Board of Directors shall be authorized to distribute the earnings with the presence of at least two-thirds of the Directors and the resolution of a majority of the Directors present, and to report the distribution to the shareholders' meeting.

The setting aside of the legal reserve set forth in Paragraph 1 of this Article should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period."

Article 28-1: The share dividend policy of the Company should be stable for the purpose of sustainable operation and development. In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof, as well as deducting the share of the affiliates' interests recognized by equity method and adding the cash dividends paid out by the affiliates to the Company recognized by equity method. Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, if the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company may distribute all or part of the reserves or the undistributed earnings in the previous period. If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.

Chapter VI Supplement provisions

Article 29: The Company's regulations and enforcement rules shall be prescribed separately.

Article 30: Any matter which is not prescribed in these Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 31: These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967; the 2nd amendment was made on December 30, 1967; the 3rd amendment was made on June 26, 1969; the 4th amendment was made on June 1, 1970; the 5th amendment was made on June 15, 1971; the 6th amendment was made on December 30, 1971; the 7th amendment was made on June 24, 1972; the 8th amendment was made on May 6, 1973; the 9th amendment was made on November 1, 1973; the 10th amendment was made on April 18, 1974; the 11th amendment was made on April 22, 1975; the 12th amendment was made on April 14, 1976; the 13th amendment was made on April 19, 1977; the 14th amendment was made on May 12, 1978; the 15th amendment was made on May 8, 1979; the 16th amendment was made on April 7, 1980; the 17th amendment was made on April 10, 1981; the 18th amendment was made on April 20, 1982; the 19th amendment was made on April 16, 1983; the 20th amendment was made on April 18, 1984; the 21st amendment was made on May 6, 1985; the 22nd amendment was made on April 25, 1986; the 23rd amendment was made on December 1, 1986; the 24th amendment was made on May 2, 1987; the 25th amendment was made on April 26, 1988; the 26th amendment was made on April 18, 1990; the 27th amendment was made on April 12, 1991; the 28th amendment was made on March 27, 1992; the 29th amendment was made on June 2, 1993; the 30th amendment was made on May 23, 1994; the 31st amendment was made on May 9, 1995; the 32nd amendment was made on May 23, 1996; the 33rd amendment was made on May 24, 1997; the 34th amendment was made on May 25, 1999; the 35th amendment was made on May 9, 2000; the 36th amendment was made on May 23, 2001; the 37th amendment was made on June 10, 2002; the 38th amendment was made on May 31, 2005; the 39th amendment was made on June 9, 2006; the 40th amendment was made on June 30, 2008; the 41st amendment was made on June 19, 2009; the 42nd amendment was made on June 4, 2010; the 43th amendment was made on June 17, 2011; the 44th amendment was made on June 12, 2012; the 45th amendments were made on May 27, 2015 (Except for the amendment to Article 14 comes into effect from 2017; the rest parts of the Articles were in operation after shareholders meeting resolution is made); the 46th amendment were made on May 25 2016; except for the amendment to Article 14 which shall take into effect in 2017, the rest parts of the Articles shall take into effect upon resolution of the shareholders meeting; the 47th amendment were made on May 26, 2017; the 48th amendment were made on May 25, 2018; the 49th amendment were made on May 29, 2020; the 50th amendment were made on July 15, 2021, and the 51st amendment was made on May 13, 2022. The same procedure shall apply to any future amendment.

Walsin Lihwa Corporation

Rules and Procedures of Shareholders' Meetings

The amendment was adopted by the regular Shareholders' meeting on May 13, 2022

Article 1 Unless otherwise provided for by law, the Company's Shareholders' meetings shall be governed by these rules and procedures.

Article 2 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

Any change in the manner of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.

Any matter prescribed by Paragraph 5 of Article 172 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, and its essential content shall be explained, in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where the notice of reasons for convening the shareholders' meeting has specified any entire re-election of directors and the date of their assumption of office, after such completion of such re-election in such shareholders' meeting, the date of their assumption of office shall not be changed by an extraordinary motion or otherwise in the same meeting.

A shareholder holding 1 percent or more of the total number of the issued and outstanding shares may submit to the Company a written proposal for discussion for a regular shareholders meeting. Such proposal, receipt and review shall be handled pursuant to the Company Act and the relevant applicable laws and regulations. The Company shall inform and make a proposal to shareholders for the result of aforesaid issues by the date of convening and to list such proposal on the shareholders meeting notice. The reasons for unlisted proposals should be explained in the general shareholder meeting. The shareholder who proposes such proposal shall attend the general shareholders meeting in person or to appoint an agent to attend it, and join the discussion.

The convention of the regular shareholders meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.

The reasons for convening the meeting shall be specified in the notice or announcement. Upon the consent of a receiving party, such information may be given in digital form.

