

**Walsin Lihwa Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 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 (collectively, the "Group") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related 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 June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matter

We did not review the financial statements of some subsidiaries included in the consolidated financial statements of the Group, but such financial 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 review reports of other auditors. As of June 30, 2023 and 2022, the combined total assets of these subsidiaries were NT\$29,853,343 thousand and NT\$12,698,476 thousand, respectively, representing 11.24% and 6.00%, respectively, of the consolidated total assets; for the three months ended June 30, 2023 and 2022, the amounts of combined net operating revenue of these subsidiaries were NT\$8,469,780 thousand and NT\$4,821,000 thousand, respectively, representing 17.13% and 9.55%, of the consolidated net operating revenue; for the six months ended June 30, 2023 and 2022, the amounts of combined net operating revenue of these subsidiaries were NT\$18,989,323 thousand and NT\$7,492,955 thousand, respectively, representing 18.96% and 8.05%, 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

August 11, 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  | June 30, 2023         |            | December 31, 2022     |            | June 30, 2022         |            |
|---|-----------------------|------------|-----------------------|------------|-----------------------|------------|
|   | Amount                | %          | Amount                | %          | Amount                | %          |
| <b>CURRENT ASSETS</b>   |                       |            |                       |            |                       |            |
| Cash and cash equivalents (Note 6)  | \$ 24,232,458         | 9          | \$ 19,397,973         | 8          | \$ 7,836,939          | 4          |
| Financial assets at fair value through profit or loss - current (Note 7)                  | 1,506,913             | 1          | 7,631                 | -          | 487,952               | -          |
| Financial assets at amortized cost - current (Note 9)                                     | 723                   | -          | 2,202                 | -          | -                     | -          |
| Financial assets for hedging - current (Note 8)   | 10,123                | -          | 20,615                | -          | -                     | -          |
| Contract assets - current (Note 10)   | 1,906,133             | 1          | 3,022,237             | 1          | 5,489,566             | 3          |
| Notes receivable (Notes 11 and 36)  | 1,361,810             | 1          | 4,537,322             | 2          | 3,746,121             | 2          |
| Trade receivables (Notes 11 and 36)   | 19,758,266            | 7          | 17,294,990            | 7          | 13,746,357            | 6          |
| Finance lease receivables (Notes 12 and 37)   | 61,035                | -          | 60,020                | -          | 59,023                | -          |
| Other receivables (Note 36)   | 8,276,316             | 3          | 3,857,091             | 2          | 5,691,147             | 3          |
| Inventories (Note 13)   | 33,124,672            | 12         | 36,080,291            | 14         | 37,647,130            | 18         |
| Other financial assets - current (Notes 6 and 37)   | 230,189               | -          | 546,126               | -          | 935,215               | -          |
| Other current assets (Notes 22 and 37)  | <u>6,110,445</u>      | <u>2</u>   | <u>7,880,887</u>      | <u>3</u>   | <u>20,750,251</u>     | <u>10</u>  |
| Total current assets  | <u>96,579,083</u>     | <u>36</u>  | <u>92,707,385</u>     | <u>37</u>  | <u>96,389,701</u>     | <u>46</u>  |
| <b>NON-CURRENT ASSETS</b>   |                       |            |                       |            |                       |            |
| Financial assets at fair value through profit or loss - non-current (Note 7)              | 1,221,488             | 1          | 2,639,755             | 1          | -                     | -          |
| Financial assets at fair value through other comprehensive income - non-current (Note 14) | 20,138,099            | 8          | 12,342,232            | 5          | 12,705,179            | 6          |
| Financial assets at amortized cost - non-current (Note 9)                                 | 189,560               | -          | 189,242               | -          | 94,313                | -          |
| Financial assets for hedging - non-current (Note 8)                                       | 133,862               | -          | 144,404               | -          | -                     | -          |
| Investments accounted for using the equity method (Note 16)                               | 48,107,171            | 18         | 46,189,399            | 18         | 38,444,000            | 18         |
| Property, plant and equipment (Note 17)   | 69,206,653            | 26         | 65,656,466            | 26         | 43,318,070            | 20         |
| Right-of-use assets (Note 18)   | 4,462,946             | 2          | 4,309,355             | 2          | 3,446,246             | 2          |
| Investment properties (Note 19)   | 15,699,936            | 6          | 16,123,806            | 7          | 10,365,166            | 5          |
| Goodwill (Note 20)  | 125,628               | -          | 83,393                | -          | 155,821               | -          |
| Other intangible assets (Note 21)   | 4,699,035             | 2          | 4,883,141             | 2          | 19,625                | -          |
| Deferred tax assets (Note 4)  | 3,736,931             | 1          | 3,448,277             | 1          | 3,714,777             | 2          |
| Refundable deposits (Note 6)  | 231,816               | -          | 288,948               | -          | 208,490               | -          |
| Finance lease receivables - non-current (Notes 12 and 37)                                 | 571,750               | -          | 602,523               | -          | 632,785               | -          |
| Other non-current assets (Notes 6, 22 and 37)   | <u>528,083</u>        | <u>-</u>   | <u>2,916,527</u>      | <u>1</u>   | <u>2,212,096</u>      | <u>1</u>   |
| Total non-current assets  | <u>169,052,958</u>    | <u>64</u>  | <u>159,817,468</u>    | <u>63</u>  | <u>115,316,568</u>    | <u>54</u>  |
| <b>TOTAL</b>  | <u>\$ 265,632,041</u> | <u>100</u> | <u>\$ 252,524,853</u> | <u>100</u> | <u>\$ 211,706,269</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>   |                       |            |                       |            |                       |            |
| <b>CURRENT LIABILITIES</b>  |                       |            |                       |            |                       |            |
| Short-term borrowings (Note 23)   | \$ 11,638,443         | 4          | \$ 17,120,571         | 7          | \$ 22,309,671         | 10         |
| Short-term notes and bills payable (Note 23)  | -                     | -          | -                     | -          | 5,595,480             | 3          |
| Financial liabilities at fair value through profit or loss - current (Note 7)             | 87,574                | -          | 64,772                | -          | -                     | -          |
| Financial liabilities for hedging - current (Note 8)                                      | 73,115                | -          | 222,272               | -          | 171,906               | -          |
| Contract liabilities - current  | 10,126                | -          | 6,014                 | -          | 4,478                 | -          |
| Notes payable (Note 36)   | 288,177               | -          | 591,536               | -          | 421,449               | -          |
| Trade payables (Note 36)  | 15,777,178            | 6          | 17,497,315            | 7          | 10,181,492            | 5          |
| Other payables (Note 25)  | 20,106,885            | 8          | 15,315,705            | 6          | 10,113,518            | 5          |
| Current tax liabilities (Note 4)  | 5,697,104             | 2          | 6,103,462             | 2          | 5,398,048             | 2          |
| Lease liabilities - current (Note 18)   | 245,389               | -          | 245,223               | -          | 85,567                | -          |
| Current portion of long-term borrowings and bonds payable (Notes 23 and 24)               | 1,229,573             | 1          | 1,207,209             | 1          | 1,641,602             | 1          |
| Other current liabilities   | <u>1,042,797</u>      | <u>-</u>   | <u>2,495,289</u>      | <u>1</u>   | <u>1,384,250</u>      | <u>1</u>   |
| Total current liabilities   | <u>56,196,361</u>     | <u>21</u>  | <u>60,869,368</u>     | <u>24</u>  | <u>57,307,461</u>     | <u>27</u>  |
| <b>NON-CURRENT LIABILITIES</b>  |                       |            |                       |            |                       |            |
| Financial liabilities at fair value through profit or loss - non-current (Note 7)         | 427,978               | -          | 363,192               | -          | -                     | -          |
| Bonds payable (Note 24)   | 13,000,758            | 5          | 7,742,955             | 3          | 7,500,000             | 3          |
| Long-term borrowings (Note 23)  | 33,527,433            | 13         | 40,820,860            | 16         | 32,331,332            | 15         |
| Long-term notes and bills payable (Note 23)   | 2,998,088             | 1          | 1,497,914             | 1          | -                     | -          |
| Deferred tax liabilities (Note 4)   | 6,219,947             | 3          | 5,797,938             | 3          | 3,346,472             | 2          |
| Lease liabilities - non-current (Note 18)   | 2,496,274             | 1          | 2,309,732             | 1          | 1,610,339             | 1          |
| Net defined benefit liabilities - non-current (Note 4)                                    | 317,411               | -          | 348,779               | -          | 507,968               | -          |
| Other non-current liabilities (Note 33)   | <u>3,093,891</u>      | <u>1</u>   | <u>2,952,903</u>      | <u>1</u>   | <u>1,557,932</u>      | <u>1</u>   |
| Total non-current liabilities   | <u>62,081,780</u>     | <u>24</u>  | <u>61,834,273</u>     | <u>25</u>  | <u>46,854,043</u>     | <u>22</u>  |
| Total liabilities   | <u>118,278,141</u>    | <u>45</u>  | <u>122,703,641</u>    | <u>49</u>  | <u>104,161,504</u>    | <u>49</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)</b>                                     |                       |            |                       |            |                       |            |
| Share capital   | <u>40,313,329</u>     | <u>15</u>  | <u>37,313,329</u>     | <u>15</u>  | <u>34,313,329</u>     | <u>16</u>  |
| Capital surplus   | <u>33,600,302</u>     | <u>13</u>  | <u>24,672,454</u>     | <u>10</u>  | <u>18,620,177</u>     | <u>9</u>   |
| Retained earnings   |                       |            |                       |            |                       |            |
| Legal reserve   | 9,538,222             | 4          | 7,564,090             | 3          | 7,564,090             | 4          |
| Special reserve   | 2,712,250             | 1          | 2,712,250             | 1          | 2,712,250             | 1          |
| Unappropriated earnings   | <u>46,219,084</u>     | <u>17</u>  | <u>51,762,058</u>     | <u>20</u>  | <u>41,384,756</u>     | <u>20</u>  |
| Total retained earnings   | <u>58,469,556</u>     | <u>22</u>  | <u>62,038,398</u>     | <u>24</u>  | <u>51,661,096</u>     | <u>25</u>  |
| Other equity  |                       |            |                       |            |                       |            |
| Exchange differences on translation of the financial statement of foreign operations      | (4,634,565)           | (2)        | (4,256,774)           | (2)        | (4,365,688)           | (2)        |
| Unrealized gain on financial assets at fair value through other comprehensive income      | 15,222,024            | 6          | 6,693,877             | 3          | 5,117,451             | 2          |
| Loss on hedging instruments   | (32,384)              | -          | (105,801)             | -          | -                     | -          |
| Other equity - other  | <u>(2,774,607)</u>    | <u>(1)</u> | <u>(2,774,607)</u>    | <u>(1)</u> | <u>(91,467)</u>       | <u>-</u>   |
| Total other equity  | <u>7,780,468</u>      | <u>3</u>   | <u>(443,305)</u>      | <u>-</u>   | <u>660,296</u>        | <u>-</u>   |
| Total equity attributable to owners of WLC  | 140,163,655           | 53         | 123,580,876           | 49         | 105,254,898           | 50         |
| <b>NON-CONTROLLING INTERESTS</b>  | <u>7,190,245</u>      | <u>2</u>   | <u>6,240,336</u>      | <u>2</u>   | <u>2,289,867</u>      | <u>1</u>   |
| Total equity  | <u>147,353,900</u>    | <u>55</u>  | <u>129,821,212</u>    | <u>51</u>  | <u>107,544,765</u>    | <u>51</u>  |
| <b>TOTAL</b>  | <u>\$ 265,632,041</u> | <u>100</u> | <u>\$ 252,524,853</u> | <u>100</u> | <u>\$ 211,706,269</u> | <u>100</u> |

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

(With Deloitte & Touche review report dated August 11, 2023)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | For the Three Months Ended June 30 |      |               |      | For the Six Months Ended June 30 |      |               |      |
|---|------------------------------------|------|---------------|------|----------------------------------|------|---------------|------|
|   | 2023                               |      | 2022          |      | 2023                             |      | 2022          |      |
|   | Amount                             | %    | Amount        | %    | Amount                           | %    | Amount        | %    |
| OPERATING REVENUE<br>(Note 28)  | \$ 49,446,960                      | 100  | \$ 50,483,370 | 100  | \$ 100,160,538                   | 100  | \$ 93,040,785 | 100  |
| OPERATING COSTS (Note 13)   | (45,772,291)                       | (93) | (45,219,854)  | (90) | (91,857,222)                     | (92) | (82,284,853)  | (89) |
| GROSS PROFIT  | 3,674,669                          | 7    | 5,263,516     | 10   | 8,303,316                        | 8    | 10,755,932    | 11   |
| OPERATING EXPENSES  |                                    |      |               |      |                                  |      |               |      |
| Selling and marketing expenses  | 578,965                            | 1    | 772,930       | 1    | 1,088,471                        | 1    | 1,550,357     | 2    |
| General and administrative expenses   | 1,357,821                          | 3    | 1,280,688     | 3    | 2,677,555                        | 3    | 2,254,763     | 2    |
| Research and development expenses   | 72,801                             | -    | 58,764        | -    | 133,797                          | -    | 109,178       | -    |
| Total operating expenses  | 2,009,587                          | 4    | 2,112,382     | 4    | 3,899,823                        | 4    | 3,914,298     | 4    |
| PROFIT FROM OPERATIONS  | 1,665,082                          | 3    | 3,151,134     | 6    | 4,403,493                        | 4    | 6,841,634     | 7    |
| NON-OPERATING INCOME AND EXPENSES   |                                    |      |               |      |                                  |      |               |      |
| Interest income   | 97,229                             | -    | 37,221        | -    | 213,730                          | -    | 57,304        | -    |
| Dividend income   | 164,387                            | -    | 451,064       | 1    | 511,044                          | 1    | 762,156       | 1    |
| Other income (Note 29)  | 259,108                            | 1    | 223,766       | 1    | 380,894                          | -    | 398,582       | -    |
| (Loss) gain on disposal of property, plant and equipment  | (6,599)                            | -    | 9,334         | -    | (10,117)                         | -    | 6,687         | -    |
| (Loss) gain on valuation of financial assets and liabilities at fair value through profit or loss | (79,379)                           | -    | 653,262       | 1    | 74,861                           | -    | 485,130       | 1    |
| Other expenses  | (117,043)                          | -    | (46,845)      | -    | (208,172)                        | -    | (86,138)      | -    |
| Foreign exchange gain (loss), net   | 252,576                            | -    | 223,541       | -    | 123,680                          | -    | 405,271       | -    |
| (Reversal) recognition of impairment loss (Note 29)   | (3)                                | -    | (55)          | -    | (2)                              | -    | 4             | -    |
| Gain (loss) on disposal of investments (Note 29)  | 51,631                             | -    | 311,995       | 1    | 582,718                          | 1    | (322,665)     | -    |
| Interest expense  | (520,657)                          | (1)  | (167,609)     | -    | (975,741)                        | (1)  | (297,174)     | -    |
| Share of profit of associates accounted for using the equity method                               | 392,055                            | 1    | 1,664,957     | 3    | 171,567                          | -    | 2,815,689     | 3    |
| Total non-operating income and expenses   | 493,305                            | 1    | 3,360,631     | 7    | 864,462                          | 1    | 4,224,846     | 5    |
| PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS   | 2,158,387                          | 4    | 6,511,765     | 13   | 5,267,955                        | 5    | 11,066,480    | 12   |
| INCOME TAX EXPENSE<br>(Notes 4 and 30)  | (824,562)                          | (2)  | (1,051,025)   | (2)  | (1,423,453)                      | (1)  | (1,717,556)   | (2)  |
| NET PROFIT FOR THE PERIOD   | 1,333,825                          | 3    | 5,460,740     | 11   | 3,844,502                        | 4    | 9,348,924     | 10   |

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|  | For the Three Months Ended June 30 |            |                     |             | For the Six Months Ended June 30 |           |                     |            |
|--|------------------------------------|------------|---------------------|-------------|----------------------------------|-----------|---------------------|------------|
|  | 2023                               |            | 2022                |             | 2023                             |           | 2022                |            |
|  | Amount                             | %          | Amount              | %           | Amount                           | %         | Amount              | %          |
| OTHER COMPREHENSIVE INCOME (LOSS)  |                                    |            |                     |             |                                  |           |                     |            |
| Items that will not be reclassified subsequently to profit or loss:  |                                    |            |                     |             |                                  |           |                     |            |
| Remeasurement of defined benefit plans   | \$ (46)                            | -          | \$ -                | -           | \$ (769)                         | -         | \$ -                | -          |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | 3,421,639                          | 7          | (2,834,911)         | (5)         | 7,623,154                        | 7         | (3,726,985)         | (4)        |
| Share of the other comprehensive (loss) income of associates accounted for using the equity method           | <u>(919,724)</u>                   | <u>(2)</u> | <u>(1,945,264)</u>  | <u>(4)</u>  | <u>937,354</u>                   | <u>1</u>  | <u>(2,615,829)</u>  | <u>(3)</u> |
|  | <u>2,501,869</u>                   | <u>5</u>   | <u>(4,780,175)</u>  | <u>(9)</u>  | <u>8,559,739</u>                 | <u>8</u>  | <u>(6,342,814)</u>  | <u>(7)</u> |
| Items that may be reclassified subsequently to profit or loss:   |                                    |            |                     |             |                                  |           |                     |            |
| Exchange differences on translating of the financial statements of foreign operations                        | (111,456)                          | -          | (177,599)           | (1)         | (399,275)                        | -         | 1,734,113           | 2          |
| Gain on hedging instruments  | 7,676                              | -          | -                   | -           | 102,255                          | -         | -                   | -          |
| Share of the other comprehensive (loss) income of associates accounted for using the equity method           | <u>(142,541)</u>                   | <u>(1)</u> | <u>(105,894)</u>    | <u>-</u>    | <u>(87,886)</u>                  | <u>-</u>  | <u>162,208</u>      | <u>-</u>   |
|  | <u>(246,321)</u>                   | <u>(1)</u> | <u>(283,493)</u>    | <u>(1)</u>  | <u>(384,906)</u>                 | <u>-</u>  | <u>1,896,321</u>    | <u>2</u>   |
| Other comprehensive income (loss) for the period, net of income tax  | <u>2,255,548</u>                   | <u>4</u>   | <u>(5,063,668)</u>  | <u>(10)</u> | <u>8,174,833</u>                 | <u>8</u>  | <u>(4,446,493)</u>  | <u>(5)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD  | <u>\$ 3,589,373</u>                | <u>7</u>   | <u>\$ 397,072</u>   | <u>1</u>    | <u>\$ 12,019,335</u>             | <u>12</u> | <u>\$ 4,902,431</u> | <u>5</u>   |
| NET PROFIT ATTRIBUTABLE TO:  |                                    |            |                     |             |                                  |           |                     |            |
| Owners of WLC  | \$ 1,020,777                       | 2          | \$ 5,455,171        | 11          | \$ 3,116,003                     | 3         | \$ 9,289,788        | 10         |
| Non-controlling interests  | <u>313,048</u>                     | <u>1</u>   | <u>5,569</u>        | <u>-</u>    | <u>728,499</u>                   | <u>1</u>  | <u>59,136</u>       | <u>-</u>   |
|  | <u>\$ 1,333,825</u>                | <u>3</u>   | <u>\$ 5,460,740</u> | <u>11</u>   | <u>\$ 3,844,502</u>              | <u>4</u>  | <u>\$ 9,348,924</u> | <u>10</u>  |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:  |                                    |            |                     |             |                                  |           |                     |            |
| Owners of WLC  | \$ 3,166,916                       | 6          | \$ 238,731          | 1           | \$ 11,371,330                    | 11        | \$ 4,682,205        | 5          |
| Non-controlling interests  | <u>422,457</u>                     | <u>1</u>   | <u>158,341</u>      | <u>-</u>    | <u>648,005</u>                   | <u>1</u>  | <u>220,226</u>      | <u>-</u>   |
|  | <u>\$ 3,589,373</u>                | <u>7</u>   | <u>\$ 397,072</u>   | <u>1</u>    | <u>\$ 12,019,335</u>             | <u>12</u> | <u>\$ 4,902,431</u> | <u>5</u>   |

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# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|                    | For the Three Months Ended June 30 |   |         |   | For the Six Months Ended June 30 |   |         |   |
|--------------------|------------------------------------|---|---------|---|----------------------------------|---|---------|---|
|                    | 2023                               |   | 2022    |   | 2023                             |   | 2022    |   |
|                    | Amount                             | % | Amount  | % | Amount                           | % | Amount  | % |
| EARNINGS PER SHARE |                                    |   |         |   |                                  |   |         |   |
| (Note 31)          |                                    |   |         |   |                                  |   |         |   |
| Basic              | \$ 0.27                            |   | \$ 1.59 |   | \$ 0.83                          |   | \$ 2.71 |   |
| Diluted            | \$ 0.27                            |   | \$ 1.59 |   | \$ 0.83                          |   | \$ 2.70 |   |

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

(With Deloitte & Touche review report dated August 11, 2023)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

|   | 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 (Loss) on Financial Assets at Fair Value through Other Comprehensive Income | (Loss) Gain on Hedging Instrument | Others                | Total                 | Non-controlling Interests | Total Equity          |
| 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        |
| Appropriation of 2021 earnings (Note 27)  |                                      |                      |                     |                     |                         |  |   |                                   |                       |                       |                           |                       |
| Legal reserve   | -                                    | -                    | 1,454,522           | -                   | (1,454,522)             | -  | -   | -                                 | -                     | -                     | -                         | -                     |
| Cash dividends distributed by WLC   | -                                    | -                    | -                   | -                   | (5,490,133)             | -  | -   | -                                 | -                     | (5,490,133)           | -                         | (5,490,133)           |
| Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal | -                                    | 15,045               | -                   | -                   | -                       | -  | -   | -                                 | -                     | 15,045                | -                         | 15,045                |
| Disposal of equity instrument measured at fair value through other comprehensive income                       | -                                    | -                    | -                   | -                   | (3,589)                 | -  | 3,589   | -                                 | -                     | -                     | -                         | -                     |
| Changes in capital surplus from investments in associates accounted for using the equity method               | -                                    | 6,539                | -                   | -                   | 77,311                  | -  | (77,311)  | -                                 | -                     | 6,539                 | -                         | 6,539                 |
| Net profit for the six months ended June 30, 2022   | -                                    | -                    | -                   | -                   | 9,289,788               | -  | -   | -                                 | -                     | 9,289,788             | 59,136                    | 9,348,924             |
| Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax                   | -                                    | -                    | -                   | -                   | 512                     | 1,734,999  | (6,343,094)   | -                                 | -                     | (4,607,583)           | 161,090                   | (4,446,493)           |
| Total comprehensive income (loss) for the six months ended June 30, 2022                                      | -                                    | -                    | -                   | -                   | 9,290,300               | 1,734,999  | (6,343,094)   | -                                 | -                     | 4,682,205             | 220,226                   | 4,902,431             |
| Share-based payment transaction (Note 32)   | -                                    | 157,800              | -                   | -                   | -                       | -  | -   | -                                 | -                     | 157,800               | -                         | 157,800               |
| Others  | -                                    | (82)                 | -                   | -                   | -                       | -  | -   | -                                 | -                     | (82)                  | -                         | (82)                  |
| Changes in non-controlling interests  | -                                    | -                    | -                   | -                   | -                       | -  | -   | -                                 | -                     | -                     | 6,897                     | 6,897                 |
| BALANCE AT JUNE 30, 2022  | <u>\$ 34,313,329</u>                 | <u>\$ 18,620,177</u> | <u>\$ 7,564,090</u> | <u>\$ 2,712,250</u> | <u>\$ 41,384,756</u>    | <u>\$ (4,365,688)</u>  | <u>\$ 5,117,451</u>   | <u>\$ -</u>                       | <u>\$ (91,467)</u>    | <u>\$ 105,254,898</u> | <u>\$ 2,289,867</u>       | <u>\$ 107,544,765</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 (Note 27)  |                                      |                      |                     |                     |                         |  |   |                                   |                       |                       |                           |                       |
| Legal reserve   | -                                    | -                    | 1,974,132           | -                   | (1,974,132)             | -  | -   | -                                 | -                     | -                     | -                         | -                     |
| 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               | -                                    | 3,972                | -                   | -                   | 34,560                  | -  | (34,560)  | -                                 | -                     | 3,972                 | -                         | 3,972                 |
| Issuance of ordinary shares for cash  | 3,000,000                            | 8,923,923            | -                   | -                   | -                       | -  | -   | -                                 | -                     | 11,923,923            | -                         | 11,923,923            |
| Net profit for the six months ended June 30, 2023   | -                                    | -                    | -                   | -                   | 3,116,003               | -  | -   | -                                 | -                     | 3,116,003             | 728,499                   | 3,844,502             |
| Other comprehensive (loss) income for the six months ended June 30, 2023                                      | -                                    | -                    | -                   | -                   | (3,006)                 | (377,791)  | 8,562,707   | 73,417                            | -                     | 8,255,327             | (80,494)                  | 8,174,833             |
| Total comprehensive income (loss) for the six months ended June 30, 2023                                      | -                                    | -                    | -                   | -                   | 3,112,997               | (377,791)  | 8,562,707   | 73,417                            | -                     | 11,371,330            | 648,005                   | 12,019,335            |
| Others  | -                                    | (47)                 | -                   | -                   | -                       | -  | -   | -                                 | -                     | (47)                  | -                         | (47)                  |
| Changes in non-controlling interests  | -                                    | -                    | -                   | -                   | -                       | -  | -   | -                                 | -                     | -                     | 301,904                   | 301,904               |
| BALANCE AT JUNE 30, 2023  | <u>\$ 40,313,329</u>                 | <u>\$ 33,600,302</u> | <u>\$ 9,538,222</u> | <u>\$ 2,712,250</u> | <u>\$ 46,219,084</u>    | <u>\$ (4,634,565)</u>  | <u>\$ 15,222,024</u>  | <u>\$ (32,384)</u>                | <u>\$ (2,774,607)</u> | <u>\$ 140,163,655</u> | <u>\$ 7,190,245</u>       | <u>\$ 147,353,900</u> |

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

(With Deloitte & Touche review report dated August 11, 2023)



# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

|   | For the Six Months Ended<br>June 30 |               |
|---|-------------------------------------|---------------|
|   | 2023                                | 2022          |
| CASH FLOWS FROM OPERATING ACTIVITIES  |                                     |               |
| Income before income tax  | \$ 5,267,955                        | \$ 11,066,480 |
| Adjustments for:  |                                     |               |
| Depreciation expenses   | 3,342,335                           | 2,025,205     |
| Amortization expenses   | 325,544                             | 14,641        |
| Expected credit loss recognized on trade receivables  | 74,182                              | 39,898        |
| Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss | (74,861)                            | (485,130)     |
| Interest expenses   | 975,741                             | 297,174       |
| Interest income   | (213,730)                           | (57,304)      |
| Dividend income   | (511,044)                           | (762,156)     |
| Compensation costs of employee share options  | -                                   | 164,531       |
| Share of profit of associates accounted for using the equity method                                     | (171,567)                           | (2,815,689)   |
| Loss (gain) on disposal of property, plant and equipment  | 10,117                              | (6,687)       |
| Gain on disposal of other asset   | (121,938)                           | -             |
| (Gain) loss on disposal of investments  | (582,718)                           | 322,665       |
| Impairment loss recognized (reversed) on non-financial assets   | 2                                   | (4)           |
| Unrealized (gain) loss on foreign currency exchange   | (91,780)                            | 322,845       |
| Loss on lease modification  | 10                                  | 6             |
| Changes in operating assets and liabilities   |                                     |               |
| Decrease in contract assets   | 574,733                             | 260,778       |
| Decrease (increase) in notes receivable   | 3,175,512                           | (1,118,710)   |
| Increase in trade receivables   | (2,996,475)                         | (2,740,566)   |
| Increase in other receivables   | (1,146,124)                         | (900,449)     |
| Decrease (increase) in inventories  | 2,871,711                           | (5,987,407)   |
| Increase in other current assets  | (8,453)                             | (14,415,536)  |
| Decrease (increase) in other financial assets   | 315,937                             | (404,565)     |
| Decrease (increase) in other operating assets   | 24,655                              | (712,375)     |
| Increase (decrease) in financial liabilities held for trading   | 554,591                             | (976,205)     |
| Increase in contract liabilities  | 3,504                               | -             |
| (Decrease) increase in notes payable  | (303,359)                           | 74,502        |
| (Decrease) increase in trade payables   | (635,898)                           | 1,687,571     |
| Decrease in other payables  | (1,506,991)                         | (852,646)     |
| Increase in other current liabilities   | 12,848                              | 256,279       |
| Decrease in net defined benefit liabilities   | (31,368)                            | (52,394)      |
| Increase in other operating liabilities   | 62,194                              | 607,507       |
| Cash generated from (used in) operations  | 9,195,265                           | (15,147,741)  |
| Interest received   | 178,452                             | 35,298        |
| Dividends received  | 41,930                              | 6,635         |
| Interest paid   | (877,094)                           | (238,820)     |
| Income tax paid   | (1,505,585)                         | (2,274,973)   |
| Net cash generated from (used in) operating activities  | 7,032,968                           | (17,619,601)  |

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

|   | For the Six Months Ended<br>June 30 |              |
|---|-------------------------------------|--------------|
|   | 2023                                | 2022         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                     |              |
| Purchase of financial assets at fair value through other comprehensive income                 | \$ (173,994)                        | \$ (140,417) |
| Disposal of financial assets at fair value through other comprehensive income                 | -                                   | 335          |
| Purchase of financial assets at amortized cost  | -                                   | (91,942)     |
| Purchase of long-term equity investment by using the equity method                            | (248,502)                           | -            |
| Prepayments for investments   | -                                   | (1,718,917)  |
| Payments for property, plant and equipment  | (8,703,507)                         | (2,510,906)  |
| Proceeds from disposal of property, plant and equipment                                       | 2,799                               | 14,302       |
| Decrease in refundable deposits   | 52,691                              | 1,954        |
| Purchase of intangible assets   | (44,865)                            | (902)        |
| Acquisition of right-of-use assets  | -                                   | (284,033)    |
| Other investing activities  | (664,556)                           | (7,725)      |
| Net cash used in investing activities   | (9,779,934)                         | (4,738,251)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                     |              |
| (Decrease) increase in short-term borrowings  | (5,390,030)                         | 15,056,865   |
| Increase in short-term notes and bills payable  | -                                   | 5,595,480    |
| Proceeds from issuance of bonds   | 5,300,000                           | -            |
| Repayment of bonds  | (49,533)                            | -            |
| Proceeds from long-term borrowings  | 11,446,152                          | 7,500,000    |
| Repayment of long-term borrowings   | (18,852,468)                        | (9,032,098)  |
| Increase in long-term notes and bills payable   | 1,500,174                           | -            |
| Increase in other payables  | 1,341,424                           | -            |
| Repayment of the principal portion of lease liabilities                                       | (164,561)                           | (46,471)     |
| Increase in capital in cash   | 11,923,923                          | -            |
| Changes in non-controlling interests  | 300,000                             | -            |
| Other financing activities  | (47)                                | (82)         |
| Net cash generated from financing activities  | 7,355,034                           | 19,073,694   |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br/>OF CASH HELD IN FOREIGN CURRENCIES</b> | 226,417                             | 733,516      |
|   |                                     | (Continued)  |

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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|   | For the Six Months Ended<br>June 30 |                     |
|---|-------------------------------------|---------------------|
|   | 2023                                | 2022                |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>EQUIVALENTS     | \$ 4,834,485                        | \$ (2,550,642)      |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br>PERIOD | <u>19,397,973</u>                   | <u>10,387,581</u>   |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD          | <u>\$ 24,232,458</u>                | <u>\$ 7,836,939</u> |

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

(With Deloitte & Touche review report dated August 11, 2023)

(Concluded)

# **WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)**

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### **1. GENERAL INFORMATION**

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

WLC's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1972. In October 1995, November 2010 and June 2023, WLC increased its share capital and issued Global Depositary Receipts (GDRs), which were listed on the Luxembourg Stock Exchange.

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 August 11, 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 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 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 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 judgments or assumptions in applying an accounting policy, and the Group discloses those judgments 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 has 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. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

| <b>New IFRSs</b>   | <b>Effective Date<br/>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                                      |

(Continued)

| <b>New IFRSs</b>  | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|---|--|
| 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                                      |
| Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”                              | January 1, 2024                                      |
| Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”                    | Note 3   |

(Concluded)

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.

Note 3: The requirement that the Group applies the exception and the requirement to disclose that facts are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

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

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

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (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 exist 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, which may have difficulty complying with the covenants and repaying 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, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an 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 such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The 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.

4) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes.

5) Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Group shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows and on the Group's exposure to liquidity risk.

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 of the application of other standards and interpretations 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**

These 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, 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 8 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

|                                     | June 30, 2023        | December 31,<br>2022 | June 30, 2022       |
|-------------------------------------|----------------------|----------------------|---------------------|
| Cash on hand                        | \$ 3,739             | \$ 4,413             | \$ 3,157            |
| Checking accounts and cash in banks | 11,411,169           | 15,013,929           | 7,382,386           |
| Cash equivalents                    |                      |                      |                     |
| Time deposits                       | 12,465,678           | 4,265,727            | 341,469             |
| Short-term bills                    | <u>351,872</u>       | <u>113,904</u>       | <u>109,927</u>      |
|                                     | <u>\$ 24,232,458</u> | <u>\$ 19,397,973</u> | <u>\$ 7,836,939</u> |

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

|                                  | Purpose  | June 30, 2023     | December 31,<br>2022 | June 30, 2022     |
|----------------------------------|--|-------------------|----------------------|-------------------|
| Other financial assets - current |  |                   |                      |                   |
| Restricted deposits              | To meet contract requirements for completing construction        | \$ 42,745         | \$ 34,648            | \$ 20,764         |
|                                  | To secure short-term borrowings and letters of credit            | 133,435           | 167,546              | 490,374           |
|                                  | Repatriation of offshore funds and project grants                | 23,557            | 40,786               | 39,358            |
| Refundable deposits              | Futures deposits   | <u>30,452</u>     | <u>303,146</u>       | <u>384,719</u>    |
|                                  |  | <u>230,189</u>    | <u>546,126</u>       | <u>935,215</u>    |
| Refundable deposits              |  |                   |                      |                   |
| Other - pledged time deposits    | To meet contract requirements for completing construction        | 51,718            | 51,718               | 51,718            |
|                                  | To meet required security deposit                                | -                 | 268                  | 275               |
| Other non-current assets - other |  |                   |                      |                   |
| Restricted deposits              | To meet construction project and performance letter of guarantee | 10,774            | 11,023               | 11,071            |
| Pledged time deposits            | To meet required security deposit                                | <u>1,421</u>      | <u>1,439</u>         | <u>1,309</u>      |
|                                  |  | <u>63,913</u>     | <u>64,448</u>        | <u>64,373</u>     |
|                                  |  | <u>\$ 294,102</u> | <u>\$ 610,574</u>    | <u>\$ 999,588</u> |

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

|  | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|--|---------------|----------------------|---------------|
| Financial assets mandatorily classified as at FVTPL      |               |                      |               |
| Derivative financial assets (not under hedge accounting) |               |                      |               |
| Commodity futures contracts                              | \$ -          | \$ -                 | \$ 452,356    |
| Foreign exchange forward contracts                       | -             | -                    | 35,596        |
| Options  | 22,532        | 7,629                | -             |
| Interest rate swap contracts                             | -             | 2                    | -             |

(Continued)

|   | June 30, 2023       | December 31,<br>2022 | June 30, 2022     |
|---|---------------------|----------------------|-------------------|
| Non-derivative financial assets                               |                     |                      |                   |
| Contingent consideration                                      | \$ 2,636,811        | \$ 2,567,786         | \$ -              |
| Foreign unlisted shares                                       | <u>69,058</u>       | <u>71,969</u>        | <u>-</u>          |
| Financial assets at FVTPL                                     | <u>\$ 2,728,401</u> | <u>\$ 2,647,386</u>  | <u>\$ 487,952</u> |
| Current   | \$ 1,506,913        | \$ 7,631             | \$ 487,952        |
| Non-current   | <u>1,221,488</u>    | <u>2,639,755</u>     | <u>-</u>          |
|   | <u>\$ 2,728,401</u> | <u>\$ 2,647,386</u>  | <u>\$ 487,952</u> |
| <u>Financial liabilities held for trading</u>                 |                     |                      |                   |
| Derivative financial liabilities (not under hedge accounting) |                     |                      |                   |
| Commodity futures contracts                                   | \$ 52,444           | \$ 21,189            | \$ -              |
| Foreign exchange forward contracts                            | 24,497              | 21,470               | -                 |
| Exchange rate swap contracts                                  | 10,633              | 22,113               | -                 |
| Non-derivative financial liabilities                          |                     |                      |                   |
| Contingent consideration                                      | <u>427,978</u>      | <u>363,192</u>       | <u>-</u>          |
| Financial liabilities at FVTPL                                | <u>\$ 515,552</u>   | <u>\$ 427,964</u>    | <u>\$ -</u>       |
| Current   | \$ 87,574           | \$ 64,772            | \$ -              |
| Non-current   | <u>427,978</u>      | <u>363,192</u>       | <u>-</u>          |
|   | <u>\$ 515,552</u>   | <u>\$ 427,964</u>    | <u>\$ -</u>       |
|   |                     |                      | (Concluded)       |

- a. As of June 30, 2023, December 31, 2022 and June 30, 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>June 30, 2023</u>        |                     |                 |                       |                       |                               |                             |                                      |
| Commodity futures contracts |                     |                 |                       |                       |                               |                             |                                      |
| Copper                      | Buy                 | 14,691          | 2023.02.14-2023.06.30 | 2023.07.19-2023.12.20 | US\$ 124,304                  | US\$ 122,061                | US\$ (2,243)                         |
| Copper                      | Sell                | 2,550           | 2023.06.09-2023.06.30 | 2023.07.19            | US\$ 21,532                   | US\$ 21,249                 | US\$ 283                             |
| Zinc                        | Sell                | 225             | 2023.04.18-2023.05.08 | 2023.07.31            | RMB 4,837                     | RMB 4,520                   | RMB 317                              |
| Copper                      | Buy                 | 1,110           | 2023.05.09-2023.06.30 | 2023.07.31-2023.09.30 | RMB 73,262                    | RMB 74,509                  | RMB 1,247                            |
| Stainless steel             | Sell                | 1,200           | 2023.06.16            | 2023.08.31            | RMB 18,069                    | RMB 17,640                  | RMB 429                              |
| <u>December 31, 2022</u>    |                     |                 |                       |                       |                               |                             |                                      |
| Commodity futures contracts |                     |                 |                       |                       |                               |                             |                                      |
| Copper                      | Buy                 | 5,900           | 2022.08.15-2022.12.30 | 2023.01.08-2023.06.21 | US\$ 48,178                   | US\$ 49,332                 | US\$ 1,154                           |
| Copper                      | Buy                 | 555             | 2022.11.11-2022.12.30 | 2023.01.31-2023.03.31 | RMB 36,816                    | RMB 36,797                  | RMB (19)                             |
| Copper                      | Sell                | 25              | 2022.12.02            | 2023.03.02            | US\$ 210                      | US\$ 209                    | US\$ 1                               |
| Nickel                      | Sell                | 4,188           | 2022.11.15-2022.12.30 | 2023.01.18-2023.03.20 | US\$ 122,940                  | US\$ 124,780                | US\$ (1,840)                         |
| Zinc                        | Buy                 | 25              | 2022.12.05            | 2023.02.28            | RMB 613                       | RMB 593                     | RMB (20)                             |
|                             |                     |                 |                       |                       |                               |                             | (Continued)                          |

|                             | Type of Transaction | Quantity (Tons) | Trade Date            | Expiration Date       | Exercise Price (In Thousands) | Market Price (In Thousands) | Valuation (Loss) Gain (In Thousands) |
|-----------------------------|---------------------|-----------------|-----------------------|-----------------------|-------------------------------|-----------------------------|--------------------------------------|
| <u>June 30, 2022</u>        |                     |                 |                       |                       |                               |                             |                                      |
| Commodity futures contracts |                     |                 |                       |                       |                               |                             |                                      |
| Copper                      | Buy                 | 6,225           | 2022.04.28-2022.06.30 | 2022.08.17-2022.11.16 | US\$ 55,991                   | US\$ 51,199                 | US\$ (4,792)                         |
| Nickel                      | Sell                | 5,496           | 2022.05.05-2022.06.29 | 2022.07.20-2022.09.29 | US\$ 145,002                  | US\$ 124,660                | US\$ 20,342                          |
| Zinc                        | Buy                 | 400             | 2022.06.02-2022.06.07 | 2022.08.31            | RMB 10,491                    | RMB 9,642                   | RMB (849)                            |
| Copper                      | Buy                 | 1,800           | 2022.04.29-2022.06.29 | 2022.07.31-2022.10.31 | RMB 127,716                   | RMB 115,306                 | RMB (12,410)                         |
| Stainless steel             | Sell                | 8,000           | 2022.04.27-2022.06.22 | 2022.08.31-2022.09.30 | RMB 144,203                   | RMB 133,672                 | RMB 10,531                           |
| Nickel                      | Sell                | 38              | 2022.06.21            | 2022.08.31            | RMB 7,236                     | RMB 6,723                   | RMB 513                              |
| (Concluded)                 |                     |                 |                       |                       |                               |                             |                                      |

- b. As of June 30, 2023, December 31, 2022 and June 30, 2022, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

|                      | Currency   | Maturity Date         | Notional Amount (In Thousands) |
|----------------------|------------|-----------------------|--------------------------------|
| <u>June 30, 2023</u> |            |                       |                                |
| Sell                 | EUR to USD | 2023.07.10-2023.08.31 | EUR26,000/USD28,048            |
|                      | USD to RMB | 2023.07.17-2023.09.12 | USD36,640/RMB259,148           |
|                      | EUR to MYR | 2023.07.17-2023.10.27 | EUR1,060/MYR5,100              |
|                      | USD to NTD | 2023.07.03            | USD30,000/NTD930,550           |
| Buy                  | USD to JPY | 2023.08.07-2023.09.11 | USD6,000/JPY837,232            |
|                      | USD to SGD | 2023.07.26-2023.08.14 | USD8,000/SGD10,757             |
|                      | EUR to USD | 2023.07.05-2023.07.12 | EUR15,960/USD17,205            |
|                      | USD to RMB | 2023.07.05            | USD11,705/RMB83,055            |
|                      | USD to IDR | 2023.07.27-2023.08.03 | USD151,000/IDR2,265,822,500    |
|                      | EUR to KRW | 2023.07.31-2023.10.31 | EUR268/KRW376,946              |
|                      | EUR to TRY | 2023.07.14            | EUR188/TRY4,890                |
|                      | EUR to ZAR | 2023.07.19-2023.09.22 | EUR260/ZAR5,231                |
|                      | EUR to GBP | 2023.07.31-2023.09.29 | EUR4,373/GBP3,800              |
|                      | EUR to BRL | 2023.07.17-2023.09.20 | EUR7,475/BRL40,200             |

December 31, 2022

|      |            |                       |                            |
|------|------------|-----------------------|----------------------------|
| 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            | EURF292/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 | EUR.5,485/BRL29,982        |

(Continued)

|                      | Currency   | Maturity Date         | Notional Amount<br>(In Thousands) |
|----------------------|------------|-----------------------|-----------------------------------|
| <u>June 30, 2022</u> |            |                       |                                   |
| Sell                 | EUR to USD | 2022.07.06-2022.09.01 | EUR17,000/USD18,134               |
|                      | USD to RMB | 2022.07.06-2023.05.05 | USD65,399/RMB439,469              |
|                      | EUR to MYR | 2022.07.29-2022.09.29 | EUR754/MYR3,548                   |
| Buy                  | USD to MYR | 2022.10.19            | USD300/MYR1,316                   |
|                      | USD to NTD | 2022.07.05            | USD20,000/NTD584,860              |
|                      | USD to JPY | 2022.07.05-2022.07.21 | USD7,744/JPY1,002,435             |
|                      | USD to SGD | 2022.08.08-2023.05.05 | USD19,517/SGD26,936               |
|                      | EUR to USD | 2022.07.05            | EUR5,000/USD5,379                 |
|                      | USD to RMB | 2022.07.11-2022.08.17 | USD36,000/RMB241,503              |
| (Concluded)          |            |                       |                                   |

- c. As of June 30, 2023 and December 31, 2022, outstanding exchange rate swap contracts not under hedge accounting were as follows:

|                   | Currency   | Maturity Date         | Notional Amount<br>(In Thousands) |
|-------------------|------------|-----------------------|-----------------------------------|
| June 30, 2023     | USD to RMB | 2023.07.17-2023.09.27 | USD77,088/RMB547,623              |
|                   | USD to NTD | 2023.07.03-2023.09.05 | USD335,100/NTD10,989,948          |
| 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                   |

- d. As of June 30, 2023, and December 31, 2022, outstanding commodity options not under hedge accounting were as follows:

June 30, 2023

| Notional Amount | Type of Transaction | Buyer/Seller | Premium Paid | Fair Value |
|-----------------|---------------------|--------------|--------------|------------|
| US\$ 20,640     | Put                 | Buyer        | US\$ 300     | US\$ 724   |

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 six months ended June 30, 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

|  | June 30, 2023     | December 31,<br>2022 | June 30, 2022     |
|--|-------------------|----------------------|-------------------|
| <u>Financial assets</u>                          |                   |                      |                   |
| Cash flow hedges - interest rate swap contracts  | \$ 143,985        | \$ 165,019           | \$ -              |
| Current  | \$ 10,123         | \$ 20,615            | \$ -              |
| Non-current                                      | 133,862           | 144,404              | -                 |
|  | <u>\$ 143,985</u> | <u>\$ 165,019</u>    | <u>\$ -</u>       |
| <u>Financial liabilities</u>                     |                   |                      |                   |
| Fair value hedges - exchange rate swap contracts | \$ 9,035          | \$ -                 | \$ 171,906        |
| Cash flow hedges - gas swap contracts            | 64,080            | 222,272              | -                 |
|  | <u>\$ 73,115</u>  | <u>\$ 222,272</u>    | <u>\$ 171,906</u> |
| Current  | \$ 73,115         | \$ 222,272           | \$ 171,906        |
| Non-current                                      | -                 | -                    | -                 |
|  | <u>\$ 73,115</u>  | <u>\$ 222,272</u>    | <u>\$ 171,906</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<br>(In Thousands)            |
|---------------------------------|------------|---------------|--|
| <u>June 30, 2023</u>            |            |               |  |
| Exchange rate swap contracts    | USD to RMB | 2023.09.27    | USD30,900/RMB220,750                         |
| <u>June 30, 2022</u>            |            |               |  |
| Exchange rate swap contracts    | USD to RMB | 2022.07.13    | USD75,000/RMB483,165                         |
|                                 | USD to RMB | 2022.07.13    | USD70,000/RMB450,975                         |
|                                 | USD to RMB | 2022.09.08    | USD20,000/RMB133,112                         |
|                                 | USD to RMB | 2022.09.08    | USD15,000/RMB99,851                          |
|                                 |            |               | <b>For the Six Months Ended<br/>June 30</b>  |
|                                 |            |               | <b>2023                      2022</b>        |
| Loss on the hedging instruments |            |               | \$ (9,035)                      \$ (171,906) |
| Gain on the hedged items        |            |               | \$ (3,835)                      \$ (224,540) |

- 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:

| June 30, 2023                | Notional Amount<br>(In Thousands) | Maturity Date         | Range of Interest Rates Paid | Range of Interest Rates Received |
|------------------------------|-----------------------------------|-----------------------|------------------------------|----------------------------------|
| Exchange rate swap contracts | EUR 83,025                        | 2023.09.30-2030.12.18 | -0.255%-3.120%               | Euribor three to six months      |
| December 31, 2022            | Notional Amount<br>(In Thousands) | Maturity Date         | Range of Interest Rates Paid | Range of Interest Rates Received |
| 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:

| Financial<br>Commodity   | Type of<br>Transaction | Quantity<br>(Tons) | Trade Date                | Maturity Date             | Notional Amount<br>(In Thousands) | Market Price<br>(In Thousands) | Valuation<br>(Loss) Gain<br>(In Thousands) |
|--------------------------|------------------------|--------------------|---------------------------|---------------------------|-----------------------------------|--------------------------------|--|
| <u>June 30, 2023</u>     |                        |                    |                           |                           |                                   |                                |  |
| Gas                      | Buy                    | 63,997             | 2022.12.21-<br>2023.03.03 | 2023.07.03-<br>2023.12.31 | EUR 4,675                         | EUR 2,780                      | EUR (1,895)                                |
| <u>December 31, 2022</u> |                        |                    |                           |                           |                                   |                                |  |
| Gas                      | Buy                    | 139,800            | 2022.04.22-<br>2022.12.28 | 2023.01.31-<br>2023.12.31 | EUR 17,700                        | EUR 10,907                     | EUR (6,793)                                |

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|                     | June 30, 2023     | December 31,<br>2022 | June 30, 2022    |
|---------------------|-------------------|----------------------|------------------|
| <u>Current</u>      |                   |                      |                  |
| Foreign investments |                   |                      |                  |
| Corporate bonds     | \$ 14             | \$ 588               | \$ -             |
| Mutual funds        | <u>709</u>        | <u>1,614</u>         | <u>-</u>         |
|                     | <u>\$ 723</u>     | <u>\$ 2,202</u>      | <u>\$ -</u>      |
| <u>Non-current</u>  |                   |                      |                  |
| Foreign investments |                   |                      |                  |
| Government bonds    | <u>\$ 189,560</u> | <u>\$ 189,242</u>    | <u>\$ 94,313</u> |

The interest rate for the government bonds the Group purchased was 4.45% as of June 30, 2023, December 31, 2022, and June 30, 2022.

## 10. CONTRACT ASSETS

As of June 30, 2023, December 31, 2022 and June 30, 2022, contract balances were as follows:

|                                     | June 30, 2023       | December 31,<br>2022 | June 30, 2022       |
|-------------------------------------|---------------------|----------------------|---------------------|
| Contract assets                     |                     |                      |                     |
| Cable installation                  | \$ 1,156,689        | \$ 1,242,468         | \$ 1,038,527        |
| Solar power systems installation    | 749,444             | 1,779,769            | 4,451,039           |
| Less: Allowance for impairment loss | <u>-</u>            | <u>-</u>             | <u>-</u>            |
| Contract assets - current           | <u>\$ 1,906,133</u> | <u>\$ 3,022,237</u>  | <u>\$ 5,489,566</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

|                                     | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|-------------------------------------|----------------------|----------------------|----------------------|
| <u>Notes receivable</u>             |                      |                      |                      |
| Notes receivable                    | \$ 1,361,810         | \$ 4,537,322         | \$ 3,746,121         |
| <u>Trade receivables</u>            |                      |                      |                      |
| Trade receivables                   | \$ 20,080,144        | \$ 17,575,200        | \$ 13,868,252        |
| Less: Allowance for impairment loss | (321,878)            | (280,210)            | (121,895)            |
|                                     | <u>\$ 19,758,266</u> | <u>\$ 17,294,990</u> | <u>\$ 13,746,357</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

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

#### June 30, 2022

| Factoring Partners                         | Notes<br>Receivable<br>Transferred<br>(Note) | Amount<br>Advanced | Interest Rate |
|--|--|--------------------|---------------|
| Shanghai Pudong Development Bank Co., Ltd. | \$ 1,032,219                                 | \$ 1,024,681       | 1.30%-3.50%   |

Note: Classified under short-term borrowings; for related information on guarantee and short-term borrowings, refer to Notes 23 and 37.

### b. Trade receivable

The average credit period on the sales of goods was 60 days. In determining the collectability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. When the Group dealt with new entities, the Group reviewed the credit ratings of the entities and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the



aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. In this regard, the management believes the Group's credit risk is significantly reduced.

