

**Walsin Lihwa Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (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 reviews 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 September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the nine 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.

Emphasis of Matter

As disclosed in Note 20, the Group acquired 50.10% interest in PT. Sunny Metal Industry on September 23, 2022. The Purchase Price Allocation Report was finalized in 2023. Therefore, the initial accounting treatment and provisionally determined amounts from the acquisition date were adjusted and retrospectively restated for comparative periods. Our review result is not modified in respect of this matter.

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 September 30, 2023 and 2022, the combined total assets of these subsidiaries were NT\$39,488,392 thousand and NT\$10,754,653 thousand, respectively, representing 14.43% and 4.67%, respectively, of the consolidated total assets; for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of combined net operating revenue of these subsidiaries were NT\$7,139,415 thousand, NT\$5,368,223 thousand, NT\$26,128,738 thousand and NT\$12,861,178 thousand, respectively, representing 15.40%, 12.31%, 17.83% and 9.41%, 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

November 3, 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	September 30, 2023		December 31, 2022 (Restated)		September 30, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 13,427,886	5	\$ 19,397,973	8	\$ 23,349,669	10
Financial assets at fair value through profit or loss - current (Note 7)	1,362,083	-	7,631	-	38,073	-
Financial assets at amortized cost - current (Note 8)	725	-	2,202	-	-	-
Financial assets for hedging - current (Note 9)	3,588	-	20,615	-	-	-
Contract assets - current (Note 10)	1,315,964	-	3,022,237	1	2,677,968	1
Notes receivable (Notes 11 and 38)	1,395,805	1	4,537,322	2	4,673,015	2
Trade receivables (Notes 11 and 38)	21,123,508	8	17,294,990	7	17,364,853	8
Finance lease receivables (Notes 12 and 39)	61,549	-	60,020	-	59,520	-
Other receivables (Note 38)	8,327,144	3	3,857,091	1	2,856,878	1
Inventories (Note 13)	35,419,931	13	36,080,291	14	26,036,310	11
Other financial assets - current (Notes 6 and 39)	250,620	-	546,126	-	763,450	-
Other current assets (Note 22)	6,236,188	2	7,880,887	3	7,917,266	4
Total current assets	88,924,991	32	92,707,385	36	85,737,002	37
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	1,291,012	-	2,639,755	1	2,345,076	1
Financial assets at fair value through other comprehensive income - non-current (Note 14)	20,081,621	7	12,342,232	5	12,508,438	5
Financial assets at amortized cost - non-current (Note 8)	195,231	-	189,242	-	196,839	-
Financial assets for hedging - non-current (Note 9)	117,909	-	144,404	-	-	-
Investments accounted for using the equity method (Note 16)	47,869,260	18	46,189,399	18	40,118,135	17
Property, plant and equipment (Notes 17 and 39)	75,683,158	28	65,656,466	26	54,510,095	24
Right-of-use assets (Note 18)	4,710,161	2	4,309,355	2	3,434,895	2
Investment properties (Note 19)	15,879,449	6	16,123,806	6	16,344,136	7
Goodwill (Note 20)	4,201,237	2	286,139	-	295,178	-
Other intangible assets (Notes 20 and 21)	8,734,709	3	9,053,283	4	9,146,096	4
Deferred tax assets (Note 4)	4,134,735	2	3,448,277	1	3,477,156	2
Refundable deposits (Notes 6 and 39)	171,843	-	288,948	-	233,036	-
Finance lease receivables - non-current (Notes 12 and 39)	556,169	-	602,523	-	617,717	-
Other non-current assets (Notes 6, 22 and 39)	1,040,872	-	2,916,527	1	1,282,651	1
Total non-current assets	184,667,366	68	164,190,356	64	144,509,448	63
TOTAL	\$ 273,592,357	100	\$ 256,897,741	100	\$ 230,246,450	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 23)	\$ 13,378,674	5	\$ 17,120,571	7	\$ 16,224,069	7
Financial liabilities at fair value through profit or loss - current (Note 7)	65,407	-	64,772	-	3,780	-
Financial liabilities for hedging - current (Note 9)	31,792	-	222,272	-	195,551	-
Contract liabilities - current	17,711	-	6,014	-	4,980	-
Notes payable (Note 38)	332,718	-	591,536	-	500,264	-
Trade payables (Note 38)	15,835,793	6	17,497,315	7	14,401,860	6
Other payables (Note 25)	14,735,700	5	15,315,705	6	7,312,165	3
Current tax liabilities (Note 4)	6,116,668	2	6,103,462	2	5,963,719	3
Lease liabilities - current (Note 18)	261,306	-	245,223	-	87,844	-
Current portion of long-term borrowings and bonds payable (Notes 23 and 24)	1,425,975	1	1,207,209	1	64,229	-
Other current liabilities	976,982	-	2,495,289	1	3,445,930	2
Total current liabilities	53,178,726	19	60,869,368	24	48,204,391	21
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	456,166	-	363,192	-	-	-
Bonds payable (Note 24)	13,001,653	5	7,742,955	3	7,500,000	3
Long-term borrowings (Note 23)	33,542,978	12	40,820,860	16	32,892,656	14
Long-term notes and bills payable (Note 23)	2,997,855	1	1,497,914	1	-	-
Deferred tax liabilities (Notes 4 and 20)	6,557,366	3	5,782,915	2	5,567,228	3
Lease liabilities - non-current (Note 18)	2,657,863	1	2,309,732	1	1,614,539	1
Net defined benefit liabilities - non-current (Note 4)	312,868	-	348,779	-	515,501	-
Other non-current liabilities (Note 35)	3,096,152	1	2,952,903	1	424,381	-
Total non-current liabilities	62,622,901	23	61,819,250	24	48,514,305	21
Total liabilities	115,801,627	42	122,688,618	48	96,718,696	42
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)						
Share capital	40,313,329	15	37,313,329	14	37,313,329	16
Capital surplus	33,611,062	12	24,672,454	10	24,679,496	11
Retained earnings						
Legal reserve	9,538,222	3	7,564,090	3	7,564,090	4
Special reserve	2,712,250	1	2,712,250	1	2,712,250	1
Unappropriated earnings	48,011,861	18	51,762,058	20	50,847,160	22
Total retained earnings	60,262,333	22	62,038,398	24	61,123,500	27
Other equity						
Exchange differences on translation of the financial statement of foreign operations	(1,654,561)	-	(4,256,774)	(2)	(3,061,893)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	13,986,580	5	6,693,877	3	5,584,596	2
Loss on hedging instruments	(36,265)	-	(105,801)	-	-	-
Other equity - others	(2,774,650)	(1)	(2,774,607)	(1)	(91,467)	-
Total other equity	9,521,104	4	(443,305)	-	2,431,236	1
Total equity attributable to owners of WLC	143,707,828	53	123,580,876	48	125,547,561	55
NON-CONTROLLING INTERESTS	14,082,902	5	10,628,247	4	7,980,193	3
Total equity	157,790,730	58	134,209,123	52	133,527,754	58
TOTAL	\$ 273,592,357	100	\$ 256,897,741	100	\$ 230,246,450	100

