

**Walsin Lihwa Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2023 and 2022 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Walsin Lihwa Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Walsin Lihwa Corporation and its subsidiaries (the "Group") as of March 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended March 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews and the review reports of other auditors (refer to the Other Matter section), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matter

We did not review the financial statements of some subsidiaries included in the consolidated financial statements of the Group, but such statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included in these consolidated financial statements for such subsidiaries, is based solely on the reviews of other auditors. As of March 31, 2023 and 2022, the combined total assets of these subsidiaries were NT\$32,874,833 thousand and NT\$10,612,020 thousand, respectively, representing 13.10% and 5.17%, respectively, of the consolidated total assets; for the three months ended March 31, 2023 and 2022, the amounts of combined net operating revenue of these subsidiaries were NT\$10,519,543 thousand and NT\$2,671,955 thousand, respectively, representing 20.74% and 6.28%, respectively, of the consolidated net operating revenue.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 5, 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 review such consolidated financial statements are those generally applied in the Republic of China.*

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

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 8,216,726	3	\$ 19,397,973	8	\$ 13,984,934	7
Financial assets at fair value through profit or loss - current (Note 7)	150,209	-	7,631	-	52,562	-
Financial assets at amortized cost - current (Note 9)	1,509	-	2,202	-	-	-
Financial assets for hedging - current (Note 8)	15,460	-	20,615	-	50,313	-
Contract assets - current (Note 10)	2,446,676	1	3,022,237	1	5,025,198	3
Notes receivable (Notes 11 and 34)	1,826,797	1	4,537,322	2	1,698,900	1
Trade receivables (Notes 11 and 34)	19,312,036	8	17,294,990	7	12,555,963	6
Finance lease receivables (Notes 12 and 35)	60,526	-	60,020	-	58,530	-
Other receivables (Note 34)	6,202,647	3	3,857,091	2	3,760,884	2
Inventories (Note 13)	36,151,920	14	36,080,291	14	37,187,784	18
Other financial assets - current (Notes 6 and 35)	496,362	-	546,126	-	2,235,131	1
Other current assets (Notes 22 and 35)	9,623,805	4	7,880,887	3	12,563,486	6
Total current assets	84,504,673	34	92,707,385	37	89,173,685	44
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	2,599,155	1	2,639,755	1	-	-
Financial assets at fair value through other comprehensive income - non-current (Note 14)	16,568,020	7	12,342,232	5	15,421,802	7
Financial assets at amortized cost - non-current (Note 9)	186,500	-	189,242	-	91,621	-
Financial assets for hedging - non-current (Note 8)	132,470	-	144,404	-	-	-
Investments accounted for using the equity method (Note 16)	46,746,078	19	46,189,399	18	39,366,056	19
Property, plant and equipment (Note 17)	67,915,897	27	65,656,466	26	42,302,848	21
Right-of-use assets (Note 18)	4,486,323	2	4,309,355	2	3,520,162	2
Investment properties (Note 19)	16,010,594	6	16,123,806	7	10,528,310	5
Goodwill (Note 20)	82,701	-	83,393	-	158,662	-
Other intangible assets (Note 21)	4,695,309	2	4,883,141	2	20,219	-
Deferred tax assets (Note 4)	3,570,752	1	3,448,277	1	3,155,481	2
Refundable deposits (Note 6)	241,940	-	288,948	-	212,192	-
Finance lease receivables - non-current (Notes 12 and 35)	587,201	-	602,523	-	647,726	-
Other non-current assets (Notes 6, 22 and 35)	2,717,821	1	2,916,527	1	401,523	-
Total non-current assets	166,540,761	66	159,817,468	63	115,826,602	56
TOTAL	\$ 251,045,434	100	\$ 252,524,853	100	\$ 205,000,287	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 23)	\$ 17,394,322	7	\$ 22,496,307	9	\$ 13,401,266	7
Short-term notes and bills payable (Note 23)	-	-	-	-	4,399,148	2
Financial liabilities at fair value through profit or loss - current (Note 7)	18,378	-	64,772	-	217,410	-
Financial liabilities for hedging - current (Note 8)	66,311	-	222,272	-	-	-
Contract liabilities - current	13,881	-	6,014	-	4,305	-
Notes payable (Note 34)	176,295	-	591,536	-	343,798	-
Trade payables (Note 34)	18,295,498	7	17,497,315	7	11,081,605	5
Other payables	13,760,672	6	9,939,969	4	4,167,679	2
Current tax liabilities (Note 4)	6,328,478	3	6,103,462	2	6,560,971	3
Lease liabilities - current (Note 18)	217,009	-	245,223	-	87,633	-
Current portion of long-term borrowings (Notes 23 and 24)	1,188,819	-	1,207,209	1	5,146,146	3
Other current liabilities	2,629,298	1	2,495,289	1	1,333,207	1
Total current liabilities	60,088,961	24	60,869,368	24	46,743,168	23
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	393,633	-	363,192	-	-	-
Bonds payable (Note 24)	7,746,245	3	7,742,955	3	7,500,000	4
Long-term borrowings (Note 23)	36,452,897	15	40,820,860	16	32,342,837	16
Long-term notes and bills payable (Note 23)	2,997,825	1	1,497,914	1	-	-
Deferred tax liabilities (Note 4)	6,059,067	3	5,797,938	3	2,815,265	1
Lease liabilities - non-current (Note 18)	2,467,003	1	2,309,732	1	1,618,065	1
Net defined benefit liabilities non-current (Note 4)	321,206	-	348,779	-	510,149	-
Other non-current liabilities (Note 31)	3,018,782	1	2,952,903	1	942,787	-
Total non-current liabilities	59,456,658	24	61,834,273	25	45,729,103	22
Total liabilities	119,545,619	48	122,703,641	49	92,472,271	45
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 26)						
Share capital	37,313,329	15	37,313,329	15	34,313,329	17
Capital surplus	24,637,494	10	24,672,454	10	18,448,756	9
Retained earnings						
Legal reserve	7,564,090	3	7,564,090	3	6,109,568	3
Special reserve	2,712,250	1	2,712,250	1	2,712,250	1
Unappropriated earnings	47,137,847	19	51,762,058	20	42,805,718	21
Total retained earnings	57,414,187	23	62,038,398	24	51,627,536	25
Other equity						
Exchange differences on translation of the financial statement of foreign operations	(4,271,403)	(2)	(4,256,774)	(2)	(3,929,234)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	12,754,628	5	6,693,877	3	9,965,959	5
Loss on hedging instruments	(39,697)	-	(105,801)	-	-	-
Other equity - other	(2,774,607)	(1)	(2,774,607)	(1)	(91,467)	-
Total other equity	5,668,921	2	(443,305)	-	5,945,258	3
Total equity attributable to owners of WLC	125,033,931	50	123,580,876	49	110,334,879	54
NON-CONTROLLING INTERESTS	6,465,884	2	6,240,336	2	2,193,137	1
Total equity	131,499,815	52	129,821,212	51	112,528,016	55
TOTAL	\$ 251,045,434	100	\$ 252,524,853	100	\$ 205,000,287	100

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

(With Deloitte & Touche review report dated May 5, 2023)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 27)	\$ 50,713,578	100	\$ 42,557,415	100
OPERATING COSTS (Note 13)	<u>(46,084,931)</u>	<u>(91)</u>	<u>(37,064,999)</u>	<u>(87)</u>
GROSS PROFIT	<u>4,628,647</u>	<u>9</u>	<u>5,492,416</u>	<u>13</u>
OPERATING EXPENSES				
Selling and marketing expenses	509,506	1	777,427	2
General and administrative expenses	1,319,734	3	974,075	2
Research and development expenses	<u>60,996</u>	<u>-</u>	<u>50,414</u>	<u>-</u>
Total operating expenses	<u>1,890,236</u>	<u>4</u>	<u>1,801,916</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>2,738,411</u>	<u>5</u>	<u>3,690,500</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	116,501	-	20,083	-
Dividend income	346,657	1	311,092	1
Other income	121,786	-	174,816	-
Gain (loss) on valuation of financial assets and liabilities at fair value through profit or loss	154,240	-	(168,132)	-
Recognition of impairment loss (Note 28)	1	-	59	-
Other expenses	(91,129)	-	(39,293)	-
Foreign exchange (loss) gain, net	(128,896)	-	181,730	-
Loss on disposal of property, plant and equipment	(3,518)	-	(2,647)	-
Gain (loss) on disposal of investments (Note 28)	531,087	1	(634,660)	(2)
Interest expense	(455,084)	(1)	(129,565)	-
Share of profit of associates accounted for using the equity method	<u>(220,488)</u>	<u>-</u>	<u>1,150,732</u>	<u>3</u>
Total non-operating income and expenses	<u>371,157</u>	<u>1</u>	<u>864,215</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,109,568	6	4,554,715	11
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(598,891)</u>	<u>(1)</u>	<u>(666,531)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>2,510,677</u>	<u>5</u>	<u>3,888,184</u>	<u>9</u>

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (723)	-	\$ -	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	4,201,515	8	(892,074)	(2)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>1,857,078</u>	<u>4</u>	<u>(670,565)</u>	<u>(1)</u>
	<u>6,057,870</u>	<u>12</u>	<u>(1,562,639)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(287,819)	-	1,911,712	4
Gain on hedging instruments	94,579	-	-	-
Share of the other comprehensive income of associates accounted for using the equity method	<u>54,655</u>	<u>-</u>	<u>268,102</u>	<u>1</u>
	<u>(138,585)</u>	<u>-</u>	<u>2,179,814</u>	<u>5</u>
Other comprehensive income for the period, net of income tax	<u>5,919,285</u>	<u>12</u>	<u>617,175</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 8,429,962</u>	<u>17</u>	<u>\$ 4,505,359</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 2,095,226	4	\$ 3,834,617	9
Non-controlling interests	<u>415,451</u>	<u>1</u>	<u>53,567</u>	<u>-</u>
	<u>\$ 2,510,677</u>	<u>5</u>	<u>\$ 3,888,184</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 8,204,414	16	\$ 4,443,474	11
Non-controlling interests	<u>225,548</u>	<u>1</u>	<u>61,885</u>	<u>-</u>
	<u>\$ 8,429,962</u>	<u>17</u>	<u>\$ 4,505,359</u>	<u>11</u>

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 30)				
Basic	\$ 0.56		\$ 1.12	
Diluted	\$ 0.56		\$ 1.12	

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

(With Deloitte & Touche review report dated May 5, 2023)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of WLC						Other Equity					
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value through Other Comprehensive Income	(Loss) Gain on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve								
BALANCE AT JANUARY 1, 2022	\$ 34,313,329	\$ 18,440,875	\$ 6,109,568	\$ 2,712,250	\$ 38,965,389	\$ (6,100,687)	\$ 11,534,267	\$ -	\$ (91,467)	\$ 105,883,524	\$ 2,062,744	\$ 107,946,268
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	2,409	-	-	-	-	-	-	-	2,409	-	2,409
Changes in capital surplus from investments in associates accounted for using the equity method	-	5,550	-	-	5,719	-	(5,719)	-	-	5,550	-	5,550
Net profit for the three months ended March 31, 2022	-	-	-	-	3,834,617	-	-	-	-	3,834,617	53,567	3,888,184
Other comprehensive (loss) income for the three months ended March 31, 2022, net of income tax	-	-	-	-	(7)	2,171,453	(1,562,589)	-	-	608,857	8,318	617,175
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	3,834,610	2,171,453	(1,562,589)	-	-	4,443,474	61,885	4,505,359
Others	-	(78)	-	-	-	-	-	-	-	(78)	-	(78)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	68,508	68,508
BALANCE AT MARCH 31, 2022	<u>\$ 34,313,329</u>	<u>\$ 18,448,756</u>	<u>\$ 6,109,568</u>	<u>\$ 2,712,250</u>	<u>\$ 42,805,718</u>	<u>\$ (3,929,234)</u>	<u>\$ 9,965,959</u>	<u>\$ -</u>	<u>\$ (91,467)</u>	<u>\$ 110,334,879</u>	<u>\$ 2,193,137</u>	<u>\$ 112,528,016</u>
BALANCE AT JANUARY 1, 2023	\$ 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
Appropriation of 2022 earnings Cash dividends distributed by WLC	-	-	-	-	(6,716,399)	-	-	-	-	(6,716,399)	-	(6,716,399)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(34,945)	-	-	(17)	-	17	-	-	(34,945)	-	(34,945)
Net profit for the three months ended March 31, 2023	-	-	-	-	2,095,226	-	-	-	-	2,095,226	415,451	2,510,677
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax	-	-	-	-	(3,021)	(14,629)	6,060,734	66,104	-	6,109,188	(189,903)	5,919,285
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	2,092,205	(14,629)	6,060,734	66,104	-	8,204,414	225,548	8,429,962
Others	-	(15)	-	-	-	-	-	-	-	(15)	-	(15)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT MARCH 31, 2023	<u>\$ 37,313,329</u>	<u>\$ 24,637,494</u>	<u>\$ 7,564,090</u>	<u>\$ 2,712,250</u>	<u>\$ 47,137,847</u>	<u>\$ (4,271,403)</u>	<u>\$ 12,754,628</u>	<u>\$ (39,697)</u>	<u>\$ (2,774,607)</u>	<u>\$ 125,033,931</u>	<u>\$ 6,465,884</u>	<u>\$ 131,499,815</u>

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

(With Deloitte & Touche review report dated May 5, 2023)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,109,568	\$ 4,554,715
Adjustments for:		
Depreciation expenses	1,590,586	996,641
Amortization expenses	149,568	7,416
Expected credit loss recognized on trade receivables	23,336	13,145
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(154,240)	168,132
Interest expenses	455,084	129,565
Interest income	(116,501)	(20,083)
Dividend income	(346,657)	(311,092)
Compensation costs of employee share options	-	3,206
Share of profit of associates accounted for using the equity method	220,488	(1,150,732)
Loss on disposal of property, plant and equipment	3,518	2,647
(Gain) loss on disposal of investments	(531,087)	634,660
Impairment loss recognized on non-financial assets	(1)	(59)
Loss on lease modification	10	6
Unrealized (gain) loss on foreign currency exchange	(20,153)	79,355
Changes in operating assets and liabilities		
Decrease in contract assets	575,561	725,146
Decrease in notes receivable	2,710,525	928,511
Increase in trade receivables	(2,040,382)	(1,523,419)
Decrease (increase) in other receivables	405,780	(873,052)
Increase in inventories	(71,629)	(5,528,061)
Increase in other current assets	(2,213,029)	(6,727,805)
Decrease (increase) in other financial assets	49,764	(1,704,481)
Decrease (increase) in other operating assets	432,614	(170,062)
Increase (decrease) in financial liabilities held for trading	469,017	(87,288)
Decrease in notes payable	(415,241)	(3,149)
Increase in trade payables	798,183	2,587,684
Increase in contract liabilities	6,949	-
Decrease in other payables	(1,442,187)	(1,539,310)
Decrease in net defined benefit liabilities	(27,573)	(50,213)
Increase in other current liabilities	242,803	205,237
Increase (decrease) in other operating liabilities	37,059	(12,236)
Cash generated from (used in) operations	3,901,733	(8,664,976)
Interest received	88,289	10,691
Dividends received	2,230	-
Interest paid	(410,623)	(25,616)
Income tax paid	(46,269)	(13,795)
Net cash generated from (used in) operating activities	3,535,360	(8,693,696)

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (23,994)	\$ (20,417)
Purchase of financial assets at amortized cost	-	(89,602)
Payments for property, plant and equipment	(5,160,378)	(1,001,818)
Proceeds from disposal of property, plant and equipment	1,540	3,243
Decrease (increase) in refundable deposits	47,673	(732)
Purchase of intangible assets	(203)	(16)
Acquisition of right-of-use assets	-	(283,665)
Other investing activities	<u>(1,449,025)</u>	<u>(3,836)</u>
Net cash used in investing activities	<u>(6,584,387)</u>	<u>(1,396,843)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(5,105,973)	6,089,680
Increase in short-term notes and bills payable	-	4,399,148
Proceeds from long-term borrowings	6,528,500	7,500,000
Repayment of long-term borrowings	(10,938,044)	(5,516,050)
Increase in long-term notes and bills payable	1,499,911	-
Repayment of the principal portion of lease liabilities	(118,497)	(23,510)
Other financing activities	<u>(15)</u>	<u>(78)</u>
Net cash (used in) generated from financing activities	<u>(8,134,118)</u>	<u>12,449,190</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>1,898</u>	<u>1,238,702</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(11,181,247)	3,597,353
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>19,397,973</u>	<u>10,387,581</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 8,216,726</u>	<u>\$ 13,984,934</u>

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

(With Deloitte & Touche review report dated May 5, 2023)

(Concluded)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

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

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

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

### 2. APPROVAL OF CONSOLIDATE FINANCIAL STATEMENTS

The consolidated financial statements of WLC and its subsidiaries (collectively, the “Group”) were approved by the board of directors of WLC on May 5, 2023.