The matters relating to the production, announcement, and availability for shareholders of the agenda handbook of the Company's shareholders meeting shall be in compliance with the Regulations Governing Content and Compliance Requirement for Shareholders' Meeting Agenda Handbooks of Public Companies.

Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or by video conferencing or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4 A shareholder referred to in the Regulations, except for the Article 2 and Article 3 hereof specifying the shareholder itself, shall mean either the shareholder itself or the proxy designated by the shareholder to attend the meeting.

Article 5 The venue for a shareholders meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

When the Company convenes a virtual shareholders' meeting, the location of the shareholders' meeting shall not be subject to the restrictions set out in the preceding paragraph; provided, however, that the Company shall provide appropriate alternatives for shareholders who have difficulty attending the shareholders' meeting by video conferencing.

Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholders, proxy solicitors, and proxies (collectively, "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention. Shareholders who wish to attend the shareholders' meeting by video conferencing should register with the Company two days prior to the shareholders' meeting.

The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations. Attendance registrations for the virtual shareholders' meeting shall be accepted at the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders' meeting.

Shareholders shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. If a shareholders' meeting is held by video conferencing, the meeting handbook, annual report and other relevant information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

The number of the shares held by proxy solicitation, those handled by appointees, and those held by shareholders present in writing or by electronic means shall be calculated and a clearly declared through a statistic chart according to regulated format on the date and venue of general shareholders meetings. If a shareholders' meeting is held by video conferencing, the foregoing information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

If a shareholders' meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders present are also counted during the meeting.

Article 6-1 The Company shall convene a virtual shareholders' meeting by stating the following in the notice of the shareholders' meeting:

1. The shareholders' attendance in the video conference and the method of exercising their rights.
2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:
 - (1) The time when the meeting is postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or reconvened meeting, if any.
 - (2) Shareholders who have not registered to attend the original shareholders' meeting by video conferencing are not allowed to attend the postponed or reconvened meeting.
 - (3) If a hybrid shareholders' meeting cannot be reconvened, then after deducting the number of shares attending the shareholders' meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders' meeting, the shareholders' meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.

(4) The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.

3. Where a virtual shareholders' meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders' meeting by video conferencing.

Article 7 If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to perform his/her duties, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to perform his/her duties, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall elect from among themselves one person to serve as chair.

When a managing director or a director serves as chair pursuant to the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be applied for a representative of a juristic person director that serves as chair.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall elect a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The shareholders shall not conduct audio or video recording without obtaining an approval from the Chairperson. Chairperson may stop the shareholders violating the above.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If a shareholders' meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.

The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.

Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in and the number of shares held by

shareholders registering their attendance on the Video Conferencing Platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and, at the same time, announce relevant information such as the number of non-voting shares and the number of shares whose holder are present.

However, when the attending shareholders do not represent a majority of the total number of issued and outstanding shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued and outstanding shares, the chair shall declare the meeting adjourned. Where the shareholders' meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders' Meetings.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. Shareholders who wish to attend the virtual shareholders' meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued and outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and each proposal shall be voted on one by one. The meeting shall proceed in the order set by the agenda and may not be changed without a resolution of the shareholders meeting.

Preceding paragraph also applies shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. In addition, the chair shall arrange an adequate amount of time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the content contained in the speaker's slip, the spoken content shall prevail.

The speech addressed or the vote casted by a proxy representing a shareholder shall be deemed as the speech or vote of the shareholder despite of any restriction on the authorization or other method made by the shareholder whether the Company knows or not.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and each of the speech may not exceed 5minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond himself/herself or direct relevant personnel to respond.

Shareholders participating in the shareholders' meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 6 hereof shall not apply here.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued and outstanding shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised pursuant to the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3

percent of the voting rights represented by the total number of issued and outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder is entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights in writing or via electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or via electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Shareholders' exercising voting right in writing or via electronic means or attending the shareholders' meeting by video conferencing shall be proceeded in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant applicable laws and regulations.

Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted openly within the venue of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, including voting to approve, objection or waive shall be announced on-site at the meeting, and a record made of the vote at Market Observation Post System.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be made.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Where the Company convenes a virtual shareholders' meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders' meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention. The Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting. The voting results of each motion and the election results shall be disclosed on the Video Conferencing Platform of the Shareholders' Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the Chairman announces the adjournment of the meeting.

When the Company convenes a hybrid shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conferencing in accordance with Article 6 but wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video conferencing only.

Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders' meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as directors and the numbers of votes they receive.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 When the Company holds a virtual shareholders' meeting, the chairman and minute taker shall be present at the same place in the Republic of China.