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

(With Deloitte & Touche review report dated November 3, 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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 28)	\$ 46,345,853	100	\$ 43,624,654	100	\$ 146,506,391	100	\$ 136,665,439	100
OPERATING COSTS (Note 13)	(42,680,880)	(92)	(40,497,441)	(93)	(134,538,102)	(92)	(122,782,294)	(90)
GROSS PROFIT	3,664,973	8	3,127,213	7	11,968,289	8	13,883,145	10
OPERATING EXPENSES								
Selling and marketing expenses	554,714	1	764,540	2	1,643,185	1	2,314,897	2
General and administrative expenses	1,320,418	3	989,641	2	3,997,973	3	3,244,404	2
Research and development expenses	68,006	-	46,527	-	201,803	-	155,705	-
Total operating expenses	1,943,138	4	1,800,708	4	5,842,961	4	5,715,006	4
PROFIT FROM OPERATIONS	1,721,835	4	1,326,505	3	6,125,328	4	8,168,139	6
NON-OPERATING INCOME AND EXPENSES								
Interest income	141,735	-	73,605	-	355,465	-	130,909	-
Dividend income	2,632	-	11	-	513,676	-	762,167	-
Other income (Note 29)	599,412	1	232,284	1	980,306	1	630,866	-
(Loss) gain on disposal of property, plant and equipment	(1,443)	-	(2,721)	-	(11,560)	-	3,966	-
Gain on disposal of investment (Note 29)	351,450	1	8,349,731	19	934,168	1	8,027,066	6
Foreign exchange (loss) gain, net	(191,656)	(1)	1,821,257	4	(67,976)	-	2,226,528	2
(Loss) gain on valuation of financial assets and liabilities at fair value through profit or loss	(49,143)	-	(334,666)	(1)	25,718	-	150,464	-
Other expenses	(517,539)	(1)	(52,293)	-	(725,711)	-	(138,431)	-
Reversal (recognition) of impairment loss (Note 29)	(4)	-	-	-	(6)	-	4	-
Interest expenses	(551,272)	(1)	(272,863)	(1)	(1,527,013)	(1)	(570,037)	-
Share of profit of associates accounted for using the equity method	306,001	1	812,096	2	477,568	-	3,627,785	3
Total non-operating income and expenses	90,173	-	10,626,441	24	954,635	1	14,851,287	11
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,812,008	4	11,952,946	27	7,079,963	5	23,019,426	17
INCOME TAX EXPENSE (Notes 4 and 30)	(82,196)	-	(2,635,075)	(6)	(1,505,649)	(1)	(4,352,631)	(3)
NET PROFIT FOR THE PERIOD	1,729,812	4	9,317,871	21	5,574,314	4	18,666,795	14

(Continued)