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

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

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

#### June 30, 2023

|                                | <b>Not Past Due</b>  | <b>Less than 90 Days</b> | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|--------------------------------|----------------------|--------------------------|-----------------------|------------------------|----------------------|----------------------|
| Expected credit loss rate      | 0%-1%                | 0%-2%                    | 0%-50%                | 0%-100%                | 50%-100%             |                      |
| Gross carrying amount          | \$ 17,046,336        | \$ 2,217,304             | \$ 288,704            | \$ 248,657             | \$ 279,143           | \$ 20,080,144        |
| Loss allowance (lifetime ECLs) | <u>(28,639)</u>      | <u>(23,719)</u>          | <u>(14,767)</u>       | <u>(62,294)</u>        | <u>(192,459)</u>     | <u>(321,878)</u>     |
| Amortized cost                 | <u>\$ 17,017,697</u> | <u>\$ 2,193,585</u>      | <u>\$ 273,937</u>     | <u>\$ 186,363</u>      | <u>\$ 86,684</u>     | <u>\$ 19,758,266</u> |

#### December 31, 2022

|                                | <b>Not Past Due</b>  | <b>Less than 90 Days</b> | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|--------------------------------|----------------------|--------------------------|-----------------------|------------------------|----------------------|----------------------|
| 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> |

#### June 30, 2022

|                                | <b>Not Past Due</b>  | <b>Less than 90 Days</b> | <b>91 to 180 Days</b> | <b>181 to 365 Days</b> | <b>Over 365 Days</b> | <b>Total</b>         |
|--------------------------------|----------------------|--------------------------|-----------------------|------------------------|----------------------|----------------------|
| Expected credit loss rate      | 0%                   | 0%-2%                    | 0%-50%                | 0%-100%                | 50%-100%             |                      |
| Gross carrying amount          | \$ 12,041,803        | \$ 1,152,669             | \$ 306,724            | \$ 273,945             | \$ 93,111            | \$ 13,868,252        |
| Loss allowance (lifetime ECLs) | <u>-</u>             | <u>(4,819)</u>           | <u>(11,168)</u>       | <u>(44,284)</u>        | <u>(61,624)</u>      | <u>(121,895)</u>     |
| Amortized cost                 | <u>\$ 12,041,803</u> | <u>\$ 1,147,850</u>      | <u>\$ 295,556</u>     | <u>\$ 229,661</u>      | <u>\$ 31,487</u>     | <u>\$ 13,746,357</u> |

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

|  | <b>For the Six Months Ended<br/>June 30</b> |                   |
|--|---|-------------------|
|  | <b>2023</b>                                 | <b>2022</b>       |
| Balance at January 1                     | \$ 280,210                                  | \$ 92,903         |
| Add: Net remeasurement of loss allowance | 74,182                                      | 39,898            |
| Less: Amounts written off                | (31,688)                                    | (14,891)          |
| Foreign exchange gains and losses        | <u>(826)</u>                                | <u>3,985</u>      |
| Balance at June 30                       | <u>\$ 321,878</u>                           | <u>\$ 121,895</u> |

## 12. FINANCE LEASE RECEIVABLES

|  | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|--|----------------------|------------------------------|----------------------|
| <u>Undiscounted lease payments</u>                                 |                      |                              |                      |
| Year 1   | \$ 81,359            | \$ 81,359                    | \$ 81,359            |
| Year 2   | 81,359               | 81,359                       | 81,359               |
| Year 3   | 81,359               | 81,359                       | 81,359               |
| Year 4   | 81,359               | 81,359                       | 81,359               |
| Year 5   | 81,359               | 81,359                       | 81,359               |
| Year 5 onwards   | <u>328,338</u>       | <u>369,017</u>               | <u>409,697</u>       |
|  | 735,133              | 775,812                      | 816,492              |
| Less: Unearned finance income                                      | <u>(102,348)</u>     | <u>(113,269)</u>             | <u>(124,684)</u>     |
| Net investment in leases presented as finance<br>lease receivables | <u>\$ 632,785</u>    | <u>\$ 662,543</u>            | <u>\$ 691,808</u>    |
| Current  | \$ 61,035            | \$ 60,020                    | \$ 59,023            |
| Non-current  | <u>571,750</u>       | <u>602,523</u>               | <u>632,785</u>       |
|  | <u>\$ 632,785</u>    | <u>\$ 662,543</u>            | <u>\$ 691,808</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 June 30, 2023, December 31, 2022 and June 30, 2022.

The finance lease receivables as of June 30, 2023, December 31, 2022 and June 30, 2022 were neither past due nor impaired.

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

### 13. INVENTORIES

|                                      | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|--------------------------------------|----------------------|----------------------|----------------------|
| Manufacturing and trading industries |                      |                      |                      |
| Raw materials                        | \$ 6,738,021         | \$ 7,852,613         | \$ 7,884,696         |
| Raw materials in transit             | 3,015,287            | 1,871,877            | 2,618,953            |
| Supplies                             | 2,035,300            | 2,256,735            | 3,348,920            |
| Work-in-process                      | 7,861,936            | 8,652,837            | 5,644,003            |
| Finished goods and merchandise       | 10,950,018           | 12,807,714           | 9,984,349            |
| Contracts in progress                | <u>273,426</u>       | <u>462,456</u>       | <u>212,201</u>       |
|                                      | <u>30,873,988</u>    | <u>33,904,232</u>    | <u>29,693,122</u>    |
| Real estate development industries   |                      |                      |                      |
| Undeveloped land                     | 3,434                | 3,434                | 3,434                |
| Buildings and land held for sale     | 201,824              | 208,551              | 216,088              |
| Contracts in progress                | <u>2,045,426</u>     | <u>1,964,074</u>     | <u>7,734,486</u>     |
|                                      | <u>2,250,684</u>     | <u>2,176,059</u>     | <u>7,954,008</u>     |
|                                      | <u>\$ 33,124,672</u> | <u>\$ 36,080,291</u> | <u>\$ 37,647,130</u> |

- a. The costs of goods sold related to inventories for the three months ended June 30, 2023 and 2022 were NT\$45,470,997 thousand and NT\$44,999,174 thousand, respectively, and the costs of goods sold related to inventories for the six months ended June 30, 2023 and 2022 were NT\$91,250,500 thousand and NT\$81,809,730 thousand, respectively.
- b. The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2023 included reversals of inventory write-downs of NT\$30,436 thousand. The cost of goods sold for the six months ended June 30, 2023, for the three months ended June 30, 2022, and for the six months ended June 30, 2022 included inventory write-downs of NT\$49,389 thousand, NT\$520,913 thousand and NT\$566,284 thousand, respectively. Previous write-downs were reversed as a result of the inventory close-out.
- 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.

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

|   | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|---|----------------------|----------------------|----------------------|
| Domestic listed ordinary and emerging market shares |                      |                      |                      |
| HannStar Display Corp.                              | \$ 3,940,163         | \$ 3,340,899         | \$ 3,041,267         |
| HannStar Board Corp.                                | 3,063,377            | 2,017,812            | 2,017,813            |
| TECO Electric & Machinery Corp.                     | 12,317,882           | 6,348,587            | 6,878,596            |
| Global PMX Co., Ltd.                                | -                    | -                    | 21,879               |
| K. S. Terminals Inc.                                | 12,006               | 10,179               | 10,629               |
| Domestic unlisted ordinary shares                   | 723,300              | 564,148              | 649,547              |
| Foreign unlisted ordinary shares                    | <u>81,371</u>        | <u>60,607</u>        | <u>85,448</u>        |
|   | <u>\$ 20,138,099</u> | <u>\$ 12,342,232</u> | <u>\$ 12,705,179</u> |
| Non-current   | <u>\$ 20,138,099</u> | <u>\$ 12,342,232</u> | <u>\$ 12,705,179</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 June 30, 2023 and 2022, the unrealized valuation gains (loss) resulting from these investments in equity instruments were NT\$3,421,639 thousand and NT\$(2,834,911) thousand, respectively, which were recognized in other comprehensive income (loss), and for the six months ended June 30, 2023 and 2022, the unrealized valuation gains (loss) resulting from these investments in equity instruments were NT\$7,623,154 thousand and NT\$(3,726,985) thousand, respectively, which were recognized in other comprehensive income (loss).

## 15. SUBSIDIARIES

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

The consolidated entities as of June 30, 2023, December 31, 2022 and June 30, 2022 were as follows:

| Investor                   | Investee  | Main Business  | Percentage of Ownership (%) |                           |               |
|----------------------------|---|--|-----------------------------|---------------------------|---------------|
|                            |   |  | June 30, 2023               | December 31, 2022         | June 30, 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                      | 100.00                    | -             |
|                            | Walsin Lihwa Europe S.a r.l.  | Investment holding   | (Notes 2 and 3)<br>100.00   | (Notes 2 and 3)<br>100.00 | -             |
|                            | PT. Walsin Research Innovation Indonesia                                | Consulting and Management  | (Note 4)<br>99.50           | (Note 4)<br>99.00         | -             |
|                            | Walsin Energy Cable System Co., Ltd.                                    | Submarine communication cables   | (Note 5)<br>90.00           | (Note 5)<br>-             | -             |
|                            |   |  | (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                       | 50.10                     | -             |
| Walsin Singapore Pte. Ltd. |   |  | (Note 6)                    | (Note 6)                  |               |
|                            |   |  | 100.00                      | 100.00                    | 100.00        |
| WLHL                       | 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        |
|                            | 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   | -                           | -                         | 73.32         |
|                            | Nanjing Taiwan Trade Mart Management Co., Ltd.                          | Business and assets management, consulting and advertising services  | 100.00                      | (Note 1)<br>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        |
| CIL                        | Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.                   | Manufacture and sale of stainless steel  | -                           | -                         | 100.00        |
|                            | Yantai Walsin Stainless Steel Co., Ltd.                                 | Production and sale of new-type alloy materials  | 100.00                      | (Note 7)<br>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        |
|                            | 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        |
|                            |   |  |                             |                           |               |

(Continued)

| Investor                                   | Investee                                 | Main Business                           | Percentage of Ownership (%) |                    |               |
|--|--|---|-----------------------------|--------------------|---------------|
|  |  |   | June 30, 2023               | December 31, 2022  | June 30, 2022 |
| Min Maw Precision Industry Corp. (Min Maw) | PT. Walsin Research Innovation Indonesia | Consulting and management               | 0.50                        | 1.00               | -             |
| Walsin America, LLC                        | Borrego Energy Holdings, LLC             | Solar power system                      | (Note 5)<br>72.55           | (Note 5)<br>72.55  | -             |
| Borrego Energy Holdings, LLC               | Borrego Energy, LLC                      | Solar power system                      | (Note 1)<br>100.00          | (Note 1)<br>100.00 | -             |
| Walsin Lihwa Europe S.a r.l.               | MEG S.A.                                 | Investment holding                      | 85.03                       | 85.03              | -             |
| MEG S.A.                                   | Cogne Acciai Speciali S.p.A.             | Manufacture and sale of stainless steel | (Note 4)<br>82.32           | (Note 4)<br>82.32  | -             |
| PT. Walsin Nickel Industrial Indonesia     | PT. Walhsu Metal Industry                | Manufacture and sale of nickel matte    | 0.10                        | -                  | -             |
| PT. Sunny Metal Industry                   | PT. Walhsu Metal Industry                | Manufacture and sale of nickel matte    | (Note 9)<br>99.90           | -                  | -             |
|  |  |   | (Note 9)                    |                    |               |

(Concluded)

- 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. On February 24, 2023, WLC's board of directors approved to increase capital in cash of PT. Walsin Research Innovation Indonesia, and the capital increase base date was on May 22, 2023. The Group did not subscribe according to the shareholding proportion, resulting in an increase in the shareholding percentage from 99.00% to 99.50%.
- 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. On February 24, 2023, WLC's board of directors approved to increase capital in cash of Walsin Energy Cable System Co., Ltd., and the capital increase base date was on May 23, 2023. The Group did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100% to 90%.
- Note 9: The Group established PT. Walhsu Metal Industry on May 23, 2023, and injected capital on June 5, 2023.

- b. The following entity was excluded from consolidation as of June 30, 2023, December 31, 2022 and June 30, 2022:

| Investor | Investee                            | Main Business | Percentage of Ownership (%) |                   |               | Note |
|----------|-------------------------------------|---------------|-----------------------------|-------------------|---------------|------|
|          |                                     |               | June 30, 2023               | December 31, 2022 | June 30, 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 June 30, 2023, December 31, 2022 and June 30, 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 six months ended June 30, 2023 and P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd. and Walsin America, LLC's subsidiary Borrego Solar Systems, Inc. for the six months ended June 30, 2022 were not reviewed by the auditor of WLC but by other auditors. As of June 30, 2023 and 2022, the combined total assets of those subsidiaries were NT\$29,853,343 thousand and NT\$12,698,476 thousand, respectively; for the three months ended June 30, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$8,469,780 thousand and NT\$4,821,000 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$18,989,323 thousand and NT\$7,492,955 thousand, respectively.

## 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

| Name of Associate                                    | June 30, 2023        |                          | December 31, 2022    |                      | June 30, 2022        |                          |
|--|----------------------|--------------------------|----------------------|----------------------|----------------------|--------------------------|
|  | Carrying Amount      | Ownership Percentage (%) | Carrying Amount      | Ownership Percentage | Carrying Amount      | Ownership Percentage (%) |
| <u>Material associates</u>                           |                      |                          |                      |                      |                      |                          |
| Winbond Electronics Corp.                            | \$ 19,743,392        | 22.21                    | \$ 20,953,105        | 22.21                | \$ 19,268,289        | 22.21                    |
| Walton Advanced Engineering, Inc.                    | 2,132,717            | 21.01                    | 2,109,400            | 21.01                | 2,100,920            | 21.01                    |
| Walsin Technology Corp.                              | 8,289,719            | 18.30                    | 8,147,080            | 18.30                | 7,963,893            | 18.30                    |
| <u>Associates that are not individually material</u> |                      |                          |                      |                      |                      |                          |
| Others   | 17,941,343           |                          | 14,979,814           |                      | 9,110,898            |                          |
|  | <u>\$ 48,107,171</u> |                          | <u>\$ 46,189,399</u> |                      | <u>\$ 38,444,000</u> |                          |

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

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

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

| Name of Associate                 | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|-----------------------------------|---------------|----------------------|---------------|
| Winbond Electronics Corp.         | \$ 24,261,639 | \$ 17,323,429        | \$ 19,179,511 |
| Walton Advanced Engineering, Inc. | \$ 1,573,167  | \$ 1,244,282         | \$ 1,337,466  |
| Walsin Technology Corp.           | \$ 8,481,282  | \$ 7,023,284         | \$ 7,974,539  |

All the associates were accounted for using the equity method.

As of June 30, 2023 and 2022, the dividends receivable from the above-mentioned associates of the Group was 1,333,056 thousand and 1,397,104 thousand, respectively, 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 June 30, 2023 and 2022 and six months ended June 30, 2023 and 2022 was based on the associates' financial statements reviewed by independent auditors for the same period.

## 17. PROPERTY, PLANT AND EQUIPMENT

|  | June 30, 2023 |                            | December 31, 2022       |                 | June 30, 2022            |                |
|--|---------------|----------------------------|-------------------------|-----------------|--------------------------|----------------|
| Assets used by the Group                         | \$ 69,206,653 |                            | \$ 65,656,466           |                 | \$ 43,318,070            |                |
|  | Land          | Buildings and Improvements | Machinery and Equipment | Other Equipment | Construction in Progress | Total          |
| <u>Cost</u>                                      |               |                            |                         |                 |                          |                |
| 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       | 65,853                     | 388,498                 | 93,263          | 5,798,620                | 6,553,937      |
| Disposals  | -             | (5,140)                    | (230,654)               | (122,743)       | (641)                    | (359,178)      |
| Reclassified                                     | 12,652        | 4,099,296                  | 12,305,883              | 1,789,687       | (18,348,757)             | (141,239)      |
| Reclassified from investment properties          | -             | -                          | -                       | (3,455)         | -                        | (3,455)        |
| Effects of foreign currency exchange differences | 932           | (181,420)                  | 502,245                 | (104,988)       | 93,413                   | 310,182        |
| Balance at June 30, 2023                         | \$ 3,997,957  | \$ 26,843,775              | \$ 63,394,834           | \$ 10,258,769   | \$ 11,405,274            | \$ 115,900,609 |
| <u>Accumulated depreciation and impairment</u>   |               |                            |                         |                 |                          |                |
| Balance at January 1, 2023                       | \$ 8,067      | \$ 9,790,075               | \$ 28,172,188           | \$ 5,913,566    | \$ -                     | \$ 43,883,896  |
| Depreciation expenses                            | -             | 576,780                    | 2,012,883               | 357,118         | -                        | 2,946,781      |
| Disposals  | -             | (2,743)                    | (225,281)               | (118,238)       | -                        | (346,262)      |
| Reclassified                                     | -             | -                          | (327)                   | (19,661)        | -                        | (19,988)       |
| Impairment losses reversed                       | -             | -                          | -                       | (34)            | -                        | (34)           |
| Effects of foreign currency exchange differences | -             | (25,935)                   | 317,760                 | (62,262)        | -                        | 229,563        |
| Balance at June 30, 2023                         | \$ 8,067      | \$ 10,338,177              | \$ 30,277,223           | \$ 6,070,489    | \$ -                     | \$ 46,693,956  |
| Carrying amount at June 30, 2023                 | \$ 3,989,890  | \$ 16,505,598              | \$ 33,117,611           | \$ 4,188,280    | \$ 11,405,274            | \$ 69,206,653  |
| <u>Cost</u>                                      |               |                            |                         |                 |                          |                |
| Balance at January 1, 2022                       | \$ 3,611,025  | \$ 18,671,274              | \$ 34,969,055           | \$ 7,783,638    | \$ 6,305,375             | \$ 71,340,367  |
| Additions  | 27,694        | 13,948                     | 52,343                  | 197,057         | 2,482,544                | 2,773,586      |
| Disposals  | -             | (6,583)                    | (75,269)                | (102,756)       | (3)                      | (184,611)      |
| Reclassified                                     | 88,445        | 94,571                     | 2,323,846               | 125,655         | (2,632,517)              | -              |
| Reclassified from investment properties          | -             | 88,047                     | -                       | (92,878)        | -                        | (4,831)        |
| Effects of foreign currency exchange differences | -             | 300,854                    | 683,327                 | 95,841          | 70,626                   | 1,150,648      |
| Balance at June 30, 2022                         | \$ 3,727,164  | \$ 19,162,111              | \$ 37,953,302           | \$ 8,006,557    | \$ 6,226,025             | \$ 75,075,159  |

(Continued)

|  | Land                | Buildings and Improvements | Machinery and Equipment | Other Equipment     | Construction in Progress | Total                |
|--|---------------------|----------------------------|-------------------------|---------------------|--------------------------|----------------------|
| Accumulated depreciation and impairment          |                     |                            |                         |                     |                          |                      |
| Balance at January 1, 2022                       | \$ 8,067            | \$ 7,102,766               | \$ 17,527,744           | \$ 5,227,302        | \$ -                     | \$ 29,865,879        |
| Depreciation expenses                            | -                   | 418,517                    | 1,163,286               | 265,031             | -                        | 1,846,834            |
| Disposals  | -                   | (5,958)                    | (70,979)                | (100,059)           | -                        | (176,996)            |
| Reclassified from investment properties          | -                   | 5,228                      | -                       | (12,455)            | -                        | (7,227)              |
| Impairment losses reversed                       | -                   | -                          | (111)                   | (78)                | -                        | (189)                |
| Effects of foreign currency exchange differences | -                   | 60,626                     | 116,691                 | 51,471              | -                        | 228,788              |
| Balance at June 30, 2022                         | <u>\$ 8,067</u>     | <u>\$ 7,581,179</u>        | <u>\$ 18,736,631</u>    | <u>\$ 5,431,212</u> | <u>\$ -</u>              | <u>\$ 31,757,089</u> |
| Carrying amount at June 30, 2022                 | <u>\$ 3,719,097</u> | <u>\$ 11,580,932</u>       | <u>\$ 19,216,671</u>    | <u>\$ 2,575,345</u> | <u>\$ 6,226,025</u>      | <u>\$ 43,318,070</u> |

(Concluded)

- 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 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 June 30, 2023, December 31, 2022 and June 30, 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, respectively.
- c. After appropriate evaluation, the Group recognized a reversal of impairment loss on property, plant and equipment of NT\$27 thousand and NT\$3 thousand for the three months ended June 30, 2023 and 2022, respectively, and the Group recognized a reversal of impairment loss on property, plant and equipment of NT\$34 thousand and NT\$189 thousand for the six months ended June 30, 2023 and 2022, respectively.

## 18. LEASE ARRANGEMENTS

- a. Right-of-use assets

|                          | June 30, 2023       | December 31, 2022   | June 30, 2022       |
|--------------------------|---------------------|---------------------|---------------------|
| <u>Carrying amount</u>   |                     |                     |                     |
| Land                     | \$ 3,334,929        | \$ 3,443,726        | \$ 3,304,000        |
| Buildings                | 535,115             | 506,666             | 110,449             |
| Machinery equipment      | 489,936             | 263,942             | -                   |
| Office equipment         | 66,527              | 61,617              | -                   |
| Transportation equipment | <u>36,439</u>       | <u>33,404</u>       | <u>31,797</u>       |
|                          | <u>\$ 4,462,946</u> | <u>\$ 4,309,355</u> | <u>\$ 3,446,246</u> |



|  | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                  |
|--|---------------------------------------|------------------|-------------------------------------|------------------|
|  | 2023                                  | 2022             | 2023                                | 2022             |
| Additions to right-of-use assets               | \$ 86,839                             | \$ 709           | \$ 322,070                          | \$ 1,733,919     |
| Disposals                                      | \$ (60)                               | \$ (1,187)       | \$ (300)                            | \$ (47,159)      |
| Depreciation charge for<br>right-of-use assets |                                       |                  |                                     |                  |
| Land   | \$ 37,917                             | \$ 30,970        | \$ 76,054                           | \$ 51,480        |
| Buildings                                      | 27,956                                | 12,802           | 55,572                              | 28,158           |
| Machinery equipment                            | 11,403                                | -                | 21,357                              | -                |
| Office equipment                               | 1,305                                 | -                | 3,576                               | -                |
| Transportation equipment                       | 3,819                                 | 4,801            | 7,339                               | 9,696            |
|  | <u>\$ 82,400</u>                      | <u>\$ 48,573</u> | <u>\$ 163,898</u>                   | <u>\$ 89,334</u> |

b. Lease liabilities

|                        | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|------------------------|---------------|----------------------|---------------|
| <u>Carrying amount</u> |               |                      |               |
| Current                | \$ 245,389    | \$ 245,223           | \$ 85,567     |
| Non-current            | \$ 2,496,274  | \$ 2,309,732         | \$ 1,610,339  |

Range of discount rates for lease liabilities were as follows:

|                          | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|--------------------------|---------------|----------------------|---------------|
| Land                     | 0.83%-6.123%  | 0.83%-6.123%         | 0.83%-6.123%  |
| Buildings                | 1.198%-8.76%  | 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

|   | For the Three Months Ended<br>June 30 |                    | For the Six Months Ended<br>June 30 |                    |
|---|---------------------------------------|--------------------|-------------------------------------|--------------------|
|   | 2023                                  | 2022               | 2023                                | 2022               |
| Expenses relating to short-term leases  | \$ 19,372                             | \$ 13,014          | \$ 40,133                           | \$ 21,156          |
| Expenses relating to low-value asset leases   | \$ 202                                | \$ 199             | \$ 417                              | \$ 369             |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | \$ 1,370                              | \$ 2,863           | \$ 2,635                            | \$ 4,514           |
| Total cash outflow for leases   | <u>\$ (67,008)</u>                    | <u>\$ (39,037)</u> | <u>\$ (207,746)</u>                 | <u>\$ (72,510)</u> |

## 19. INVESTMENT PROPERTIES

|  | June 30, 2023        | December 31,<br>2022 | June 30, 2022                                |
|--|----------------------|----------------------|--|
| Completed investment properties                  | <u>\$ 15,699,936</u> | <u>\$ 16,123,806</u> | <u>\$ 10,365,166</u>                         |
|  |                      |                      | <b>Completed<br/>Investment<br/>Property</b> |
| <u>Cost</u>                                      |                      |                      |  |
| Balance at January 1, 2023                       |                      |                      | \$ 19,078,843                                |
| Reclassified from property, plant and equipment  |                      |                      | 3,455  |
| Reclassified to inventories                      |                      |                      | (34,335)                                     |
| Effects of foreign currency exchange differences |                      |                      | <u>(189,215)</u>                             |
| Balance at June 30, 2023                         |                      |                      | <u>\$ 18,858,748</u>                         |
| Balance at January 1, 2022                       |                      |                      | \$ 12,991,354                                |
| Reclassified from property, plant and equipment  |                      |                      | 4,831  |
| Others   |                      |                      | (4,907)                                      |
| Effects of foreign currency exchange differences |                      |                      | <u>45,932</u>                                |
| Balance at June 30, 2022                         |                      |                      | <u>\$ 13,037,210</u>                         |
| <u>Accumulated depreciation and impairment</u>   |                      |                      |  |
| Balance at January 1, 2023                       |                      |                      | \$ 2,955,037                                 |
| Depreciation expenses                            |                      |                      | 231,656                                      |
| Effects of foreign currency exchange differences |                      |                      | <u>(27,881)</u>                              |
| Balance at June 30, 2023                         |                      |                      | <u>\$ 3,158,812</u>                          |
| Balance at January 1, 2022                       |                      |                      | \$ 2,560,291                                 |
| Depreciation expenses                            |                      |                      | 89,037                                       |
| Reclassified from property, plant and equipment  |                      |                      | 7,227  |
| Others   |                      |                      | (291)  |
| Effects of foreign currency exchange differences |                      |                      | <u>15,780</u>                                |
| Balance at June 30, 2022                         |                      |                      | <u>\$ 2,672,044</u>                          |

- 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, 2022 and 2021, 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 June 30, 2023 and 2022.