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

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

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

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

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

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

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

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

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

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

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

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

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

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

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

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

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”

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

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

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

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

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

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

### 3) Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

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

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

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### a. Statement of compliance

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

### b. Basic of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

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

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

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

2) Income tax expense

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

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

Refer to the consolidated financial statements for the year ended December 31, 2022 for the critical accounting judgments and key sources of estimation uncertainty of these consolidated financial statements.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 3,947	\$ 4,413	\$ 3,088
Checking accounts and cash in banks	7,425,143	15,013,929	13,234,983
Cash equivalents			
Time deposits	404,498	4,265,727	636,979
Short-term bills	<u>383,138</u>	<u>113,904</u>	<u>109,884</u>
	<u>\$ 8,216,726</u>	<u>\$ 19,397,973</u>	<u>\$ 13,984,934</u>

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

Purpose		March 31, 2023	December 31, 2022	March 31, 2022
Other financial assets - current				
Restricted deposits	To meet contract requirements for completing construction	\$ 34,354	\$ 34,648	\$ 29,203
	To secure short-term borrowings and letters of credit	369,988	167,546	1,156,921
	Repatriation of offshore funds and project grants	40,325	40,786	52,458
Refundable deposits	Futures deposits	<u>51,580</u>	<u>303,146</u>	<u>996,549</u>
		<u>496,247</u>	<u>546,126</u>	<u>2,235,131</u>
Refundable deposits				
Other - pledged time deposits	To meet contract requirements for completing construction	51,718	51,718	51,667
	To meet required security deposit	-	268	874
Other non-current assets - other				
Restricted deposits	To meet construction project and performance letter of guarantee	11,078	11,023	11,273
Pledged time deposits	To meet required security deposit	<u>1,444</u>	<u>1,439</u>	<u>-</u>
		<u>64,240</u>	<u>64,448</u>	<u>63,814</u>
		<u>\$ 560,487</u>	<u>\$ 610,574</u>	<u>\$ 2,298,945</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Commodity futures contracts	\$ 145,280	\$ -	\$ -
Foreign exchange forward contracts	-	-	52,562
Options	4,682	7,629	-
Interest rate swap contracts	-	2	-
Exchange rate swap contracts	247	-	-
Non-derivative financial assets			
Contingent consideration	2,528,842	2,567,786	-
Foreign unlisted shares	<u>70,313</u>	<u>71,969</u>	<u>-</u>
Financial assets at FVTPL	<u>\$ 2,749,364</u>	<u>\$ 2,647,386</u>	<u>\$ 52,562</u>
Current	\$ 150,209	\$ 7,631	\$ 52,562
Non-current	<u>2,599,155</u>	<u>2,639,755</u>	<u>-</u>
	<u>\$ 2,749,364</u>	<u>\$ 2,647,386</u>	<u>\$ 52,562</u>

(Continued)



	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Commodity futures contracts	\$ -	\$ 21,189	\$ 198,624
Foreign exchange forward contracts	18,378	21,470	-
Exchange rate swap contracts	-	22,113	18,786
Non-derivative financial liabilities			
Contingent consideration	<u>393,633</u>	<u>363,192</u>	<u>-</u>
Financial liabilities at FVTPL	<u>\$ 412,011</u>	<u>\$ 427,964</u>	<u>\$ 217,410</u>
Current	\$ 18,378	\$ 64,772	\$ 217,410
Non-current	<u>393,633</u>	<u>363,192</u>	<u>-</u>
	<u>\$ 412,011</u>	<u>\$ 427,964</u>	<u>\$ 217,410</u>
			(Concluded)

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

	Type of Transaction	Quantity (Tons)	Trade Date	Expiration Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>March 31, 2023</u>							
Commodity futures contracts							
Copper	Buy	11,850	2022.11.08-2023.03.31	2023.04.19-2023.08.16	US\$ 102,988	US\$ 106,399	US\$ 3,411
Copper	Sell	1,875	2023.03.22-2023.03.31	2023.04.19-2023.04.19	US\$ 16,778	US\$ 16,875	US\$ (97)
Nickel	Sell	1,452	2023.02.01-2023.03.31	2023.04.19-2023.06.30	US\$ 35,609	US\$ 34,201	US\$ 1,408
Zinc	Sell	250	2023.01.19-2023.03.24	2023.04.30-2023.06.30	RMB 5,818	RMB 5,686	RMB 132
Copper	Buy	405	2023.02.22-2023.03.31	2023.05.30	RMB 27,922	RMB 28,123	RMB 201
<u>December 31, 2022</u>							
Commodity futures contracts							
Copper	Buy	5,900	2022.08.15-2022.12.30	2023.01.08-2023.06.21	US\$ 48,178	US\$ 49,332	US\$ 1,154
Copper	Buy	555	2022.11.11-2022.12.30	2023.01.31-2023.03.31	RMB 36,816	RMB 36,797	RMB (19)
Copper	Sell	25	2022.12.02	2023.03.02	US\$ 210	US\$ 209	US\$ 1
Nickel	Sell	4,188	2022.11.15-2022.12.30	2023.01.18-2023.03.20	US\$ 122,940	US\$ 124,780	US\$ (1,840)
Zinc	Buy	25	2022.12.05	2023.02.28	RMB 613	RMB 593	RMB (20)
<u>March 31, 2022</u>							
Commodity futures contracts							
Copper	Buy	6,900	2021.11.19-2022.03.31	2022.04.20-2022.07.20	US\$ 67,988	US\$ 71,479	US\$ 3,431
Copper	Sell	3,850	2022.02.14-2022.03.30	2022.04.20-2022.06.30	US\$ 39,362	US\$ 39,926	US\$ (564)
Nickel	Buy	1,494	2022.03.07	2022.06.07	US\$ 67,365	US\$ 47,922	US\$ (19,443)
Nickel	Sell	5,430	2022.02.10-2022.03.30	2022.05.04-2022.06.07	US\$ 183,408	US\$ 174,281	US\$ 9,127
Zinc	Buy	450	2022.03.09-2022.03.10	2022.04.30-2022.05.31	RMB 11,509	RMB 12,078	RMB 569
Copper	Buy	1,975	2021.12.27-2022.03.31	2022.04.30-2022.06.30	RMB 142,235	RMB 144,905	RMB 2,670

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2023</u>			
Sell	USD to IDR	2023.04.06	USD31,000/IDR471,322,980
	EUR to USD	2023.04.11-2023.04.24	EUR9,000/USD9,619
	USD to RMB	2023.04.13-2023.05.05	USD68,953/RMB475,985
	EUR to MYR	2023.04.14-2023.09.25	EUR1,633/MYR7,772
Buy	USD to JPY	2023.04.06	USD3,000/JPY406,329
	USD to IDR	2023.04.06	USD108,000/IDR1,637,856,000
	USD to RMB	2023.04.06	USD11,651/RMB80,313
	EUR to USD	2023.04.06	EUR10,929/USD11,651
	EUR to TRY	2023.04.28	EUR336/TRY7,000
	EUR to ZAR	2023.05.17-2023.07.19	EUR568/ZAR10,956
	EUR to GBP	2023.04.28-2023.06.30	EUR3,726/GBP3,300
	EUR to BRL	2023.04.17-2023.06.16	EUR5,182/BRL29,630
	EUR to KRW	2023.06.30-2023.07.31	EUR240/KRW329,114
<u>December 31, 2022</u>			
Sell	USD to RMB	2023.01.31-2023.05.05	USD2,543/RMB17,228
	EUR to MYR	2023.01.31-2023.06.30	EUR1,499/MYR7,048
	EUR to USD	2023.01.03-2023.01.10	EUR7,987/USD8,500
Buy	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605
	USD to RMB	2023.01.05	USD16,571/RMB116,504
	EUR to USD	2023.01.05	EUR15,834/USD16,571
	USD to SGD	2023.01.30-2023.02.01	USD13,127/SGD17,778
	EUR to KRW	2023.01.31-2023.02.28	EUR434/KRW592,638
	EUR to TRY	2023.01.31	EUR292/TRY6,000
	EUR to ZAR	2023.01.18-2023.02.17	EUR710/ZAR12,483
	EUR to GBP	2023.01.31-2023.03.31	EUR4,944/GBP4,340
	EUR to BRL	2023.01.17-2023.03.15	EUR5,485/BRL29,982
<u>March 31, 2021</u>			
Sell	EUR to USD	2022.04.01-2022.04.22	EUR28,000/USD31,043
	USD to NTD	2022.04.12-2022.04.25	USD90,000/NTD2,546,790
	USD to RMB	2022.04.11-2022.07.20	USD70,756/RMB449,621
	EUR to MYR	2022.04.29-2022.05.31	EUR1,167/MYR5,545
Buy	USD to NTD	2022.04.12-2022.04.25	USD90,000/NTD2,493,160
	USD to JPY	2022.04.20-2022.05.02	USD9,847/JPY1,173,660
	USD to SGD	2022.04.14	USD15,316/SGD20,685
	USD to RMB	2022.04.11-2022.05.06	USD8,000/RMB50,929

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

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2023	USD to RMB	2023.06.30	USD20,000/RMB136,424
December 31, 2022	USD to RMB	2023.01.18	USD75,000/RMB516,585
	EUR to USD	2023.01.17	EUR15,955/USD17,000
	EUR to ZAR	2023.01.18	EUR133/ZAR2,390
March 31, 2022	USD to NTD	2022.04.08	USD50,000/NTD1,414,075

- d. As of March 31, 2023, and December 31, 2022, outstanding commodity options not under hedge accounting were as follows:

March 31, 2023

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$ 16,290	Put	Buyer	US\$ 546	US\$ 154

December 31, 2022

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
RMB 29,118	Put	Buyer	US\$ 672	US\$ 249

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

	Notional Amount	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2022	EUR 19,934	2023.02.01	-0.433%	Note

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

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

## 8. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Fair value hedges - exchange rate swap contracts	\$ -	\$ -	\$ 50,313
Cash flow hedges - interest rate swap contracts	<u>147,930</u>	<u>165,019</u>	<u>-</u>
	<u>\$ 147,930</u>	<u>\$ 165,019</u>	<u>\$ 50,313</u>
Current	\$ 15,460	\$ 20,615	\$ 50,313
Non-current	<u>132,470</u>	<u>144,404</u>	<u>-</u>
	<u>\$ 147,930</u>	<u>\$ 165,019</u>	<u>\$ 50,313</u>
<u>Financial liabilities</u>			
Fair value hedges - exchange rate swap contracts	\$ 7,531	\$ -	\$ -
Cash flow hedges - gas swap contracts	<u>58,780</u>	<u>222,272</u>	<u>-</u>
	<u>\$ 66,311</u>	<u>\$ 222,272</u>	<u>\$ -</u>
Current	\$ 66,311	\$ 222,272	\$ -
Non-current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 66,311</u>	<u>\$ 222,272</u>	<u>\$ -</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2023</u>			
Exchange rate swap contracts	USD to RMB	2023.06.27	USD31,563/RMB213,514
	USD to RMB	2023.06.29	USD12,525/RMB85,352
	USD to RMB	2023.06.30	USD23,000/RMB156,888
	USD to RMB	2023.06.30	USD7,000/RMB47,755
<u>March 31, 2022</u>			
Exchange rate swap contracts	USD to RMB	2022.06.08	USD20,000/RMB129,220
	USD to RMB	2022.06.08	USD15,000/RMB96,921
	USD to RMB	2022.07.13	USD75,000/RMB483,165
	USD to RMB	2022.07.13	USD70,000/RMB450,975

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
(Loss) gain on the hedging instruments	\$ (7,531)	\$ 50,313
(Gain) loss on the hedged items	\$ (7,936)	\$ 23,713

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

<b>March 31, 2023</b>	<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Range of Interest Rates Paid</b>	<b>Range of Interest Rates Received</b>
Exchange rate swap contracts	EUR 89,718	2023.09.30-2030.12.18	-0.255%-3.120%	Euribor three to six months

<b>December 31, 2022</b>	<b>Notional Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Range of Interest Rates Paid</b>	<b>Range of Interest Rates Received</b>
Exchange rate swap contracts	EUR 95,177	2023.05.31-2030.12.18	-0.255%-3.120%	Euribor three to six months

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

<b>Financial Commodity</b>	<b>Type of Transaction</b>	<b>Quantity (Tons)</b>	<b>Trade Date</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>	<b>Market Price (In Thousands)</b>	<b>Valuation (Loss) Gain (In Thousands)</b>
<u>March 31, 2023</u>							
Gas	Buy	85,997	2022.12.21- 2023.03.03	2023.04.30- 2023.12.31	EUR 6,298	EUR 4,525	EUR (1,773)
<u>December 31, 2022</u>							
Gas	Buy	139,800	2022.04.22- 2022.12.28	2023.01.31- 2023.12.31	EUR 17,700	EUR 10,907	EUR (6,793)

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Current</u>			
Foreign investments			
Corporate bonds	\$ 304	\$ 588	\$ -
Mutual funds	<u>1,205</u>	<u>1,614</u>	<u>-</u>
	<u>\$ 1,509</u>	<u>\$ 2,202</u>	<u>\$ -</u>

(Continued)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Non-current</u>			
Foreign investments			
Government bonds	<u>\$ 186,500</u>	<u>\$ 189,242</u>	<u>\$ 91,621</u> (Concluded)

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

## 10. CONTRACT ASSETS

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Contract assets			
Cable installation	\$ 1,193,382	\$ 1,242,468	\$ 792,102
Solar power systems installation	1,253,294	1,779,769	4,233,096
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Contract assets - current	<u>\$ 2,446,676</u>	<u>\$ 3,022,237</u>	<u>\$ 5,025,198</u>

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

## 11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Notes receivable</u>			
Notes receivable	<u>\$ 1,826,797</u>	<u>\$ 4,537,322</u>	<u>\$ 1,698,900</u>
<u>Trade receivables</u>			
Trade receivables	\$ 19,617,300	\$ 17,575,200	\$ 12,665,439
Less: Allowance for impairment loss	<u>(305,264)</u>	<u>(280,210)</u>	<u>(109,476)</u>
	<u>\$ 19,312,036</u>	<u>\$ 17,294,990</u>	<u>\$ 12,555,963</u>

a. Notes receivable

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

December 31, 2022

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

Note: Classified under short-term borrowings; for related information on guarantee and short-term borrowings, refer to Notes 23 and 35.

b. Trade receivable

The average credit period on the sales of goods was 60 days. In determining the collectability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. When the Group dealt with new entities, the Group reviewed the credit ratings of the entities and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. In this regard, the management believes the Group's credit risk is significantly reduced.