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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	\$ (4)	-	\$ -	-	\$ (773)	-	\$ -	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(58,844)	-	(197,495)	-	7,564,310	5	(3,924,480)	(3)
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(1,018,434)</u>	<u>(2)</u>	<u>668,202</u>	<u>1</u>	<u>(81,080)</u>	<u>-</u>	<u>(1,947,627)</u>	<u>(1)</u>
	<u>(1,077,282)</u>	<u>(2)</u>	<u>470,707</u>	<u>1</u>	<u>7,482,457</u>	<u>5</u>	<u>(5,872,107)</u>	<u>(4)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	2,829,196	6	1,087,583	3	2,429,921	2	2,821,696	2
(Loss) gain on hedging instruments	(3,570)	-	-	-	98,685	-	-	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>262,404</u>	<u>-</u>	<u>181,110</u>	<u>-</u>	<u>174,518</u>	<u>-</u>	<u>343,318</u>	<u>-</u>
	<u>3,088,030</u>	<u>6</u>	<u>1,268,693</u>	<u>3</u>	<u>2,703,124</u>	<u>2</u>	<u>3,165,014</u>	<u>2</u>
Other comprehensive income (loss) for the period, net of income tax	<u>2,010,748</u>	<u>4</u>	<u>1,739,400</u>	<u>4</u>	<u>10,185,581</u>	<u>7</u>	<u>(2,707,093)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 3,740,560</u>	<u>8</u>	<u>\$ 11,057,271</u>	<u>25</u>	<u>\$ 15,759,895</u>	<u>11</u>	<u>\$ 15,959,702</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of WLC	\$ 1,634,513	4	\$ 9,458,910	22	\$ 4,750,516	3	\$ 18,748,698	14
Non-controlling interests	<u>95,299</u>	<u>-</u>	<u>(141,039)</u>	<u>(1)</u>	<u>823,798</u>	<u>1</u>	<u>(81,903)</u>	<u>-</u>
	<u>\$ 1,729,812</u>	<u>4</u>	<u>\$ 9,317,871</u>	<u>21</u>	<u>\$ 5,574,314</u>	<u>4</u>	<u>\$ 18,666,795</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of WLC	\$ 3,533,456	8	\$ 11,233,344	26	\$ 14,904,786	10	\$ 15,915,549	12
Non-controlling interests	<u>207,104</u>	<u>-</u>	<u>(176,073)</u>	<u>(1)</u>	<u>855,109</u>	<u>1</u>	<u>44,153</u>	<u>-</u>
	<u>\$ 3,740,560</u>	<u>8</u>	<u>\$ 11,057,271</u>	<u>25</u>	<u>\$ 15,759,895</u>	<u>11</u>	<u>\$ 15,959,702</u>	<u>12</u>
EARNINGS PER SHARE (Note 31)								
Basic	<u>\$ 0.41</u>		<u>\$ 2.63</u>		<u>\$ 1.24</u>		<u>\$ 5.37</u>	
Diluted	<u>\$ 0.41</u>		<u>\$ 2.62</u>		<u>\$ 1.24</u>		<u>\$ 5.36</u>	

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

(With Deloitte & Touche review report dated November 3, 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					Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained 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 on Hedging Instrument	Others	Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings								
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	-	(994)	-	-	-	-	-	-	-	(994)	-	(994)	
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	7,786	-	-	79,020	-	(79,020)	-	-	7,786	-	7,786	
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000	-	9,000,000	
Net profit for the nine months ended September 30, 2022	-	-	-	-	18,748,698	-	-	-	-	18,748,698	(81,903)	18,666,795	
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	2,297	3,038,794	(5,874,240)	-	-	(2,833,149)	126,056	(2,707,093)	
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	18,750,995	3,038,794	(5,874,240)	-	-	15,915,549	44,153	15,959,702	
Share-based payment transaction (Note 32)	-	225,000	-	-	-	-	-	-	-	225,000	-	225,000	
Others	-	6,829	-	-	-	-	-	-	-	6,829	-	6,829	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,873,296	5,873,296	
BALANCE AT SEPTEMBER 30, 2022 AS RESTATED	\$ 37,313,329	\$ 24,679,496	\$ 7,564,090	\$ 2,712,250	\$ 50,847,160	\$ (3,061,893)	\$ 5,584,596	\$ -	\$ (91,467)	\$ 125,547,561	\$ 7,980,193	\$ 133,527,754	
BALANCE AT JANUARY 1, 2023 AS RESTATED	\$ 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	\$ 10,628,247	\$ 134,209,123	
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	-	4,708	-	-	192,828	-	(192,828)	-	-	4,708	-	4,708	
Changes in percentage of ownership interests in subsidiaries	-	1,064	-	-	-	-	-	-	-	1,064	(1,064)	-	
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497	-	11,923,497	
Net profit for the nine months ended September 30, 2023	-	-	-	-	4,750,516	-	-	-	-	4,750,516	823,798	5,574,314	
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	(3,010)	2,602,213	7,485,531	69,536	-	10,154,270	31,311	10,185,581	
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	4,747,506	2,602,213	7,485,531	69,536	-	14,904,786	855,109	15,759,895	
Others	-	9,339	-	-	-	-	-	-	(43)	9,296	-	9,296	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,600,610	2,600,610	
BALANCE AT SEPTEMBER 30, 2023	\$ 40,313,329	\$ 33,611,062	\$ 9,538,222	\$ 2,712,250	\$ 48,011,861	\$ (1,654,561)	\$ 13,986,580	\$ (36,265)	\$ (2,774,650)	\$ 143,707,828	\$ 14,082,902	\$ 157,790,730	