## 20. GOODWILL

|  | For the Six Months Ended<br>June 30 |                   |
|--|-------------------------------------|-------------------|
|  | 2023                                | 2022              |
| <u>Cost</u>                                      |                                     |                   |
| Balance at January 1                             | \$ 83,393                           | \$ 152,771        |
| Others   | 40,275                              | -                 |
| Effects of foreign currency exchange differences | <u>1,960</u>                        | <u>3,050</u>      |
| Balance at June 30                               | <u>\$ 125,628</u>                   | <u>\$ 155,821</u> |
| <u>Accumulated impairment</u>                    |                                     |                   |
| Balance at January 1                             | \$ -                                | \$ -              |
| Balance at June 30                               | <u>\$ -</u>                         | <u>\$ -</u>       |
| Carrying amount at June 30, 2023                 | <u>\$ 125,628</u>                   | <u>\$ 155,821</u> |

The Group acquired PT. Sunny Metal Industry on September 23, 2022 and recognized the goodwill of NT\$85,585 thousand. The Group adjusted the goodwill of NT\$125,860 thousand in the second quarter of 2023. 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

|                 | June 30, 2023       | December 31,<br>2022 | June 30, 2022    |
|-----------------|---------------------|----------------------|------------------|
| Supply contract | \$ 2,613,633        | \$ 2,734,203         | \$ -             |
| Core technology | 1,839,700           | 1,922,845            | -                |
| Others          | <u>245,702</u>      | <u>226,093</u>       | <u>19,625</u>    |
|                 | <u>\$ 4,699,035</u> | <u>\$ 4,883,141</u>  | <u>\$ 19,625</u> |

- 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.
- 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 six months ended June 30, 2023 and 2022.
- 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.
- 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

|                            | June 30, 2023       | December 31,<br>2022 | June 30, 2022        |
|----------------------------|---------------------|----------------------|----------------------|
| Prepayment for purchases   | \$ 4,071,701        | \$ 3,694,957         | \$ 16,828,082        |
| Prepaid expense            | 513,309             | 999,406              | 1,340,615            |
| Prepaid sales tax          | 1,454,840           | 3,142,781            | 2,569,757            |
| Prepayment for investments | -                   | 2,204,073            | 1,747,500            |
| Others                     | <u>598,678</u>      | <u>756,197</u>       | <u>476,393</u>       |
|                            | <u>\$ 6,638,528</u> | <u>\$ 10,797,414</u> | <u>\$ 22,962,347</u> |
| Current                    | \$ 6,110,445        | \$ 7,880,887         | \$ 20,750,251        |
| Non-current                | <u>528,083</u>      | <u>2,916,527</u>     | <u>2,212,096</u>     |
|                            | <u>\$ 6,638,528</u> | <u>\$ 10,797,414</u> | <u>\$ 22,962,347</u> |

## 23. BORROWINGS

|   | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|---|----------------------|----------------------|----------------------|
| Short-term borrowings                   | \$ 11,638,443        | \$ 17,120,571        | \$ 22,309,671        |
| Short-term notes and bills payable      | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ 5,595,480</u>  |
| Current portion of long-term borrowings | <u>\$ 1,128,143</u>  | <u>\$ 1,109,049</u>  | <u>\$ 1,641,602</u>  |
| Long-term borrowings                    | <u>\$ 33,527,433</u> | <u>\$ 40,820,860</u> | <u>\$ 32,331,332</u> |
| Long-term notes and bills payable       | <u>\$ 2,998,088</u>  | <u>\$ 1,497,914</u>  | <u>\$ -</u>          |

a. Short-term borrowings as of June 30, 2023, December 31, 2022 and June 30, 2022 were as follows:

|                             | June 30, 2023      |                      | December 31, 2022  |                      | June 30, 2022      |                      |
|-----------------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                             | Interest Rate<br>% | Amount               | Interest Rate<br>% | Amount               | Interest Rate<br>% | Amount               |
| Procurement loans           | -                  | \$ -                 | -                  | \$ -                 | 0.67-2.30          | \$ 2,374,463         |
| Bank lines of credit        | 1.73%-7.26%        | 11,638,443           | 0.95%-6.42%        | 15,566,558           | 0.96-3.85          | 18,902,989           |
| Discounted notes receivable | -                  | <u>-</u>             | 1.25%-2.20%        | <u>1,554,013</u>     | 1.30-3.50          | <u>1,032,219</u>     |
|                             |                    | <u>\$ 11,638,443</u> |                    | <u>\$ 17,120,571</u> |                    | <u>\$ 22,309,671</u> |

Notes receivable financing is based on notes receivable of the Group which are used to apply for a discounted loan. Refer to Note 37 for the amount of discounted notes receivable and relevant terms with recourse rights.

Refer to Notes 6 and 37 for collaterals pledged for short-term borrowings as of June 30, 2023, December 31, 2022 and June 30, 2022.

- b. Short-term notes and bills payable as of June 30, 2022 were as follows:

June 30, 2022

| Acceptance Agency                               | Nature    | Interest Rate % | Amount              |
|---|-----------|-----------------|---------------------|
| China Bills, International Bills and Mega Bills | Unsecured | 0.958-1.128     | \$ 5,600,000        |
| Less: Discounts on long-term bills payable      |           |                 | <u>(4,520)</u>      |
|   |           |                 | <u>\$ 5,595,480</u> |

- c. Long-term borrowings as of June 30, 2023, December 31, 2022 and June 30, 2022 were as follows:

|   |   | June 30, 2023  | December 31, 2022 | June 30, 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  | \$ 206,308     | \$ 233,439        | \$ 260,561     |
| Taipei Fubon Commercial Bank                    | From December 25, 2013 to October 11, 2028; after the grace period, repayments are due in stages  | 41,467         | 67,375            | 72,359         |
| Other long-term secured loan                    | From January 12, 2019 to December 18, 2030; repayments are due according to contracts   | <u>60,351</u>  | <u>78,365</u>     | -              |
|   |   | <u>308,126</u> | <u>379,179</u>    | <u>332,920</u> |
| <u>Long-term credit loan</u>                    |   |                |                   |                |
| 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      |
| 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         | 6,000,000      |
| 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  | -              | 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 March 8, 2027  | 2,000,000      | 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  | 1,200,000      | 1,500,000         | -              |
| Standard Chartered Bank                         | Principal repayment at maturity, from November 16, 2022 to December 31, 2024  | 1,555,400      | 1,555,400         | -              |

(Continued)

|  |  | June 30, 2023        |                      | December 31,<br>2022 | June 30, 2022        |
|--|--|----------------------|----------------------|----------------------|----------------------|
|  |  | Significant Covenant | Amount               | Amount               | Amount               |
| Agricultural Bank of Taiwan                  | Principal repayment at maturity, from October 31, 2022 to October 31, 2025   |                      | \$ 1,500,000         | \$ 1,000,000         | \$ -                 |
| Bank SinoPac                                 | Principal repayment at maturity, from July 13, 2022 to July 13, 2025   |                      | -                    | -                    | -                    |
| Far Eastern International Bank               | Principal repayment at maturity, from October 21, 2022 to October 14, 2027   |                      | 1,500,000            | -                    | -                    |
| Bank of Taiwan                               | Loan from June 13, 2023 to May 15, 2028; principal to be repaid evenly in forty eight phases; 1st repayment is due 36 months after the drawdown date |                      | 1,799,194            | -                    | -                    |
| Intesa Sanpaolo S.p.A                        | Principal repayment at maturity, from December 30, 2019 to June 30, 2025   |                      | 919,970              | 1,007,776            | -                    |
| Other long-term credit loans                 | From April 30, 2019 to June 13, 2030; repayments are due according to contracts  |                      | 4,235,116            | 4,797,684            | -                    |
|  |  |                      | <u>34,347,450</u>    | <u>41,550,730</u>    | <u>33,640,014</u>    |
|  |  |                      | <u>34,655,576</u>    | <u>41,929,909</u>    | <u>33,972,934</u>    |
| Less current portion of long-term borrowings |  |                      | <u>(1,128,143)</u>   | <u>(1,109,049)</u>   | <u>(1,641,602)</u>   |
|  |  |                      | <u>\$ 33,527,433</u> | <u>\$ 40,820,860</u> | <u>\$ 32,331,332</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 June 30, 2023, December 31, 2022 and June 30, 2022, the effective interest rate ranges of the credit borrowings were 0.55%-6.624%, 0.10%-5.56% and 0.93%-2.08% per annum, respectively. As of June 30, 2023, December 31, 2022 and June 30, 2022, the effective interest rate range of the secured borrowings were 2.10%-4.453%, 0.55%-4.70% and 1.94%-2.19% per annum.
- 3) As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group's current portion of long-term borrowings under the loan agreements were NT\$1,128,143 thousand, NT\$1,109,049 thousand and NT\$1,641,602 thousand, respectively. The Group's consolidated financial statements for the six months ended June 30, 2023 and 2022 and for the years ended December 31, 2022 and 2021 showed that the Group was in compliance with the aforementioned financial ratio requirements.
- 4) Refer to Note 37 for collaterals pledged on for bank borrowings as of June 30, 2023, December 31, 2022 and June 30, 2022.

d. Long-term notes and bills payables as of June 30, 2023 and December 31, 2022 were as follows:

June 30, 2023

| Acceptance Agency                               | Type      | Interest Rate | Amount              |
|---|-----------|---------------|---------------------|
| China Bills, Mega Bills and International Bills | Unsecured | 1.469-1.540   | \$ 3,000,000        |
| Less: Discount on long-term bills payable       |           |               | <u>(1,912)</u>      |
|   |           |               | <u>\$ 2,998,088</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

|   | June 30, 2023        | December 31,<br>2022 | June 30, 2022       |
|---|----------------------|----------------------|---------------------|
| Domestic unsecured bonds                      | \$ 12,800,000        | \$ 7,500,000         | \$ 7,500,000        |
| Overseas unsecured bonds                      | 302,188              | 341,115              | -                   |
| Less: Current portion of long-term borrowings | <u>(101,430)</u>     | <u>(98,160)</u>      | <u>-</u>            |
|   | <u>\$ 13,000,758</u> | <u>\$ 7,742,955</u>  | <u>\$ 7,500,000</u> |

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

On April 11, 2023, the Company issued the first unsecured bond of 2023 at amount of NT\$5.3 billion, and were divided into A and B bonds according to different issuance conditions. The issuance amount of Bond A is NT\$3 billion, and the issuance period is 5 years. The annual rate is 1.7%, and the maturity date is on April 11, 2028. The issuance amount of Bond B is NT\$2.3 billion, and the issuance period is 10 years. The annual rate is 2.1%, and the maturity date is on April 11, 2033. The interest of the two bonds will be paid once a year, and the principal will be repaid at maturity.

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 annual percentage rate is 3.5%. The maturity date is on June 24, 2026. 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. OTHER PAYABLES

|                                     | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|-------------------------------------|----------------------|----------------------|----------------------|
| Payables for purchases of equipment | \$ 1,082,454         | \$ 3,211,232         | \$ 579,737           |
| Payables for salaries or bonuses    | 1,075,263            | 968,942              | 414,766              |
| Payables for dividends              | 6,719,609            | 3,209                | 5,492,990            |
| Other accrued expenses payables     | 4,035,140            | 5,468,712            | 3,438,023            |
| Other financing payables            | 6,975,457            | 5,375,736            | -                    |
| Other payables-other                | <u>218,962</u>       | <u>287,874</u>       | <u>188,002</u>       |
|                                     | <u>\$ 20,106,885</u> | <u>\$ 15,315,705</u> | <u>\$ 10,113,518</u> |

As of June 30, 2023 and December 31, 2022, the effective interest rate ranges of other financing payables of the subsidiary PT. Sunny Metal Industry were 7.16%-7.48% and 3.38%-5.21%, respectively.

## 26. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were NT\$28,641 thousand and NT\$3,240 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were NT\$57,030 thousand and NT\$6,328 thousand, respectively, which were calculated based on the pension cost rates determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

## 27. EQUITY

|                           | June 30, 2023         | December 31,<br>2022  | June 30, 2022         |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Share capital             |                       |                       |                       |
| Ordinary shares           | \$ 40,313,329         | \$ 37,313,329         | \$ 34,313,329         |
| Capital surplus           | 33,600,302            | 24,672,454            | 18,620,177            |
| Retained earnings         | 58,469,556            | 62,038,398            | 51,661,096            |
| Others                    | 7,780,468             | (443,305)             | 660,296               |
| Non-controlling interests | <u>7,190,245</u>      | <u>6,240,336</u>      | <u>2,289,867</u>      |
|                           | <u>\$ 147,353,900</u> | <u>\$ 129,821,212</u> | <u>\$ 107,544,765</u> |

### a. Share capital

#### Ordinary shares

|   | June 30, 2023        | December 31,<br>2022 | June 30, 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>4,031,333</u>     | <u>3,731,333</u>     | <u>3,431,333</u>     |
| Amount of issued shares                               | <u>\$ 40,313,329</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 adjusted the new share issuing price from NT\$33 to NT\$30.

On May 29, 2023, WLC's board of directors resolved to issue ordinary shares for cash to participate in the issuance of GDRs. On June 30, 2023, the Group issued 30,000 thousand units of GDRs on the Luxembourg Stock Exchange, with each unit representing 10 ordinary shares of WLC. This amounted to a total of 300,000 thousand shares with a unit price of US\$12.97, raising a total of US\$389,100 thousand. As of June 30, 2023, the paid-in capital was NT\$40,313,329 thousand, divided into 4,031,333 thousand ordinary shares at par value of NT\$10.

As of June 30, 2023, 30,002 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 300,022 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

|  | June 30, 2023        | December 31,<br>2022 | June 30, 2022        |
|--|----------------------|----------------------|----------------------|
| May be used to offset a deficit, distributed as<br>cash dividend or transferred to share<br>capital (Note)   |                      |                      |                      |
| Issuance of ordinary shares  | \$ 27,788,375        | \$ 18,864,452        | \$ 12,639,452        |
| The difference between the consideration<br>received or paid and the carrying amount of<br>the subsidiaries' net assets during actual<br>disposal or acquisition | 2,130                | 2,130                | 18,169               |
| Share of changes in capital surplus of<br>associates   | 445,147              | 441,175              | 446,827              |
| Treasury share transactions  | 2,254,074            | 2,254,074            | 2,254,074            |
| Gain on disposal of property plant and<br>equipment  | 2,074,231            | 2,074,231            | 2,074,231            |
| Others   | 1,036,345            | 1,036,392            | 1,029,624            |
| <u>May not be used for any purpose</u>   |                      |                      |                      |
| Employee share options   | -                    | -                    | 157,800              |
|  | <u>\$ 33,600,302</u> | <u>\$ 24,672,454</u> | <u>\$ 18,620,177</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 29 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<br/>of Earnings</b> | <b>Dividends Per<br/>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<br/>of Earnings</b> | <b>Dividends Per<br/>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 were approved by WLC's board of directors on February 24, 2023, and the other appropriations were approved by the shareholders in the meeting on May 19, 2023.

d. Special reserve

|                 | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-----------------|----------------------|------------------------------|----------------------|
| Special reserve | <u>\$ 2,712,250</u>  | <u>\$ 2,712,250</u>          | <u>\$ 2,712,250</u>  |

Information regarding the above special reserve did not change for the six months ended June 30, 2023 and 2022.

e. Other equity items

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

|   | <b>For the Six Months Ended<br/>June 30</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<br>the equity method | <u>(377,791)</u>                            | <u>1,734,999</u>      |
| Balance at June 30  | <u>\$ (4,634,565)</u>                       | <u>\$ (4,365,688)</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 Six Months Ended<br/>June 30</b> |                     |
|--|---|---------------------|
|  | <b>2023</b>                                 | <b>2022</b>         |
| Balance at January 1   | \$ 6,693,877                                | \$ 11,534,267       |
| Unrealized gain (loss) - equity instruments  | 7,623,154                                   | (3,726,985)         |
| Share from associates accounted for using the equity method  | 939,553                                     | (2,693,420)         |
| Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal | <u>(34,560)</u>                             | <u>3,589</u>        |
| Balance at June 30   | <u>\$ 15,222,024</u>                        | <u>\$ 5,117,451</u> |

3) Loss on hedging instruments

|                             | <b>For the Six Months Ended<br/>June 30</b> |             |
|-----------------------------|---|-------------|
|                             | <b>2023</b>                                 | <b>2022</b> |
| <u>Cash flow hedges</u>     |   |             |
| Balance at January 1        | \$ (105,801)                                | \$ -        |
| Loss on hedging instruments | <u>73,417</u>                               | <u>-</u>    |
| Balance at June 30          | <u>\$ (32,384)</u>                          | <u>\$ -</u> |

4) Other equity - others

|                       | <b>For the Six Months Ended<br/>June 30</b> |                    |
|-----------------------|---|--------------------|
|                       | <b>2023</b>                                 | <b>2022</b>        |
| Other equity - others |   |                    |
| Balance at June 30    | <u>\$ (2,774,607)</u>                       | <u>\$ (91,467)</u> |

Information regarding the above other equity - others did not change for the six months ended June 30, 2023 and 2022.

## 28. OPERATING REVENUE

|                     | <b>For the Three Months Ended<br/>June 30</b> |                      | <b>For the Six Months Ended<br/>June 30</b> |                      |
|---------------------|---|----------------------|---|----------------------|
|                     | <b>2023</b>                                   | <b>2022</b>          | <b>2023</b>                                 | <b>2022</b>          |
| Sales revenue       | \$ 48,118,417                                 | \$ 49,309,536        | \$ 97,661,597                               | \$ 90,962,322        |
| Sale of real estate | 1,226   | -                    | 3,757                                       | -                    |
| Other revenue       | <u>1,327,317</u>                              | <u>1,173,834</u>     | <u>2,495,184</u>                            | <u>2,078,463</u>     |
|                     | <u>\$ 49,446,960</u>                          | <u>\$ 50,483,370</u> | <u>\$ 100,160,538</u>                       | <u>\$ 93,040,785</u> |

## 29. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

### a. Non-operating income and expense - gain (loss) on disposal of investments

|   | For the Three Months Ended<br>June 30 |                   | For the Six Months Ended<br>June 30 |                     |
|---|---------------------------------------|-------------------|-------------------------------------|---------------------|
|   | 2023                                  | 2022              | 2023                                | 2022                |
| Gain (loss) on disposal of investments - non-iron commodity futures         | \$ 193,960                            | \$ 312,989        | \$ 820,817                          | \$ (326,438)        |
| (Loss) gain on disposal of investments - foreign exchange forward contracts | (60,500)                              | 57,981            | (120,142)                           | 152,069             |
| Loss on disposal of investment - exchange rate swap contracts               | (47,841)                              | (58,975)          | (69,966)                            | (148,296)           |
| Loss on disposal of investment - future options                             | <u>(33,988)</u>                       | <u>-</u>          | <u>(47,991)</u>                     | <u>-</u>            |
|   | <u>\$ 51,631</u>                      | <u>\$ 311,995</u> | <u>\$ 582,718</u>                   | <u>\$ (322,665)</u> |

### b. Non-operating income and expense - impairment loss reversed (recognized)

|   | For the Three Months Ended<br>June 30 |                | For the Six Months Ended<br>June 30 |              |
|---|---------------------------------------|----------------|-------------------------------------|--------------|
|   | 2023                                  | 2022           | 2023                                | 2022         |
| Impairment loss reversed on property, plant and equipment | \$ 27                                 | \$ 3           | \$ 34                               | \$ 189       |
| Others  | <u>(30)</u>                           | <u>(58)</u>    | <u>(36)</u>                         | <u>(185)</u> |
|   | <u>\$ (3)</u>                         | <u>\$ (55)</u> | <u>\$ (2)</u>                       | <u>\$ 4</u>  |

### c. Non-operating income and expense - other revenue

The Group sold its subsidiary Borrego Energy, LLC's solar PV and energy storage procurement platform division for NT\$816,840 thousand and the gain of disposal was NT\$528,226 thousand. After deducting related operating costs of NT\$406,288 thousand, the total was NT\$121,938 thousand, which was recognized as "other income".

### d. Employee benefits expense, depreciation and amortization

|                                | For the Three Months Ended June 30, 2023 |                    |                                   |                     |
|--------------------------------|--|--------------------|-----------------------------------|---------------------|
|                                | Operating Costs                          | Operating Expenses | Non-operating Expenses and Losses | Total               |
| Short-term employment benefits | <u>\$ 1,283,647</u>                      | <u>\$ 844,039</u>  | <u>\$ -</u>                       | <u>\$ 2,127,686</u> |
| Post-employment benefits       | <u>\$ 71,786</u>                         | <u>\$ 32,321</u>   | <u>\$ -</u>                       | <u>\$ 104,107</u>   |
| Other employee benefits        | <u>\$ 122,692</u>                        | <u>\$ 49,222</u>   | <u>\$ -</u>                       | <u>\$ 171,914</u>   |

(Continued)

| <b>For the Three Months Ended June 30, 2023</b> |                        |                           |  |                     |
|---|------------------------|---------------------------|--|---------------------|
|   | <b>Operating Costs</b> | <b>Operating Expenses</b> | <b>Non-operating Expenses and Losses</b> | <b>Total</b>        |
| Depreciation                                    |                        |                           |  |                     |
| Property, plant and equipment                   | \$ 1,378,388           | \$ 173,334                | \$ 702                                   | \$ 1,552,424        |
| Right-of-use assets                             | 44,877                 | 37,523                    | -  | 82,400              |
| Investment properties                           | <u>116,380</u>         | <u>545</u>                | <u>-</u>                                 | <u>116,925</u>      |
|   | <u>\$ 1,539,645</u>    | <u>\$ 211,402</u>         | <u>\$ 702</u>                            | <u>\$ 1,751,749</u> |
| Amortization                                    | <u>\$ 158,126</u>      | <u>\$ 17,850</u>          | <u>\$ -</u>                              | <u>\$ 175,976</u>   |
|   |                        |                           |  | (Concluded)         |

| <b>For the Six Months Ended June 30, 2023</b> |                        |                           |  |                     |
|---|------------------------|---------------------------|--|---------------------|
|   | <b>Operating Costs</b> | <b>Operating Expenses</b> | <b>Non-operating Expenses and Losses</b> | <b>Total</b>        |
| Short-term employment benefits                | \$ 2,594,056           | \$ 1,756,255              | \$ -                                     | \$ 4,350,311        |
| Post-employment benefits                      | \$ 145,474             | \$ 66,390                 | \$ -                                     | \$ 211,864          |
| Other employee benefits                       | <u>\$ 242,279</u>      | <u>\$ 124,830</u>         | <u>\$ -</u>                              | <u>\$ 367,109</u>   |
| Depreciation                                  |                        |                           |  |                     |
| Property, plant and equipment                 | \$ 2,612,028           | \$ 333,334                | \$ 1,419                                 | \$ 2,946,781        |
| Right-of-use assets                           | 86,791                 | 77,107                    | -  | 163,898             |
| Investment properties                         | <u>230,566</u>         | <u>1,090</u>              | <u>-</u>                                 | <u>231,656</u>      |
|   | <u>\$ 2,929,385</u>    | <u>\$ 411,531</u>         | <u>\$ 1,419</u>                          | <u>\$ 3,342,335</u> |
| Amortization                                  | <u>\$ 290,696</u>      | <u>\$ 34,848</u>          | <u>\$ -</u>                              | <u>\$ 325,544</u>   |

| <b>For the Three Months Ended June 30, 2022</b> |                        |                           |  |                     |
|---|------------------------|---------------------------|--|---------------------|
|   | <b>Operating Costs</b> | <b>Operating Expenses</b> | <b>Non-operating Expenses and Losses</b> | <b>Total</b>        |
| Short-term employment benefits                  | \$ 1,263,054           | \$ 846,724                | \$ -                                     | \$ 2,109,778        |
| Post-employment benefits                        | \$ 50,393              | \$ 24,246                 | \$ -                                     | \$ 74,639           |
| Other employee benefits                         | <u>\$ 128,516</u>      | <u>\$ 64,037</u>          | <u>\$ -</u>                              | <u>\$ 192,553</u>   |
| Depreciation                                    |                        |                           |  |                     |
| Property, plant and equipment                   | \$ 843,704             | \$ 90,948                 | \$ 715                                   | \$ 935,367          |
| Right-of-use assets                             | 7,516                  | 41,057                    | -  | 48,573              |
| Investment properties                           | <u>44,079</u>          | <u>545</u>                | <u>-</u>                                 | <u>44,624</u>       |
|   | <u>\$ 895,299</u>      | <u>\$ 132,550</u>         | <u>\$ 715</u>                            | <u>\$ 1,028,564</u> |
| Amortization                                    | <u>\$ 890</u>          | <u>\$ 6,335</u>           | <u>\$ -</u>                              | <u>\$ 7,225</u>     |

| <b>For the Six Months Ended June 30, 2022</b> |                        |                           |  |                     |
|---|------------------------|---------------------------|--|---------------------|
|   | <b>Operating Costs</b> | <b>Operating Expenses</b> | <b>Non-operating Expenses and Losses</b> | <b>Total</b>        |
| Short-term employment benefits                | \$ 2,215,966           | \$ 1,530,655              | \$ -                                     | \$ 3,746,621        |
| Post-employment benefits                      | \$ 99,400              | \$ 51,707                 | \$ -                                     | \$ 151,107          |
| Other employee benefits                       | \$ 261,804             | \$ 151,647                | \$ -                                     | \$ 413,451          |
| Depreciation                                  |                        |                           |  |                     |
| Property, plant and equipment                 | \$ 1,672,282           | \$ 173,120                | \$ 1,432                                 | \$ 1,846,834        |
| Right-of-use assets                           | 15,889                 | 73,445                    | -  | 89,334              |
| Investment properties                         | 87,947                 | 1,090                     | -  | 89,037              |
|   | <u>\$ 1,776,118</u>    | <u>\$ 247,655</u>         | <u>\$ 1,432</u>                          | <u>\$ 2,025,205</u> |
| Amortization                                  | \$ 2,004               | \$ 12,637                 | \$ -                                     | \$ 14,641           |

e. Compensation of employees and remuneration of directors

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 June 30, 2023 and 2022, the employees' compensation amounted to \$10,880 thousand and NT\$71,303 thousand, respectively, and the remuneration of directors amounted to \$18,750 thousand and NT\$33,490 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the employees' compensation amounted to \$47,059 thousand and NT\$119,103 thousand, respectively, and the remuneration of directors amounted to \$37,500 thousand and NT\$49,000 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.