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

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

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

March 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%-1%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 17,786,345	\$ 1,500,276	\$ 65,646	\$ 68,803	\$ 196,230	\$ 19,617,300
Loss allowance (lifetime ECLs)	<u>(13,835)</u>	<u>(24,973)</u>	<u>(25,393)</u>	<u>(51,087)</u>	<u>(189,976)</u>	<u>(305,264)</u>
Amortized cost	<u>\$ 17,772,510</u>	<u>\$ 1,475,303</u>	<u>\$ 40,253</u>	<u>\$ 17,716</u>	<u>\$ 6,254</u>	<u>\$ 19,312,036</u>

December 31, 2022

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

March 31, 2022

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 11,576,486	\$ 807,853	\$ 77,565	\$ 136,219	\$ 67,316	\$ 12,665,439
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(4,394)</u>	<u>(4,476)</u>	<u>(34,005)</u>	<u>(66,601)</u>	<u>(109,476)</u>
Amortized cost	<u>\$ 11,576,486</u>	<u>\$ 803,459</u>	<u>\$ 73,089</u>	<u>\$ 102,214</u>	<u>\$ 715</u>	<u>\$ 12,555,963</u>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 280,210	\$ 92,903
Add: Net remeasurement of loss allowance	23,336	13,145
Less: Amounts written off	-	(238)
Foreign exchange gains	<u>1,718</u>	<u>3,666</u>
Balance at March 31	<u>\$ 305,264</u>	<u>\$ 109,476</u>



## 12. FINANCE LEASE RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Undiscounted lease payments</u>			
Year 1	\$ 81,359	\$ 81,359	\$ 81,359
Year 2	81,359	81,359	81,359
Year 3	81,359	81,359	81,359
Year 4	81,359	81,359	81,359
Year 5	81,359	81,359	81,359
Year 5 onwards	<u>348,677</u>	<u>369,017</u>	<u>430,036</u>
	755,472	775,812	836,831
Less: Unearned finance income	<u>(107,746)</u>	<u>(113,269)</u>	<u>(130,575)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 647,726</u>	<u>\$ 662,543</u>	<u>\$ 706,256</u>
Current	\$ 60,526	\$ 60,020	\$ 58,530
Non-current	<u>587,201</u>	<u>602,523</u>	<u>647,726</u>
	<u>\$ 647,726</u>	<u>\$ 662,543</u>	<u>\$ 706,256</u>

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

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

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

The amounts of finance lease receivables pledged as collateral or for security are set out in Note 35.

## 13. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Manufacturing and trading industries			
Raw materials	\$ 7,936,720	\$ 7,852,613	\$ 7,741,493
Raw materials in transit	3,156,301	1,871,877	2,942,529
Supplies	2,903,667	2,256,735	2,126,025
Work-in-process	8,315,438	8,652,837	4,296,623
Finished goods and merchandise	11,149,385	12,807,714	11,835,886
Contracts in progress	<u>444,993</u>	<u>462,456</u>	<u>381,385</u>
	<u>33,906,504</u>	<u>33,904,232</u>	<u>29,323,941</u>
Real estate development industries			
Undeveloped land	3,434	3,434	3,434
Buildings and land held for sale	208,206	208,551	220,027
Contracts in progress	<u>2,033,776</u>	<u>1,964,074</u>	<u>7,640,382</u>
	<u>2,245,416</u>	<u>2,176,059</u>	<u>7,863,843</u>
	<u>\$ 36,151,920</u>	<u>\$ 36,080,291</u>	<u>\$ 37,187,784</u>

- a. The costs of goods sold related to inventories for the three months ended March 31, 2023 and 2022 were NT\$45,779,503 thousand and NT\$36,810,556 thousand, respectively.
- b. The cost of goods sold for the three months ended March 31, 2023 and 2022 included inventory write-downs of NT\$79,825 thousand and NT\$45,371 thousand, respectively.
- c. The inventories for the real estate development business are primarily land use rights and construction costs for future construction and contracts in progress of WLC's subsidiary, Walsin (Nanjing) Development Co., Ltd.
- d. Walsin (Nanjing) Development Co., Ltd. entered into an agreement with third parties for the sale of real estate for the three months ended March 31, 2023; the selling prices for the related residential buildings and office buildings was RMB600 thousand. The sale of this real estate in the amounts of NT\$2,531 thousand was recognized as operating revenue for the three months ended March 31, 2023.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic listed ordinary shares			
HannStar Display Corp.	\$ 3,820,310	\$ 3,340,899	\$ 4,629,317
HannStar Board Corp.	2,266,453	2,017,812	2,696,792
TECO Electric & Machinery Corp.	9,821,951	6,348,587	7,408,605
Global PMX Co., Ltd.	-	-	21,379
K. S. Terminals Inc.	10,368	10,179	12,427
Domestic unlisted ordinary shares	576,461	564,148	558,605
Foreign unlisted ordinary shares	<u>72,477</u>	<u>60,607</u>	<u>94,677</u>
	<u>\$ 16,568,020</u>	<u>\$ 12,342,232</u>	<u>\$ 15,421,802</u>
Current	\$ -	\$ -	\$ -
Non-current	<u>16,568,020</u>	<u>12,342,232</u>	<u>15,421,802</u>
	<u>\$ 16,568,020</u>	<u>\$ 12,342,232</u>	<u>\$ 15,421,802</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. For the three months ended March 31, 2023 and 2022, the unrealized valuation gains (loss) resulting from these investments in equity instruments were NT\$4,201,515 thousand and NT\$(892,074) thousand, respectively, recognized in other comprehensive income (loss).

## 15. SUBSIDIARIES

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

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

Investor	Investee	Main Business	Percentage of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00	100.00
	Concord Industries Limited (CIL)	Investment holding	100.00	100.00	100.00
	Ace Result Global Limited	Investment holding	100.00	100.00	100.00
	Min Maw Precision Industry Corp. (Min Maw)	Solar power systems management, design, and installation	100.00	100.00	100.00
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	99.51	99.51	99.51
	Chin-Cherng Construction Co. (Chin-Cherng)	Investment in the construction of residential and sale of commercial buildings, rental design and interior decoration business	99.22	99.22	99.22
	Joint Success Enterprises Limited	Investments	49.05	49.05	49.05
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires	70.00	70.00	70.00
	PT. Walsin Lippo Kabel	Cables and wires	70.00	70.00	70.00
	Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00	100.00
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00	50.00	50.00
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00	100.00
	Walsin Singapore Pte. Ltd. (former name: New Hono Investment Pte. Ltd.)	Investment holding	100.00	100.00	100.00
	Walsin America, LLC	Investment holding	100.00 (Notes 2 and 3)	100.00 (Notes 2 and 3)	-
	Walsin Lihwa Europe S.a r.l.	Investment holding	100.00 (Note 4)	100.00 (Note 4)	-
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.00 (Note 5)	99.00 (Note 5)	-
	Walsin Energy Cable System Co., Ltd.	Submarine communication cables	100.00 (Note 8)	-	-
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00	42.00
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10 (Note 6)	50.10 (Note 6)	-
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00	42.00
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10 (Note 6)	50.10 (Note 6)	-
	Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00	100.00
	Jiangyin Walsin Steel Cable Co., Ltd. (JHS)	Manufacture and sale of steel cables and wires	100.00	100.00	100.00
WLHL	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	95.71	95.71	95.71
	Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	100.00	100.00	100.00
	Walsin International Investments Limited	Investments	100.00	100.00	100.00
	Borrego Solar System, Inc.	Solar power system	-	- (Note 1)	73.40
CIL	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	100.00	100.00	100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	18.37	18.37	18.37
	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment holding	100.00	100.00	100.00
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00	100.00
Chin-Cherng Construction Co.	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	-	- (Note 7)	100.00
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	100.00	100.00	100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	81.63	81.63	81.63
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00	100.00
Min Maw Precision Industry Corp. (Min Maw)	Joint Success Enterprises Limited	Investments	50.95	50.95	50.95
	Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	100.00	100.00	100.00
	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	100.00	100.00	100.00
	PT. Walsin Research Innovation Indonesia	Consulting and management	1.00 (Note 5)	1.00 (Note 5)	-
Walsin America, LLC	Borrego Energy Holdings, LLC	Solar power system	72.55 (Note 1)	72.55 (Note 1)	-
	Borrego Energy Holdings, LLC	Solar power system	100.00	100.00	-
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Investment holding	85.03 (Note 4)	85.03 (Note 4)	-
	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	82.32	82.32	-

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

- Note 2: On May 24, 2022, WLC's board of directors resolved to establish Walsin America, LLC. After the Group's organizational restructuring, Walsin America, LLC acquired 72.55% shares of Borrego Energy Holdings, LLC's shares. Borrego Energy Holdings, LLC owns 100% of Borrego Energy Holdings, LLC's shares.
- Note 3: Due to the adjustment of the investment structure of the Group, it was transferred from WLHL to WLC in December 2022.
- Note 4: On May 31, 2022, WLC's board of directors resolved to establish Walsin Lihwa Europe S.a r.l. and Walsin Lihwa Europe S.a r.l. acquired 85.03% shares of Luxembourg MEG S.A.
- Note 5: The Group established PT. Walsin Research Innovation Indonesia on August 23, 2022, and injected capital on November 9, 2022.
- Note 6: On September 23, 2022, the Group acquired 50.10% shares of PT. Sunny Metal Industry from Ever Rising Limited and Berg Holding Limited at the price of US\$200,000 thousand. On November 4, 2022, WLC's board of directors resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.
- Note 7: Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd was dissolved on July 13, 2022.
- Note 8: The Group established Walsin Energy Cable System Co., Ltd. on February 13, 2023.
- b. The following entity was excluded from consolidation as of March 31, 2023, December 31, 2022 and March 31, 2022:

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

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

The financial statements of certain subsidiaries included in the consolidated financial statements, namely P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd., Cogne Acciai Speciali S.p.A. and Walsin America, LLC's subsidiary Borrego Energy Holdings, LLC for the three months ended March 31, 2023 and P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd. and Walsin America, LLC's subsidiary Borrego Solar Systems, Inc. for the three months ended March 31, 2022 were not reviewed by the auditor of WLC but by other auditors. As of March 31, 2023 and 2022, the combined total assets of those subsidiaries were NT\$32,874,833 thousand and NT\$10,612,020 thousand, respectively; for the three months ended March 31, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$10,519,543 thousand and NT\$2,671,955 thousand, respectively.

## 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

Name of Associate	March 31, 2023		December 31, 2022		March 31, 2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Material associates</u>						
Winbond Electronics Corp.	\$ 20,250,404	22.21	\$ 20,953,105	22.21	\$ 18,403,273	22.21
Walton Advanced Engineering, Inc.	2,172,560	21.01	2,109,400	21.01	2,277,519	21.01
Walsin Technology Corp.	8,334,137	18.30	8,147,080	18.30	8,456,197	18.30
<u>Associates that are not individually material</u>						
Others	15,988,977		14,979,814		10,229,067	
	<u>\$ 46,746,078</u>		<u>\$ 46,189,399</u>		<u>\$ 39,366,056</u>	

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

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

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

Name of Associate	March 31, 2023	December 31, 2022	March 31, 2022
Winbond Electronics Corp.	<u>\$ 23,421,983</u>	<u>\$ 17,323,429</u>	<u>\$ 27,576,071</u>
Walton Advanced Engineering, Inc.	<u>\$ 1,507,390</u>	<u>\$ 1,244,282</u>	<u>\$ 1,830,794</u>
Walsin Technology Corp.	<u>\$ 8,596,855</u>	<u>\$ 7,023,284</u>	<u>\$ 12,624,130</u>

All the associates were accounted for using the equity method.

As of March 31, 2023 and 2022, the dividends receivable from the above-mentioned associates of the Group was 883,958 thousand and it is listed under other receivables.

The Group’s share of profit and other comprehensive income of the associates for the three months ended March 31, 2023 and 2022 was based on the associates’ financial statements reviewed by independent auditors for the same period.

## 17. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Assets used by the Group	<u>\$ 67,915,897</u>	<u>\$ 65,656,466</u>	<u>\$ 42,302,848</u>

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
<b>Cost</b>						
Balance at January 1, 2023	\$ 3,776,670	\$ 22,865,186	\$ 50,428,862	\$ 8,607,005	\$ 23,862,639	\$ 109,540,362
Additions	207,703	34,203	222,464	27,542	3,185,550	3,677,462
Disposals	-	(227)	(124,481)	(63,735)	(23)	(188,466)
Reclassified	12,652	2,237,528	7,495,511	1,849,091	(11,594,782)	-
Transfers to investment properties	-	-	-	(2,650)	-	(2,650)
Effects of foreign currency exchange differences	367	74,817	191,824	4,724	(37,903)	233,829
Balance at March 31, 2023	<u>\$ 3,997,392</u>	<u>\$ 25,211,507</u>	<u>\$ 58,214,180</u>	<u>\$ 10,421,977</u>	<u>\$ 15,415,481</u>	<u>\$ 113,260,537</u>
<b>Accumulated depreciation and impairment</b>						
Balance at January 1, 2023	\$ 8,067	\$ 9,790,075	\$ 28,172,188	\$ 5,913,566	\$ -	\$ 43,883,896
Depreciation expenses	-	275,999	953,315	165,043	-	1,394,357
Disposals	-	(103)	(122,742)	(60,563)	-	(183,408)
Impairment losses reversed	-	-	-	(7)	-	(7)
Transfers to investment properties	-	-	-	(2,329)	-	(2,329)
Effects of foreign currency exchange differences	-	36,727	211,334	4,070	-	252,131
Balance at March 31, 2023	<u>\$ 8,067</u>	<u>\$ 10,102,698</u>	<u>\$ 29,214,095</u>	<u>\$ 6,019,780</u>	<u>\$ -</u>	<u>\$ 45,344,640</u>
Carrying amount at March 31, 2023	<u>\$ 3,989,325</u>	<u>\$ 15,108,809</u>	<u>\$ 29,000,085</u>	<u>\$ 4,402,197</u>	<u>\$ 15,415,481</u>	<u>\$ 67,915,897</u>
<b>Cost</b>						
Balance at January 1, 2022	\$ 3,611,025	\$ 18,671,274	\$ 34,969,055	\$ 7,783,638	\$ 6,305,375	\$ 71,340,367
Additions	27,694	7,467	20,744	136,478	880,214	1,072,594
Disposals	-	(6,009)	(34,134)	(35,000)	(3)	(75,146)
Reclassified	79,389	88,969	2,042,033	73,173	(2,283,564)	-
Transfers to investment properties	-	-	-	(91,943)	-	(91,943)
Effects of foreign currency exchange differences	-	434,729	452,747	140,749	98,629	1,126,854
Balance at March 31, 2022	<u>\$ 3,718,018</u>	<u>\$ 19,196,430</u>	<u>\$ 37,450,445</u>	<u>\$ 8,007,092</u>	<u>\$ 5,000,651</u>	<u>\$ 73,372,726</u>
<b>Accumulated depreciation and impairment</b>						
Balance at January 1, 2022	\$ 8,067	\$ 7,102,766	\$ 17,527,744	\$ 5,227,302	\$ -	\$ 29,865,879
Depreciation expenses	-	209,985	574,693	126,789	-	911,467
Disposals	-	(5,554)	(30,065)	(33,637)	-	(69,256)
Impairment losses reversed	-	-	(111)	(75)	-	(186)
Transfers to investment properties	-	-	-	(10,126)	-	(10,126)
Effects of foreign currency exchange differences	-	108,312	171,591	92,197	-	372,100
Balance at March 31, 2022	<u>\$ 8,067</u>	<u>\$ 7,415,509</u>	<u>\$ 18,243,852</u>	<u>\$ 5,402,450</u>	<u>\$ -</u>	<u>\$ 31,069,878</u>
Carrying amount at March 31, 2022	<u>\$ 3,710,041</u>	<u>\$ 11,780,921</u>	<u>\$ 19,206,593</u>	<u>\$ 2,604,642</u>	<u>\$ 5,000,651</u>	<u>\$ 42,302,848</u>

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

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

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

- b. The Group owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, WLC keeps in its possession the land titles with the annotation of the land being pledged to WLC. As of March 31, 2023, December 31, 2022 and March 31, 2022, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand, NT\$491,917 thousand and NT\$542,274 thousand.