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

(With Deloitte & Touche review report dated November 3, 2023)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,079,963	\$ 23,019,426
Adjustments for:		
Depreciation expenses	5,142,170	3,127,587
Amortization expenses	875,996	21,638
Expected credit loss recognized on trade receivables	144,739	55,277
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(25,718)	(150,464)
Interest expenses	1,527,013	570,037
Interest income	(355,465)	(130,909)
Dividend income	(513,676)	(762,167)
Compensation costs of employee share options	-	232,936
Share of profit of associates accounted for using the equity method	(477,568)	(3,627,785)
Loss (gain) on disposal of property, plant and equipment	11,560	(3,966)
Gain on disposal of other asset	(121,938)	-
Gain on disposal of investments	(934,168)	(8,027,066)
Impairment loss recognized (reversed) on non-financial assets	6	(4)
Unrealized (gain) loss on foreign currency exchange	(209,056)	285,457
Gain from bargain purchase	(657,991)	-
Loss on lease modification	1,372	6
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	1,298,611	(237,274)
Decrease (increase) in notes receivable	3,141,517	(2,045,604)
Increase in trade receivables	(2,600,840)	(6,374,441)
Increase in other receivables	(1,465,484)	(865,340)
Decrease (increase) in inventories	1,636,934	(1,630,084)
(Increase) decrease in other current assets	(921,304)	347,205
Decrease (increase) in other financial assets	295,506	(232,800)
Decrease (increase) in other operating assets	56,204	(306,169)
Increase in financial liabilities held for trading	1,077,528	91,017
Increase in contract liabilities	10,298	-
(Decrease) increase in notes payable	(258,818)	153,317
(Decrease) increase in trade payables	(1,585,134)	5,823,265
Decrease in other payables	(1,752,290)	(195,873)
Increase in other current liabilities	579,091	2,317,960
Decrease in net defined benefit liabilities	(35,911)	(44,861)
Increase (decrease) in other operating liabilities	51,334	(523,930)
Cash generated from operations	11,014,481	10,886,391
Interest received	343,650	237,277
Dividends received	785,495	2,062,981
Interest paid	(1,357,560)	(481,376)
Income tax paid	(1,464,123)	(2,271,027)
Net cash generated from operating activities	9,321,943	10,434,246

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (173,986)	\$ (140,417)
Disposal of financial assets at fair value through other comprehensive income	-	335
Purchase of financial assets at amortized cost	-	(93,737)
Purchase of investments accounted for using the equity method	(248,502)	-
Prepayments for investments	-	(841,569)
Net cash outflow on acquisition of subsidiaries	(5,856,439)	(5,913,029)
Net cash inflow on disposal of subsidiaries	-	9,242,576
Payments for property, plant and equipment	(12,708,763)	(10,277,378)
Proceeds from disposal of property, plant and equipment	7,802	169,432
Decrease (increase) in refundable deposits	116,898	(21,090)
Purchase of intangible assets	(71,041)	(2,008)
Acquisition of right-of-use assets	-	(283,684)
Other investing activities	<u>(698,782)</u>	<u>3,866</u>
Net cash used in investing activities	<u>(19,632,813)</u>	<u>(8,156,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(4,995,484)	8,350,171
Proceeds from issuance of bonds	5,300,000	-
Repayment of bonds	(49,551)	-
Proceeds from long-term borrowings	13,021,549	8,000,000
Repayments of long-term borrowings	(20,268,258)	(10,548,147)
Increase in long-term notes and bills payable	1,499,941	-
Increase in other payables	1,642,336	587,375
Repayment of the principal portion of lease liabilities	(239,308)	(69,669)
Cash dividends paid	(6,716,022)	(5,489,781)
Proceeds from issuance of ordinary shares	11,923,497	9,000,000
Changes in non-controlling interests	2,371,151	361,715
Other financing activities	<u>9,339</u>	<u>6,829</u>
Net cash generated from financing activities	<u>3,499,190</u>	<u>10,198,493</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>841,593</u>	<u>486,052</u>
		(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (5,970,087)	\$ 12,962,088
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>19,397,973</u>	<u>10,387,581</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 13,427,886</u>	<u>\$ 23,349,669</u>

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

(With Deloitte & Touche review report dated November 3, 2023)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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 FINANCIAL STATEMENTS

The consolidated financial statements of WLC and its subsidiaries (collectively, the "Group") were approved by the board of directors of WLC on November 3, 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 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.

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. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. 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.

- b. The IFRSs endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (Note 3)

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 amendments provide some transition relief regarding disclosure requirements.

- 1) 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.

- 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 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.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

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

b. Basic of preparation

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

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

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

c. Basis of consolidation

See Note 15 and Tables 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 material accounting judgments and key sources of estimation uncertainty of these consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 4,034	\$ 4,413	\$ 3,029
Checking accounts and cash in banks	9,471,411	15,013,929	11,896,886
Cash equivalents			
Time deposits	2,173,254	4,265,727	11,339,761
Short-term bills	<u>1,779,187</u>	<u>113,904</u>	<u>109,993</u>
	<u>\$ 13,427,886</u>	<u>\$ 19,397,973</u>	<u>\$ 23,349,669</u>