### 30. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

Major components of income tax expense are as follows:

|   | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                     |
|---|---------------------------------------|---------------------|-------------------------------------|---------------------|
|   | 2023                                  | 2022                | 2023                                | 2022                |
| Current tax                                     |                                       |                     |                                     |                     |
| In respect of the current period                | \$ 341,396                            | \$ 705,182          | \$ 787,567                          | \$ 1,108,030        |
| Unappropriated earnings                         | 523,311                               | 380,028             | 523,311                             | 380,028             |
| Adjustments for prior period                    | (34,907)                              | (6,096)             | (20,968)                            | (6,096)             |
| Land value-added tax                            | <u>61</u>                             | <u>-</u>            | <u>188</u>                          | <u>-</u>            |
|   | <u>829,861</u>                        | <u>1,079,114</u>    | <u>1,290,098</u>                    | <u>1,481,962</u>    |
| Deferred tax                                    |                                       |                     |                                     |                     |
| In respect of the current period                | 9,465                                 | (65,003)            | 150,437                             | 198,257             |
| Adjustments for prior period                    | <u>(14,764)</u>                       | <u>36,914</u>       | <u>(17,082)</u>                     | <u>37,337</u>       |
|   | <u>(5,299)</u>                        | <u>(28,089)</u>     | <u>133,355</u>                      | <u>235,594</u>      |
| Income tax expense recognized in profit or loss | <u>\$ 824,562</u>                     | <u>\$ 1,051,025</u> | <u>\$ 1,423,453</u>                 | <u>\$ 1,717,556</u> |

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

### 31. EARNINGS PER SHARE

|  | For the Three Months Ended June 30                                   |   |  |  |   |  |
|--|--|---|--|--|---|--|
|  | 2023   |   |  | 2022   |   |  |
|  | Amounts<br>(Numerator)   |   | Earnings Per<br>Share<br>(In Dollars)                                | Amounts<br>(Numerator)   |   | Earnings Per<br>Share<br>(In Dollars)                                |
|  | After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | Shares<br>(Denominator)<br>(In Thousands) | After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | Shares<br>(Denominator)<br>(In Thousands) | After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) |
| Basic earnings per share                                       |  |   |  |  |   |  |
| Net income   | \$ 1,020,777   | 3,734,594                                 | \$ 0.27  | \$ 5,455,171   | 3,431,333                                 | \$ 1.59  |
| Effect of potentially of dilutive<br>potential ordinary shares |  |   |  |  |   |  |
| Employee bonus   | -  | 265                                       |  | -  | 1,978                                     |  |
|  | <u>\$ 1,020,777</u>  | <u>3,734,859</u>                          | <u>\$ 0.27</u>   | <u>\$ 5,455,171</u>  | <u>3,433,311</u>                          | <u>\$ 1.59</u>   |



|  | For the Six Months Ended June 30   |   |   |  |   |   |
|--|--|---|---|--|---|---|
|  | 2023   |   |   | 2022   |   |   |
|  | Amounts<br>(Numerator)<br>After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | Shares<br>(Denominator)<br>(In Thousands) | Earnings Per<br>Share (In<br>Dollars)<br>After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | Amounts<br>(Numerator)<br>After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) | Shares<br>(Denominator)<br>(In Thousands) | Earnings Per<br>Share (In<br>Dollars)<br>After Income<br>Tax<br>(Attributable<br>to Parent's<br>Shareholders) |
| Basic earnings per share                                       |  |   |   |  |   |   |
| Net income   | \$ 3,116,003   | 3,732,990                                 | \$ 0.83   | \$ 9,289,788   | 3,431,333                                 | \$ 2.71   |
| Effect of potentially of dilutive<br>potential ordinary shares |  |   |   |  |   |   |
| Employee bonus   | -  | 2,501                                     |   | -  | 4,023                                     |   |
|  | <u>\$ 3,116,003</u>  | <u>3,735,491</u>                          | <u>\$ 0.83</u>  | <u>\$ 9,289,788</u>  | <u>3,435,356</u>                          | <u>\$ 2.70</u>  |

## 32. SHARE-BASED PAYMENT TRANSACTION AGREEMENTS

### Employee Share Options Plan for Cash Capital Increase

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

- a. The share-based payment arrangement of WLC as of June 30, 2022 is as follows:

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

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

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

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

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

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

### 33. 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 June 30, 2023, December 31, 2022 and June 30, 2022, deposits received under operating leases amounted to NT\$347,846 thousand, NT\$339,128 thousand and NT\$356,466 thousand, respectively (recorded under other non-current liabilities).

As of June 30, 2023, the Group's future minimum lease receivables on non-cancelable operating lease commitments were as follows:

|                                   | Amount              |
|-----------------------------------|---------------------|
| 2023 (from July 1 to December 31) | \$ 792,495          |
| 2024-2028                         | 2,843,875           |
| After 2028                        | <u>317,941</u>      |
|                                   | <u>\$ 3,954,311</u> |

### 34. CAPITAL MANAGEMENT

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

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

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

### 35. FINANCIAL INSTRUMENTS

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

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

#### June 30, 2023

|   | Carrying<br>Amount | Fair Value  |                   |               |                   |
|---|--------------------|-------------|-------------------|---------------|-------------------|
|   |                    | Level 1     | Level 2           | Level 3       | Total             |
| <u>Financial assets</u>                 |                    |             |                   |               |                   |
| Financial assets at amortized cost      |                    |             |                   |               |                   |
| Structured deposit                      | \$ 723             | \$ -        | \$ -              | \$ 723        | \$ 723            |
| Government bonds                        | <u>189,560</u>     | <u>-</u>    | <u>185,420</u>    | <u>-</u>      | <u>185,420</u>    |
|   | <u>\$ 190,283</u>  | <u>\$ -</u> | <u>\$ 185,420</u> | <u>\$ 723</u> | <u>\$ 186,143</u> |
| <u>Financial liabilities</u>            |                    |             |                   |               |                   |
| Financial liabilities at amortized cost |                    |             |                   |               |                   |
| Bonds payable                           | \$ 13,102,188      | \$ -        | \$ 12,705,682     | \$ -          | \$ 12,705,682     |

#### December 31, 2022

|   | Carrying<br>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                           | \$ 7,841,115       | \$ -        | \$ 7,484,393      | \$ -            | \$ 7,484,393      |

#### June 30, 2022

|   | Carrying<br>Amount | Fair Value |              |         |              |
|---|--------------------|------------|--------------|---------|--------------|
|   |                    | Level 1    | Level 2      | Level 3 | Total        |
| <u>Financial assets</u>                 |                    |            |              |         |              |
| Financial assets at amortized cost      |                    |            |              |         |              |
| Government bonds                        | \$ 94,313          | \$ -       | \$ 89,936    | \$ -    | \$ 89,936    |
| <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

June 30, 2023

|  | Level 1              | Level 2           | Level 3             | Total                |
|--|----------------------|-------------------|---------------------|----------------------|
| <u>Financial assets at FVTPL</u>                     |                      |                   |                     |                      |
| Derivatives not designated<br>as hedging instruments | \$ -                 | \$ 22,532         | \$ -                | \$ 22,532            |
| Foreign unlisted shares                              | -                    | -                 | 69,058              | 69,058               |
| Contingent consideration                             | -                    | -                 | 2,636,811           | 2,636,811            |
| Derivative financial assets<br>for hedging           | -                    | 143,985           | -                   | 143,985              |
|  | <u>\$ -</u>          | <u>\$ 166,517</u> | <u>\$ 2,705,869</u> | <u>\$ 2,872,386</u>  |
| <u>Financial assets at FVTOCI</u>                    |                      |                   |                     |                      |
| Investments in equity<br>instruments                 |                      |                   |                     |                      |
| Listed securities in ROC                             | \$ 19,333,428        | \$ -              | \$ -                | \$ 19,333,428        |
| Unlisted securities                                  | -                    | -                 | 804,671             | 804,671              |
|  | <u>\$ 19,333,428</u> | <u>\$ -</u>       | <u>\$ 804,671</u>   | <u>\$ 20,138,099</u> |
| <u>Financial liabilities at<br/>FVTPL</u>            |                      |                   |                     |                      |
| Derivatives not designated<br>as hedging instruments | \$ 52,444            | \$ 35,130         | \$ -                | \$ 87,574            |
| Contingent consideration                             | -                    | -                 | 427,978             | 427,978              |
| Hedging derivative<br>financial liabilities          | -                    | 73,115            | -                   | 73,115               |
|  | <u>\$ 52,444</u>     | <u>\$ 108,245</u> | <u>\$ 427,978</u>   | <u>\$ 588,667</u>    |

December 31, 2022

|  | Level 1              | Level 2           | Level 3             | Total                |
|--|----------------------|-------------------|---------------------|----------------------|
| <u>Financial assets at FVTPL</u>                     |                      |                   |                     |                      |
| Derivatives not designated<br>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<br>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<br/>FVTOCI</u>     |                      |                   |                     |                      |
| Investments in equity<br>instruments                 |                      |                   |                     |                      |
| Listed securities in the<br>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<br/>FVTPL</u>            |                      |                   |                     |                      |
| Derivatives not designated<br>as hedging instruments | \$ 21,189            | \$ 43,583         | \$ -                | \$ 64,772            |
| Contingent consideration                             | -                    | -                 | 363,192             | 363,192              |
| Derivatives financial assets<br>for hedging          | -                    | 222,272           | -                   | 222,272              |
|  | <u>\$ 21,189</u>     | <u>\$ 265,855</u> | <u>\$ 363,192</u>   | <u>\$ 650,236</u>    |

June 30, 2022

|  | Level 1              | Level 2          | Level 3           | Total                |
|--|----------------------|------------------|-------------------|----------------------|
| <u>Financial assets at FVTPL</u>                     |                      |                  |                   |                      |
| Derivatives not designated<br>as hedging instruments | <u>\$ 452,356</u>    | <u>\$ 35,596</u> | <u>\$ -</u>       | <u>\$ 487,952</u>    |
| <u>Financial assets at FVTOCI</u>                    |                      |                  |                   |                      |
| Investments in equity<br>instruments                 |                      |                  |                   |                      |
| Listed securities in ROC                             | \$ 11,970,184        | \$ -             | \$ -              | \$ 11,970,184        |
| Unlisted securities                                  | -                    | -                | 734,995           | 734,995              |
|  | <u>\$ 11,970,184</u> | <u>\$ -</u>      | <u>\$ 734,995</u> | <u>\$ 12,705,179</u> |

(Continued)

|  | Level 1 | Level 2    | Level 3 | Total                     |
|--|---------|------------|---------|---------------------------|
| Financial liabilities at<br>FVTPL                |         |            |         |                           |
| Derivatives financial<br>liabilities for hedging | \$ -    | \$ 171,906 | \$ -    | \$ 171,906<br>(Concluded) |

2) There were no transfers between Levels 1, 2 and 3 for the six months ended June 30, 2023 and 2022.

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

For the six months ended June 30, 2023

| Financial Assets                         | Financial Assets<br>at FVTOCI<br>Equity<br>Instruments |
|--|--|
| Balance at January 1, 2023               | \$ 624,755   |
| Additions                                | 150,000  |
| Recognized in other comprehensive income | 31,197   |
| Effects of exchange difference           | (1,281)  |
| Balance at June 30, 2023                 | \$ 804,671   |

|                                | Financial Assets at FVTPL |                          |
|--------------------------------|---------------------------|--------------------------|
|                                | Financial Assets          | Financial<br>Liabilities |
| Balance at January 1, 2023     | \$ 2,639,755              | \$ 363,192               |
| Recognized in profit or loss   | (27,888)                  | 51,459                   |
| Effects of exchange difference | 38,226                    | 13,327                   |
| Balance at June 30, 2023       | \$ 2,705,869              | \$ 427,978               |

For the six months ended June 30, 2022

| Financial Assets                       | Financial Assets<br>at FVTOCI<br>Equity<br>Instruments |
|--|--|
| Balance at January 1, 2022             | \$ 663,502   |
| Additions                              | 120,000  |
| Disposals                              | (335)  |
| Recognized in other comprehensive loss | (49,666)   |
| Effects of exchange difference         | 1,494  |
| Balance at June 30, 2022               | \$ 734,995   |

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

|   | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|---|---------------|----------------------|---------------|
| <u>Financial assets</u>   |               |                      |               |
| Financial assets at amortized cost  |               |                      |               |
| Cash and cash equivalents   | \$ 24,232,458 | \$ 19,397,973        | \$ 7,836,939  |
| Contract assets - current   | 1,906,133     | 3,022,237            | 5,489,566     |
| Notes receivable and trade receivables<br>(including related parties)           | 21,120,076    | 21,832,312           | 17,492,478    |
| Finance lease receivables (current and<br>non-current)                          | 632,785       | 662,543              | 691,808       |
| Other receivables   | 8,276,316     | 3,857,091            | 5,691,147     |
| Other financial assets  | 230,189       | 546,126              | 935,215       |
| Refundable deposits   | 231,816       | 288,948              | 208,490       |
| Financial assets at amortized cost (current and<br>non-current)                 | 190,283       | 191,444              | 94,313        |
| Derivative financial assets for hedging<br>(current and non-current)            | 143,985       | 165,019              | -             |
| Financial assets at FVTPL (current and<br>non-current)                          | 2,728,401     | 2,647,386            | 487,952       |
| Financial assets at FVTOCI (current and<br>non-current)                         | 20,138,099    | 12,342,232           | 12,705,179    |
| <u>Financial liabilities</u>  |               |                      |               |
| Financial liabilities at FVTPL (current and<br>non-current)                     | 515,552       | 427,964              | -             |
| Derivative financial liabilities for hedging<br>(current and non-current)       | 73,155        | 222,272              | 171,906       |
| Financial liabilities at amortized cost   |               |                      |               |
| Short-term borrowings   | 11,638,443    | 17,120,571           | 22,309,671    |
| Short-term notes and bills payable  | -             | -                    | 5,595,480     |
| Contract liabilities  | 10,216        | 6,014                | 4,478         |
| Notes payable and trade payables  | 16,065,355    | 18,088,851           | 10,602,941    |
| Other payables  | 20,106,885    | 15,315,705           | 10,113,518    |
| Bonds payable   | 13,102,188    | 7,841,115            | 7,500,000     |
| Long-term borrowings (including current<br>portion)                             | 34,655,576    | 41,929,909           | 33,972,934    |
| Long-term notes and bills payable   | 2,998,088     | 1,497,914            | -             |
| Deposits received (recorded under other<br>current and non-current liabilities) | 435,243       | 385,210              | 1,546,644     |

d. Financial risk management objectives and policies

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



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

1) Market risk

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

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

a) Foreign currency risk

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

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

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

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

|                    | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|--------------------|----------------------|------------------------------|----------------------|
| <u>Assets</u>      |                      |                              |                      |
| U.S. dollar        | \$ 11,858,273        | \$ 3,798,744                 | \$ 2,474,512         |
| Euro               | 621,006              | 1,432,653                    | 155,250              |
| <u>Liabilities</u> |                      |                              |                      |
| U.S. dollar        | 10,140,053           | 2,381,338                    | 7,302,162            |
| Euro               | 1,258,262            | 310,405                      | 551,275              |

## Sensitivity analysis

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

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

|                | <b>U.S. Dollar Impact</b>         |              |                                 |             |
|----------------|-----------------------------------|--------------|---------------------------------|-------------|
|                | <b>For the Three Months Ended</b> |              | <b>For the Six Months Ended</b> |             |
|                | <b>June 30</b>                    |              | <b>June 30</b>                  |             |
|                | <b>2023</b>                       | <b>2022</b>  | <b>2023</b>                     | <b>2022</b> |
| Profit or loss | \$ 121,353                        | \$ (188,338) | \$ 193,788                      | \$ 6,218    |

  

|                | <b>Euro Dollar Impact</b>         |             |                                 |             |
|----------------|-----------------------------------|-------------|---------------------------------|-------------|
|                | <b>For the Three Months Ended</b> |             | <b>For the Six Months Ended</b> |             |
|                | <b>June 30</b>                    |             | <b>June 30</b>                  |             |
|                | <b>2023</b>                       | <b>2022</b> | <b>2023</b>                     | <b>2022</b> |
| Profit or loss | \$ (716)                          | \$ 7,672    | \$ 7,582                        | \$ 9,486    |

## 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 six months ended June 30, 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<br>Exchange rate swap contracts | USD to RMB | USD30,900/RMB220,750 | 2023.09.27 | RMB 218,653   | Financial liabilities for hedging | \$ -            | RMB 2,097 | \$ -   |

### For the six months ended June 30, 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<br>Exchange rate swap contracts | USD to RMB | USD75,000/RMB483,165 | 2022.07.13 | RMB 463,908   | Financial liabilities for hedging | \$ -            | RMB 19,257 | \$ -   |
| Exchange rate swap contracts                      | USD to RMB | USD70,000/RMB450,975 | 2022.07.13 | RMB 433,022   | Financial liabilities for hedging | -               | RMB 17,953 | -  |
| Exchange rate swap contracts                      | USD to RMB | USD20,000/RMB133,112 | 2022.09.08 | RMB 132,183   | Financial liabilities for hedging | -               | RMB 929    | -  |
| Exchange rate swap contracts                      | USD to RMB | USD15,000/RMB99,851  | 2022.09.08 | RMB 99,170    | Financial liabilities for hedging | -               | RMB 681    | -  |

## 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:

|                               | June 30, 2023 | December 31,<br>2022 | June 30, 2022 |
|-------------------------------|---------------|----------------------|---------------|
| Fair value interest rate risk |               |                      |               |
| Financial assets              | \$ 189,560    | \$ 189,242           | \$ 94,313     |
| Financial liabilities         | 13,102,188    | 7,841,115            | 13,095,480    |
| Cash flow interest rate risk  |               |                      |               |
| Financial assets              | 723           | 2,202                | -             |
| Financial liabilities         | 56,267,564    | 65,924,130           | 56,282,605    |

#### 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 June 30, 2023 and 2022 would have decreased by NT\$136,253 thousand and NT\$154,187 thousand, respectively, and the Group's pre-tax net profit for the six months ended June 30, 2023 and 2022 would have decreased by NT\$281,334 thousand and NT\$281,413 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.

#### For the six months ended June 30, 2023

| Hedging<br>Instrument                               | Currency | Contract<br>Amount | Maturity                  | Range of Interest<br>Rates Paid | Range of<br>Interest<br>Rates<br>Received | Line Item in<br>Balance Sheet   | Carrying Amount |           | Change in<br>Value Used for<br>Calculating<br>Hedge<br>Ineffectiveness |
|---|----------|--------------------|---------------------------|---------------------------------|---|---------------------------------|-----------------|-----------|--|
|   |          |                    |                           |                                 |   |                                 | Asset           | Liability |  |
| Cash flow hedges<br>Interest rate swap<br>contracts | EUR      | \$ 83,025          | 2023.09.30-<br>2030.12.18 | -0.255%-3.120%                  | Note                                      | Financial assets for<br>hedging | \$ 4,259        | \$ -      | \$ -   |

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:

- 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.

#### June 30, 2023

|   | 1 Year               | 1-2 Years           | 2-5 Years            | 5+ Years            | Total                 |
|---|----------------------|---------------------|----------------------|---------------------|-----------------------|
| Non-derivative<br>financial liabilities |                      |                     |                      |                     |                       |
| Variable interest rate liabilities      | \$ 19,742,044        | \$ 5,494,523        | \$ 30,413,752        | \$ 617,245          | \$ 56,267,564         |
| Lease liabilities                       | 230,883              | 280,022             | 625,559              | 2,147,336           | 3,283,800             |
| Fixed interest rate liabilities         | 101,430              | 101,430             | 12,899,328           | -                   | 13,102,188            |
| Non-interest bearing liabilities        | 29,366,141           | 143,865             | 97,464               | 2,651,593           | 32,259,063            |
|   | <u>\$ 49,440,498</u> | <u>\$ 6,019,840</u> | <u>\$ 44,036,103</u> | <u>\$ 5,416,174</u> | <u>\$ 104,912,615</u> |

#### December 31, 2022

|   | 1 Year               | 1-2 Years            | 2-5 Years            | 5+ Years            | Total                 |
|---|----------------------|----------------------|----------------------|---------------------|-----------------------|
| Non-derivative<br>financial liabilities |                      |                      |                      |                     |                       |
| 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        | 28,275,365           | 75,051               | 59,111               | 2,546,847           | 30,956,374            |
|   | <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> |

## June 30, 2022

|   | 1 Year               | 1-2 Years           | 2-5 Years            | 5+ Years            | Total                |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|
| <u>Non-derivative financial liabilities</u> |                      |                     |                      |                     |                      |
| Variable interest rate liabilities          | \$ 23,951,273        | \$ 7,543,590        | \$ 23,649,972        | \$ 1,137,770        | \$ 56,282,605        |
| Lease liabilities                           | 92,584               | 68,847              | 152,341              | 1,486,464           | 1,800,236            |
| Fixed interest rate liabilities             | 5,595,480            | -                   | 7,500,000            | -                   | 13,095,480           |
| Non-interest bearing liabilities            | <u>22,018,192</u>    | <u>58,708</u>       | <u>174,317</u>       | <u>11,886</u>       | <u>22,263,103</u>    |
|   | <u>\$ 51,657,529</u> | <u>\$ 7,671,145</u> | <u>\$ 31,476,630</u> | <u>\$ 2,636,120</u> | <u>\$ 93,441,424</u> |

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

## June 30, 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        | \$ (15,367)                    | \$ (29,036)        | \$ (8,041)         | \$ -              | \$ -            | \$ (52,444)     |
| Foreign exchange forward contracts | (13,028)                       | (11,346)           | (123)              | -                 | -               | (24,497)        |
| Exchange rate swap contracts       | (10,278)                       | (9,390)            | -                  | -                 | -               | (19,668)        |
| Interest rate swap contracts       | -                              | 2,916              | 7,206              | 126,709           | 7,154           | 143,985         |
| Gas swap contracts                 | (24,622)                       | (16,644)           | (22,814)           | -                 | -               | (64,080)        |
| Futures options                    | -                              | 22,532             | -                  | -                 | -               | 22,532          |
|                                    | <u>\$ (63,295)</u>             | <u>\$ (40,968)</u> | <u>\$ (23,772)</u> | <u>\$ 126,709</u> | <u>\$ 7,154</u> | <u>\$ 5,828</u> |

## December 31, 2022

|                                    | 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        | \$ (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>\$ 116,738</u> | <u>\$ 27,666</u> | <u>\$ (114,394)</u> |

## June 30, 2022

|                                    | On Demand or Less Than 1 Month | 1-3 Months        | 3 Months to 1 Year | 1-5 Years   | Total             |
|------------------------------------|--------------------------------|-------------------|--------------------|-------------|-------------------|
| <u>Net settled</u>                 |                                |                   |                    |             |                   |
| Commodity futures contracts        | \$ 305,621                     | \$ 165,835        | \$ (19,100)        | \$ -        | \$ 452,356        |
| Foreign exchange forward contracts | 18,233                         | 16,654            | 709                | -           | 35,596            |
| Exchange rate swap contracts       | <u>(164,777)</u>               | <u>(7,129)</u>    | <u>-</u>           | <u>-</u>    | <u>(171,906)</u>  |
|                                    | <u>\$ 159,077</u>              | <u>\$ 175,360</u> | <u>\$ (18,391)</u> | <u>\$ -</u> | <u>\$ 316,046</u> |

e. Transfers of financial assets

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

| Counterparty                           | Receivables Factoring Proceeds | Amount Reclassified to Other Receivables | Advances Received - Unused | Advances Received - Used | Annual Interest Rates on Advances Received (Used) (%) |
|--|--------------------------------|--|----------------------------|--------------------------|---|
| For the six months ended June 30, 2023 |                                |  |                            |                          |   |
| CTBC Bank                              | \$ 78,733                      | \$ 2,997                                 | US\$ 2,700                 | \$ -                     | -   |
| For the six months ended June 30, 2022 |                                |  |                            |                          |   |
| CTBC Bank                              | \$ 50,213                      | \$ 23,373                                | US\$ 2,700                 | \$ -                     | -   |

### 36. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

| Related Party Name   | Related Party Category    |
|--|---------------------------|
| Winbond Electronics Corp.                                      | Associate                 |
| Walsin Technology Corp.  | Associate                 |
| Walton Advanced Engineering, Inc.                              | Associate                 |
| Chin-Xin Investment Co., Ltd.                                  | Associate                 |
| Changzhou China Steel Precision Materials Co., Ltd.            | Associate                 |
| Hangzhou Walsin Power Cable & Wire Co., Ltd.                   | Associate                 |
| Tsai Yi Corporation (formerly known as Walsin Color Co., Ltd.) | Associate                 |
| Nuvoton Technology Corporation                                 | Associate                 |
| Prosperity Dielectrics Co., Ltd.                               | Associate                 |
| PT. Westrong Metal Industry                                    | Associate                 |
| Innovation West Mantewe Pte. Ltd.                              | 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 |
| Hannstouch Holdings Company                                    | 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 |