- c. After appropriate evaluation, the Group recognized a reversal of impairment loss on property, plant and equipment of NT\$7 thousand and NT\$186 thousand for the three months ended March 31, 2023 and 2022, respectively.

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Land	\$ 3,418,173	\$ 3,443,726	\$ 3,363,591
Buildings	483,727	506,666	120,076
Machinery equipment	491,749	263,942	-
Office equipment	60,173	61,617	-
Transportation equipment	<u>32,501</u>	<u>33,404</u>	<u>36,495</u>
	<u>\$ 4,486,323</u>	<u>\$ 4,309,355</u>	<u>\$ 3,520,162</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2023</b>	<b>2022</b>
Additions to right-of-use assets		<u>\$ 235,231</u>	<u>\$ 1,733,210</u>
Disposals		<u>\$ (240)</u>	<u>\$ (45,972)</u>
Depreciation charge for right-of-use assets			
Land		\$ 38,137	\$ 20,510
Buildings		27,616	15,356
Machinery equipment		9,954	-
Office equipment		2,271	-
Transportation equipment		<u>3,520</u>	<u>4,895</u>
		<u>\$ 81,498</u>	<u>\$ 40,761</u>

### b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Current	\$ 217,009	\$ 245,223	\$ 87,633
Non-current	<u>\$ 2,467,003</u>	<u>\$ 2,309,732</u>	<u>\$ 1,618,065</u>

Range of discount rate for lease liabilities were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Land	0.83%-6.123%	0.83%-6.123%	0.83%-6.123%
Buildings	1.198%-8.00%	1.198%-8.00%	1.198%-8.00%
Machinery equipment	3.00%-3.90%	3.00%-3.90%	-
Office equipment	3.00%-3.90%	3.00%-3.90%	-
Transportation equipment	1.964%-5.75%	1.964%-5.75%	1.964%-5.75%

c. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	\$ 20,761	\$ 8,142
Expenses relating to low-value asset leases	\$ 215	\$ 170
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,265	\$ 1,651
Total cash outflow for leases	\$ (140,738)	\$ (33,473)

## 19. INVESTMENT PROPERTIES

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Completed investment properties	<u>\$ 16,010,594</u>	<u>\$ 16,123,806</u>	<u>\$ 10,528,310</u>

**Completed  
Investment  
Property**

Cost

Balance at January 1, 2023	\$ 19,078,843
Reclassified from property, plant and equipment	2,650
Reclassified to inventories	(34,697)
Effects of foreign currency exchange differences	<u>41,290</u>
Balance at March 31, 2023	<u>\$ 19,088,086</u>
Balance at January 1, 2022	\$ 12,991,354
Reclassified from property, plant and equipment	91,943
Effects of foreign currency exchange differences	<u>92,094</u>
Balance at March 31, 2022	<u>\$ 13,175,391</u>

(Continued)



**Completed  
Investment  
Property**

Accumulated depreciation and impairment

Balance at January 1, 2023	\$ 2,955,037
Depreciation expenses	114,731
Reclassified from property, plant and equipment	2,329
Effects of foreign currency exchange differences	<u>5,395</u>
Balance at March 31, 2023	<u>\$ 3,077,492</u>
Balance at January 1, 2022	\$ 2,560,291
Depreciation expenses	44,413
Reclassified from property, plant and equipment	10,126
Effects of foreign currency exchange differences	<u>32,251</u>
Balance at March 31, 2022	<u>\$ 2,647,081</u>

(Concluded)

- a. The completed investment properties are depreciated on a straight-line method over their estimated useful lives of 20 to 50 years.
- b. The investment properties of the Group increased because the Group changed the purpose of use of the completed commercial building of Walsin (Nanjing) Development Co., Ltd. and transferred it to investment property. The main investment properties of the Group are Walsin Xin Yi Building and the completed investment properties of Walsin (Nanjing) Development Co., Ltd. The building's valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2023 and 2022, the fair values of the investment properties were NT\$45,032,010 thousand and NT\$35,173,881 thousand, respectively. Management of the Group had assessed and determined that there were no significant changes in the fair value as of March 31, 2023 and 2022.

## 20. GOODWILL

**For the Three Months Ended  
March 31**

	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 83,393	\$ 152,771
Effects of foreign currency exchange differences	<u>(692)</u>	<u>5,891</u>
Balance at March 31	<u>\$ 82,701</u>	<u>\$ 158,662</u>
<u>Accumulated impairment</u>		
Balance at January 1	\$ -	\$ -
Balance at March 31	<u>\$ -</u>	<u>\$ -</u>
Carrying amount at March 31, 2023	<u>\$ 82,701</u>	<u>\$ 158,662</u>

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

## 21. OTHER INTANGIBLE ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Supply contract	\$ 2,640,967	\$ 2,734,203	\$ -
Core technology	1,857,276	1,922,845	-
Others	<u>197,066</u>	<u>226,093</u>	<u>20,219</u>
	<u>\$ 4,695,309</u>	<u>\$ 4,883,141</u>	<u>\$ 20,219</u>

- a. The Group acquired PT. Sunny Metal Industry on September 23, 2022 and recognized the supply contract and core technology of NT\$2,826,805 thousand and NT\$1,987,962 thousand, respectively. As of the issuance date of the financial statements, the Group has not obtained the formal valuation reports. The amount may be subject for adjustments after obtaining the official results.
- b. Except for the above description and the recognition of amortization expenses, there were no significant additions, disposals or impairments of other intangible assets of the Group for the three months ended March 31, 2023 and 2022.
- c. The supply contract and core technology generated by PT. Sunny Metal Industry are amortized on an accelerated basis over 8 years and 16 years, respectively.
- d. Apart from stated above, the other intangible assets of the Group are amortized on a straight-line basis over 5-18 years.

## 22. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Prepayment for purchases	\$ 5,759,380	\$ 3,694,957	\$ 9,068,858
Prepaid expense	789,931	999,406	1,284,833
Prepaid sales tax	3,063,285	3,142,781	2,202,955
Prepayment for investments	2,204,073	2,204,073	-
Others	<u>524,957</u>	<u>756,197</u>	<u>408,363</u>
	<u>\$ 12,341,626</u>	<u>\$ 10,797,414</u>	<u>\$ 12,965,009</u>
Current	\$ 9,623,805	\$ 7,880,887	\$ 12,563,486
Non-current	<u>2,717,821</u>	<u>2,916,527</u>	<u>401,523</u>
	<u>\$ 12,341,626</u>	<u>\$ 10,797,414</u>	<u>\$ 12,965,009</u>

## 23. BORROWINGS

	March 31, 2023	December 31, 2022	March 31, 2022
Short-term borrowings	\$ 17,394,322	\$ 22,496,307	\$ 13,401,266
Short-term notes and bills payable	\$ -	\$ -	\$ 4,399,148
Current portion of long-term borrowings	\$ 1,089,369	\$ 1,109,049	\$ 5,146,146
Long-term borrowings	\$ 36,452,897	\$ 40,820,860	\$ 32,342,837
Long-term notes and bills payable	\$ 2,997,825	\$ 1,497,914	\$ -

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

	March 31, 2023		December 31, 2022		March 31, 2022	
	Interest Rate %	Amount	Interest Rate %	Amount	Interest Rate %	Amount
Procurement loans	-	\$ -	-	\$ -	0.67	\$ 955,896
Bank lines of credit	1.15-6.91	110,579,353	0.95-6.42	15,566,558	0.69-3.75	12,445,370
Discounted notes receivable	-	-	1.25-2.20	1,554,013	-	-
Other loans	3.384-7.142	6,814,969	3.384-5.21	5,375,736	-	-
		<u>\$ 17,394,322</u>		<u>\$ 22,496,307</u>		<u>\$ 13,401,266</u>

Notes receivable financing is based on notes receivable of the Group which are used to apply for a discounted loan. Refer to Note 33 for the amount of discounted notes receivable and relevant terms with recourse rights.

Refer to Notes 6 and 35 for collaterals pledged for short-term borrowings as of March 31, 2023, December 31, 2022 and March 31, 2022.

b. Short-term notes and bills payable as of March 31, 2022 were as follows:

### March 31, 2022

Acceptance Agency	Type	Interest Rate %	Amount
China Bills, International Bills and Mega Bills	Unsecured	0.558-0.578	\$ 4,400,000
Less: Discounts on long-term bills payable			<u>(852)</u>
			<u>\$ 4,399,148</u>

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

		March 31, 2023		December 31, 2022	March 31, 2022
	Significant Covenant	Amount		Amount	Amount
<u>Long-term secured loan</u>					
Cathay United Bank	From December 15, 2011 to September 27, 2027; after the grace period, repayments are due monthly	\$ 219,873		\$ 233,439	\$ 274,119
Taipei Fubon Commercial Bank	From December 25, 2013 to October 11, 2023; after the grace period, repayments are due in stages	64,883		67,375	74,850
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts	<u>78,483</u>		<u>78,365</u>	-
		<u>363,239</u>		<u>379,179</u>	<u>348,969</u>

(Continued)

		March 31, 2023		December 31, 2022	March 31, 2022
		Significant Covenant	Amount	Amount	Amount
<u>Long-term credit loan</u>					
Taipei Fubon Commercial Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	\$ -	\$ -	\$ 1,000,000	
Chang Hwa Commercial Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	-	-	1,000,000	
KGI Bank	Principal repayment at maturity, from June 3, 2019 to June 3, 2022	-	-	1,500,000	
Chinatrust Commercial Bank	Principal repayment at maturity, from September 3, 2019 to September 3, 2022	-	-	1,500,000	
Standard Chartered Bank	Principal repayment at maturity, from September 27, 2021 to December 31, 2023	-	-	5,352,144	
Bank of Taiwan	Principal repayment at maturity, from March 4, 2019 to March 4, 2022	-	-	3,000,000	
Standard Chartered Bank	Principal repayment at maturity, from September 27, 2021 to December 31, 2023	-	-	2,093,000	
The Export-Import Bank of the Republic of China	Loan from December 4, 2020 to December 4, 2027; principal to be repaid evenly in seven phases; 1st repayment is due 48 months after the drawdown date, after which repayments are due once every six months	1,137,770	1,137,770	1,137,770	
Bank of Taiwan	From September 22, 2020 to October 4, 2027; principal to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively	9,000,000	9,000,000	3,000,000	
Taiwan Cooperative Bank	From June 28, 2021 to June 28, 2026; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	2,000,000	2,000,000	2,000,000	
DBS Bank	Principal repayment at maturity, from March 30, 2020 to April 15, 2025	1,505,000	7,552,100	9,057,100	
Hua Nan Commercial Bank	From March 29, 2021 to March 29, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	2,000,000	2,000,000	
Hua Nan Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 8, 2027	2,500,000	2,500,000	2,500,000	
Chang Hwa Commercial Bank	Principal repayment at maturity, from March 8, 2022 to October 4, 2027	3,000,000	3,000,000	2,000,000	
Chinatrust Commercial Bank	Principal repayment at maturity, from October 4, 2022 to October 3, 2025	-	1,500,000	-	
Taiwan Cooperative Bank	From October 4, 2022 to October 4, 2027; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	3,000,000	3,000,000	-	
KGI Bank	Principal repayment at maturity, from October 24, 2022 to April 24, 2027	1,000,000	1,500,000	-	
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024	4,583,900	1,555,400	-	
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000	-	
Bank SinoPac	Principal repayment at maturity, from July 13, 2022 to July 13, 2025	1,000,000	-	-	
Far Eastern International Bank	Principal repayment at maturity, from October 21, 2022 to October 14, 2027	1,500,000	-	-	
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 30, 2019 to June 30, 2025	987,870	1,007,776	-	
Other long-term credit loans	From April 30, 2019 to September 22, 2029; repayments are due according to contracts	3,964,487	4,797,684	-	
		37,179,027	41,550,730	37,140,014	
		37,542,266	41,929,909	37,488,983	
		(1,089,369)	(1,109,049)	(5,146,146)	
Less current portion of long-term borrowings					
		<u>\$ 36,452,897</u>	<u>\$ 40,820,860</u>	<u>\$ 32,342,837</u>	
					(Concluded)

- 1) Under the loan agreements with DBS Bank, WLC should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual consolidated financial statements audited by the independent auditors. The financial ratios are as follows:
    - a) Ratio of current assets to current liabilities not less than 100%;
    - b) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;
    - c) Ratio of Interest Coverage Ratio which included net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%; and
    - d) Tangible net worth (net worth less intangible assets) not less than NT\$55,000,000 thousand.
  - 2) As of March 31, 2023, December 31, 2022 and March 31, 2022, the effective interest rate ranges of the credit borrowings were 0.10%-5.65%, 0.10%-5.56% and 0.93%-1.37% per annum, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the effective interest rate range of the secured borrowings were 0.55%-4.70%, 0.55%-4.70% and 1.66%-2.07% per annum.
  - 3) As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's current portion of long-term borrowings under the loan agreements were NT\$1,089,369 thousand, NT\$1,109,049 thousand and NT\$5,146,146 thousand, respectively. The Group's consolidated financial statements for the years ended December 31, 2022 and 2021 showed that the Group was in compliance with the aforementioned financial ratio requirements.
  - 4) Refer to Note 35 for collaterals pledged on for bank borrowings as of March 31, 2023, December 31, 2022 and March 31, 2022.
- d. Long-term notes and bills payables as of March 31, 2023 and December 31, 2022 were as follows:

March 31, 2023

Acceptance Agency	Type	Interest Rate	Amount
China Bills, Mega Bills and International Bills	Unsecured	1.211-1.422	\$ 3,000,000
Less: Discount on long-term bills payable			<u>(2,175)</u>
			<u>\$ 2,997,825</u>

December 31, 2022

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

## 24. BONDS PAYABLE

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic unsecured bonds	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
Overseas unsecured bonds	345,695	341,115	-
Less: Current portion of long-term borrowings	<u>(99,450)</u>	<u>(98,160)</u>	<u>-</u>
	<u>\$ 7,746,245</u>	<u>\$ 7,742,955</u>	<u>\$ 7,500,000</u>

On October 8, 2021, the Company issued the first unsecured bonds for 7.5 billion, each with a face value of NT10 million. The issuance period is 5 years, and the maturity date is on October 8, 2026. The annual rate is 0.7%. Since the issuance date, the interest will be paid once a year, and the principal will be repaid once due.

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

## 25. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2023 and 2022, the pension expenses of defined benefit plans were NT\$28,389 thousand and NT\$3,088 thousand, respectively, which were calculated based on the pension cost rates determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

## 26. EQUITY

	March 31, 2023	December 31, 2022	March 31, 2022
Share capital			
Ordinary shares	\$ 37,313,329	\$ 37,313,329	\$ 34,313,329
Capital surplus	24,637,494	24,672,454	18,448,756
Retained earnings	57,414,187	62,038,398	51,627,536
Others	5,668,921	(443,305)	5,945,258
Non-controlling interests	<u>6,465,884</u>	<u>6,240,336</u>	<u>2,193,137</u>
	<u>\$ 131,499,815</u>	<u>\$ 129,821,212</u>	<u>\$ 112,528,016</u>

### a. Share capital

#### Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Number of authorized shares (in thousands)	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>
Amount of authorized shares	<u>\$ 65,000,000</u>	<u>\$ 65,000,000</u>	<u>\$ 65,000,000</u>
Number of issued and fully paid shares (in thousands)	<u>3,731,333</u>	<u>3,731,333</u>	<u>3,431,333</u>
Amount of issued shares	<u>\$ 37,313,329</u>	<u>\$ 37,313,329</u>	<u>\$ 34,313,329</u>

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

On June 6, 2022, WLC's board of directors resolved to issue 300,000 thousand ordinary shares at a price of NT\$33 per share with August 10, 2022 as the base date for capital increase. On July 21, 2022, WLC chairman of the board adjusted the new share issuing price from NT\$33 to NT\$30, which authorized by the board. As of March 31, 2023, the paid-in capital was NT\$37,313,329 thousand, divided into 3,731,333 thousand ordinary shares at par value of NT\$10.