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

Purpose		September 30, 2023	December 31, 2022	September 30, 2022
Other financial assets - current				
Restricted deposits	To meet contract requirements for completing constructions	\$ 53,651	\$ 34,648	\$ 30,290
	To secure short-term borrowings and letters of credit	133,660	167,546	340,194
	Repatriation of offshore funds and project grants	24,412	40,786	42,047
Refundable deposits	Futures deposits	<u>38,897</u>	<u>303,146</u>	<u>350,919</u>
		<u>250,620</u>	<u>546,126</u>	<u>763,450</u>
Refundable deposits				
Other - pledged time deposits	To meet contract requirements for completing construction	51,951	51,718	51,718
	To meet required security deposit	-	268	286
Other non-current assets - other				
Restricted deposits	To meet construction project and performance letter of guarantee	11,236	11,023	11,180
Pledged time deposits	To meet required security deposits	<u>1,457</u>	<u>1,439</u>	<u>1,450</u>
		<u>64,644</u>	<u>64,448</u>	<u>64,634</u>
		<u>\$ 315,264</u>	<u>\$ 610,574</u>	<u>\$ 828,084</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Commodity futures contracts	\$ -	\$ -	\$ 38,073
Foreign exchange forward contracts	1,911	-	-
Options	8,704	7,629	-
Interest rate swap contracts	-	2	-
Exchange rate swap contracts	27,710	-	-
Non-derivative financial assets			
Contingent consideration (Note 34)	2,548,169	2,567,786	2,345,076
Foreign unlisted shares	<u>66,601</u>	<u>71,969</u>	<u>-</u>
Financial assets at FVTPL	<u>\$ 2,653,095</u>	<u>\$ 2,647,386</u>	<u>\$ 2,383,149</u>
Current	\$ 1,362,083	\$ 7,631	\$ 38,073
Non-current	<u>1,291,012</u>	<u>2,639,755</u>	<u>2,345,076</u>
	<u>\$ 2,653,095</u>	<u>\$ 2,647,386</u>	<u>\$ 2,383,149</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Commodity futures contracts	\$ 65,407	\$ 21,189	\$ -
Foreign exchange forward contracts	-	21,470	1,581
Exchange rate swap contracts	-	22,113	2,199
Non-derivative financial liabilities			
Contingent consideration	<u>456,166</u>	<u>363,192</u>	<u>-</u>
Financial liabilities at FVTPL	<u>\$ 521,573</u>	<u>\$ 427,964</u>	<u>\$ 3,780</u>
Current	\$ 65,407	\$ 64,772	\$ 3,780
Non-current	<u>456,166</u>	<u>363,192</u>	<u>-</u>
	<u>\$ 521,573</u>	<u>\$ 427,964</u>	<u>\$ 3,780</u>

(Concluded)

- a. As of September 30, 2023, December 31, 2022 and September 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>September 30, 2023</u>							
Commodity futures contracts							
Copper	Buy	14,875	2023.05.09-2023.09.28	2023.10.18-2024.03.20	US\$ 124,435	US\$ 122,622	US\$ (1,813)
Copper	Buy	1,030	2023.08.15-2023.09.28	2023.11.01-2023.12.01	RMB 70,501	RMB 69,215	RMB (1,286)
Nickel	Buy	30	2023.09.21	2023.12.21	US\$ 584	US\$ 559	US\$ (25)
Zinc	Sell	175	2023.09.04	2023.12.01	RMB 3,689	RMB 3,760	RMB (71)
<u>December 31, 2022</u>							
Commodity futures contracts							
Copper	Buy	5,900	2022.08.15-2022.12.30	2023.01.08-2023.06.21	US\$ 48,178	US\$ 49,332	US\$ 1,154
Copper	Buy	555	2022.11.11-2022.12.30	2023.01.31-2023.03.31	RMB 36,816	RMB 36,797	RMB (19)
Copper	Sell	25	2022.12.02	2023.03.02	US\$ 210	US\$ 209	US\$ 1
Nickel	Sell	4,188	2022.11.15-2022.12.30	2023.01.18-2023.03.20	US\$ 122,940	US\$ 124,780	US\$ (1,840)
Zinc	Buy	25	2022.12.05	2023.02.28	RMB 613	RMB 593	RMB (20)
<u>September 30, 2022</u>							
Commodity futures contracts							
Copper	Buy	11,200	2022.06.08-2022.09.29	2022.10.19-2023.02.15	US\$ 87,272	US\$ 84,559	US\$ (2,713)
Copper	Sell	5,775	2022.09.05-2022.09.30	2022.10.19-2022.11.16	US\$ 44,727	US\$ 43,996	US\$ 731
Nickel	Sell	4,014	2022.07.20-2022.09.20	2022.10.19-2022.12.20	US\$ 88,939	US\$ 85,580	US\$ 3,359
Zinc	Buy	235	2022.08.04-2022.09.08	2022.10.31-2022.11.30	RMB 5,594	RMB 5,693	RMB 99
Copper	Buy	905	2022.08.03-2022.09.22	2022.10.31-2022.12.31	RMB 55,170	RMB 55,687	RMB 517
Stainless steel	Sell	8,000	2022.09.27-2022.09.29	2022.11.30-2022.12.31	RMB 131,000	RMB 132,880	RMB (1,880)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2023</u>			
Sell	EUR to USD	2023.10.06	EUR3,000/USD3,303
	USD to IDR	2023.10.19	USD15,000/IDR230,808,000
	USD to RMB	2023.10.10-2023.10.31	USD30,970/RMB223,792
	EUR to MYR	2023.10.16-2023.11.29	EUR600/MYR2,996
Buy	USD to JPY	2023.10.23	USD5,000/JPY727,350
	USD to IDR	2023.11.01	USD88,000/IDR1,359,197,000
	USD to SGD	2023.10.04-2023.11.20	USD5,000/SGD6,737
	USD to IDR	2023.10.26	USD8,000/IDR123,072,000
	EUR to BRL	2023.10.18-2023.12.21	EUR5,775/BRL30,550
	EUR to TRY	2023.10.18	EUR149/TRY4,400
	EUR to GBP	2023.10.31-2023.12.29	EUR3,449/GBP2,980
	EUR to USD	2023.10.04	EUR12,706/USD13,600
	EUR to ZAR	2023.11.22	EUR58/ZAR1,200
	EUR to KRW	2023.10.31-2023.11.30	EUR273/KRW392,000
<u>December 31, 2022</u>			
Sell	USD to RMB	2023.01.31-2023.05.05	USD2,543/RMB17,228
	EUR to MYR	2023.01.31-2023.06.30	EUR1,499/MYR7,048
	EUR to USD	2023.01.03-2023.01.10	EUR7,987/USD8,500
Buy	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605
	USD to RMB	2023.01.05	USD16,571/RMB116,504
	EUR to USD	2023.01.05	EUR15,834/USD16,571
	USD to SGD	2023.01.30-2023.02.01	USD13,127/SGD17,778
	EUR to KRW	2023.01.31-2023.02.28	EUR434/KRW592,638
	EUR to TRY	2023.01.31	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	EUR5,485/BRL29,982
<u>September 30, 2022</u>			
Sell	EUR to USD	2022.10.17-2022.12.05	EUR19,000/USD19,115
	USD to RMB	2022.10.17-2023.05.05	USD76,399/RMB523,902
	EUR to MYR	2022.10.13	EUR148/MYR666
Buy	USD to NTD	2022.10.04-2022.10.13	USD40,000/NTD1,230,240
	USD to JPY	2022.10.03-2022.11.28	USD6,686/JPY937,343
	USD to SGD	2022.10.17-2023.05.05	USD19,616/SGD26,991
	EUR to USD	2022.10.06	EUR2,000/USD1,994
	USD to RMB	2022.10.11-2022.11.07	USD17,000/RMB117,584
	USD to IDR	2022.10.31	USD77,000/IDR1,182,720,000

