

Walsin Lihwa Corporation

Meeting Minutes of the 2023 Annual General 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

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>)

In Attendance: The shareholders and those acting as proxy represented 3,238,554,263 shares in total (including the 1,067,159,620 shares represented by shareholders attending through electronic means and video conferencing), which constituted 86.79% of the 3,731,331,948 total issued and outstanding shares (exclusive of those 1,000 shares with no voting right pursuant to Article 179 of the Company Act).

Directors in Attendance: Yu-Lon Chiao; Patricia Chiao; Andrew Hsia; and Wei-Shin Ma

Independent Directors in Attendance: Ming-ling Hsueh; King-Ling Du; Fu-Hsiung Hu

Also in Attendance: Attorney Cheng-Hsien Lin at Lu-Yu Attorneys-at-Law;
Attorney Wendy Hsieh at Dentons Taiwan Attorneys-at-Law
Certified Public Accountant Wen-Yea Shyu at Deloitte & Touche.

Chairman: Yu-Lon Chiao

Secretary: Ying-Yao Li

1. Calling the meeting to order:

The total issued and outstanding shares of the Company are 3,731,331,948 (exclusive of those 1,000 shares with no voting right pursuant to Article 179 of the Company Act). The number of shares represented by the present shareholders by 9:00 am was 3,238,251,388 (including 1,466,598,865 shares represented by shareholders present in person, 704,494,914 shares represented by shareholders acting by proxy, 1,067,154,508 shares represented by shareholders attending via electronic means, and 3,101 shares represented by shareholders attending via video conferencing), which constituted a quorum. Pursuant to relevant laws, the Chairman called the meeting to order.

2. Chairman's Address: (omitted)

3. Matters to Be Reported:

I. General Manager's Report

Please review and approve the Company's 2022 business report and final account report. Please see the appendix below.

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 the appendix below.

(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:
 - a) 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.
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.

- b) 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.
 - c) 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 see the appendix below.

(Please visit the Market Observation Post System and select the electronic books of the Appendix to the Handbook; website: <https://mops.twse.com.tw>)

Shareholder Account Number: 531576. Question: ESG is an important trend for corporate development. What is the Company's view on the disposal of its U.S. solar energy business?

Key content of the Chairman's response: The Company has always been committed to the strategic planning for ESG and the development of its core businesses. Since the U.S. solar energy investment is not one of the Company's core businesses, such adjustments have been made gradually considering the overall resource allocation and management efficiency.

4. 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 the appendix below 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: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 3,064,642,549 shares represented by shareholders voting in favor of the proposal, 322,039 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 157,774,178 shares represented by shareholders abstaining from voting and choosing not to vote; 95.09% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 3,068,632,531 shares represented by shareholders voting in favor of the proposal, 415,794 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 153,690,441 shares represented by shareholders abstaining from voting and choosing not to vote; 95.21% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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 see the appendix below 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: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 2,665,897,875 shares represented by shareholders voting in favor of the proposal, 400,667,067 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 156,173,824 shares represented by shareholders abstaining from voting and choosing not to vote; 82.72% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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, please see the appendix below.

Resolution: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 3,067,063,460 shares represented by shareholders voting in favor of the proposal, 492,743 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 155,182,563 shares represented by shareholders abstaining from voting and choosing not to vote; 95.16% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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, please see the appendix below.

Resolution: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 3,010,351,733 shares represented by shareholders voting in favor of the proposal, 57,170,334 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 155,216,699 shares represented by shareholders abstaining from voting and choosing not to vote; 93.40% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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, please see the appendix below.

Resolution: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 3,067,136,254 shares represented by shareholders voting in favor of the proposal, 401,315 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 155,201,197 shares represented by shareholders abstaining from voting and choosing not to vote; 95.17% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

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 see the appendix below for relevant information.

Election Result: The Chairman announced the following newly elected Directors of the Company:

Shareholder No. (or the Identification Card Number)	Name	Vote-getting shares	Remark
9230	Yu-Lon Chiao	5,159,520,442	Director
175	Patricia Chiao	4,303,182,380	Director
172	Yu-Cheng Chiao	3,474,316,439	Director
183	Yu-Heng Chiao	3,205,691,412	Director
20374	Yu-Chi Chiao	2,703,965,754	Director
A10089****	Andrew Hsia	2,671,258,714	Director
16300	Chin-Xin Investment Co., Ltd	2,198,183,018	Director
B10107****	Ming-Ling Hsueh	2,196,748,931	Independent Director
A10374****	Fu-Hsiung Hu	2,193,830,914	Independent Director
T12036****	Tyzz-Jiun Duh	2,187,686,672	Independent Director
F12127****	Wey-Chuan Gau	2,183,359,918	Independent Director