As of March 31, 2023, 2 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 22 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 18,864,452	\$ 18,864,452	\$ 12,639,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,130	2,130	5,533
Share of changes in capital surplus of associates	406,230	441,175	445,838
Treasury share transactions	2,254,074	2,254,074	2,254,074
Gain on disposal of property plant and equipment	2,074,231	2,074,231	2,074,231
Others	<u>1,036,377</u>	<u>1,036,392</u>	<u>1,029,628</u>
	<u>\$ 24,637,494</u>	<u>\$ 24,672,454</u>	<u>\$ 18,448,756</u>

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

c. Retained earnings and dividend policy

The shareholders of WLC have held their regular meeting on May 13, 2022, and in that meeting, have resolved the amendments to WLC's Articles of Incorporation (the "Articles"). Under the dividends policy as set forth in the amended Articles, where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit this requirement is not applicable when the legal reserve has reached the total capital, and then any remaining profit together with prior unappropriated earnings shall be appropriated for special reserve or appropriate reversal of special reserve in accordance with the laws and regulations, and then the balance shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of

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

Before the amendments, where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (this requirement is not applicable when the legal reserve has reached the total capital) and then any remaining profit together with prior unappropriated earnings shall be appropriated for setting aside or reversing a special reserve in accordance with the laws and regulations, and then shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. Other than the aforementioned regulations, WLC shall reserve no lesser than 40% of the balance amount as shareholders' profit after offsetting its loss and tax payments in the previous year, capital reserve and special reserve. The profits shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

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

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

Refer to Note 28 for the policies on the distribution of employees' compensation and remuneration of directors.

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

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 1,454,522	\$ -
Cash dividends	<u>5,490,133</u>	1.6
	<u>\$ 6,944,655</u>	

The appropriations of earnings and dividends per share for 2022 were as follows:

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



The above appropriations for cash dividends had been approved by the Group's board of directors on February 24, 2023, and the other appropriations will be resolved in the shareholders' meeting to be held on May 19, 2023.

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Special reserve	<u>\$ 2,712,250</u>	<u>\$ 2,712,250</u>

Information regarding the above special reserve did not change for the three months ended March 31, 2023 and 2022.

e. Other equity items

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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (4,256,774)	\$ (6,100,687)
Share from subsidiaries and associates accounted for using the equity method	<u>(14,629)</u>	<u>2,171,453</u>
Balance at March 31	<u>\$ (4,271,403)</u>	<u>\$ (3,929,234)</u>

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

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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 6,693,877	\$ 11,534,267
Unrealized gain (loss) - equity instruments	4,201,515	(892,074)
Share from associates accounted for using the equity method	1,859,219	(671,055)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>17</u>	<u>(5,179)</u>
Balance at March 31	<u>\$ 12,754,628</u>	<u>\$ 9,965,959</u>

3) Loss on hedging instruments

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Cash flow hedges</u>		
Balance at January 1	\$ (105,801)	\$ -
Loss on hedging instruments	<u>66,104</u>	<u>-</u>
Balance at March 31	<u>\$ (39,697)</u>	<u>\$ -</u>

4) Other equity - others

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Other equity - others		
Balance at March 31	<u>\$ (2,774,607)</u>	<u>\$ (91,467)</u>

Information regarding the above other equity - others did not change for the three months ended March 31, 2023 and 2022.

## 27. OPERATING REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Sales revenue	\$ 49,543,180	\$ 41,652,786
Sales of real estate	2,531	-
Other revenue	<u>1,167,867</u>	<u>904,629</u>
	<u>\$ 50,713,578</u>	<u>\$ 42,557,415</u>

## 28. NET PROFIT FROM CONTINUING OPERATIONS

### Non-operating Income and Expense - Gain (Loss) on Disposal of Investments

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Gain (loss) on disposal of investments - commodity futures	\$ 626,857	\$ (639,427)
(Loss) gain on disposal of investments - foreign exchange forward contracts	(59,642)	94,088
Loss on disposal of investment - exchange rate swap contracts	(22,125)	(89,321)
Loss on disposal of investment - options	<u>(14,003)</u>	<u>-</u>
	<u>\$ 531,087</u>	<u>\$ (634,660)</u>

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

	For the Three Months Ended March 31	
	2023	2022
Impairment loss reversed on property, plant and equipments	\$ 7	\$ 186
Others	<u>(6)</u>	<u>(127)</u>
	<u>\$ 1</u>	<u>\$ 59</u>

## **Employee Benefits Expense, Depreciation and Amortization**

	For the Three Months Ended March 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 1,310,409</u>	<u>\$ 912,216</u>	<u>\$ -</u>	<u>\$ 2,222,625</u>
Post-employment benefits	<u>\$ 73,688</u>	<u>\$ 34,069</u>	<u>\$ -</u>	<u>\$ 107,757</u>
Other employee benefits	<u>\$ 119,587</u>	<u>\$ 75,608</u>	<u>\$ -</u>	<u>\$ 195,195</u>
Depreciation				
Property, plant and equipments	\$ 1,233,640	\$ 160,000	\$ 717	\$ 1,394,357
Right-of-use assets	41,914	39,584	-	81,498
Investment properties	<u>114,186</u>	<u>545</u>	<u>-</u>	<u>114,731</u>
	<u>\$ 1,389,740</u>	<u>\$ 200,129</u>	<u>\$ 717</u>	<u>\$ 1,590,586</u>
Amortization	<u>\$ 132,570</u>	<u>\$ 16,998</u>	<u>\$ -</u>	<u>\$ 149,568</u>
	For the Three Months Ended March 31, 2022			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 952,912</u>	<u>\$ 683,931</u>	<u>\$ -</u>	<u>\$ 1,636,843</u>
Post-employment benefits	<u>\$ 49,007</u>	<u>\$ 27,461</u>	<u>\$ -</u>	<u>\$ 76,468</u>
Other employee benefits	<u>\$ 133,288</u>	<u>\$ 87,610</u>	<u>\$ -</u>	<u>\$ 220,898</u>
Depreciation				
Property, plant and equipments	\$ 828,578	\$ 82,172	\$ 717	\$ 911,467
Right-of-use assets	8,373	32,388	-	40,761
Investment properties	<u>43,868</u>	<u>545</u>	<u>-</u>	<u>44,413</u>
	<u>\$ 880,819</u>	<u>\$ 115,105</u>	<u>\$ 717</u>	<u>\$ 996,641</u>
Amortization	<u>\$ 1,114</u>	<u>\$ 6,302</u>	<u>\$ -</u>	<u>\$ 7,416</u>

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2023 and 2022, the employees' compensation amounted to NT\$36,179 thousand and NT\$47,800 thousand, respectively, and the remuneration of directors amounted to NT\$18,750 thousand and NT\$15,510 thousand, respectively.

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

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

	<b>For the Year Ended December 31</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Employees' Compensation</b>	<b>Remuneration of Directors</b>	<b>Employees' Compensation</b>	<b>Remuneration of Directors</b>
Amounts resolved in shareholders' meetings	\$ 252,000	\$ 100,050	\$ 187,000	\$ 75,000
Amounts recognized in respective financial statements	<u>252,000</u>	<u>100,050</u>	<u>187,000</u>	<u>75,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## 29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

Major components of income tax expense are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current period	\$ 446,171	\$ 402,848
Adjustments for prior period	13,939	-
Land value-added tax	<u>127</u>	<u>-</u>
	<u>460,237</u>	<u>402,848</u>
Deferred tax		
In respect of the current period	140,972	263,260
Adjustments for prior period	<u>(2,318)</u>	<u>423</u>
	<u>138,654</u>	<u>263,683</u>
Income tax expense recognized in profit or loss	<u>\$ 598,891</u>	<u>\$ 666,531</u>

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

### 30. EARNINGS PER SHARE

	For the Three Months Ended March 31					
	2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 2,095,226	3,731,333	<u>\$ 0.56</u>	\$ 3,834,617	3,431,333	<u>\$ 1.12</u>
Effect potentially of dilutive potential ordinary shares						
Employee bonus	-	6,208		-	2,518	
	<u>\$ 2,095,226</u>	<u>3,737,541</u>	<u>\$ 0.56</u>	<u>\$ 3,834,617</u>	<u>3,433,851</u>	<u>\$ 1.12</u>

### 31. OPERATING LEASE ARRANGEMENTS

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

As of March 31, 2023, December 31, 2022 and March 31, 2022, deposits received under operating leases amounted to NT\$341,276 thousand, NT\$339,128 thousand and NT\$338,701 thousand, respectively (recorded under other non-current liabilities).

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

	Amount
2023 (from April 1 to December 31)	\$ 1,001,826
2024-2028	1,957,470
After 2028	<u>209,533</u>
	<u>\$ 3,168,829</u>

### 32. CAPITAL MANAGEMENT

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

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

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

### 33. FINANCIAL INSTRUMENTS

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

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

March 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Structured deposit	\$ 1,509	\$ -	\$ -	\$ 1,509	\$ 1,509
Government bonds	<u>186,500</u>	<u>-</u>	<u>182,316</u>	<u>-</u>	<u>182,316</u>
	<u>\$ 188,009</u>	<u>\$ -</u>	<u>\$ 182,316</u>	<u>\$ 1,509</u>	<u>\$ 183,825</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 7,746,245	\$ -	\$ 7,389,523	\$ -	\$ 7,389,523

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Structured deposit	\$ 2,202	\$ -	\$ -	\$ 2,202	\$ 2,202
Government bonds	<u>189,242</u>	<u>-</u>	<u>179,709</u>	<u>-</u>	<u>179,709</u>
	<u>\$ 191,444</u>	<u>\$ -</u>	<u>\$ 179,709</u>	<u>\$ 2,202</u>	<u>\$ 181,911</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 7,742,955	\$ -	\$ 7,386,233	\$ -	\$ 7,386,233

March 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Government bonds	\$ 91,621	\$ -	\$ 89,070	\$ -	\$ 89,070
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 7,500,000	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000

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

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

1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 145,280	\$ 4,929	\$ -	\$ 150,209
Foreign unlisted shares	-	-	70,313	70,313
Contingent consideration	-	-	2,528,842	2,528,842
Derivative financial assets for hedging	-	147,930	-	147,930
	<u>\$ 145,280</u>	<u>\$ 152,859</u>	<u>\$ 2,599,155</u>	<u>\$ 2,897,294</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 15,919,082	\$ -	\$ -	\$ 15,919,082
Unlisted securities	-	-	648,938	648,938
	<u>\$ 15,919,082</u>	<u>\$ -</u>	<u>\$ 648,938</u>	<u>\$ 16,568,020</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 18,378	\$ -	\$ 18,378
Contingent consideration	-	-	393,633	393,633
Hedging derivative financial liabilities	-	66,311	-	66,311
	<u>\$ -</u>	<u>\$ 84,689</u>	<u>\$ 393,633</u>	<u>\$ 478,322</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 7,631	\$ -	\$ 7,631
Foreign unlisted shares	-	-	71,969	71,969
Contingent consideration	-	-	2,567,786	2,567,786
Derivatives financial assets for hedging	-	165,019	-	165,019
	<u>\$ -</u>	<u>\$ 172,650</u>	<u>\$ 2,639,755</u>	<u>\$ 2,812,405</u>
<u>Financial assets at fair value FVTOCI</u>				
Investments in equity instruments				
Listed securities in the ROC	\$ 11,717,477	\$ -	\$ -	\$ 11,717,477
Unlisted securities	-	-	624,755	624,755
	<u>\$ 11,717,477</u>	<u>\$ -</u>	<u>\$ 624,755</u>	<u>\$ 12,342,232</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 21,189	\$ 43,583	\$ -	\$ 64,772
Contingent consideration	-	-	363,192	363,192
Derivatives financial assets for hedging	-	222,272	-	222,272
	<u>\$ 21,189</u>	<u>\$ 265,855</u>	<u>\$ 363,192</u>	<u>\$ 650,236</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 52,562	\$ -	\$ 52,562
Derivative financial assets for hedging	-	50,313	-	50,313
	<u>\$ -</u>	<u>\$ 102,875</u>	<u>\$ -</u>	<u>\$ 102,875</u>

(Continued)



	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 14,768,520	\$ -	\$ -	\$ 14,768,520
Unlisted securities	<u>-</u>	<u>-</u>	<u>653,282</u>	<u>653,282</u>
	<u>\$ 14,768,520</u>	<u>\$ -</u>	<u>\$ 653,282</u>	<u>\$ 15,421,802</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	<u>\$ 198,624</u>	<u>\$ 18,786</u>	<u>\$ -</u>	<u>\$ 217,410</u> (Concluded)

2) There were no transfers between Levels 1, 2 and 3 for the three months ended March 31, 2023 and 2022.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2023

Financial Assets	<u>Financial Assets at FVTOCI</u>	
	Equity Instruments	
Balance at January 1, 2023	\$ 624,755	
Recognized in other comprehensive income	23,905	
Effects of exchange difference	<u>278</u>	
Balance at March 31, 2023	<u>\$ 648,938</u>	
Financial Assets	<u>Financial Assets at FVTPL</u>	
	Financial Assets	Financial Liabilities
Balance at January 1, 2023	\$ 2,639,755	\$ 363,192
Additions	1	-
Recognized in profit or loss	(19,763)	25,247
Effects of exchange difference	<u>(20,838)</u>	<u>5,194</u>
Balance at March 31, 2023	<u>\$ 2,599,155</u>	<u>\$ 393,633</u>

For the three months ended March 31, 2022

<b>Financial Assets</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>
Balance at January 1, 2022	\$ 663,502
Recognized in other comprehensive loss	(13,104)
Effects of exchange difference	<u>2,884</u>
Balance at March 31, 2022	<u>\$ 653,282</u>

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

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

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

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

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 8,216,726	\$ 19,397,973	\$ 13,984,934
Contract assets - current	2,446,676	3,022,237	5,025,198
Notes receivable and trade receivables (including related parties)	21,138,833	21,832,312	14,254,863
Finance lease receivables (current and non-current)	647,727	662,543	706,256
Other receivables	6,202,647	3,857,091	3,760,884
Other financial assets	496,362	546,126	2,235,131
Refundable deposits	241,940	288,948	212,192
Financial assets at amortized cost (current and non-current)	188,009	191,444	91,621
Derivative financial assets for hedging (current and non-current)	147,930	165,019	50,313
Financial assets at FVTPL (current and non-current)	2,749,364	2,647,386	52,562
Financial assets at FVTOCI (current and non-current)	16,568,020	12,342,232	15,421,802
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	412,011	427,964	217,410
Derivative financial liabilities for hedging (current and non-current)	66,311	222,272	-
Financial liabilities at amortized cost			
Short-term borrowings	17,394,322	22,496,307	13,401,266
Short-term notes and bills payable	-	-	4,399,148
Contract liabilities	13,881	6,014	4,305
Notes payable and trade payables	18,471,793	18,088,851	11,425,403
Other payables	13,760,672	9,939,969	4,167,679
Bonds payable (including current portion)	7,845,695	7,841,115	7,500,000
Long-term borrowings (including current portion)	37,542,266	41,929,909	37,488,983
Long-term notes and bills payable	2,997,825	1,497,914	-
Deposits received (recorded under other current and non-current liabilities)	410,228	385,210	931,294

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 37.