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2023</u>	USD to RMB	2023.10.10-2023.10.31	USD109,988/RMB799,973
	USD to NTD	2023.10.13-2023.10.24	USD102,000/NTD3,250,848
<u>December 31, 2022</u>	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
<u>September 30, 2022</u>	USD to RMB	2022.10.14	USD4,000/RMB27,869

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

September 30, 2023

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$ 17,997	Put	Buyer	US\$ 179	US\$ 272

December 31, 2022

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$ 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 nine months ended September 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. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Foreign investments			
Corporate bonds	\$ 14	\$ 588	\$ -
Mutual funds	<u>711</u>	<u>1,614</u>	<u>-</u>
	<u>\$ 725</u>	<u>\$ 2,202</u>	<u>\$ -</u>
<u>Non-current</u>			
Foreign investments			
Government bonds	<u>\$ 195,231</u>	<u>\$ 189,242</u>	<u>\$ 196,839</u>

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

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Cash flow hedges - interest rate swap contracts	<u>\$ 121,497</u>	<u>\$ 165,019</u>	<u>\$ -</u>
Current	\$ 3,588	\$ 20,615	\$ -
Non-current	<u>117,909</u>	<u>144,404</u>	<u>-</u>
	<u>\$ 121,497</u>	<u>\$ 165,019</u>	<u>\$ -</u>
<u>Financial liabilities</u>			
Fair value hedges - exchange rate swap contracts	\$ -	\$ -	\$ 195,551
Cash flow hedges - gas swap contracts	<u>31,792</u>	<u>222,272</u>	<u>-</u>
	<u>\$ 31,792</u>	<u>\$ 222,272</u>	<u>\$ 195,551</u>
Current	\$ 31,792	\$ 222,272	\$ 195,551
Non-current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,792</u>	<u>\$ 222,272</u>	<u>\$ 195,551</u>

10. CONTRACT ASSETS

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

	September 30, 2023	December 31, 2022	September 30, 2022
Contract assets			
Cable installation	\$ 993,580	\$ 1,242,468	\$ 1,128,865
Solar power systems installation	322,384	1,779,769	1,549,103
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Contract assets - current	<u>\$ 1,315,964</u>	<u>\$ 3,022,237</u>	<u>\$ 2,677,968</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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable	<u>\$ 1,395,805</u>	<u>\$ 4,537,322</u>	<u>\$ 4,673,015</u>
<u>Trade receivables</u>			
Trade receivables	\$ 21,525,823	\$ 17,575,200	\$ 17,505,037
Less: Allowance for impairment loss	<u>(402,315)</u>	<u>(280,210)</u>	<u>(140,184)</u>
	<u>\$ 21,123,508</u>	<u>\$ 17,294,990</u>	<u>\$ 17,364,853</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 Receivable Transferred (Note)	Amount Advanced	Interest Rate
Shanghai Pudong Development Bank Co., Ltd.	\$ 1,425,350	\$ 1,425,350	1.25%-2.20%
China Minsheng Banking Corp., Ltd.	<u>128,663</u>	<u>128,663</u>	1.57%-2.10%
	<u>\$ 1,554,013</u>	<u>\$ 1,554,013</u>	

September 30, 2022

Factoring Partners	Notes Receivable Transferred (Note)	Amount Advanced	Interest Rate
Shanghai Pudong Development Bank Co., Ltd.	\$ 1,298,068	\$ 1,298,068	1.33%-3.50%
China Minsheng Banking Corp., Ltd.	<u>277,919</u>	<u>277,919</u>	1.58%-2.1%
	<u>\$ 1,575,987</u>	<u>\$ 1,575,987</u>	

Note: Classified under short-term borrowings; for related information on guarantee and short-term borrowings, refer to Notes 23 and 39.

b. Trade receivable

The average credit period on the sales of goods was 30 to 65 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.