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy of the minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made on the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the calculation of the number of voting rights) (in case of any election of directors, the number of votes that each candidate wins shall be disclosed), and shall be retained for the duration of the existence of the Company.

If a shareholders' meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.

In addition to complying with the provisions of the preceding paragraph, the Company, if wishing to convene a virtual shareholders' meeting, shall include in the minutes of the meeting alternatives for shareholders who have difficulties in participating in the shareholders' meeting by means of video conferencing.

Article 16 Staffs handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17 When a meeting is in progress, the chair may announce a recess based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available before the conclusion of the meeting and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18 When a shareholders' meeting is convened by video conferencing, the chairman, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or reconvened within five days. The provisions of Article 182 of the Company Act shall not apply to the date of such postponement or reconvening of the meeting.

In the event of a postponement or reconvening of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the postponed or reconvened meeting.

For those shareholders who have registered to attend the original shareholders' meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or reconvened meeting, their number of shares, voting

rights and voting rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and voting rights of shareholders present at the postponed or reconvened meeting.

If the shareholders' meeting is postponed or reconvened in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors elected have been announced.

In the event that the Company convenes a hybrid shareholders' meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders' meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders' meeting, the shareholders' meeting shall continue, without being postponed or reconvened in accordance with Paragraph 1.

In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.

If the Company postpones or reconvene a shareholders' meeting in accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 27, Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders' meeting and in accordance with the provisions of such Article.

The Company shall postpone or reconvene the shareholders' meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, or that specified in Paragraph 2, Article 44-5, Article 44-15, or Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 19 Any matter not prescribed in the Rules shall be handled in accordance with the Company Act, the relevant laws and regulations and the Article of Incorporation.

Article 20 These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.

Methods of Election of Directors of the Board Walsin Lihwa

Approved by shareholders' meeting on May 24, 2019

Article 1 Unless otherwise provided in relevant laws, regulations or Articles of Incorporation, the directors and of the board of Walsin Lihwa (the Company) shall be elected in accordance with the rules specified herein.

Article 2 The Company's directors shall be elected by means of open, cumulative voting. Each share is entitled to voting rights equivalent to the number of directors to be elected, and the number of votes may be used to elect one candidate or be allocated among several candidates, and the candidates receiving more votes shall be elected as directors. Voters' names are represented by their shareholder attendance card numbers printed on the ballots.

The election of the Company shall adopt the candidate nomination system provided for in Article 192-1 of the Company Act. The ways of accepting nominations and announcement shall be conducted in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

The election of independent directors and non-independent directors shall be held together, and the number of independent directors and non-independent directors elected shall be calculated separately.

More than a half of the seats of directors shall not be relatives as of spouse or under second-degrees relatives; in the situation of more than half of the elected candidates are spouses or second-degree relatives of any directors, those with less votes shall be regarded as invalid election, and other candidates obtaining higher votes shall be elected.

Article 3 At the election, the chairperson may appoint several persons from among the shareholders present to monitor the voting procedure, and may appoint others for ballot counting and relevant duties.

Article 4 If two or more persons receive the same number of votes and result in the total number of persons elected exceeding the prescribed seats, they shall draw lots to decide who will serve. The chairman shall draw lots on the absentee's behalf.

Article 5 Ballots shall be prepared by the board of directors of the Company and bear shareholder attendance card numbers and the number of voting rights.

Article 6 Voters shall fill in the candidate column with candidate name(s), shareholder number(s), or ID card number(s) or uniform business number(s).

Article 7 Ballots shall be deemed void under any of the following conditions:

1. Ballots are not prepared by the Company (as required by Article 5;
2. Ballots are not completed in accordance with Article 6 ;
3. The number of candidates filled in the ballot exceeds the number of seats to be elected ;
4. Ballots are not placed in the ballot box or blank ballots not completed by voters;

5. Ballots with other written characters, letters, and/or symbols in addition to candidate name(s), shareholder number(s), ID card number(s), or uniform business number(s) ;
6. Illegible writings;
7. The candidate name(s) filled in the ballots does not match such candidate's shareholder number(s), or uniform business number(s), or the candidate is not nominated in accordance with Article 14 of the Company's Article of Incorporation.

Article 8 The ballots should be calculated immediately after the votes are casted and under the supervision of persons designated by the chairperson to monitor the voting procedure. The results of the election should be announced by the chairperson or any person appointed by chairperson at the meeting.

Article 9 The Company shall issue notifications to the directors-elect.

Article 10 The Company's article of incorporation, the Company Act, and relevant laws and regulation shall apply mutatis mutandis to all matters not prescribed in the Methods

Article 11 The adoption of the Methods and any amendment to the Methods shall be approved at the Company's shareholders' meeting.