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Assets</u>			
U.S. dollar	\$ 3,784,440	\$ 3,798,744	\$ 8,678,056
Euro	749,661	1,432,653	-
<u>Liabilities</u>			
U.S. dollar	3,652,575	2,381,338	6,032,887
Euro	660,653	310,405	931,024

## Sensitivity analysis

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

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

	<b>U.S. Dollar Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 72,435	\$ 182,120

  

	<b>Euro Dollar Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 8,298	\$ 1,814

## Hedge accounting

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

### For the three months ended March 31, 2023

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Effectiveness
						Asset	Liability	
Fair value hedges								
Exchange rate swap contracts	USD to RMB	USD/31,563 RMB213,514	2023.6.27	RMB 211,779	Financial liabilities for hedging	RMB -	RMB 1,735	\$ -
Exchange rate swap contracts	USD to RMB	USD/12,525 RMB85,352	2023.6.29	RMB 85,297	Financial liabilities for hedging	RMB -	RMB 55	-
Exchange rate swap contracts	USD to RMB	USD/23,000 RMB156,888	2023.6.30	RMB 156,952	Financial assets for hedging	RMB 64	-	-
Exchange rate swap contracts	USD to RMB	USD/7,000 RMB47,755	2023.6.30	RMB 47,782	Financial assets for hedging	RMB 26	-	-

### For the three months ended March 31, 2022

Hedging Instrument	Currency	Notional Amount	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Effectiveness
						Asset	Liability	
Fair value hedges								
Exchange rate swap contracts	USD to RMB	USD/20,000 RMB129,220	2022.06.08	RMB 130,921	Financial assets for hedging	RMB 1,701	\$ -	\$ -
Exchange rate swap contracts	USD to RMB	USD/15,000 RMB96,921	2022.06.08	RMB 98,203	Financial assets for hedging	RMB 1,282	-	-
Exchange rate swap contracts	USD to RMB	USD/75,000 RMB483,165	2022.07.13	RMB 487,383	Financial assets for hedging	RMB 4,218	-	-
Exchange rate swap contracts	USD to RMB	USD/70,000 RMB450,975	2022.07.13	RMB 454,932	Financial assets for hedging	RMB 3,957	-	-

b) Interest rate risk

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets	\$ 186,500	\$ 189,242	\$ 91,621
Financial liabilities	7,845,695	7,841,115	11,899,148
Cash flow interest rate risk			
Financial assets	1,509	2,202	-
Financial liabilities	57,934,413	65,924,130	50,890,249

Sensitivity analysis

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

If interest rates had been 1% basis points higher and all other variables were held constant, the Group's pre-tax net profit for the three months ended March 31, 2023 and 2022 would have decrease by NT\$145,081 thousand, NT\$127,226 thousand, respectively.

Hedge accounting

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

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

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
Cash flow hedges									
Interest rate swap contracts	EUR	\$ 89,718	2023.09.30-2030.12.18	-0.255%-3.120%	Note	Financial assets for hedging	\$ 4,462	\$ -	\$ -

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

## 2) Credit risk

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

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

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

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

## 3) Liquidity risk

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

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

### March 31, 2023

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 18,483,692	\$ 5,672,787	\$ 33,105,731	\$ 672,203	\$ 57,934,413
Lease liabilities	224,956	309,895	611,939	2,222,096	3,368,886
Fixed interest rate liabilities	99,450	99,450	7,646,795	-	7,845,695
Non-interest bearing liabilities	32,504,029	75,051	59,111	2,580,258	35,218,449
	<u>\$ 51,312,127</u>	<u>\$ 6,157,183</u>	<u>\$ 41,423,576</u>	<u>\$ 5,474,557</u>	<u>\$ 104,367,443</u>

## December 31, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 23,605,356	\$ 13,379,779	\$ 28,258,134	\$ 680,861	\$ 65,924,130
Lease liabilities	254,655	454,115	617,027	1,939,529	3,265,326
Fixed interest rate liabilities	98,160	98,160	7,644,795	-	7,841,115
Non-interest bearing liabilities	<u>28,275,365</u>	<u>75,051</u>	<u>59,111</u>	<u>2,546,847</u>	<u>30,956,374</u>
	<u>\$ 52,233,536</u>	<u>\$ 14,007,105</u>	<u>\$ 36,579,067</u>	<u>\$ 5,167,237</u>	<u>\$ 107,986,945</u>

## March 31, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 18,547,412	\$ 16,603,182	\$ 7,101,885	\$ 8,637,770	\$ 50,890,249
Lease liabilities	94,288	72,910	155,079	1,499,403	1,821,680
Fixed interest rate liabilities	4,399,148	-	7,500,000	-	11,899,148
Non-interest bearing liabilities	<u>16,382,374</u>	<u>27,422</u>	<u>114,580</u>	<u>-</u>	<u>16,524,376</u>
	<u>\$ 39,423,222</u>	<u>\$ 16,703,514</u>	<u>\$ 14,871,544</u>	<u>\$ 10,137,173</u>	<u>\$ 81,135,453</u>

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

## March 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Net settled</u>						
Commodity futures contracts	\$ 74,619	\$ 60,241	\$ 10,420	\$ -	\$ -	\$ 145,280
Foreign exchange forward contracts	(15,173)	(3,179)	(26)	-	-	(18,378)
Exchange rate swap contracts	-	(7,284)	-	-	-	(7,284)
Interest rate swap contracts	-	-	15,460	125,643	6,827	147,930
Gas swap contracts	(8,763)	-	(50,017)	-	-	(58,780)
Futures options	<u>-</u>	<u>4,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,682</u>
	<u>\$ 50,683</u>	<u>\$ 54,460</u>	<u>\$ (24,163)</u>	<u>\$ 125,643</u>	<u>\$ 6,827</u>	<u>\$ (213,450)</u>



December 31, 2022

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
<u>Net settled</u>						
Commodity futures contracts	\$ (44,810)	\$ 15,096	\$ 8,525	\$ -	\$ -	\$ (21,189)
Foreign exchange forward contracts	(26,741)	6,844	(1,573)	-	-	(21,470)
Exchange rate swap contracts	(22,113)	-	-	-	-	(22,113)
Interest rate swap contracts	-	2	20,615	116,738	27,666	165,021
Gas swap contracts	(74,893)	(122,352)	(25,027)	-	-	(222,272)
Futures options	-	7,629	-	-	-	7,629
	<u>\$ (168,557)</u>	<u>\$ (92,781)</u>	<u>\$ 2,540</u>	<u>\$ 116,737</u>	<u>\$ 27,666</u>	<u>\$ (114,394)</u>

March 31, 2022

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
<u>Net settled</u>						
Commodity futures contracts	\$ 56,312	\$ (255,539)	\$ 603	\$ -	\$ -	\$ (198,624)
Foreign exchange forward contracts	51,326	(285)	1,521	-	-	52,562
Exchange rate swap contracts	(18,786)	13,452	36,861	-	-	31,527
	<u>\$ 88,852</u>	<u>\$ (242,372)</u>	<u>\$ 38,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,535)</u>

e. Transfers of financial assets

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

<b>Counterparty</b>	<b>Receivables Factoring Proceeds</b>	<b>Amount Reclassified to Other Receivables</b>	<b>Advances Received - Unused</b>	<b>Advances Received - Used</b>	<b>Annual Interest Rates on Advances Received (Used) (%)</b>
<u>For the three months ended March 31, 2023</u>					
CTBC Bank	<u>\$ 42,134</u>	<u>\$ 25,012</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-
<u>For the three months ended March 31, 2022</u>					
CTBC Bank	<u>\$ 26,773</u>	<u>\$ 1,857</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

### 34. TRANSACTIONS WITH RELATED PARTIES

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

#### a. Related party name and category

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

#### b. Sales

	For the Three Months Ended March 31	
	2023	2022
Associates	\$ 130,710	\$ 5,968
Other related parties	<u>1,322,275</u>	<u>431,252</u>
	<u>\$ 1,452,985</u>	<u>\$ 437,220</u>

c. Rental income

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Associates	\$ 12,150	\$ 11,988
Other related parties	<u>284</u>	<u>284</u>
	<u>\$ 12,434</u>	<u>\$ 12,272</u>

d. Purchases of goods

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Associates	\$ 4,376	\$ 24,245
Other related parties	<u>113,557</u>	<u>1,317</u>
	<u>\$ 117,933</u>	<u>\$ 25,562</u>

e. Administrative expenses

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Associates	\$ 2,244	\$ 2,296
Other related parties	<u>1,996</u>	<u>2,028</u>
	<u>\$ 4,240</u>	<u>\$ 4,324</u>

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

f. Notes receivable

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	<u>\$ 7,520</u>	<u>\$ 9,332</u>	<u>\$ 3,831</u>

g. Trade receivables

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	\$ 143,333	\$ 2,481	\$ 1,109
Other related parties	<u>539,017</u>	<u>42,651</u>	<u>27,178</u>
	<u>\$ 682,350</u>	<u>\$ 45,132</u>	<u>\$ 28,287</u>

h. Notes payable

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ <u>5,317</u>	\$ <u>16,553</u>	\$ <u>3,302</u>

i. Trade payables

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ -	\$ 225	\$ 21,776
Other related parties	<u>21,645</u>	<u>504</u>	<u>1,045</u>
	\$ <u>21,645</u>	\$ <u>729</u>	\$ <u>22,821</u>

j. Other receivables (excluding financing provided)

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ 12,209	\$ 13,056	\$ 8,999
Other related parties	<u>1,987</u>	<u>3,062</u>	<u>2,002</u>
	\$ <u>14,196</u>	\$ <u>16,118</u>	\$ <u>11,001</u>

k. Financing provided

For the Three Months Ended March 31, 2023				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	\$ <u>355,422</u>	\$ <u>354,486</u>	\$ <u>3,854</u>	4.35%
PT. Westrong Metal Industry	\$ <u>2,743,200</u>	\$ <u>2,631,185</u>	\$ <u>42,387</u>	6.79%-7.09%

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

For the Three Months Ended March 31, 2022				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	\$ <u>360,721</u>	\$ <u>360,721</u>	\$ <u>3,836</u>	4.35%

1. Guarantee deposits

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

m. Remuneration of key management personnel

The remuneration of directors and key executives were as follows:

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	\$ 54,750	\$ 42,045
Post-employment benefits	<u>325</u>	<u>324</u>
	<u>\$ 55,075</u>	<u>\$ 42,369</u>

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

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Refundable deposits (recorded under other financial assets - current)	\$ 51,580	\$ 303,146	\$ 996,549
Restricted deposits (recorded under other financial assets - current)	404,342	202,194	1,186,124
Pledged time deposits (recorded under other non-current assets - other)	1,444	1,439	-
Restricted deposits (recorded under other non-current assets - other)	11,078	11,023	11,273
Finance lease receivables	60,526	60,020	58,530
Long-term finance lease receivables	587,201	602,523	647,726
Refundable deposits	51,718	51,986	52,541
Discounted notes receivable	<u>-</u>	<u>1,554,013</u>	<u>-</u>
	<u>\$ 1,167,889</u>	<u>\$ 2,786,344</u>	<u>\$ 2,952,743</u>

### 36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
U.S. dollar	US\$ 5,313	US\$ 3,186	US\$ 6,317
Japanese yen	JPY 32,673	JPY 54,144	JPY 177,486
Euro	EUR 87,116	EUR 34,490	EUR 11,684
Renminbi	RMB 2,189	RMB 2,189	RMB -
New Taiwan dollar	NT\$ 35,442	NT\$ 20,939	NT\$ 42,730

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

	March 31, 2023	December 31, 2022	March 31, 2022
New Taiwan dollar	NT\$ 715,330	NT\$ 841,035	NT\$ 618,830
U.S. dollar	US\$ 30	US\$ 30	US\$ 30
Renminbi	RMB 42,611	RMB 16,884	RMB 8,962

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

	March 31, 2023	December 31, 2022	March 31, 2022
New Taiwan dollar	<u>NT\$ 236,000</u>	<u>NT\$ 496,000</u>	<u>NT\$ 260,000</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
U.S. dollar	US\$ 48,030	US\$ 43,926	US\$ 36,645
Renminbi	RMB 95,501	RMB 85,530	RMB 215,924

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

	March 31, 2023	December 31, 2022	March 31, 2022
New Taiwan dollar	NT\$ 2,193,920	NT\$ 2,237,159	NT\$ 2,943,243
U.S. dollar	US\$ 71,624	US\$ 72,295	US\$ 1,186
Renminbi	RMB 780,991	RMB 780,815	RMB 333,740
Euro	EUR 69,747	EUR 70,927	EUR 38,968
Japanese yen	JPY -	JPY 11,680	JPY 116,800
Indonesia rupiah	IDR 89,715,855	IDR 89,743,621	IDR -

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

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

March 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 728,463	30.4500	\$ 22,181,698
Japanese yen	648,382	0.2288	148,350
Euro	22,944	33.1500	760,594
Singapore dollar	4,058	22.9100	92,969
Hong Kong dollar	2,724	3.8790	10,566
Australian dollar	1,425	20.3300	28,970
Indonesian rupiah	1,605,210,264	0.00203	3,258,577
Renminbi	7,039	4.43108	31,190
Korean won	1,113,895	0.02356	26,243
Non-monetary items			
U.S. dollar	4,723	30.4500	143,815

Financial liabilities

Monetary items			
U.S. dollar	494,913	30.4500	15,070,101
Euro	598	33.1500	19,824
Renminbi	361,661	4.43108	1,602,549
Swiss Franc	17	33.2750	566
Indonesia rupiah	724,936,868	0.00203	1,471,622
Non-monetary items			
U.S. dollar	1,090	30.4500	33,191

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 575,500	30.7100	\$ 17,673,605
Japanese yen	236,526	0.2324	54,969
Euro	37,125	32.7200	1,214,730
Hong Kong dollar	2,505	3.9380	9,865
Australian dollar	1,298	20.8300	27,037
Singapore dollars	5,432	22.8800	124,284
Indonesian rupiah	2,267,040,632	0.00198	4,488,740

(Continued)

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

March 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 871,358	28.6250	\$ 24,942,612
Japanese yen	487,692	0.2353	114,754
Euro	34,854	31.9200	1,112,530
Singapore dollar	3,215	21.1600	68,026
Hong Kong dollar	3,175	3.6560	11,606
Australian dollar	849	21.4200	18,187
Indonesian rupiah	2,422,668,300	0.00198	4,796,883
Non-monetary items			
U.S. dollar	1,593	28.6250	45,591

Financial liabilities

Monetary items			
U.S. dollar	327,537	28.6250	9,375,758
Japanese yen	7,295	0.2353	1,716
Euro	2	31.9200	72
Swiss Franc	17	30.935	526

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange losses and gains were NT\$128,896 thousand and NT\$181,730 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies in the Group.