September 30, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%-1%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 16,140,648	\$ 3,557,173	\$ 1,103,981	\$ 356,094	\$ 367,927	\$ 21,525,823
Loss allowance (lifetime ECLs)	<u>(9,634)</u>	<u>(39,447)</u>	<u>(48,783)</u>	<u>(53,855)</u>	<u>(250,596)</u>	<u>(402,315)</u>
Amortized cost	<u>\$ 16,131,014</u>	<u>\$ 3,517,726</u>	<u>\$ 1,055,198</u>	<u>\$ 302,239</u>	<u>\$ 117,331</u>	<u>\$ 21,123,508</u>

December 31, 2022

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

September 30, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 15,205,017	\$ 1,635,609	\$ 234,393	\$ 253,915	\$ 176,103	\$ 17,505,037
Loss allowance (lifetime ECLs)	-	(8,147)	(10,264)	(20,271)	(101,502)	(140,184)
Amortized cost	<u>\$ 15,205,017</u>	<u>\$ 1,627,462</u>	<u>\$ 224,129</u>	<u>\$ 233,644</u>	<u>\$ 74,601</u>	<u>\$ 17,364,853</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 280,210	\$ 92,903
Add: Net remeasurement of loss allowance	144,739	55,277
Less: Amounts written off	(32,386)	(15,770)
Foreign exchange gains and losses	<u>9,752</u>	<u>7,774</u>
Balance at September 30	<u>\$ 402,315</u>	<u>\$ 140,184</u>

The amounts and the details of the factoring agreements for accounts receivable of the Group are set out in Notes 23, 37 and 39.

12. FINANCE LEASE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Undiscounted lease payments</u>			
Year 1	\$ 81,359	\$ 81,359	\$ 81,359
Year 2	81,359	81,359	81,359
Year 3	81,359	81,359	81,359
Year 4	81,359	81,359	81,359

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
Year 5	\$ 81,359	\$ 81,359	\$ 81,359
Year 6 onwards	<u>307,999</u>	<u>369,017</u>	<u>389,357</u>
	714,794	775,812	796,152
Less: Unearned finance income	<u>(97,076)</u>	<u>(113,269)</u>	<u>(118,915)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 617,718</u>	<u>\$ 662,543</u>	<u>\$ 677,237</u>
Current	\$ 61,549	\$ 60,020	\$ 59,520
Non-current	<u>556,169</u>	<u>602,523</u>	<u>617,717</u>
	<u>\$ 617,718</u>	<u>\$ 662,543</u>	<u>\$ 677,237</u>

(Concluded)

The power supply contracts of solar power equipment are processed according to the financial lease 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 September 30, 2023, December 31, 2022 and September 30, 2022.

The finance lease receivables as of September 30, 2023, December 31, 2022 and September 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 39.

13. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Manufacturing and trading industries			
Raw materials	\$ 8,207,459	\$ 7,852,613	\$ 6,762,370
Raw materials in transit	3,615,215	1,871,877	1,920,485
Supplies	1,872,926	2,256,735	2,773,426
Work-in-process	8,364,455	8,652,837	4,249,852
Finished goods and merchandise	10,741,025	12,807,714	7,891,245
Contracts in progress	<u>272,302</u>	<u>462,456</u>	<u>278,125</u>
	<u>33,073,382</u>	<u>33,904,232</u>	<u>23,875,503</u>
Real estate development industries			
Undeveloped land	3,434	3,434	3,434
Buildings and land held for sale	182,316	208,551	218,221
Contracts in progress	<u>2,160,799</u>	<u>1,964,074</u>	<u>1,939,152</u>
	<u>2,346,549</u>	<u>2,176,059</u>	<u>2,160,807</u>
	<u>\$ 35,419,931</u>	<u>\$ 36,080,291</u>	<u>\$ 26,036,310</u>

- a. The costs of goods sold related to inventories for the three months ended September 30, 2023 and 2022 were NT\$42,394,695 thousand and NT\$40,140,803 thousand, respectively, and the costs of goods sold related to inventories for the nine months ended September 30, 2023 and 2022 were NT\$133,645,195 thousand and NT\$121,950,533 thousand, respectively.

- b. The cost of goods sold for the three months ended September 30, 2023, for the nine months ended September 30, 2023 and 2022 included inventory write-downs of NT\$11,005 thousand, NT\$60,394 thousand and NT\$133,064 thousand, respectively. The cost of goods sold for the three months ended September 30, 2022 included reversals of inventory write-downs of NT\$433,220 thousand. 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

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic listed ordinary and emerging market shares			
HannStar Display Corp.	\$ 3,475,733	\$ 3,340,899	\$ 3,445,770
HannStar Board Corp.	3,786,985	2,017,812	1,855,240
TECO Electric & Machinery Corp.	12,017,446	6,348,587	6,486,850
Global PMX Co., Ltd.	-	-	24,525
K. S. Terminals Inc.	10,469	10,179	10,339
Domestic unlisted ordinary shares	712,981	564,148	596,148
Foreign unlisted ordinary shares	<u>78,007</u>	<u>60,607</u>	<u>89,566</u>
	<u>\$ 20,081,621</u>	<u>\$ 12,342,232</u>	<u>\$ 12,508,438</u>
Non-current	<u>\$ 20,081,621</u>	<u>\$ 12,342,232</u>	<u>\$ 12,508,438</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 September 30, 2023 and 2022, the unrealized valuation gains (loss) resulting from these investments in equity instruments were NT\$(58,844) thousand and NT\$(197,495) thousand, respectively, which were recognized in other comprehensive income (loss), and for the nine months ended September 30, 2023 and 2022, the unrealized valuation gains (loss) resulting from these investments in equity instruments were NT\$7,564,310 thousand and NT\$(3,924,480) 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 September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