(Continued)

| <b>Related Party Name</b>             | <b>Related Party Category</b> |
|---------------------------------------|-------------------------------|
| 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     |
|                                       | (Concluded)                   |

b. Sales

|                       | <b>For the Three Months Ended<br/>June 30</b> |                   | <b>For the Six Months Ended<br/>June 30</b> |                   |
|-----------------------|---|-------------------|---|-------------------|
|                       | <b>2023</b>                                   | <b>2022</b>       | <b>2023</b>                                 | <b>2022</b>       |
| Associates            | \$ 479,400                                    | \$ 7,877          | \$ 610,110                                  | \$ 13,845         |
| Other related parties | <u>1,489,593</u>                              | <u>465,845</u>    | <u>2,811,868</u>                            | <u>897,097</u>    |
|                       | <u>\$ 1,968,993</u>                           | <u>\$ 473,722</u> | <u>\$ 3,421,978</u>                         | <u>\$ 910,942</u> |

c. Rental income

|                       | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|-----------------------|---|------------------|---|------------------|
|                       | <b>2023</b>                                   | <b>2022</b>      | <b>2023</b>                                 | <b>2022</b>      |
| Associates            | \$ 12,150                                     | \$ 12,042        | \$ 24,300                                   | \$ 24,030        |
| Other related parties | <u>284</u>                                    | <u>284</u>       | <u>568</u>                                  | <u>568</u>       |
|                       | <u>\$ 12,434</u>                              | <u>\$ 12,326</u> | <u>\$ 24,868</u>                            | <u>\$ 24,598</u> |

d. Purchases of goods

|                       | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                  |
|-----------------------|---|------------------|---|------------------|
|                       | <b>2023</b>                                   | <b>2022</b>      | <b>2023</b>                                 | <b>2022</b>      |
| Associates            | \$ 1,864                                      | \$ 19,048        | \$ 6,240                                    | \$ 43,293        |
| Other related parties | <u>122,659</u>                                | <u>817</u>       | <u>236,216</u>                              | <u>2,134</u>     |
|                       | <u>\$ 124,523</u>                             | <u>\$ 19,865</u> | <u>\$ 242,456</u>                           | <u>\$ 45,427</u> |

e. Administrative expenses

|                       | <b>For the Three Months Ended<br/>June 30</b> |                 | <b>For the Six Months Ended<br/>June 30</b> |                  |
|-----------------------|---|-----------------|---|------------------|
|                       | <b>2023</b>                                   | <b>2022</b>     | <b>2023</b>                                 | <b>2022</b>      |
| Associates            | \$ 4,107                                      | \$ 3,954        | \$ 6,351                                    | \$ 6,250         |
| Other related parties | <u>4,921</u>                                  | <u>3,658</u>    | <u>6,917</u>                                | <u>5,686</u>     |
|                       | <u>\$ 9,028</u>                               | <u>\$ 7,612</u> | <u>\$ 13,268</u>                            | <u>\$ 11,936</u> |

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

f. Dividend income

|                        | For the Three Months Ended<br>June 30 |                   | For the Six Months Ended<br>June 30 |                   |
|------------------------|---------------------------------------|-------------------|-------------------------------------|-------------------|
|                        | 2023                                  | 2022              | 2023                                | 2022              |
| HannStar Board Corp.   | \$ 153,009                            | \$ 140,259        | \$ 153,009                          | \$ 140,259        |
| HannStar Display Corp. | -                                     | 298,293           | -                                   | 298,293           |
| Other related parties  | <u>5,779</u>                          | <u>7,705</u>      | <u>5,779</u>                        | <u>7,705</u>      |
|                        | <u>\$ 158,788</u>                     | <u>\$ 446,257</u> | <u>\$ 158,788</u>                   | <u>\$ 446,257</u> |

g. Notes receivable

|            | June 30, 2023   | December 31,<br>2022 | June 30, 2022   |
|------------|-----------------|----------------------|-----------------|
| Associates | <u>\$ 8,841</u> | <u>\$ 9,332</u>      | <u>\$ 9,846</u> |

h. Trade receivables

|                       | June 30, 2023       | December 31,<br>2022 | June 30, 2022    |
|-----------------------|---------------------|----------------------|------------------|
| Associates            | \$ 663,973          | \$ 2,481             | \$ 886           |
| Other related parties | <u>780,578</u>      | <u>42,651</u>        | <u>40,973</u>    |
|                       | <u>\$ 1,444,551</u> | <u>\$ 45,132</u>     | <u>\$ 41,859</u> |

i. Notes payable

|            | June 30, 2023 | December 31,<br>2022 | June 30, 2022    |
|------------|---------------|----------------------|------------------|
| Associates | <u>\$ -</u>   | <u>\$ 16,553</u>     | <u>\$ 29,371</u> |

j. Trade payables

|                       | June 30, 2023   | December 31,<br>2022 | June 30, 2022    |
|-----------------------|-----------------|----------------------|------------------|
| Associates            | \$ 23           | \$ 225               | \$ 11,954        |
| Other related parties | <u>6,850</u>    | <u>504</u>           | <u>153</u>       |
|                       | <u>\$ 6,873</u> | <u>\$ 729</u>        | <u>\$ 12,107</u> |



k. Other receivables (excluding financing provided)

|                       | June 30, 2023    | December 31,<br>2022 | June 30, 2022    |
|-----------------------|------------------|----------------------|------------------|
| Associates            | \$ 16,914        | \$ 13,056            | \$ 13,686        |
| Other related parties | <u>3,207</u>     | <u>3,062</u>         | <u>2,912</u>     |
|                       | <u>\$ 20,121</u> | <u>\$ 16,118</u>     | <u>\$ 16,598</u> |

l. Financing provided

| For the Six Months Ended June 30, 2023                              |                                      |                     |                    |               |
|---|--------------------------------------|---------------------|--------------------|---------------|
| Related Parties   | Highest<br>Balance for<br>the Period | Ending<br>Balance   | Interest<br>Income | Interest Rate |
| Hangzhou Walsin Power Cable<br>& Wire Co., Ltd.                     | <u>\$ 355,422</u>                    | <u>\$ 344,758</u>   | <u>\$ 7,669</u>    | 4.35%         |
| PT. Westrong Metal Industry<br>Innovation West Mantewe Pte.<br>Ltd. | <u>\$ 6,425,550</u>                  | <u>\$ 2,690,807</u> | <u>\$ 96,369</u>   | 7.75%         |
|   | <u>\$ 638,370</u>                    | <u>\$ -</u>         | <u>\$ -</u>        | -             |
| For the Year Ended December 31, 2022                                |                                      |                     |                    |               |
| Related Parties   | Highest<br>Balance for<br>the Period | Ending<br>Balance   | Interest<br>Income | Interest Rate |
| Hangzhou Walsin Power Cable<br>& 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 Six Months Ended June 30, 2022                              |                                      |                     |                    |               |
| Related Parties   | Highest<br>Balance for<br>the Period | Ending<br>Balance   | Interest<br>Income | Interest Rate |
| Hangzhou Walsin Power Cable<br>& Wire Co., Ltd.                     | <u>\$ 360,721</u>                    | <u>\$ 354,262</u>   | <u>\$ 7,725</u>    | 4.35%         |

m. Guarantee deposits

|                       | June 30, 2023   | December 31,<br>2022 | June 30, 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> |

n. Remuneration of key management personnel

The remuneration of directors and key executives were as follows:

|                              | <b>For the Three Months Ended<br/>June 30</b> |                  | <b>For the Six Months Ended<br/>June 30</b> |                   |
|------------------------------|---|------------------|---|-------------------|
|                              | <b>2023</b>                                   | <b>2022</b>      | <b>2023</b>                                 | <b>2022</b>       |
| Short-term employee benefits | \$ 54,170                                     | \$ 61,921        | \$ 108,920                                  | \$ 103,966        |
| Post-employment benefits     | <u>325</u>                                    | <u>324</u>       | <u>650</u>                                  | <u>648</u>        |
|                              | <u>\$ 54,495</u>                              | <u>\$ 62,245</u> | <u>\$ 109,570</u>                           | <u>\$ 104,614</u> |

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

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

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

|   | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|---|----------------------|------------------------------|----------------------|
| Refundable deposits (recorded under other financial assets - current)   | \$ 30,452            | \$ 303,146                   | \$ 384,719           |
| Restricted deposits (recorded under other financial assets - current)   | 176,180              | 202,194                      | 511,138              |
| Pledged time deposits (recorded under other non-current assets - other) | 1,421                | 1,439                        | 1,309                |
| Restricted deposits (recorded under other non-current assets - other)   | 10,774               | 11,023                       | 11,071               |
| Finance lease receivables   | 61,035               | 60,020                       | 59,023               |
| Long-term finance lease receivables                                     | 571,750              | 602,523                      | 632,785              |
| Refundable deposits   | 51,718               | 51,986                       | 51,993               |
| Discounted notes receivable   | -                    | 1,554,013                    | 1,032,219            |
| Property, plant and equipment   | <u>79,294</u>        | <u>79,052</u>                | <u>77,213</u>        |
|   | <u>\$ 982,624</u>    | <u>\$ 2,865,396</u>          | <u>\$ 2,761,470</u>  |

### 38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at June 30, 2023, December 31, 2022 and June 30, 2022 were as follows:

- a. Outstanding letters of credit not reflected in the consolidated financial statements as of June 30, 2023, December 31, 2022 and June 30, 2022 were as follows (in thousands):

|                   | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-------------------|----------------------|------------------------------|----------------------|
| U.S. dollar       | US\$ 7,305           | US\$ 3,186                   | US\$ 7,139           |
| Japanese yen      | JPY 122,003          | JPY 54,144                   | JPY 74,757           |
| Euro              | EUR 28,991           | EUR 34,490                   | EUR 22,706           |
| Renminbi          | RMB 2,189            | RMB 2,189                    | RMB 5,983            |
| New Taiwan dollar | NT\$ 83,781          | NT\$ 20,939                  | NT\$ 28,159          |

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

|                   | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-------------------|----------------------|------------------------------|----------------------|
| New Taiwan dollar | NT\$ 764,673         | NT\$ 841,035                 | NT\$ 649,189         |
| U.S. dollar       | US\$ 30              | US\$ 30                      | US\$ 30              |
| Renminbi          | RMB 40,737           | RMB 16,884                   | RMB 110,337          |

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

|                   | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-------------------|----------------------|------------------------------|----------------------|
| New Taiwan dollar | NT\$ 248,182         | NT\$ 496,000                 | NT\$ 260,000         |

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

|             | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-------------|----------------------|------------------------------|----------------------|
| U.S. dollar | US\$ 14,012          | US\$ 43,926                  | US\$ 43,292          |
| Renminbi    | RMB 8,936            | RMB 85,530                   | RMB 208,376          |

- e. The Group entered into a contract for the construction of new plants on the Group's own land, the purchase of machinery and equipment, and technique licensing and authorization agreements. The amount of the unrecognized commitments was as follows:

|                   | <b>June 30, 2023</b> | <b>December 31,<br/>2022</b> | <b>June 30, 2022</b> |
|-------------------|----------------------|------------------------------|----------------------|
| New Taiwan dollar | NT\$ 1,827,183       | NT\$ 2,237,159               | NT\$2,523,932        |
| U.S. dollar       | US\$ 39,019          | US\$ 72,295                  | US\$ 1,022           |
| Renminbi          | RMB 790,586          | RMB 780,815                  | RMB 744,678          |
| Euro              | EUR 77,535           | EUR 70,927                   | EUR 69,942           |
| Japanese yen      | JPY -                | JPY 11,680                   | JPY 35,040           |
| Indonesia rupiah  | IDR86,458,884        | IDR89,743,621                | IDR -                |

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

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

June 30, 2023

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                             |                      |                            |
| Monetary items          |                             |                      |                            |
| U.S. dollar             | \$ 746,539                  | 31.1400              | \$ 23,247,224              |
| Japanese yen            | 764,124                     | 0.2150               | 164,287                    |
| Euro                    | 41,278                      | 33.8100              | 1,395,609                  |
| Hong Kong dollar        | 1,566                       | 3.9740               | 6,223                      |
| Australian dollar       | 881                         | 20.6200              | 18,166                     |
| Singapore dollar        | 4,398                       | 22.9600              | 100,978                    |
| Indonesian rupiah       | 1,791,401,085               | 0.00208              | 3,726,114                  |
| Renminbi                | 6,001                       | 4.30947              | 25,861                     |
| Korean won              | 1,113,895                   | 0.0238               | 26,511                     |
| Non-monetary items      |                             |                      |                            |
| U.S. dollar             | 1,003                       | 31.1400              | 31,233                     |

Financial liabilities

|                    |             |         |           |
|--------------------|-------------|---------|-----------|
| Monetary items     |             |         |           |
| U.S. dollar        | 179,405     | 31.1400 | 5,586,672 |
| Renminbi           | 357,131     | 4.30947 | 1,539,045 |
| Indonesian rupiah  | 464,426,753 | 0.00208 | 966,008   |
| Non-monetary items |             |         |           |
| U.S. dollar        | 2,181       | 31.1400 | 69,916    |
| Renminbi           | 2,595       | 4.30947 | 11,813    |

December 31, 2022

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>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 dollar        | 5,432                       | 22.8800              | 124,284                    |
| Indonesian rupiah       | 2,267,040,632               | 0.00198              | 4,488,740                  |
| Renminbi                | 21,137                      | 4.40934              | 93,200                     |
| Korean won              | 394,230                     | 0.02457              | 9,686                      |
| Turkish lira            | 6,605                       | 1.643167             | 10,854                     |

(Continued)

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

June 30, 2022

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                             |                      |                            |
| Monetary items          |                             |                      |                            |
| U.S. dollar             | \$ 543,426                  | 29.7200              | \$ 16,150,609              |
| Japanese yen            | 651,295                     | 0.2182               | 142,113                    |
| Euro                    | 43,694                      | 31.0500              | 1,356,702                  |
| Singapore dollar        | 3,590                       | 21.3700              | 76,727                     |
| Hong Kong dollar        | 4,964                       | 3.7880               | 18,805                     |
| Australian dollar       | 232                         | 20.4500              | 4,753                      |
| Indonesian rupiah       | 1,703,144,045               | 0.00198              | 3,372,225                  |
| Non-monetary items      |                             |                      |                            |
| U.S. dollar             | 16,416                      | 29.7200              | 487,887                    |

Financial liabilities

|                  |             |         |            |
|------------------|-------------|---------|------------|
| Monetary items   |             |         |            |
| U.S. dollar      | 401,911     | 29.7200 | 11,944,807 |
| Japanese yen     | 38,850      | 0.2182  | 8,477      |
| Euro             | 388         | 31.0500 | 12,046     |
| Swiss Franc      | 17          | 31.1150 | 529        |
| Indonesia rupiah | 133,371,937 | 0.00198 | 264,472    |

For the three months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains were \$252,576 thousand and \$223,541 thousand, respectively, and for the six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains were \$123,680 thousand and NT\$405,271 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies in the Group.

#### 40. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

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

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the 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 11)

#### 41. SEGMENT INFORMATION

##### a. Basic information

##### 1) Classification

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Specifically, the Group's reportable segments were as follows:

##### a) Wires and cables

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

##### b) Stainless steel

The segment's main products include smelting, rolled stainless steel, carbon steel and precision alloy wire which 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                |
|---|------------------|-----------------|-------------------|--------------|------------------------------|----------------------|
| <u>For the six months ended June 30, 2023</u>                                 |                  |                 |                   |              |                              |                      |
| Revenue from external customers   | \$ 23,299,028    | \$ 49,803,524   | \$ 21,703,295     | \$ 1,012,640 | \$ 4,342,051                 | \$ 100,160,538       |
| Segment profit (loss)   | 1,610,123        | 1,417,750       | 2,448,073         | (43,540)     | (1,028,913)                  | 4,403,493            |
| Net non-operating income (expenses)   |                  |                 |                   |              |                              |                      |
| Net interest income (expenses)  |                  |                 |                   |              |                              | (762,011)            |
| Share of profit of associates accounted for using the equity method           |                  |                 |                   |              |                              | 171,567              |
| Dividend income   |                  |                 |                   |              |                              | 511,044              |
| Loss on disposal of property, plant and equipment                             |                  |                 |                   |              |                              | (10,117)             |
| Gain on disposal of investments   |                  |                 |                   |              |                              | 582,718              |
| Foreign exchange gain, net  |                  |                 |                   |              |                              | 123,680              |
| Gain on financial assets and liabilities at fair value through profit or loss |                  |                 |                   |              |                              | 74,861               |
| Impairment loss   |                  |                 |                   |              |                              | (2)                  |
| Net other income  |                  |                 |                   |              |                              | <u>172,722</u>       |
| Consolidated income before income tax   |                  |                 |                   |              |                              | <u>\$ 5,267,955</u>  |
| <u>For the six months ended June 30, 2022</u>                                 |                  |                 |                   |              |                              |                      |
| Revenue from external customers   | 31,100,477       | 42,108,352      | 11,776,502        | 957,964      | 7,097,490                    | \$ 93,040,785        |
| Segment profit (loss)   | 1,430,827        | 3,343,463       | 4,310,210         | 110,890      | (2,353,756)                  | 6,841,634            |
| Net non-operating income (expenses)   |                  |                 |                   |              |                              |                      |
| Net interest income (expenses)  |                  |                 |                   |              |                              | (239,870)            |
| Share of profit of associates accounted for using the equity method           |                  |                 |                   |              |                              | 2,815,689            |
| Dividend income   |                  |                 |                   |              |                              | 762,156              |
| Gain on disposal of property, plant and equipment                             |                  |                 |                   |              |                              | 6,687                |
| Loss on disposal of investments   |                  |                 |                   |              |                              | (322,665)            |
| Foreign exchange gain, net  |                  |                 |                   |              |                              | 405,271              |
| Gain on financial assets and liabilities at fair value through profit or loss |                  |                 |                   |              |                              | 485,130              |
| Reversal of impairment loss   |                  |                 |                   |              |                              | 4                    |
| Net other income  |                  |                 |                   |              |                              | <u>312,444</u>       |
| Consolidated income before income tax   |                  |                 |                   |              |                              | <u>\$ 11,066,480</u> |

### 2) Segment assets and liabilities

|                            | Wires and Cables     | Stainless Steel      | Resource             | Real Estate          | Administration and Investing | Total                 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------|-----------------------|
| <u>Segment assets</u>      |                      |                      |                      |                      |                              |                       |
| June 30, 2023              | <u>\$ 10,739,069</u> | <u>\$ 65,351,790</u> | <u>\$ 43,925,560</u> | <u>\$ 29,469,784</u> | <u>\$ 116,145,838</u>        | <u>\$ 265,632,041</u> |
| December 31, 2022          | <u>\$ 9,871,071</u>  | <u>\$ 45,004,557</u> | <u>\$ 43,443,642</u> | <u>\$ 30,296,978</u> | <u>\$ 123,918,605</u>        | <u>\$ 252,524,853</u> |
| June 30, 2022              | <u>\$ 13,570,124</u> | <u>\$ 47,420,559</u> | <u>\$ 36,214,706</u> | <u>\$ 29,426,314</u> | <u>\$ 85,074,566</u>         | <u>\$ 211,706,269</u> |
| <u>Segment liabilities</u> |                      |                      |                      |                      |                              |                       |
| June 30, 2023              | <u>\$ 7,150,348</u>  | <u>\$ 38,363,340</u> | <u>\$ 14,322,616</u> | <u>\$ 15,190,453</u> | <u>\$ 43,251,384</u>         | <u>\$ 118,278,141</u> |
| December 31, 2022          | <u>\$ 5,690,853</u>  | <u>\$ 26,924,149</u> | <u>\$ 18,908,786</u> | <u>\$ 15,638,505</u> | <u>\$ 55,541,348</u>         | <u>\$ 122,703,641</u> |
| June 30, 2022              | <u>\$ 10,289,804</u> | <u>\$ 29,196,645</u> | <u>\$ 18,103,061</u> | <u>\$ 14,109,228</u> | <u>\$ 32,462,766</u>         | <u>\$ 104,161,504</u> |



TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 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<br>(US\$ 250,750) | \$ -<br>(US\$ -) | \$ -<br>(US\$ -)       | -                 | Operating capital   | \$ -                        | Operating capital and equipment purchase | \$ -                          | -          | \$ -  | \$ 56,065,462                              | \$ 56,065,462                      |
|     |                          | PT. Westrong Metal Industry | Other receivables           | Yes           | 2,766,600<br>(US\$ 90,000)     | -<br>(US\$ -)    | -<br>(US\$ -)          | -                 | Operating capital   | -                           | Equipment purchase                       | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |

Notes:

1. According to the financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by WLC 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 and PT. Westrong Metal Industry = \$140,163,655 × 40% = \$56,065,462

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

The limit on the amount of financing provided = \$140,163,655 × 40% = \$56,065,462
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 June 30, 2023 was as follows: US\$ to NT\$ = 1:31.14.

TABLE 1-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 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<br>(RMB 80,000)                      | \$ 344,758<br>(RMB 80,000)                      | \$ 344,758<br>(RMB 80,000)                      | 4.35              | Operating capital   | \$ -                        | Operating capital                | \$ -                          | -          | \$ -  | \$ 1,633,116<br>(RMB 378,960)              | \$ 1,633,116<br>(RMB 378,960)      |
|     |  | Walsin (Nanjing) Development Co., Ltd.              | Other receivables           | Yes           | 8,441,282<br>(RMB 1,900,000)                    | 8,187,993<br>(RMB 1,900,000)                    | 3,521,285<br>(RMB 817,104)                      | 4.25              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Yantai Walsin Stainless Steel Co., Ltd.             | Other receivables           | Yes           | 16,052,492<br>(US\$ 320,000)<br>(RMB 1,400,000) | 15,998,058<br>(US\$ 320,000)<br>(RMB 1,400,000) | 6,706,073<br>(US\$ 152,172)<br>(RMB 456,538)    | 3.20-4.82         | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Other receivables           | Yes           | 1,832,247<br>(US\$ 45,000)<br>(RMB 100,000)     | 1,832,247<br>(US\$ 45,000)<br>(RMB 100,000)     | 1,349,639<br>(US\$ 43,341)<br>(RMB -)           | 3.20-4.83         | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Changshu Walsin Specialty Steel Co., Ltd.           | Other receivables           | Yes           | 2,424,956<br>(US\$ 50,000)<br>(RMB 200,000)     | 2,418,894<br>(US\$ 50,000)<br>(RMB 200,000)     | 1,114,251<br>(US\$ 35,782)<br>(RMB -)           | 3.20-4.84         | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Dongguan Walsin Wire & Cable Co., Ltd.              | Other receivables           | Yes           | 778,500<br>(US\$ 25,000)                        | 778,500<br>(US\$ 25,000)                        | 765,888<br>(US\$ 24,595)                        | 4.82              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Jiangyin Walsin Steel Cable Co., Ltd.               | Other receivables           | Yes           | 1,417,345<br>(US\$ 10,000)<br>(RMB 250,000)     | 1,388,768<br>(US\$ 10,000)<br>(RMB 250,000)     | 873,886<br>(US\$ 8,195)<br>(RMB 143,566)        | 3.20-4.84         | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
| 2   | Dongguan Walsin Wire & Cable Co., Ltd.   | Walsin (China) Investment Co., Ltd.                 | Other receivables           | Yes           | 3,332,085<br>(RMB 750,000)                      | 3,232,103<br>(RMB 750,000)                      | 1,332,548<br>(RMB 309,214)                      | 2.00              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
| 3   | Walsin International Investments Limited | Walsin (China) Investment Co., Ltd.                 | Other receivables           | Yes           | 18,866,874<br>(US\$ 400,000)<br>(RMB 1,480,000) | 18,834,016<br>(US\$ 400,000)<br>(RMB 1,480,000) | 12,981,806<br>(US\$ 254,000)<br>(RMB 1,177,000) | 4.65              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | Walsin Lihwa Corporation                            | Other receivables           | Yes           | 18,684,000<br>(US\$ 600,000)                    | 18,684,000<br>(US\$ 600,000)                    | 1,027,620<br>(US\$ 33,000)                      | 4.56              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |
|     |  | PT. Walsin Nickel Industrial Indonesia              | Other receivables           | Yes           | 3,048,000<br>(US\$ 100,000)                     | -<br>(US\$ -)                                   | -<br>(US\$ -)                                   | -                 | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 6,622,435<br>(RMB 1,536,717)               | 6,622,435<br>(RMB 1,536,717)       |
|     |  | PT. Sunny Metal Industry                            | Other receivables           | Yes           | 2,335,500<br>(US\$ 75,000)                      | 2,335,500<br>(US\$ 75,000)                      | 2,335,126<br>(US\$ 74,988)                      | 7.01-7.44         | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 6,622,435<br>(RMB 1,536,717)               | 6,622,435<br>(RMB 1,536,717)       |

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 WLC or a overseas subsidiary whose equity is 100%-owned, directly or indirectly by WLC 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 WLC, 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., Walsin (China) Investment Co., Ltd., Walsin Lihwa Corporation, Walsin (Nanjing) Development Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd., Changshu Walsin Specialty Steel Co., Ltd., Dongguan Walsin Wire & Cable Co., Ltd. = \$140,163,655 × 40% = \$56,065,462  
Hangzhou Walsin Power Cable & Wire Co., Ltd. = RMB947,399 × 40% = RMB378,960 (\$1,633,116)  
PT. Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry = RMB3,841,792 × 40% = RMB1,536,717 (\$6,622,435)

(Continued)

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

Dongguan Walsin Wire & Cable Co., Ltd. =  $\$140,163,655 \times 40\% = \$56,065,462$   
Walsin (China) Investment Co., Ltd. =  $\text{RMB}947,399 \times 40\% = \text{RMB}378,960$  (\$1,633,116)  
Walsin International Investments Limited =  $\text{RMB}3,841,792 \times 40\% = \text{RMB}1,536,717$  (\$6,622,435)

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 June 30, 2023 were as follows: US\$ to NT\$ = 1:31.14; RMB to NT\$ = 1:4.30947; US\$ to RMB = 1:7.2258.

(Concluded)

TABLE 1-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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<br>(RMB 100,000)    | \$ 430,947<br>(RMB 100,000) | \$ 338,431<br>(RMB 78,532) | 2.00              | Operating capital   | \$ -                        | Operating capital                | \$ -                          | -          | \$ -  | \$ 56,065,462                              | \$ 56,065,462                      |
| 5   | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Walsin (China) Investment Co., Ltd. | Other receivables           | Yes           | 666,417<br>(RMB 150,000)       | 646,421<br>(RMB 150,000)    | 385,051<br>(RMB 89,350)    | 2.00              | Operating capital   | -                           | Operating capital                | -                             | -          | -     | 56,065,462                                 | 56,065,462                         |

Notes:

1. According to the financing regulations of Changshu Walsin Specialty Steel Co., Ltd and Jiangyin Walsin Specialty Alloy Materials Co., Ltd., the total limit on the amount of financing provided to WLC or an overseas subsidiary whose equity is 100% owned, directly or indirectly by WLC 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. = \$140,163,655 × 40% = \$56,065,462

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

Changshu Walsin Specialty Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = \$140,163,655 × 40% = \$56,065,462
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 June 30, 2023 were as follows: US\$ to NT\$ = 1:31.14; RMB to NT\$ = 1:4.30947; US\$ to RMB = 1:7.2258.

TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 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           | \$ 824,587 (US\$ 26,480)       | \$ 824,587 (US\$ 26,480) | \$ 824,587 (US\$ 26,480) | 2.48              | Operating capital   | \$ -                        | Operating capital                | \$ -                          | -          | \$ -  | \$ 56,065,462                              | \$ 56,065,462                      |

Notes:

1. According to the financing regulations provided by Joint Success Enterprises Limited, the total limit on the amount of the financing provided to WLC or a oversea subsidiary whose equity is 100%-owned, directly or indirectly by WLC, 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 WLC, 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. = \$140,163,655 × 40% = \$56,065,462
- b. The limit on the amount of financing provided was as follows:

Joint Success Enterprises Limited = \$140,163,655 × 40% = \$56,065,462
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 June 30, 2023 were as follows: US\$ to NT\$ = 1:31.14; RMB to NT\$ = 1:4.30947; US\$ to RMB = 1:7.2258.

TABLE 1-4

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 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 Corp. Corporation | Walsin Lihwa Corporation | Other receivables           | Yes           | \$ 130,000                     | \$ 80,000      | \$ 80,000              | 1.00              | Operating capital   | \$ -                        | Operating capital                | \$ -                          | -          | \$ -  | \$ 127,370                                 | \$ 127,370                         |

Notes:

1. According to the financing regulations provided by Walsin Info-Electric Corporation, the total limit on the amount of the financing provided to WLC or a oversea subsidiary whose equity is 100% owned, directly or indirectly by WLC, 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 WLC, 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 = \$318,424 × 40% = \$127,370
- b. The limit on the amount of financing provided was as follows:  
  
Walsin Info-Electric Corp. Corporation = \$318,424 × 40% = \$127,370

TABLE 1-5

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of 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 |  |                                    |
| 8   | Walsin Singapore Pte. Ltd. | PT. Sunny Metal Industry          | Other receivables           | Yes           | \$ 5,472,855<br>(US\$ 175,750) | \$ 5,472,855<br>(US\$ 175,750) | \$ 5,472,855<br>(US\$ 175,750) | 7.11-7.48         | Operating capital   | \$ -                        | Equipment purchase                                | \$ -                          | -          | \$ -  | \$ 10,992,763<br>(US\$ 353,011)            | \$ 10,992,763<br>(US\$ 353,011)    |
|     |                            | PT. Westrong Metal Industry       | Other receivables           | Yes           | 3,658,950<br>(US\$ 117,500)    | 3,658,950<br>(US\$ 117,500)    | 2,690,807<br>(US\$ 86,410)     | 7.75              | Operating capital   | -                           | Equipment purchase                                | -                             | -          | -     | 10,992,763<br>(US\$ 353,011)               | 10,992,763<br>(US\$ 353,011)       |
|     |                            | PT. Walhsu Metal Industry         | Other receivables           | Yes           | 934,200<br>(US\$ 30,000)       | 934,200<br>(US\$ 30,000)       | -<br>(US\$ -)                  | -                 | Operating capital   | -                           | Construction of new plants and equipment purchase | -                             | -          | -     | 10,992,763<br>(US\$ 353,011)               | 10,992,763<br>(US\$ 353,011)       |
|     |                            | Innovation West Mantewe Pte. Ltd. | Other receivables           | Yes           | 638,370<br>(US\$ 20,500)       | 638,370<br>(US\$ 20,500)       | -<br>(US\$ -)                  | -                 | Operating capital   | -                           | Construction of new plants and equipment purchase | -                             | -          | -     | 10,992,763<br>(US\$ 353,011)               | 10,992,763<br>(US\$ 353,011)       |
| 9   | PT. Sunny Metal Industry   | PT. Walhsu Metal Industry         | Other receivables           | Yes           | 1,401,300<br>(US\$ 45,000)     | 1,401,300<br>(US\$ 45,000)     | 653,940<br>(US\$ 21,000)       | 7.44              | Operating capital   | -                           | Construction of new plants and equipment purchase | -                             | -          | -     | 1,625,010<br>(US\$ 52,184)                 | 1,625,010<br>(US\$ 52,184)         |

Notes:

1. According to the financing regulations provided by Walsin Singapore Pte. Ltd. and PT. Sunny Metal Industry, the total limit on the amount of the financing provided to WLC or a oversea subsidiary whose equity is 100% owned, directly or indirectly by WLC, 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 WLC, 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:

PT. Sunny Metal Industry, PT. Westrong Metal Industry, PT. Walhsu Metal Industry, Innovation West Mantewe Pte. Ltd., = US\$882,527 × 40% = US\$353,011 (\$10,992,763)  
PT. Walhsu Metal Industry = US\$130,460 × 40% = US\$52,184 (\$1,625,010)

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

Walsin Singapore Pte. Ltd. = US\$882,527 × 40% = US\$353,011 (\$10,992,763)  
PT. Sunny Metal Industry = US\$130,460 × 40% = US\$52,184 (\$1,625,010)

2. The currency exchange rates as of June 30, 2023 were as follows: US\$ to NT\$ = 1:31.14.
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TABLE 2

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars and U.S. Dollars)

| No.<br>(Note 1) | Endorsement/<br>Guarantee Provider | Guaranteed Party    |                                       | Limits on Each<br>Guaranteed Party's<br>Endorsement/<br>Guarantee<br>Amounts<br>(Note 3) | Highest<br>Balance for the<br>Period | Ending Balance<br>(Note 4) | Actual Amount<br>Borrowed | Amount of<br>Endorsement/<br>Guarantee<br>Collateralized by<br>Properties | Ratio of<br>Accumulated<br>Endorsement/<br>Guarantee to Net<br>Equity Per Latest<br>Financial<br>Statement (%) | Maximum<br>Collateral/<br>Guarantee<br>Amounts Allowable<br>(Note 3) | Guaranteed<br>Provided by Parent<br>Company | Guarantee<br>Provided by A<br>Subsidiary | Guarantee<br>Provided to<br>Subsidiaries in<br>Mainland China |
|-----------------|------------------------------------|---------------------|---------------------------------------|--|--------------------------------------|----------------------------|---------------------------|---|--|--|---|--|---|
|                 |                                    | Name                | Nature of<br>Relationship<br>(Note 2) |  |                                      |                            |                           |   |  |  |   |  |   |
| 0               | Walsin Lihwa Corporation           | Borrego Energy, LLC | b                                     | \$ -<br>(US\$ -)   | \$ 365,760<br>(US\$ 12,000)          | \$ -<br>(US\$ -)           | \$ -<br>(US\$ -)          | \$ -  | -  | \$ 140,163,655   | 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 amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.

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

NT\$140,163,655 × 100% = NT\$140,163,655

  
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 June 30, 2023 were as follows: US\$ to NT\$ = 1:31.14



**TABLE 3**

**WALSIN LIHWA CORPORATION**

**MARKETABLE SECURITIES HELD**  
**JUNE 30, 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   | June 30, 2023          |                 |                             |              | Note |
|--------------------------|--|--|---|------------------------|-----------------|-----------------------------|--------------|------|
|                          |  |  |   | Number of Shares/Units | Carrying Amount | Percentage of Ownership (%) | Fair Value   |      |
| Walsin Lihwa Corporation | <u>Share</u><br>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            | \$ 3,940,163    | 10.19                       | \$ 3,940,163 |      |
|                          | HannStar Board Corp.                             | The chairman of the holding company and the chairman of the company are second-class relatives | Financial assets at fair value through other comprehensive income - non-current | 63,753,952             | 3,063,377       | 12.06                       | 3,063,377    |      |
|                          | TECO Electric & Machinery Co., Ltd.              | -  | Financial assets at fair value through other comprehensive income - non-current | 231,104,730            | 12,317,882      | 10.81                       | 12,317,882   |      |
|                          | Kuong Tai Metal Industrial Co., Ltd.             | The holding company is a director of the issuer company  | Financial assets at fair value through other comprehensive income - non-current | 9,631,802              | 205,902         | 9.39                        | 205,902      |      |
|                          | 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              | 57,866          | 2.97                        | 57,866       |      |
|                          | Universal Venture Capital Investment             | -  | Financial assets at fair value through other comprehensive income - non-current | 1,400,000              | 14,373          | 1.16                        | 14,373       |      |
|                          | 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 | 27,000,000             | 279,464         | 15.00                       | 279,464      |      |
|                          | Tung Mung Development Co., Ltd.                  | -  | Financial assets at fair value through other comprehensive income - non-current | 14,285,000             | 100,371         | 3.43                        | 100,371      |      |

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
JUNE 30, 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   | June 30, 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><br>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><br>Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. | -   | Financial assets at fair value through other comprehensive income - non-current | N/A                    | 17,936          | 6.02                        | 17,936     |      |

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
JUNE 30, 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   | June 30, 2023          |                 |                             |            | Note |
|------------------------------|--|---|---|------------------------|-----------------|-----------------------------|------------|------|
|                              |  |   |   | Number of Shares/Units | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Chin-Cherng Construction Co. | <u>Share</u><br>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  
JUNE 30, 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   | June 30, 2023          |                 |                             |            | Note |
|----------------------------|--|---|---|------------------------|-----------------|-----------------------------|------------|------|
|                            |  |   |   | Number of Shares/Units | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Walsin Info-Electric Corp. | <u>Share</u><br>W T International Inc.           | -   | Financial assets at fair value through other comprehensive income - non-current | 228,000                | \$ 2,357        | 5.43                        | \$ 2,357   |      |
|                            | Ufi Space Co., Ltd.                              | -   | Financial assets at fair value through other comprehensive income - non-current | 297,069                | 45,569          | 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                | 12,006          | 0.09                        | 12,006     |      |
|                            | Landing AI                                       | -   | Financial assets at fair value through other comprehensive income - non-current | 265,583                | 4,075           | 0.54                        | 4,075      |      |

PT. WAL SIN LIPPO INDUSTRIES

MARKETABLE SECURITIES HELD  
JUNE 30, 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                      | June 30, 2023          |                 |                             |            | Note |
|-----------------------------|---|---|--|------------------------|-----------------|-----------------------------|------------|------|
|                             |   |   |  | Number of Shares/Units | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Pt. Walsin Lippo Industries | <u>Government bonds</u><br>Indonesia Government Bonds | -   | Financial assets at amortized cost - non-current | -                      | \$ 6,087        | N/A                         | \$ 5,954   |      |

COGNE ACCIAI SPECIALI S.P.A.

MARKETABLE SECURITIES HELD  
JUNE 30, 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   | June 30, 2023          |                 |                             |            | Note |
|------------------------------|--|---|---|------------------------|-----------------|-----------------------------|------------|------|
|                              |  |   |   | Number of Shares/Units | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Cogne Acciai Speciali S.p.A. | <u>Share</u><br>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              | 2,041           | 1.64                        | 2,041      |      |

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 SIX MONTHS ENDED JUNE 30, 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      | \$ 3,214,530 | \$ 3,432,681 (Note 1) | \$ -                    | 2,730,393        | \$ 20,641,137 |
|                          | Concord Industries Limited             | Investments accounted for using the equity method | Capital reduction                              | Subsidiaries | 308,498,375       | 5,210,454     | -                | -                   | 11,000,000       | 336,700      | 1,088,578 (Note 1)    | -                       | 297,498,375      | 4,121,876     |
|                          | Walsin Singapore Pte. Ltd.             | Investments accounted for using the equity method | Capital investment                             | Subsidiaries | 422,000,000       | 19,603,265    | 311,000,000      | 10,830,292 (Note 2) | -                | -            | -                     | -                       | 733,000,000      | 30,433,557    |
|                          | PT. Westrong Metal Industry            | Investments accounted for using the equity method | Walsin Singapore Pte. Ltd.                     | Subsidiaries | 590,000           | 4,590,864     | -                | -                   | 590,000          | 4,680,030    | 4,680,030             | 89,166 (Note 3)         | -                | -             |
|                          | Walsin Energy Cable System Co., Ltd.   | Investments accounted for using the equity method | Capital investment                             | Subsidiaries | -                 | -             | 270,000,000      | 2,706,559 (Note 2)  | -                | -            | -                     | -                       | 270,000,000      | 2,706,559     |
|                          | Innovation West Mantewe Pte. Ltd.      | Investments accounted for using the equity method | Glory Merry Limited and non-related individual | -            | -                 | -             | 40               | 2,452,575           | -                | -            | -                     | -                       | 40               | 2,452,575     |

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 SIX MONTHS ENDED JUNE 30, 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<br>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 | \$ 599,915 (Note) | \$ -                    | 3,868,709,702    | \$ 3,841,792 |

Note: The amount included a capital decrease in cash and 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 SIX MONTHS ENDED JUNE 30, 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. | Share<br>PT. Westrong Metal Industry   | Investments accounted for using the equity method | Walsin Lihwa Corporation             | Parent company | -                 | \$ -   | 590,000          | \$ 145,931 (Note) | -                | \$ -   | \$ -            | \$ -                    | 590,000          | \$ 145,931 (Note) |

Note: The amount included the purchase amount, recognition of investment gains or losses and changes in other equity.

TABLE 5

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars and U.S. Dollars)

| Buyer                    | Property | Event Date            | Transaction Amount | Payment Status                     | Counterparty                        | Relationship | Information on Previous Title Transfer If Counterparty Is A Related Party |              |                  |        | Pricing Reference          | Purpose of Acquisition              | Other Terms |
|--------------------------|----------|-----------------------|--------------------|------------------------------------|-------------------------------------|--------------|---|--------------|------------------|--------|----------------------------|-------------------------------------|-------------|
|                          |          |                       |                    |                                    |                                     |              | Property Owner  | Relationship | Transaction Date | Amount |                            |                                     |             |
| Walsin Lihwa Corporation | Plant    | 2023/02/04-2023/06/07 | \$ 547,990         | Based on the terms in the contract | Chung-Lu Construction Co., Ltd.     | -            | N/A   | N/A          | N/A              | N/A    | Based on the marketability | Manufacturing and operating purpose | -           |
| PT. Sunny Metal Industry | Plant    | 2023/03/27-2023/06/23 | US\$ 47,611        | Based on the terms in the contract | PT. Perintis Makmur Indonesia, etc. | -            | N/A   | N/A          | N/A              | N/A    | Based on the marketability | Manufacturing and operating purpose | -           |

**TABLE 6**

**WALSIN LIHWA CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars)**

| Company Name             | Related Party                                       | Relationship                     | Transaction Details |              |               |   | Abnormal Transaction |                  | Notes/Accounts Receivable (Payable) |               | Note |
|--------------------------|---|----------------------------------|---------------------|--------------|---------------|---|----------------------|------------------|-------------------------------------|---------------|------|
|                          |   |                                  | Purchase/<br>Sale   | Amount       | % of<br>Total | Payment Terms   | Unit Price           | Payment<br>Terms | Ending Balance                      | % of<br>Total |      |
| Walsin Lihwa Corporation | Koung Tai Metal Industrial Co., Ltd.                | Director of the related party    | Sales               | \$ (758,836) | (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           | \$ 37,073                           | 1             |      |
|                          | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | 100% indirectly owned subsidiary | Sales               | (159,738)    | -             | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | 90,003                              | 3             |      |
|                          | Changshu Walsin Specialty Steel Co., Ltd.           | 100% indirectly owned subsidiary | Sales               | (336,370)    | (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           | 169,747                             | 5             |      |
|                          | Walsin Singapore Pte. Ltd.                          | 100% directly owned subsidiary   | Purchase            | 125,256      | -             | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | (127,683)                           | (3)           |      |

**TABLE 6-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of Renminbi)**

| Company Name                                       | Related Party                                | Nature of Relationship                          | Transaction Details |               |               |   | Abnormal Transaction |                  | Notes/Accounts Receivable (Payable) |               | Note |
|--|--|---|---------------------|---------------|---------------|---|----------------------|------------------|-------------------------------------|---------------|------|
|  |  |   | Purchase/<br>Sale   | Amount        | % of<br>Total | Payment Terms   | Unit Price           | Payment<br>Terms | Ending Balance                      | % of<br>Total |      |
| Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. | Hangzhou Walsin Power Cable & Wire Co., Ltd. | Both are associates of Walsin Lihwa Corporation | Sales               | RMB (135,684) | (33)          | 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 153,323                         | 56            |      |

**TABLE 6-2**

**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 SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars and Renminbi)**

| Company Name  | Related Party                                       | Relationship  | Transaction Details |               |               |   | Abnormal Transaction |                  | Notes/Accounts Receivable (Payable) |               | Note |
|---|---|---|---------------------|---------------|---------------|---|----------------------|------------------|-------------------------------------|---------------|------|
|   |   |   | Purchase/<br>Sale   | Amount        | % of<br>Total | Payment Terms   | Unit Price           | Payment<br>Terms | Ending Balance                      | % of<br>Total |      |
| Yantai Walsin Stainless Steel Co., Ltd.             | Changshu Walsin Specialty Steel Co., Ltd.           | Both are subsidiaries of Concord Industries Limited | Sales               | RMB (106,297) | (6)           | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | RMB 34,029                          | 4             |      |
|   | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Both are subsidiaries of Concord Industries Limited | Sales               | RMB (121,167) | (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 29,843                          | 3             |      |
|   | Changshu Walsin Specialty Steel Co., Ltd.           | Both are subsidiaries of Concord Industries Limited | Purchases           | RMB 32,897    | 2             | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | RMB (7,675)                         | (3)           |      |
| Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Walsin Lihwa Corporation                            | Parent company                                      | Purchases           | 159,738       | 19            | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | (90,003)                            | (31)          |      |
|   | Yantai Walsin Stainless Steel Co., Ltd.             | Both are subsidiaries of Concord Industries Limited | Purchases           | RMB 121,167   | 62            | 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 (29,843)                        | (45)          |      |
| Changshu Walsin Specialty Steel Co., Ltd.           | Yantai Walsin Stainless Steel Co., Ltd.             | Both are subsidiaries of Concord Industries Limited | Sales               | RMB (32,897)  | (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 7,675                           | 9             |      |
|   | Walsin Lihwa Corporation                            | Parent company                                      | Purchases           | 336,370       | 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           | (169,747)                           | (23)          |      |
|   | Yantai Walsin Stainless Steel Co., Ltd.             | Both are subsidiaries of Concord Industries Limited | Purchases           | RMB 106,297   | 31            | 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 (34,029)                        | (21)          |      |

**TABLE 6-3**

**WALSIN SINGAPORE PTE. LTD. 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 SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars)**

| Company Name               | Related Party            | Relationship   | Transaction Details |              |               |   | Abnormal Transaction |                  | Notes/Accounts Receivable (Payable) |               | Note |
|----------------------------|--------------------------|----------------|---------------------|--------------|---------------|---|----------------------|------------------|-------------------------------------|---------------|------|
|                            |                          |                | Purchase/<br>Sale   | Amount       | % of<br>Total | Payment Terms   | Unit Price           | Payment<br>Terms | Ending Balance                      | % of<br>Total |      |
| Walsin Singapore Pte. Ltd. | Walsin Lihwa Corporation | Parent company | Sales               | \$ (125,256) | (100)         | The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers. | Normal               | Normal           | \$ 127,683                          | 100           |      |

**TABLE 7**

**WALSIN LIHWA CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**JUNE 30, 2023**  
**(In Thousands of New Taiwan Dollars)**

| Company Name             | Related Party                             | Relationship                     | Financial Statement Account<br>and Ending Balance | Turnover<br>Rate | Overdue        |              | Amounts<br>Received in<br>Subsequent<br>Period | Allowance for<br>Bad Debts |
|--------------------------|---|----------------------------------|---|------------------|----------------|--------------|--|----------------------------|
|                          |   |                                  |   |                  | Amount         | Action Taken |  |                            |
| Walsin Lihwa Corporation | Changshu Walsin Specialty Steel Co., Ltd. | 100% indirectly owned subsidiary | Trade receivables   \$   169,747                  | 4.93             | \$           - | -            | \$   139,477                                   | \$           -             |

**TABLE 7-1**

**WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES**

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

**JUNE 30, 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 266,140                  | -             | \$ -    | -            | \$ -                                  | \$ -                    |
| Walsin (China) Investment Co., Ltd.                | Walsin Lihwa Holdings Limited                       | Parent company                                    | Other receivables US\$ 4,900                   | -             | -       | -            | -                                     | -                       |
|  | Yantai Walsin Stainless Steel Co., Ltd.             | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables US\$ 152,761<br>RMB 457,488  | -             | -       | -            | -                                     | -                       |
|  | Changshu Walsin Specialty Steel Co., Ltd.           | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables US\$ 35,943                  | -             | -       | -            | -                                     | -                       |
|  | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables US\$ 43,515                  | -             | -       | -            | -                                     | -                       |
|  | Jiangyin Walsin Steel Cable Co., Ltd.               | 100% owned subsidiary                             | Other receivables US\$ 8,228<br>RMB 143,974    | -             | -       | -            | -                                     | -                       |
|  | Hangzhou Walsin Power Cable & Wire Co., Ltd.        | Associate   | Other receivables RMB 82,987                   | -             | -       | -            | -                                     | -                       |
|  | XiAn Walsin Metal Product Co., Ltd.                 | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 181,343                  | -             | -       | -            | -                                     | -                       |
|  | Nanjing Taiwan Trade Mart Management Co., Ltd.      | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 99,977                   | -             | -       | -            | -                                     | -                       |
|  | Dongguan Walsin Wire & Cable Co., Ltd.              | 100% owned subsidiary                             | Other receivables US\$ 24,694                  | -             | -       | -            | -                                     | -                       |
|  | Walsin (Nanjing) Development Co., Ltd.              | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 820,042                  | -             | -       | -            | -                                     | -                       |
| Walsin International Investments Limited           | Walsin Lihwa Corporation                            | Parent company                                    | Other receivables RMB 243,014                  | -             | -       | -            | -                                     | -                       |
|  | PT. Sunny Metal Industry                            | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 548,009                  | -             | -       | -            | -                                     | -                       |
|  | Walsin (China) Investment Co., Ltd.                 | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 3,055,579                | -             | -       | -            | -                                     | -                       |
| Dongguan Walsin Wire & Cable Co., Ltd.             | Walsin (China) Investment Co., Ltd.                 | Both are subsidiaries of Walsin Lihwa Corporation | Other receivables RMB 309,701                  | -             | -       | -            | -                                     | -                       |
| Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. | Hangzhou Walsin Power Cable & Wire Co., Ltd.        | Both are subsidiaries of Walsin Lihwa Corporation | Trade receivables RMB 153,323                  | 3.54          | -       | -            | -                                     | -                       |

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



TABLE 7-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
JUNE 30, 2023  
(In Thousands of Renminbi)

| Company Name  | Related Party                                       | Relationship  | Financial Statement Account<br>and Ending Balance | Turnover<br>Rate | Overdue    |              | Amounts<br>Received in<br>Subsequent<br>Period | Allowance for<br>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      \$    34,029               | 7.09             | \$       - | -            | \$   18,158                                    | \$       -                 |
|   | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Both are subsidiaries of Concord Industries Limited | Trade receivables      29,843                     | 9.79             | -          | -            | 22,055   | -                          |
| Changshu Walsin Specialty Steel Co., Ltd.           | Walsin (China) Investment Co., Ltd.                 | Both are subsidiaries of Walsin Lihwa Corporation   | Other receivables      78,666                     | -                | -          | -            | -  | -                          |
| Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Walsin (China) Investment Co., Ltd.                 | Both are subsidiaries of Walsin Lihwa Corporation   | Other receivables      89,498                     | -                | -          | -            | -  | -                          |

**TABLE 7-3**

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

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**JUNE 30, 2023**  
**(In Thousands of Renminbi)**

| Company Name                      | Related Party                          | Relationship | Financial Statement Account<br>and Ending Balance | Turnover<br>Rate | Overdue |              | Amounts<br>Received in<br>Subsequent<br>Period | Allowance for<br>Bad Debts |
|-----------------------------------|--|--------------|---|------------------|---------|--------------|--|----------------------------|
|                                   |  |              |   |                  | Amount  | Action Taken |  |                            |
| Joint Success Enterprises Limited | Walsin (Nanjing) Development Co., Ltd. | Subsidiary   | Other receivables      \$ 208,264                 | -                | \$ -    | -            | \$ -   | \$ -                       |

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
JUNE 30, 2023  
(In Thousands of U.S. Dollars)

| Company Name               | Related Party             | Relationship           | Financial Statement Account<br>and Ending Balance | Turnover<br>Rate | Overdue |              | Amounts<br>Received in<br>Subsequent<br>Period | Allowance for<br>Bad Debts |
|----------------------------|---------------------------|------------------------|---|------------------|---------|--------------|--|----------------------------|
|                            |                           |                        |   |                  | Amount  | Action Taken |  |                            |
| Walsin Singapore Pte. Ltd. | Walsin Lihwa Corporation  | Parent company         | Other receivables \$ 75,000                       | -                | \$ -    | -            | \$ -   | \$ -                       |
|                            | Walsin Lihwa Corporation  | Parent company         | Trade receivables 4,100                           | 4.00             | -       | -            | -  | -                          |
|                            | PT. Sunny Metal Industry  | 50.1% owned subsidiary | Other receivables 179,980                         | -                | -       | -            | -  | -                          |
| PT. Sunny Metal Industry   | PT. Walhsu Metal Industry | 99.9% owned subsidiary | Other receivables 21,017                          | -                | -       | -            | -  | -                          |