### 38. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

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

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds; and

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

### 39. SEGMENT INFORMATION

#### a. Basic information

##### 1) Classification

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

##### a) Wires and cables

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

##### b) Stainless steel

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

##### c) Resource

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

##### d) Real estate

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

##### e) Administration and investing

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

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

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

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

### 3) Identification of operating segments

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

## b. Financial information

### 1) Segment revenues and results

(NT\$ in Thousand)

	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
For the three months ended March 31, 2023						
Revenue from external customers	\$ 11,678,995	\$ 24,911,928	\$ 10,900,090	\$ 515,282	\$ 2,707,283	\$ 50,713,578
Segment profit (loss)	775,385	905,762	1,464,346	(24,857)	(382,225)	2,738,411
Net non-operating income (expenses)						
Net interest income (expenses)						(338,583)
Share of profit of associates accounted for using the equity method						(220,488)
Dividend income						346,657
Loss on disposal of property, plant and equipment						(3,518)
Gain on disposal of investments						531,087
Foreign exchange loss, net						(128,896)
Gain on financial assets and liabilities at fair value through profit or loss						154,240
Reversal of impairment loss						1
Net other income						<u>30,657</u>
Consolidated income before income tax						<u>\$ 3,109,568</u>
For the three months ended March 31, 2022						
Revenue from external customers	14,823,697	19,205,425	5,687,626	490,560	2,350,107	\$ 42,577,145
Segment profit (loss)	673,410	1,551,982	2,595,685	61,290	(1,192,497)	3,690,500
Net non-operating income (expenses)						
Net interest income (expenses)						(109,482)
Share of profit of associates accounted for using the equity method						1,150,732
Dividend income						311,092
Loss on disposal of property, plant and equipment						(2,647)
Loss on disposal of investments						(634,600)
Foreign exchange gain, net						181,730
Loss on financial assets and liabilities at fair value through profit or loss						(168,132)
Reversal of impairment loss						59
Net other income						<u>135,523</u>
Consolidated income before income tax						<u>\$ 4,554,715</u>

## 2) Segment assets and liabilities

	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
<u>Segment assets</u>						
March 31, 2023	\$ 9,452,754	\$ 68,767,713	\$ 42,083,310	\$ 30,137,162	\$ 100,604,494	\$ 251,045,434
December 31, 2022	\$ 9,871,071	\$ 45,004,557	\$ 43,443,642	\$ 30,296,978	\$ 123,918,605	\$ 252,524,853
March 31, 2022	\$ 17,961,549	\$ 40,336,906	\$ 29,136,546	\$ 29,853,409	\$ 87,711,877	\$ 205,000,287
<u>Segment liabilities</u>						
March 31, 2023	\$ 6,567,961	\$ 41,812,756	\$ 23,798,799	\$ 15,546,437	\$ 31,819,665	\$ 119,545,619
December 31, 2022	\$ 5,690,853	\$ 26,924,149	\$ 27,486,296	\$ 15,638,505	\$ 46,963,838	\$ 122,703,641
March 31, 2022	\$ 14,959,686	\$ 22,954,506	\$ 22,409,030	\$ 14,371,715	\$ 17,777,334	\$ 92,472,271

TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Walsin Lihwa Corporation	PT. Sunny Metal Industry	Other receivables	Yes	\$ 7,642,860 (US\$ 250,750)	\$ - (US\$ -)	\$ - (US\$ -)	-	Operating capital	\$ -	Operating capital and equipment purchase	\$ -	-	\$ -	\$ 50,013,572 (US\$ 1,642,482)	\$ 50,013,572 (US\$ 1,642,482)
		PT. Westrong Metal Industry	Other receivables	Yes	2,743,200 (US\$ 90,000)	2,740,500 (US\$ 90,000)	2,631,185 (US\$ 86,410)	6.79-7.09	Operating capital	-	Operating capital and equipment purchase	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)

Notes:

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

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

PT. Sunny Metal Industry = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
PT. Westrong Metal Industry = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)

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

The limit on the amount of financing provided = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)

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

3. The currency exchange rate as of March 31, 2023 was as follows: US\$ to NT\$ = 1:30.45.
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TABLE 1-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Walsin (China) Investment Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Other receivables	Yes	\$ 355,422 (RMB 80,000)	\$ 354,486 (RMB 80,000)	\$ 354,486 (RMB 80,000)	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,712,619 (US\$ 56,245)	\$ 1,712,619 (US\$ 56,245)
		Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	8,441,282 (RMB 1,900,000)	8,419,052 (RMB 1,900,000)	3,711,566 (RMB 837,621)	4.25	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Yantai Walsin Stainless Steel Co., Ltd.	Other receivables	Yes	15,947,512 (US\$ 320,000) (RMB 1,400,000)	15,947,512 (US\$ 320,000) (RMB 1,400,000)	6,745,849 (US\$ 141,468) (RMB 550,238)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,813,358 (US\$ 45,000) (RMB 100,000)	1,813,358 (US\$ 45,000) (RMB 100,000)	1,364,069 (US\$ 44,797) (RMB -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Changshu Walsin Specialty Steel Co., Ltd.	Other receivables	Yes	2,408,716 (RMB 50,000) (US\$ 200,000)	2,408,716 (RMB 50,000) (US\$ 200,000)	1,320,708 (RMB 43,373) (US\$ -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Dongguan Walsin Wire & Cable Co., Ltd.	Other receivables	Yes	762,000 (US\$ 25,000)	761,250 (US\$ 25,000)	739,783 (US\$ 24,295)	4.82	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Jiangyin Walsin Steel Cable Co., Ltd.	Other receivables	Yes	1,412,270 (US\$ 10,000) (RMB 250,000)	1,412,270 (US\$ 10,000) (RMB 250,000)	699,602 (US\$ 8,095) (RMB 102,257)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
2	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	3,332,085 (RMB 750,000)	3,323,310 (RMB 750,000)	1,097,211 (RMB 247,617)	2.00	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
3	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	18,737,998 (US\$ 400,000) (RMB 1,480,000)	18,737,998 (US\$ 400,000) (RMB 1,480,000)	12,949,681 (US\$ 254,000) (RMB 1,177,000)	0.98-4.65	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		Walsin Lihwa Corporation	Other receivables	Yes	18,288,000 (US\$ 600,000)	18,270,000 (US\$ 600,000)	4,415,250 (US\$ 145,000)	4.56-4.80	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)
		PT. Walsin Nickel Industrial Indonesia	Other receivables	Yes	3,048,000 (US\$ 100,000)	609,000 (US\$ 20,000)	609,000 (US\$ 20,000)	6.60-7.10	Operating capital	-	Operating capital	-	-	-	6,616,831 (US\$ 217,308)	6,616,831 (US\$ 217,308)
		PT. Sunny Metal Industry	Other receivables	Yes	2,283,750 (US\$ 75,000)	2,283,750 (US\$ 75,000)	1,342,480 (US\$ 44,088)	7.00-7.10	Operating capital	-	Operating capital	-	-	-	6,616,831 (US\$ 217,308)	6,616,831 (US\$ 217,308)

(Continued)

Notes:

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

Jiangyin Walsin Steel Cable Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Walsin (China) Investment Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Walsin Lihwa Corporation = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Walsin (Nanjing) Development Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Yantai Walsin Stainless Steel Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Changshu Walsin Specialty Steel Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Dongguan Walsin Wire & Cable Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Hangzhou Walsin Power Cable & Wire Co., Ltd. = US\$140,614 × 40% = US\$56,245 (\$1,712,619)  
PT. Walsin Nickel Industrial Indonesia = US\$543,271 × 40% = US\$217,308 (\$6,616,831)  
PT. Sunny Metal Industry = US\$543,271 × 40% = US\$217,308 (\$6,616,831)

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

Walsin Lihwa Corporation and Dongguan Walsin Wire & Cable Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)  
Walsin (China) Investment Co., Ltd. = US\$140,614 × 40% = US\$56,245 (\$1,712,619)  
Walsin International Investments Limited = US\$543,271 × 40% = US\$217,308 (\$6,616,831)
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
3. The currency exchange rates as of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.45; RMB to NT\$ = 1:4.43108; US\$ to RMB = 1:6.8717.

(Concluded)

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
4	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 444,278 (RMB 100,000)	\$ 443,108 (RMB 100,000)	\$ 194,879 (RMB 43,980)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 50,013,572 (US\$ 1,642,482)	\$ 50,013,572 (US\$ 1,642,482)
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	666,417 (RMB 150,000)	664,662 (RMB 150,000)	493,068 (RMB 111,275)	2.00	Operating capital	-	Operating capital	-	-	-	50,013,572 (US\$ 1,642,482)	50,013,572 (US\$ 1,642,482)

Notes:

1. According to the financing regulations of Changshu Walsin Specialty Steel Co., Ltd. and Jiangyin Walsin Specialty Alloy Materials Co., Ltd., the limit on the amount of financing provided to a single enterprise that holds directly or indirectly 100% of the voting rights of a subsidiary cannot exceed 40% of the parent company’s equity presented in the consolidated financial statements of Walsin Lihwa Corporation.

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

Walsin (China) Investment Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)

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

The limit on the amount of financing provided = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
3. The currency exchange rates as of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.45; RMB to NT\$ = 1:4.43108; US\$ to RMB = 1:6.8717.



TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
6	Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	\$ 807,110 (US\$ 26,480)	\$ 806,316 (US\$ 26,480)	\$ 806,316 (US\$ 26,480)	2.48	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 50,013,572 (US\$ 1,642,482)	\$ 50,013,572 (US\$ 1,642,482)

Notes:

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

Walsin (Nanjing) Development Co., Ltd. = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)
- b. The limit on the amount of financing provided was as follows:

The limit on the amount of financing provided = \$125,033,931 × 40% = \$50,013,572 (US\$1,642,482)
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
3. The currency exchange rates as of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.45; RMB to NT\$ = 1:4.43108; US\$ to RMB = 1:6.8717.

TABLE 1-4

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
7	Walsin Info-Electric Corporation	Walsin Lihwa Corporation	Other receivables	Yes	\$ 130,000	\$ 80,000	\$ 80,000	1.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 126,418	\$ 126,418

Notes:

1. According to the financing regulations provided by Walsin Info-Electric Corporation, the total limit on the amount of the financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by the parent company, cannot exceed 40% of the equity of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100% owned, directly or indirectly by its parent company, cannot exceed 40% of the parent company’s equity as presented in the parent company’s latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40 % of the parent company’s equity in the parent company’s latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10 % of the parent company’s equity in the parent company’s latest consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin Lihwa Corporation = \$316,044 × 40% = \$126,418
- b. The limit on the amount of financing provided was as follows:

The limit on the amount of financing provided = \$316,044 × 40% = \$126,418

TABLE 1-5

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
8	Walsin Singapore Pte. Ltd.	PT. Sunny Metal Industry	Other receivables	Yes	\$ 5,356,860 (US\$ 175,750)	\$ 5,351,588 (US\$ 175,750)	\$ 5,351,588 (US\$ 175,750)	7.10-7.15	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 10,050,049 (US\$ 330,051)	\$ 10,050,049 (US\$ 330,051)
		PT. Westrong Metal Industry	Other receivables	Yes	3,577,875 (US\$ 117,500)	3,577,875 (US\$ 117,500)	- (US\$ -)	-	Operating capital	-	Operating capital	-	-	-	10,050,049 (US\$ 330,051)	10,050,049 (US\$ 330,051)

Notes:

1. According to the financing regulations provided by Walsin Singapore Pte. Ltd., the total limit on the amount of the financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by the parent company, cannot exceed 40% of the equity of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100% owned, directly or indirectly by its parent company, cannot exceed 40% of the parent company’s equity as presented in the parent company’s latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40% of the parent company’s equity in the parent company’s latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10% of the parent company’s equity in the parent company’s latest consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Walsin Singapore Pte. Ltd. = US\$825,127 × 40% = US\$330,051 (\$10,050,049)
- b. The limit on the amount of financing provided was as follows:

The limit on the amount of financing provided = US\$825,127 × 40% = US\$330,051 (\$10,050,049)

TABLE 2

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Walsin Lihwa Corporation	Borrego Energy, LLC	b	\$ - (US\$ -)	\$ 365,760 (US\$ 12,000)	\$ - (US\$ -)	\$ - (US\$ -)	\$ -		\$ 125,033,931	Yes	No	No

Notes:

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

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

a. A company with which Walsin Lihwa Corporation does business.  
b. A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.  
c. A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.  
d. A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.  
e. A company that fulfills Walsin Lihwa Corporation’s contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.  
f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation’s joint-investment company in proportion to their shareholding percentages.  
g. A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
3. According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation’s current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The limit on the amount of guarantees provided to an investee in which over 66.67% of the common shares are held cannot exceed the amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider; however, the limits mentioned above are not applicable to Walsin Lihwa Corporation’s wholly-owned holding companies incorporated in duty-free areas overseas.

a. The limit on the amount of endorsements/guarantees provided was as follows:  
  
NT\$125,033,931 × 100% = NT\$125,033,931  
  
b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:  
  
Borrego Energy, LLC: US\$0 × 250% × 72.55% = US\$0
4. The currency exchange rates as of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.45.

**TABLE 3**

**WALSIN LIHWA CORPORATION**

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Lihwa Corporation	<u>Share</u> HannStar Display Corp.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	299,632,180	\$ 3,820,310	10.19	\$ 3,820,310	
	HannStar Board Corp.	-	Financial assets at fair value through other comprehensive income - non-current	63,753,952	2,266,453	12.06	2,266,453	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	9,821,951	10.81	9,821,951	
	Kuong Tai Metal Industrial Co., Ltd.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	9,631,802	211,581	9.39	211,581	
	Global Investment Holdings	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	5,221,228	58,294	2.97	58,294	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	13,772	1.16	13,772	
	Hwa Bao Botanic Conservation Corp.	The holding company is a supervisor of the issuer company	Financial assets at fair value through other comprehensive income - non-current	12,000,000	133,615	15.00	133,615	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	93,953	3.43	93,953	

TABLE 3-1

CONCORD INDUSTRIES CONSTRUCTION CO. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
XiAn Walsin Metal Product Co., Ltd.	<u>Certification of capital verification</u> Shaanxi Tianhong Silicon Industrial Corporation	-	Financial assets at fair value through other comprehensive income - non-current	N/A	\$ -	19.00	\$ -	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	<u>Certification of capital verification</u> Shaanxi Electronic Group Optoelectronics Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	N/A	15,457	6.02	15,457	

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

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

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

TABLE 3-3

WALSIN INFO-ELECTRIC CORP.

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Info-Electric Corp.	<u>Share</u> W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	\$ 2,280	5.43	\$ 2,280	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	297,069	42,569	0.95	42,569	
	InSynerger Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	750,000	20,397	6.60	20,397	
	K.S. Terminals Inc.	-	Financial assets at fair value through other comprehensive income - non-current	145,000	10,368	0.09	10,368	
	Landing AI	-	Financial assets at fair value through other comprehensive income - non-current	265,583	3,985	0.54	3,985	



PT. WAL SIN LIPPO INDUSTRIES

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Pt. Walsin Lippo Industries	<u>Government bonds</u> Indonesia Government Bonds	-	Financial assets at amortized cost - non-current	-	\$ 6,125	N/A	\$ 6,125	

COGNE ACCIAI SPECIALI S.P.A.

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	March 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cogne Acciai Speciali S.p.A.	<u>Share</u> Geo Storage	-	Financial assets at fair value through profit or loss - non-current	N/A	\$ 2	-	\$ 2	
	Metal Interconnector	-	Financial assets at fair value through profit or loss - non-current	2,114,787	2,119	1.64	2,119	
	Immobiliare Siderurgica S.r.l.	-	Financial assets at fair value through profit or loss - non-current	N/A	0.044	-	0.044	

TABLE 4

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Corporation	Share													
	Walsin Lihwa Holdings Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	108,730,393	\$ 24,073,818	-	\$ -	106,000,000	\$ 3,250,268	\$ 3,250,268 (Note 1)	\$ -	2,730,393	\$ 20,823,550
	Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd)	Investments accounted for using the equity method	Capital investment	Subsidiaries	422,000,000	19,603,265	266,000,000	8,574,474 (Note 2)	-	-	-	-	688,000,000	28,177,739
	PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd)	Subsidiaries	590,000	4,590,864	-	-	590,000	4,680,030	4,680,030	89,166 (Note 3)	-	-

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

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

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

TABLE 4-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of Renminbi)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Holdings Limited	Share Walsin International Co., Ltd.	Investments accounted for using the equity method	Capital reduction	Subsidiaries	4,653,371,702	\$ 4,441,707	-	\$ -	784,662,000	\$ 708,514 (Note)	\$ -	\$ -	3,868,709,702	\$ 3,733,193

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

TABLE 4-2

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd.)	Share PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Lihwa Corporation	Parent company	-	\$ -	590,000	\$ 145,972 (Note)	-	\$ -	\$ -	\$ -	590,000	\$ 145,972 (Note)

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

**TABLE 5**

**WALSIN LIHWA CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Lihwa Corporation	Koung Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	\$ (368,044)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 14,384	-	
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(169,227)	(1)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	170,125	5	

TABLE 5-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of Renminbi)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both associates of Walsin Lihwa Corporation	Sales	RMB (27,752)	(22)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 31,359	29	

**TABLE 5-2**

**CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars and Renminbi)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (56,350)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 45,381	6	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB (73,250)	(9)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 44,110	6	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 73,250	60	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (44,110)	(59)	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Purchases	RMB 56,350	40	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (45,381)	(26)	
	Walsin Lihwa Corporation	Parent company	Purchases	169,227	27	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(170,125)	(22)	