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 the appendix below.
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:

- 8-1 Regarding the proposal to release Director Mr. Yu-Lon Chiao from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 50,460,440 shares represented by shareholders recusing themselves from voting), there were 2,938,238,920 shares represented by shareholders voting in favor of the proposal, 23,444,563 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,594,843 shares represented by shareholders abstaining from voting and choosing not to vote; 92.62% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.
- 8-2 Regarding the proposal to release Director Mr. Yu-Cheng Chiao from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 106,345,361 shares represented by shareholders recusing themselves from voting), there were 2,882,396,847 shares represented by shareholders voting in favor of the proposal, 23,448,804 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,547,754 shares represented by shareholders abstaining from voting and choosing not to vote; 92.49% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.
- 8-3 Regarding the proposal to release Director Mr. Yu-Heng Chiao from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 106,345,361 shares represented by shareholders recusing themselves from voting), there were 2,881,649,522 shares represented by shareholders voting in favor

of the proposal, 24,146,837 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,597,046 shares represented by shareholders abstaining from voting and choosing not to vote; 92.46% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

8-4 Regarding the proposal to release Director Mr. Yu-Chi Chiao from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 51,635,470 shares represented by shareholders recusing themselves from voting), there were 2,937,055,298 shares represented by shareholders voting in favor of the proposal, 23,451,083 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,596,915 shares represented by shareholders abstaining from voting and choosing not to vote; 92.61% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

8-5 Regarding the proposal to release Director Mr. Andrew Hsia from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing), there were 2,988,693,830 shares represented by shareholders voting in favor of the proposal, 23,448,726 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,596,210 shares represented by shareholders abstaining from voting and choosing not to vote; 92.73% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

8-6 Regarding the proposal to release Director Chin-Xin Investment Co., Ltd. from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 247,399,375 shares represented by shareholders recusing themselves from voting), there were 2,336,136,149 shares represented by shareholders voting in favor of the proposal, 428,595,185 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,608,057 shares represented by shareholders abstaining from voting and choosing not to vote; 78.51% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

8-7 Regarding the proposal to release Independent Director Mr. Ming-Ling Hsueh from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing), there were 2,987,081,315 shares represented by shareholders voting in favor of the proposal, 25,039,829 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,617,622 shares represented by shareholders abstaining from voting and choosing not to vote; 92.68% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

8-8 Regarding the proposal to release Independent Director Mr. Tyzz-Jiun Duh from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing), there were 2,987,206,685 shares represented by shareholders voting in favor of the proposal, 24,938,283 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 210,593,798 shares represented by shareholders abstaining from voting and choosing not to vote; 92.69% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

Shareholder Account Number: 232650. Question: What is the Company's involvement in public welfare?

Key content of the Chairman's response: The Company is dedicated to public welfare events, including ensuring disadvantaged groups' access to high-quality education and the preservation of the language and culture of the indigenous people, Saisiyat. For detail, please refer to Walsin Lihwa's Sustainable Development Report.

5. Ad-Hoc Motions: None

6. Adjournment: The Chairman announced that the meeting was adjourned at 10:30 am on May 19th, 2023.

(All of the shareholder suggestions have been fully recorded and videotaped for future reference. The video recording of this annual general shareholders' meeting shall prevail in the event of any discrepancy between these meeting minutes and the video recording in any detail.)

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											Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on Translation the Financial Statement of Foreign Operations	Other Equity			Total		
			Legal Reserve	Special Reserve				Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others			
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			Exchange Differences on Translating the Financial Statements of Foreign Operations	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					
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

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.</p> <p>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 <u>of each loan</u> is not limited to one year but shall not exceed 5 years; provided, however, that the term of <u>those loans made under Article 8 of Chapter 2</u> hereof may be <u>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.</p> <p>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><u>3.</u> 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><u>4.</u> 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><u>5.</u> 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><u>2.</u> 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><u>3.</u> 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><u>4.</u> 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
Chapter II Contents Article 1 Responsible departments 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. <u>1.1.1 Fund Management Unit:</u> Responsible for hedge transactions such as currency or interest rate trading. <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. <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. <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	Chapter II Contents Article 1 Responsible departments 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. <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. <u>1.3 Resources Business Group:</u> Hedge and non-hedge trading against raw material price risks associated with the Company's operations. <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. <u>1.5 Auditing Office:</u> Responsible for audit of transactions and	1. In response to the change of organization and department name, the description of the responsible units hereof has been changed. 2. Certain paragraph number and wording have been modified.

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> <tr> <th>Level</th><th>Hedging Contracts</th><th>Non-Hedging Contracts</th></tr> <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> </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> <tr> <th>Level</th><th>Hedging Contracts</th><th>Non-Hedging Contracts</th></tr> <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> </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