TABLE 8

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE  
FOR THE SIX MONTHS ENDED JUNE 30, 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, Hong Kong dollars and Euro):

| Investor Company             | Investee Company                                    | Location               | Main Businesses and Products  | Original Investment Amount |                   | Balance as of June 30, 2023 |                                      |                 | Net Income (Loss)<br>of the Investee | Investment<br>Gain (Loss) | Note     |
|------------------------------|---|------------------------|---|----------------------------|-------------------|-----------------------------|--------------------------------------|-----------------|--------------------------------------|---------------------------|----------|
|                              |   |                        |   | June 30, 2023              | December 31, 2022 | Number of Shares            | Percentage<br>of<br>Ownership<br>(%) | Carrying Amount |                                      |                           |          |
| Walsin Lihwa Corporation     | Walsin Lihwa Holdings Limited                       | British Virgin Islands | Investments holding   | \$ 103,022                 | \$ 3,317,552      | 2,730,393                   | 100.00                               | \$ 20,641,137   | \$ 257,553                           | \$ 257,499                |          |
|                              | Concord Industries Limited                          | British Virgin Islands | Investments holding   | 13,274,435                 | 13,611,135        | 297,498,375                 | 100.00                               | 4,121,876       | (671,658)                            | (671,658)                 |          |
|                              | Ace Result Global Limited                           | British Virgin Islands | Investments holding   | 1,587,416                  | 1,587,416         | 44,739,988                  | 100.00                               | 308,249         | (39,098)                             | (39,098)                  |          |
|                              | Min Maw Precision Industry Corp.                    | Taiwan                 | Solar power systems management, design, and installation  | 180,368                    | 180,368           | 32,791,149                  | 100.00                               | 400,494         | 12,058                               | 12,058                    |          |
|                              | Waltuo Green Resources Corporation                  | Taiwan                 | Waste disposal, resource recovery and cement products   | 10,000                     | 10,000            | 1,828,287                   | 100.00                               | 12,738          | (4,922)                              | (4,922)                   |          |
|                              | 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                                | 5,949,378       | (133,252)                            | (132,213)                 |          |
|                              | Walsin Info-Electric Corp.                          | Taiwan                 | Mechanical and electrical, communications, and power systems  | 270,034                    | 270,034           | 29,854,246                  | 99.51                                | 316,684         | 933                                  | 928                       |          |
|                              | PT. Walsin Lippo Industries                         | Indonesia              | Steel wires   | 481,663                    | 481,663           | 10,500                      | 70.00                                | 989,921         | 34,250                               | 23,975                    |          |
|                              | PT. Walsin Lippo Kabel                              | Indonesia              | Production and sale of cables and wires   | 11,656                     | 11,656            | 1,050,000                   | 70.00                                | 11,755          | (1,193)                              | (835)                     |          |
|                              | Joint Success Enterprises Limited                   | British Virgin Islands | Investments holding   | 1,164,273                  | 1,164,273         | 36,058,184                  | 49.05                                | 4,857,565       | (282,940)                            | (113,457)                 |          |
|                              | Chin-Xin Investment Co., Ltd.                       | Taiwan                 | Investments   | 2,237,969                  | 2,237,969         | 179,468,270                 | 37.00                                | 8,332,664       | 481,606                              | 178,194                   |          |
|                              | Tsai Yi Corporation                                 | Taiwan                 | Management and investments holding  | 457,610                    | 457,610           | 49,831,505                  | 33.97                                | 866,533         | (43,239)                             | (14,688)                  |          |
|                              | Concord II Venture Capital Co., Ltd.                | Taiwan                 | Venture capital and consulting affairs  | 257,860                    | 257,860           | 26,670,699                  | 26.67                                | 169,336         | (8,463)                              | (2,257)                   |          |
|                              | 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                                | 19,743,392      | (657,523)                            | (146,036)                 |          |
|                              | Walton Advanced Engineering, Inc.                   | Taiwan                 | Production, sale, and testing of semiconductors   | 1,185,854                  | 1,185,854         | 109,628,376                 | 21.01                                | 2,132,717       | (3,299)                              | (693)                     |          |
|                              | Walsin Technology Corp.                             | Taiwan                 | Production and sale of ceramic capacitors   | 1,649,039                  | 1,649,039         | 88,902,325                  | 18.30                                | 8,289,719       | 1,117,523                            | 206,403                   |          |
|                              | PT. Walsin Nickel Industrial Indonesia              | Indonesia              | Production and sale of nickel pig iron  | 1,509,171                  | 1,509,171         | 500,000                     | 50.00                                | 6,668,695       | 1,443,833                            | 737,372                   |          |
|                              | Walsin Precision Technology Corp.                   | Malaysia               | Production and sale of stainless steel plates   | 434,994                    | 434,994           | 32,178,385                  | 100.00                               | 543,240         | 6,715                                | 6,715                     |          |
|                              | Walsin Singapore Pte. Ltd.                          | Singapore              | Investments holding   | 26,357,910                 | 16,790,710        | 733,000,000                 | 100.00                               | 30,433,557      | 833,788                              | 626,760                   |          |
|                              | Walsin Energy Cable System Co., Ltd.                | Taiwan                 | Submarine communication cables  | 2,700,000                  | -                 | 270,000,000                 | 90.00                                | 2,706,559       | 1,831                                | 1,346                     |          |
|                              | Walsin Lihwa Europe S.a r.l.                        | Luxembourg             | Investments holding   | 6,692,862                  | 6,692,862         | 12,000                      | 100.00                               | 4,517,082       | 230,613                              | 230,613                   |          |
|                              | PT. Walsin Research Innovation Indonesia            | Indonesia              | Consulting and management   | 43,669                     | 22,223            | 13,930                      | 99.50                                | 41,195          | (2,639)                              | (2,620)                   |          |
|                              | Walsin America, LLC                                 | USA                    | Investments   | 188,831                    | 185,752           | N/A                         | 100.00                               | (33,009)        | (18,042)                             | (18,042)                  | (Note 4) |
|                              | PT. CNGR Walsin New Energy and Technology Indonesia | Indonesia              | Investments holding   | 300,000                    | 300,000           | 140,651                     | 29.17                                | 292,125         | (569)                                | (166)                     |          |
|                              | PT. Westrong Metal Industry                         | Indonesia              | Manufacture and sale of nickel matte  | -                          | 4,680,030         | -                           | -                                    | -               | (3,949)                              | (504)                     | (Note 3) |
|                              | Innovation West Mantewe Pte. Ltd.                   | Singapore              | Investments holding   | 2,452,575                  | -                 | 40                          | 40.00                                | 2,452,575       | -                                    | -                         |          |
| 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                               | 16,556,087      | 392,330                              | 392,330                   |          |
|                              | Walcom Chemicals Industrial Limited                 | Hong Kong              | Commerce  | US\$ 0.030                 | US\$ 0.030        | 325,000                     | 65.00                                | 0.823           | -                                    | -                         |          |
| Walsin America, LLC          | Borrego Energy Holdings, LLC                        | USA                    | Investments   | US\$ 38,147                | US\$ 38,147       | N/A                         | 72.55                                | (114,159)       | (350,569)                            | (254,343)                 |          |
| Borrego Energy Holdings, LLC | Borrego Energy, LLC                                 | USA                    | Grid-connected solar electric systems   | US\$ 52,576<br>(Note 1)    | US\$ 52,576       | N/A                         | 100.00                               | (157,350)       | (350,569)                            | (350,569)                 |          |

(Continued)

| Investor Company                       | Investee Company                         | Location               | Main Businesses and Products                   | Original Investment Amount |                         | Balance as of June 30, 2023 |                                      |                 | Net Income (Loss)<br>of the Investee | Investment<br>Gain (Loss) | Note     |
|--|--|------------------------|--|----------------------------|-------------------------|-----------------------------|--------------------------------------|-----------------|--------------------------------------|---------------------------|----------|
|  |  |                        |  | June 30, 2023              | December 31, 2022       | Number of Shares            | Percentage<br>of<br>Ownership<br>(%) | Carrying Amount |                                      |                           |          |
| Concord Industries Limited             | Walsin Specialty Steel Corp.             | British Virgin Islands | Commerce and investments                       | US\$ 82,893<br>(Note 2)    | US\$ 92,393<br>(Note 2) | 82,893,195                  | 100.00                               | \$ 1,156,153    | \$ 87,079                            | \$ 87,079                 |          |
| Chin-Cherng Construction Co.           | Joint Success Enterprises Limited        | British Virgin Islands | Investments                                    | 1,202,993                  | 1,202,993               | 37,461,816                  | 50.95                                | 4,840,053       | (282,940)                            | (144,158)                 |          |
|  | Dinghsin Development Co., Ltd.           | Taiwan                 | Investment of real estate and related business | 8,540                      | 8,540                   | 2,119,200                   | 35.32                                | 36,843          | 2,126                                | 751                       |          |
|  | Concord II Venture Capital Co., Ltd.     | Taiwan                 | Venture capital and consulting affairs         | 1,603                      | 1,603                   | 172,342                     | 0.17                                 | 1,094           | (8,463)                              | (37)                      |          |
|  | Chin-Xin Investment Co., Ltd.            | Taiwan                 | Investments                                    | 54,154                     | 54,154                  | 3,264,092                   | 0.67                                 | 152,799         | 481,606                              | 3,227                     |          |
| Walsin Singapore Pte. Ltd.             | PT. Walsin Nickel Industrial Indonesia   | Indonesia              | Production and sale of nickel pig iron         | US\$ 42,000                | US\$ 42,000             | 420,000                     | 42.00                                | 5,786,217       | 1,443,833                            | 606,410                   |          |
|  | PT. Sunny Metal Industry                 | Indonesia              | Manufacture and sale of nickel matte           | US\$ 200,000               | US\$ 200,000            | 51,000                      | 50.10                                | 6,343,529       | 956,979                              | 163,954                   | (Note 3) |
|  | PT. Westrong Metal Industry              | Indonesia              | Manufacture and sale of nickel matte           | US\$ 146,000               | US\$ -                  | 590,000                     | 29.50                                | 4,544,291       | (3,949)                              | (657)                     | (Note 3) |
| Walsin Lihwa Europe S.a r.l.           | MEG S.A.                                 | Luxembourg             | Investments holding                            | EUR 207,216                | EUR 207,216             | 5,102                       | 85.03                                | 6,295,523       | 356,473                              | 303,109                   |          |
| PT. Sunny Metal Industry               | PT. Walhsu Metal Industry                | Indonesia              | Manufacture and sale of nickel matte           | US\$ 9,491                 | US\$ -                  | 9,490,500                   | 99.90                                | 295,127         | (400)                                | (399)                     |          |
| PT. Walsin Nickel Industrial Indonesia | PT. Walhsu Metal Industry                | Indonesia              | Manufacture and sale of nickel matte           | US\$ 9                     | US\$ -                  | 9,500                       | 0.10                                 | 295             | (400)                                | -                         |          |
| Min Maw Precision Industry Corp.       | PT. Walsin Research Innovation Indonesia | Indonesia              | Manufacture and sale of nickel matte           | US\$ 205                   | US\$ 224                | 70                          | 0.50                                 | 205             | (2,639)                              | -                         |          |

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, Euro and Hong Kong dollars.

(Concluded)

**TABLE 9**

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2023**  
(In Thousands of New Taiwan Dollars, U.S. Dollars, Renminbi, and Euro)

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 June 30, 2023 | Net Income (Loss) of the Investee | Ownership of Direct or Indirect Investment (%) | Investment Gain (Loss) (Note 14) | Carrying Amount as of June 30, 2023 | Accumulated Repatriation of Investment Income as of June 30, 2023 |
|---|--|--|-------------------------------|---|---------------------|-----------|---|-----------------------------------|--|----------------------------------|-------------------------------------|---|
|   |  |  |                               |   | Outward             | Inward    |   |                                   |  |                                  |                                     |   |
| Jiangyin Walsin Steel Cable Co., Ltd.               | Manufacture and sale of steel cables and wires                               | \$ 622,800<br>(US\$ 20,000)              | b                             | \$ 810,917<br>(US\$ 26,041)<br>(Note 2)   | \$ -<br>-           | \$ -<br>- | \$ 810,917<br>(US\$ 26,041)<br>(Note 2)                                       | \$ (96,026)                       | 100.00   | \$ (96,026)                      | \$ 728,283                          | \$ -  |
| Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.  | Manufacture and sale of cables and wires                                     | 486,625<br>(US\$ 15,627)                 | b                             | 465,730<br>(US\$ 14,956)<br>(Note 3)  | -<br>-              | -<br>-    | 465,730<br>(US\$ 14,956)<br>(Note 3)  | 53,656                            | 95.71  | 51,355                           | 1,230,229                           | -   |
| Hangzhou Walsin Power Cable & Wire Co., Ltd.        | Manufacture and sale of cables and wires                                     | 5,545,411<br>(US\$ 178,080)              | b                             | 2,627,593<br>(US\$ 84,380)<br>(Note 4)  | -<br>-              | -<br>-    | 2,627,593<br>(US\$ 84,380)<br>(Note 4)  | (115,023)                         | 40.00  | (63,922)                         | 602,964                             | -   |
| Walsin (China) Investment Co., Ltd.                 | Investments  | 2,447,604<br>(US\$ 78,600)               | b                             | 2,477,604<br>(US\$ 78,600)<br>(Note 5)  | -<br>-              | -<br>-    | 2,477,604<br>(US\$ 78,600)<br>(Note 5)  | (126,306)                         | 100.00   | (126,306)                        | 4,082,788                           | -   |
| Changshu Walsin Specialty Steel Co., Ltd.           | Manufacture and sale of specialized steel tubes                              | 3,020,580<br>(US\$ 97,000)               | b                             | 3,020,580<br>(US\$ 97,000)<br>(Note 6)  | -<br>-              | -<br>-    | 3,020,580<br>(US\$ 97,000)<br>(Note 6)  | 87,912                            | 100.00   | 87,912                           | 1,111,511                           | -   |
| Dongguan Walsin Wire & Cable Co., Ltd.              | Manufacture and sale of bare copper cables and wires                         | 809,640<br>(US\$ 26,000)                 | b                             | 809,640<br>(US\$ 26,000)<br>(Note 7)  | -<br>-              | -<br>-    | 809,640<br>(US\$ 26,000)<br>(Note 7)  | (2,726)                           | 100.00   | (2,726)                          | 1,449,602                           | -   |
| Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Manufacture and sale of cold-rolled stainless steel and flat rolled products | 1,525,860<br>(US\$ 49,000)               | b                             | 1,525,860<br>(US\$ 49,000)<br>(Note 8)  | -<br>-              | -<br>-    | 1,525,860<br>(US\$ 49,000)<br>(Note 8)  | (331,204)                         | 100.00   | (331,204)                        | 1,419,893                           | -   |
| XiAn Walsin Metal Product Co., Ltd.<br>(Note 11)    | Manufacture and sale of specialized stainless steel plates                   | 1,723,599<br>(US\$ 55,350)               | b                             | 938,871<br>(US\$ 30,150)  | -<br>-              | -<br>-    | 938,871<br>(US\$ 30,150)  | (6,097)                           | 100.00   | (6,097)                          | (780,854)                           | -   |
| Yantai Walsin Stainless Steel Co., Ltd.             | Production and sale of electronic components and new alloy materials         | 10,433,924<br>(US\$ 335,065)<br>(Note 9) | b                             | 6,630,547<br>(US\$ 212,927)   | -<br>-              | -<br>-    | 6,630,547<br>(US\$ 212,927)   | (759,004)                         | 100.00   | (759,004)                        | 3,261,334                           | -   |

(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 June 30, 2023 | Net Income (Loss) of the Investee | Ownership of Direct or Indirect Investment (%) | Investment Gain (Loss) (Note 14) | Carrying Amount as of June 30, 2023 | Accumulated Repatriation of Investment Income as of June 30, 2023 |
|---|--|-------------------------------|-------------------------------|---|---------------------|-----------|---|-----------------------------------|--|----------------------------------|-------------------------------------|---|
|   |  |                               |                               |   | Outward             | Inward    |   |                                   |  |                                  |                                     |   |
| Changzhou China Steel Precision Materials Co., Ltd.                     | Melting and forging of nonferrous metallic materials and composites as well as new types of alloys | \$ 1,357,704<br>(US\$ 43,600) | b                             | \$ 407,311<br>(US\$ 13,080)   | \$ -<br>-           | \$ -<br>- | \$ 407,311<br>(US\$ 13,080)   | \$ 39,665                         | 30.00  | \$ 11,901                        | \$ 480,549                          | \$ 985,737<br>(US\$ 31,655)                                       |
| Nanjing Taiwan Trade Mart Management Co., Ltd.                          | Business and asset management, consulting and advertising services                                 | 31,140<br>(US\$ 1,000)        | b                             | 31,140<br>(US\$ 1,000)  | -<br>-              | -<br>-    | 31,140<br>(US\$ 1,000)  | (4,984)                           | 100.00   | (4,984)                          | (512,043)                           | -   |
| Dong Guan Cogne Steel Products Co., Ltd                                 | Stainless steel products   | 780,639<br>(EUR 23,089)       | b                             | -<br>(US\$ -)   | -<br>-              | -<br>-    | -<br>(US\$ -)   | (20,394)                          | 70.00  | (14,276)                         | 566,661                             | -   |
| Shaanxi Tianhong Silicon Industrial Corporation                         | Polysilicon production   | 5,171,364<br>(RMB 1,200,000)  | b                             | -<br>(US\$ -)   | -<br>-              | -<br>-    | -<br>(US\$ -)   | -                                 | 19.00  | -                                | -<br>(Note 10)                      | -   |
| Jiangsu Taiwan Trade Mart Development Co., Ltd.                         | Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.                       | 43,095<br>(RMB 10,000)        | b                             | 9,467<br>(US\$ 304)   | -<br>-              | -<br>-    | 9,467<br>(US\$ 304)   | 267                               | 20.00  | 53                               | 9,567                               | -   |
| Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12) | Communications equipment and electronic components   | 670,541<br>(RMB 155,597)      | b                             | -<br>(RMB -)  | -<br>-              | -<br>-    | -<br>(RMB -)  | 22,188                            | 6.02   | -                                | 77,295                              | -   |
| Walsin (Nanjing) Development Co., Ltd.                                  | Construction, rental and sale of buildings and industrial factories                                | 1,557,000<br>(US\$ 50,000)    | b                             | 1,550,772<br>(US\$ 49,800)<br>(Note 13)   | -<br>-              | -<br>-    | 1,550,772<br>(US\$ 49,800)<br>(Note 13)                                       | (296,039)                         | 99.60  | (294,862)                        | 8,734,296                           | -   |
| Nanjing Walsin Property Management Co., Ltd.                            | Property management, business management and housing leasing                                       | 4,309<br>(RMB 1,000)          | b                             | -<br>(RMB -)  | -<br>-              | -<br>-    | -<br>(RMB -)  | (13,200)                          | 99.60  | (13,146)                         | (30,614)                            | -   |

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

| Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023<br>(NT\$ and US\$ in Thousands) | Investment Amounts Authorized by the Investment Commission, MOEA<br>(NT\$ and US\$ in Thousands) | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA<br>(NT\$ in Thousands) |
|---|--|---|
| \$ 18,829,984<br>(US\$ 604,688)   | \$ 19,143,595<br>(US\$ 614,759)  | (Note 17)   |

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.

(Continued)

- 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.
- Note 7: Investment through Walsin (China) Investment Co., Ltd.
- Note 8: 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 9: 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 10: The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.
- Note 11: XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
- Note 12: Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
- Note 13: The amount included investment through Joint Success Enterprise Limited approved in the previous years.
- Note 14: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
- Note 15: The currency exchange rates of June 30, 2023 were as follows: US\$ to NT\$= 1:31.14, RMB to NT\$= 1:4.30947. The average exchange rates as of June 30, 2023 were as follows: US\$ to NT\$= 1:30.548, RMB to NT\$= 1:4.38333.
- Note 16: 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 17: 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 SIX MONTHS ENDED JUNE 30, 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<br>(Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Taiwan as of June 30, 2023 | Net Income (Loss) of the Investee | Ownership of Direct or Indirect Investment (%) | Investment Gain (Loss) (Note 2) | Carrying Amount as of June 30, 2023 | Accumulated Repatriation of Investment Income as of June 30, 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   | \$ (67,537)                       | 50.95  | \$ (34,410)                     | \$ 1,036,758                        | \$ -  |
| Nanjing Walsin Property Management Co., Ltd. | Property management, business management and housing leasing        | 1,000           | Note 1                           | -   | -                   | -      | -   | (3,011)                           | 50.95  | (1,534)                         | (3,634)                             | -   |

2. The upper limit on investment in mainland China

| Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023<br>(NT\$ and US\$ in Thousands) | Investment Amounts Authorized by the Investment Commission, MOEA<br>(NT\$ and US\$ in Thousands) | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA<br>(NT\$ in Thousands) |
|---|--|---|
| US\$25,475  | US\$25,475   | US\$3,597,689 (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:

$$\text{NT\$5,996,148 thousand} \times 60\% = \text{NT\$3,597,689 thousand}$$

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

**TABLE 10**

**WALSIN LIHWA CORPORATION AND INVESTEEES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 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   | Walsin Lihwa Corporation                 | Changshu Walsin Specialty Steel Co., Ltd.<br>Jianyin Walsin Specialty Alloy Materials Co., Ltd.<br>Changshu Walsin Specialty Steel Co., Ltd. | Transactions between parent company and subsidiaries<br>Transactions between parent company and subsidiaries<br>Transactions between parent company and subsidiaries | Trade receivables            | \$ 169,747                   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |  |  |  | Sales                        | 159,738                      | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |  |  |  | Sales                        | 336,370                      | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |  |  |  |                              |                              |   |  |
| 1   | Walsin Lihwa Holdings Limited            | Walsin (China) Investment Co., Ltd.  | Transactions between parent company and subsidiaries   | Other receivables            | RMB 266,140                  | Based on capital demand   | -  |
| 2   | Joint Success Enterprises Limited        | Walsin (Nanjing) Development Co., Ltd.   | Transactions between parent company and subsidiaries   | Other receivables            | RMB 208,264                  | 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\$ 152,761                 | Based on capital demand   | 3  |
|     |  | Jiangyin Walsin Specialty Alloy Materials Co., Ltd.  | Transactions between subsidiaries  | Other receivables            | RMB 457,488                  |   |  |
|     |  | Jiangyin Walsin Steel Cable Co., Ltd.  | Transactions between subsidiaries  | Other receivables            | US\$ 43,515                  | The terms are set by quotations on the local market and are similar to those of general customers | 1  |
|     |  |  | Transactions between parent company and subsidiaries   | Other receivables            | US\$ 8,228                   | Based on capital demand   | -  |
|     |  | Changshu Walsin Specialty Steel Co., Ltd.  | Transactions between subsidiaries  | Other receivables            | RMB 143,974                  |   |  |
|     |  | Walsin (Nanjing) Development Co., Ltd.   | Transactions between subsidiaries  | Other receivables            | US\$ 35,943                  | Based on capital demand   | -  |
|     |  | XiAn Walsin Metal Product Co., Ltd.  | Transactions between subsidiaries  | Other receivables            | RMB 820,042                  | Based on capital demand   | 1  |
|     |  | Nanjing Taiwan Trade Mart Management Co., Ltd.   | Transactions between subsidiaries  | Other receivables            | RMB 181,343                  | Based on capital demand   | -  |
|     |  | Dongguan Walsin Wire & Cable Co., Ltd.   | Transactions between subsidiaries  | Other receivables            | RMB 99,977                   | Based on capital demand   | -  |
| 4   | Walsin International Investments Limited | Walsin Lihwa Corporation   | Transactions between parent company and subsidiaries   | Other receivables            | US\$ 24,694                  | Based on capital demand   | -  |
|     |  | PT. Sunny Metal Industry   | Transactions between parent company and subsidiaries   | Other receivables            |                              |   |  |
|     |  | Walsin (China) Investment Co., Ltd.  | Transactions between subsidiaries  | Other receivables            | RMB 548,009<br>RMB 3,005,579 | Based on capital demand<br>Based on capital demand  | 1<br>5   |

(Continued)

| No. | Company Name  | Counterparty  | Relationship   | Transaction Details          |              |   |  |
|-----|---|---|--|------------------------------|--------------|---|--|
|     |   |   |  | Financial Statement Accounts | Amount       | Payment Terms   | Percentage of Consolidated Total Gross Sales or Total Assets (%) |
| 5   | Yantai Walsin Stainless Steel Co., Ltd.             | Changshu Walsin Specialty Steel Co., Ltd.           | Transactions between subsidiaries                    | Trade receivables            | RMB 34,029   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Transactions between subsidiaries                    | Trade receivables            | RMB 29,843   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | Changshu Walsin Specialty Steel Co., Ltd.           | Transactions between subsidiaries                    | Sales                        | RMB 106,297  | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | Jiangyin Walsin Specialty Alloy Materials Co., Ltd. | Transactions between subsidiaries                    | Sales                        | RMB 121,167  | 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 89,498   | Based on capital demand   | -  |
| 7   | Changshu Walsin Specialty Steel Co., Ltd.           | Yantai Walsin Stainless Steel Co., Ltd.             | Transactions between subsidiaries                    | Sales                        | RMB 32,897   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | Walsin (China) Investment Co., Ltd.                 | Transactions between parent company and subsidiaries | Other receivables            | RMB 78,666   | Based on capital demand   | -  |
| 8   | Dongguan Walsin Wire & Cable Co., Ltd.              | Walsin (China) Investment Co., Ltd.                 | Transactions between subsidiaries and parent company | Other receivables            | RMB 309,701  | Based on capital demand   | 1  |
| 9   | Walsin Singapore Pte. Ltd.                          | Walsin Lihwa Corporation                            | Transactions between subsidiaries and parent company | Other receivables            | US\$ 75,000  | Based on capital demand   | 1  |
|     |   | Walsin Lihwa Corporation                            | Transactions between subsidiaries and parent company | Sales                        | US\$ 4,100   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | Walsin Lihwa Corporation                            | Transactions between subsidiaries and parent company | Trade receivables            | US\$ 4,100   | The terms are set by quotations on the local market and are similar to those of general customers | -  |
|     |   | PT. Sunny Metal Industry                            | Transactions between parent company and subsidiaries | Other receivables            | US\$ 179,980 | Based on capital demand   | 2  |
| 10  | PT. Sunny Metal Industry                            | PT. Walhsu Metal Industry                           | Transactions between parent company and subsidiaries | Other receivables            | US\$ 21,017  | Based on capital demand   | -  |

(Concluded)

**TABLE 11****WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****JUNE 30, 2023**

| Name of Major Shareholder  | Shares           |                             |
|--|------------------|-----------------------------|
|  | Number of Shares | Percentage of Ownership (%) |
| Winbond Electronics Corp.  | 247,527,493      | 6.14                        |
| Chin-Xin Investment Co., Ltd.  | 247,399,375      | 6.14                        |
| LGT Bank (Singapore) Investment Fund under the custody of Standard Chartered | 212,713,000      | 5.28                        |
| TECO Electric & Machinery Co., Ltd.  | 210,332,690      | 5.22                        |

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.