**TABLE 6**

**WALSIN LIHWA CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**MARCH 31, 2023**  
**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Trade receivables     \$    170,125	4.96	\$       -	-	\$       -	\$       -
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Trade receivables               100,012	3.04	-	-	24,092	-
	Walsin Lihwa Holdings Limited	100% owned subsidiary	Other receivables       3,045,000	-	-	-	-	-
	PT. Sunny Metal Industry	50.1% indirectly owned subsidiary	Other receivables           100,425	-	-	-	-	-
	PT. Westrong Metal Industry	29.5% indirectly owned associate	Other receivables       2,674,035	-	-	-	-	-

**TABLE 6-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

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

**MARCH 31, 2023**

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	100% owned subsidiary	Other receivables RMB 264,330	-	\$ -	-	\$ -	\$ -
	Walsin International Investments Limited	100% owned subsidiary	Other receivables RMB 100,000	-	-	-	-	-
Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Parent company	Other receivables US\$ 4,900	-	-	-	-	-
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 142,051 RMB 551,644	-	-	-	-	-
	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 43,552	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 44,982	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 8,129 RMB 102,460	-	-	-	-	-
	Walsin (Nanjing) Development Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 840,686	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate	Other receivables RMB 82,107	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 180,457	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 99,900	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 24,396	-	-	-	-	-
Walsin International Investments Limited	Walsin Lihwa Corporation	Parent company	Other receivables RMB 1,002,299	-	-	-	-	-
	PT. Sunny Metal Industry	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 303,238	-	-	-	-	-
	PT. Walsin Nickel Industrial Indonesia	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 692,305	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 2,951,371	-	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 247,982	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 162,910	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both associates of Walsin Lihwa Corporation	Trade receivables RMB 31,359	7.08	-	-	-	-

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

TABLE 6-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2023  
(In Thousands of Renminbi)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables \$ 45,381	6.32	\$ -	-	\$ 15,071	\$ -
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables 44,110	9.19	-	-	36,249	-
Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 44,054	-	-	-	-	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 111,450	-	-	-	-	-

**TABLE 6-3**

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

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**MARCH 31, 2023**  
**(In Thousands of Renminbi)**

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Subsidiary	Other receivables      \$ 196,917	-	\$ -	-	\$ -	\$ -

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2023  
(In Thousands of U.S. Dollars)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation PT. Sunny Metal Industry	Parent company 50.1% owned subsidiary	Other receivables      \$ 120,000	-	\$ -	-	\$ -	\$ -
			Other receivables      176,767	-	-	-	-	-

TABLE 7

## WALSIN LIHWA CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 103,022	\$ 3,317,552	2,730,393	100.00	\$ 20,823,550	\$ (137,671)	\$ (137,856)	
	Concord Industries Limited	British Virgin Islands	Investments holding	13,320,958	13,611,135	298,998,375	100.00	4,843,338	(112,818)	(112,818)	
	Ace Result Global Limited	British Virgin Islands	Investments holding	1,587,416	1,587,416	44,739,988	100.00	325,079	(31,381)	(31,381)	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	32,791,149	100.00	394,005	5,569	5,569	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	16,213	(1,447)	(1,447)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	611,688	611,688	577,583,403	99.22	6,156,043	(71,825)	(71,265)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	314,495	359	357	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	956,674	25,481	17,837	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	11,656	11,656	1,050,000	70.00	11,764	(758)	(531)	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	1,164,273	1,164,273	36,058,184	49.05	5,035,872	(148,916)	(73,439)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	8,846,926	(14,382)	(5,321)	
	Tsai Yi Corporation (formerly known as Walsin Color Co., Ltd.)	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	865,895	(23,748)	(8,067)	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	172,163	(4,233)	(1,129)	
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	7,429,920	7,429,920	883,848,423	22.21	20,250,404	(1,011,167)	(224,580)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.01	2,172,560	38,302	8,047	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,334,137	275,725	52,353	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	6,309,994	1,040,470	528,028	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	555,822	(574)	(574)	
	Walsin Singapore Pte. Ltd. (formerly known as New Hono Investment Pte. Ltd)	Singapore	Investments holding	24,972,360	16,790,710	688,000,000	100.00	28,177,739	492,785	386,699	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cables	1,000	-	100,000	100.00	984	(16)	(16)	
	Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	6,692,862	6,692,862	12,000	100.00	4,415,744	152,998	152,998	
	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	22,223	22,223	6,930	99.00	20,695	(1,185)	(1,174)	
	Walsin America, LLC	USA	Investments	185,752	185,752	N/A	100.00	(58,220)	(40,817)	(40,817)	(Note 4)
	PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	285,113	(522)	(152)	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	-	-	283	(504)	(Note 3)
Walsin Lihwa Holding Limited	Walsin International Investments Limited	Hong Kong	Investments	HK\$ 3,868,710	HK\$ 4,653,372	3,868,709,702	100.00	16,542,077	(84,575)	(84,575)	
	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.846	-	-	
Walsin America, LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ 38,147	N/A	72.55	(111,630)	(348,802)	(253,060)	
Borrego Energy Holdings, LLC	Borrego Energy, LLC	USA	Grid-connected solar electric systems	US\$ 52,576 (Note 1)	US\$ 52,576	N/A	100.00	(153,864)	(348,802)	(348,802)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Concord Industries Limited	Walsin Specialty Steel Corp.	British Virgin Islands	Commerce and investments	US\$ 82,893 (Note 2)	US\$ 92,393 (Note 2)	82,893,195	100.00	\$ 1,146,405	\$ 45,634	\$ 45,634	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited	British Virgin Islands	Investments	1,202,993	1,202,993	37,461,816	50.95	5,046,466	(148,916)	(75,873)	
	Dinghsin Development Co., Ltd.	Taiwan	Investment of real estate and related business	8,540	8,540	2,119,200	35.32	36,475	1,084	383	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	1,603	1,603	172,342	0.17	1,113	(4,233)	(18)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	54,154	54,154	3,264,092	0.67	162,111	(14,382)	(96)	
Walsin Singapore Pte. Ltd. (Formerly known as New Hono Investment Pte. Ltd)	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	US\$ 42,000	US\$ 42,000	42,000	42.00	5,491,346	1,040,470	436,997	(Note 3)
	PT. Sunny Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 200,000	US\$ 200,000	51,000	50.10	6,083,239	512,121	83,684	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 146,000	US\$ -	590,000	29.50	4,444,844	283	589	
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Luxembourg	Investments	EUR 207,216	EUR 207,216	5,102	85.03	6,133,488	234,055	199,017	

Note 1: The amount of the payment of US\$10,372 thousand was deducted for Borrego Energy, LLC employees’ compensation, which was paid by Walsin Lihwa Corporation.

Note 2: The amount included capitalization of retained earnings of US\$4,500 thousand.

Note 3: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Corporation to Walsin Singapore Pte. Ltd.

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

Note 5: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Hong Kong dollars.

(Concluded)

TABLE 8

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 609,000 (US\$ 20,000)	b	\$ 792,948 (US\$ 26,041) (Note 2)	\$ - -	\$ - -	\$ 792,948 (US\$ 26,041) (Note 2)	\$ (29,382)	100.00	\$ (29,382)	\$ 816,511	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	475,842 (US\$ 15,627)	b	455,410 (US\$ 14,956) (Note 3)	- -	- -	455,410 (US\$ 14,956) (Note 3)	(1,298)	95.71	(1,240)	1,211,790	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	5,422,536 (US\$ 178,080)	b	2,569,371 (US\$ 84,380) (Note 4)	- -	- -	2,569,371 (US\$ 84,380) (Note 4)	(127,879)	40.00	(51,153)	633,427	-
Walsin (China) Investment Co., Ltd.	Investments	2,393,370 (US\$ 78,600)	b	2,393,370 (US\$ 78,600) (Note 5)	- -	- -	2,393,370 (US\$ 78,600) (Note 5)	(42,104)	100.00	(42,104)	4,281,549	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	2,953,650 (US\$ 97,000)	b	2,953,650 (US\$ 97,000) (Note 6)	- -	- -	2,953,650 (US\$ 97,000) (Note 6)	46,883	100.00	46,883	1,100,906	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	791,700 (US\$ 26,000)	b	791,700 (US\$ 26,000) (Note 9)	- -	- -	791,700 (US\$ 26,000) (Note 9)	19,530	100.00	19,530	1,512,802	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,492,050 (US\$ 49,000)	b	1,492,050 (US\$ 49,000) (Note 10)	- -	- -	1,492,050 (US\$ 49,000) (Note 10)	(58,737)	100.00	(58,737)	1,725,033	-
XiAn Walsin Metal Product Co., Ltd. (Note 13)	Manufacture and sale of specialized stainless steel plates	1,685,408 (US\$ 55,350)	b	918,068 (US\$ 30,150)	- -	- -	918,068 (US\$ 30,150)	(2,839)	100.00	(2,839)	(799,566)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	10,202,729 (US\$ 335,065) (Note 11)	b	6,483,627 (US\$ 212,927)	- -	- -	6,483,627 (US\$ 212,927)	(189,827)	100.00	(189,827)	3,930,745	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	1,327,620 (US\$ 43,600)	b	398,286 (US\$ 13,080)	- -	- -	398,286 (US\$ 13,080)	30,352	30.00	9,107	531,069	929,334 (US\$ 30,520)

(Continued)



Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	\$ 30,450 (US\$ 1,000)	b	\$ 30,450 (US\$ 1,000)	\$ - -	\$ - -	\$ 30,450 (US\$ 1,000)	\$ (2,946)	100.00	\$ (2,946)	\$ (524,401)	\$ -
Dong Guan Cogne Steel Products Co., Ltd	Stainless steel products	828,240 (US\$ 27,200)	b	- (US\$ -)	- -	- -	- (US\$ -)	(11,403)	70.00	(7,982)	595,198	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	5,317,296 (RMB 1,200,000)	b	- (US\$ -)	- -	- -	- (US\$ -)	-	19.00	-	- (Note 12)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	44,311 (RMB 10,000)	b	9,257 (US\$ 304)	- -	- -	9,257 (US\$ 304)	270	20.00	53	9,837	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 14)	Communications equipment and electronic components	689,463 (RMB 155,597)	b	- (RMB -)	- -	- -	-	8,567	6.02	-	68,491	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,522,500 (US\$ 50,000)	b	1,516,410 (US\$ 49,800) (Note 15)	- -	- -	1,516,410 (US\$ 49,800) (Note 15)	(141,698)	99.60	(141,137)	9,137,662	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,431 (RMB 1,000)	b	- RMB -	- -	- -	- RMB -	(10,142)	99.60	(10,100)	(28,292)	-

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

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
\$ 19,600,300 (US\$ 643,688)	\$ 19,526,976 (US\$ 641,280)	(Note 19)

Note 1: Investments can be classified into the following three categories as follow:

- a. Direct investment in mainland China.
- b. Reinvestment in mainland China through companies in a third country companies.
- c. Others.

Note 2: Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.

Note 3: Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.

Note 4: Including US\$13,300 thousand investment through Walsin (China) Investment Co., Ltd., US\$53,000 thousand investment through Ace Result Global Ltd. and US\$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.

Note 5: Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.

Note 6: Including US\$20,000 thousand investment through Walsin Specialty Steel Corp. and US\$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.

(Continued)

Note 7: Including US\$4,800 thousand investment through Walsin (China) Investment.

Note 8: The liquidation and deregistration of Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd were completed on July 13, 2022.

Note 9: Investment through Walsin (China) Investment Co., Ltd.

Note 10: Including investments through Walsin (China) Investment Co., Ltd. of US\$4,500 thousand and US\$4,500 thousand of the own capital of Walsin (China) Investment Co., Ltd.

Note 11: Including investments of its own capital of RMB578,796 thousand from Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments through Changzhou Wujin NSL Co., Ltd. Including US\$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. which were merged.

Note 12: The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.

Note 13: XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.

Note 14: Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.

Note 15: The amount included investment through Joint Success Enterprise Limited approved in the previous years.

Note 16: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.

Note 17: The currency exchange rates as of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.45, RMB to NT\$ = 1:4.43108. The average exchange rates of March 31, 2023 were as follows: US\$ to NT\$ = 1:30.394, RMB to NT\$ = 1:4.42962.

Note 18: The basis for recognizing investment gains and losses in the current period is the financial report reviewed by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.

Note 19: Upper limit on investment:

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

(Concluded)

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of U.S. Dollars and Renminbi)

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

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
Walsin (Nanjing) Development Co., Ltd	Construction, rental and sale of buildings and industrial factories	US\$ 50,000	Note 1	US\$ 25,475	\$ -	\$ -	US\$ 25,475	\$ (31,989)	50.95	\$ (16,298)	\$ 1,054,870	\$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 1	-	-	-	-	(2,290)	50.95	(1,167)	(3,266)	-

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	US\$3,772,662 (Note 3)

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

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

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

$$\text{NT\$6,204,437 thousand} \times 60\% = \text{NT\$3,722,662 thousand}$$

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

**TABLE 9**

**WALSIN LIHWA CORPORATION AND INVESTEES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)**

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	For the three months ended March 31, 2023 Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	\$ 170,125	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jianyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	100,012	The terms are set by quotations on the local market and are similar to those of general customers	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	169,227	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Lihwa Holdings Limited	Transactions between parent company and subsidiaries	Other receivables	3,045,000	Based on capital demand	1
		PT. Sunny Metal Industry	Transactions between parent company and subsidiaries	Other receivables	100,425	Based on capital demand	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 264,330	Based on capital demand	-
		Walsin International Investments Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 100,000	Based on capital demand	-
2	Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 196,917	Based on capital demand	-
3	Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Transactions between subsidiaries and parent company	Other receivables	US\$ 4,900	Based on capital demand	-
		Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 142,051	Based on capital demand	3
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 551,644 US\$ 44,982	The terms are set by quotations on the local market and are similar to those of general customers	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,129 RMB 102,460	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 43,552	Based on capital demand	1

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
		Walsin (Nanjing) Development Co., Ltd. XiAn Walsin Metal Product Co., Ltd. Nanjing Taiwan Trade Mart Management Co., Ltd. Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between subsidiaries Transactions between subsidiaries Transactions between subsidiaries Transactions between parent company and subsidiaries	Other receivables Other receivables Other receivables Other receivables	RMB 840,686 RMB 180,457 RMB 99,900 US\$ 24,396	Based on capital demand Based on capital demand Based on capital demand Based on capital demand	1 - - -
4	Walsin International Investments Limited	Walsin Lihwa Corporation  PT. Walsin Nickel Industrial Indonesia PT. Sunny Metal Industry Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries and parent company Transactions between subsidiaries Transactions between subsidiaries Transactions between subsidiaries	Other receivables Other receivables Other receivables Other receivables	RMB 1,002,299  RMB 692,305 RMB 303,238 RMB 2,951,371	Based on capital demand  Based on capital demand Based on capital demand Based on capital demand	2  1 1 5
5	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.  Jiangyin Walsin Specialty Alloy Materials Co., Ltd. Changshu Walsin Specialty Steel Co., Ltd.  Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries  Transactions between subsidiaries Transactions between subsidiaries Transactions between subsidiaries	Trade receivables  Trade receivables Sales Sales	RMB 45,381  RMB 44,110 RMB 56,350 RMB 73,250	The terms are set by quotations on the local market and are similar to those of general customers The terms are set by quotations on the local market and are similar to those of general customers The terms are set by quotations on the local market and are similar to those of general customers The terms are set by quotations on the local market and are similar to those of general customers	-  - - 1
6	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 111,450	Based on capital demand	-
7	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 44,054	Based on capital demand	-
8	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 162,910	Based on capital demand	-
9	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries and parent company	Other receivables	RMB 247,982	Based on capital demand	1
10	Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation  PT. Sunny Metal Industry	Transactions between subsidiaries and parent company Transactions between parent company and subsidiaries	Other receivables Other receivables	US\$ 120,000 US\$ 176,767	Based on capital demand Based on capital demand	1 2

(Concluded)

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Winbond Electronics Corp.	247,527,493	6.63
Chin-Xin Investment Co., Ltd.	247,399,375	6.63
LGT Bank (Singapore) Investment Fund under the custody of Standard Chartered	235,713,000	6.31
TECO Electric & Machinery Co., Ltd.	210,332,690	5.63

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.