Investor	Investee	Main Business	Percentage of Ownership (%)		
			September 30, 2023	December 31, 2022	September 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. (formerly named as New Hono Investment Pte. Ltd.)	Investment holding	100.00	100.00	100.00
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	-	-	50.10 (Note 7)
	Walsin America, LLC	Investment holding	100.00	100.00 (Note 3)	-
	Walsin Lihwa Europe S.a r.l.	Investment holding	100.00 (Note 4)	100.00 (Note 4)	-
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.50 (Note 6)	99.00 (Note 6)	-
	Walsin Energy Cable System Co., Ltd.	Submarine communication cables	90.00 (Note 8)	-	-
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00	42.00
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10	50.10 (Note 7)	-
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00	42.00
	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10	50.10 (Note 7)	-
	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	-	-	- (Note 1)
	Walsin America, LLC	Investment holding	-	-	100.00 (Note 2)
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	100.00	100.00	100.00
WLHL	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
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	-	-	- (Note 10)
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	100.00	100.00	100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	81.63	81.63	81.63
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00	100.00
	Chin-Cherng Construction Co.	Investments	50.95	50.95	50.95
	Joint Success Enterprises Limited	Investments	50.95	50.95	50.95
	Chin-Cherng Construction Co.	Investments	50.95	50.95	50.95

(Continued)

Investor	Investee	Main Business	Percentage of Ownership (%)		
			September 30, 2023	December 31, 2022	September 30, 2022
Joint Success Enterprises Limited	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
Min Maw Precision Industry Corp. (Min Maw)	PT. Walsin Research Innovation Indonesia	Consulting and management	0.50 (Note 6)	1.00 (Note 6)	-
Walsin America, LLC	Borrego Energy Holdings, LLC	Solar power system	72.55	72.55	72.55 (Note 1)
Borrego Energy Holdings, LLC	Borrego Energy, LLC	Solar power system	100.00	100.00	100.00
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Investment holding	90.21 (Note 4)	85.03 (Note 4)	-
MEG S.A.	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	77.60 (Notes 5 and 11)	82.32 (Note 5)	-
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	0.10 (Note 9)	-	-
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	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. On May 5, 2023, WLC's board of directors approved to increase capital in cash of MEG S.A., and the capital increase base date was August 30, 2023. The Group subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in an increase in the continuing interest rate from 85.03% to 90.21%.

Note 5: On May 31, 2022, WLC's board of directors resolved that Luxembourg MEG S.A. acquired 82.32% shares of Cogne Acciai Speciali S.p.A. On May 5, 2023, WLC's board of directors approved to increase capital in cash of Cogne Acciai Speciali S.p.A., and the capital increase base date was September 18, 2023. MEG S.A. subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in a decrease in the continuing interest rate from 82.32% to 77.60%.

Note 6: 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.

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

Note 8: 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.

Note 10: Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd was dissolved on July 13, 2022.

Note 11: Cogne Acciai Speciali S.p.A. acquired 100.00% shares of Degerfors Long Products AB and Special Melted Products Ltd. in 2023. Please refer to Note 33.

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

Investor	Investee	Main Business	Percentage of Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
WLHL	Walcom Chemical 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 September 30, 2023, December 31, 2022 and September 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 nine months ended September 30, 2023 and 2022 were not reviewed by the auditor of WLC but by other auditors. As of September 30, 2023 and 2022, the combined total assets of those subsidiaries were NT\$39,488,392 thousand and NT\$10,754,653 thousand, respectively; for the three months ended September 30, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$7,139,415 thousand and NT\$5,368,223 thousand, respectively, and for the nine months ended September 30, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$26,128,738 thousand and NT\$12,861,178 thousand, respectively.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

Name of Associate	September 30, 2023		December 31, 2022		September 30, 2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Material associates</u>						
Winbond Electronics Corp.	\$ 19,314,116	22.21	\$ 20,953,105	22.21	\$ 20,287,292	22.21
Walton Advanced Engineering, Inc.	2,168,677	21.01	2,109,400	21.01	2,112,258	21.01
Walsin Technology Corp.	8,721,810	18.30	8,147,080	18.30	8,212,005	18.30

(Continued)

Name of Associate	September 30, 2023		December 31, 2022		September 30, 2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
Associates that are not individually material						
Others	\$ 17,664,657		\$ 14,979,814		\$ 9,506,580	
	<u>\$ 47,869,260</u>		<u>\$ 46,189,399</u>		<u>\$ 40,118,135</u>	

(Concluded)

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	September 30, 2023	December 31, 2022	September 30, 2022
Winbond Electronics Corp.	<u>\$ 22,361,365</u>	<u>\$ 17,323,429</u>	<u>\$ 17,456,006</u>
Walton Advanced Engineering, Inc.	<u>\$ 1,463,539</u>	<u>\$ 1,244,282</u>	<u>\$ 1,282,652</u>
Walsin Technology Corp.	<u>\$ 9,112,488</u>	<u>\$ 7,023,284</u>	<u>\$ 6,623,223</u>

All the associates were accounted for using the equity method.

As of September 30, 2023 and 2022, the dividends receivable from the above-mentioned associates of the Group was NT\$1,103,246 thousand and NT\$98,834 thousand, respectively, and they were recognized under other receivables.

The Group’s share of profit and other comprehensive income of associates for the three months ended September 30, 2023 and 2022 and nine months ended September 30, 2023 and 2022 was based on the associates’ financial statements reviewed by independent auditors for the same period.

17. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Assets used by the Group	<u>\$ 75,683,158</u>	<u>\$ 65,656,466</u>	<u>\$ 54,510,095</u>

	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	152,241	713,219	146,865	10,094,829	11,314,857
Disposals	-	(9,774)	(258,880)	(168,972)	(622)	(438,248)
Acquisition through business combinations	2,169	918,487	579,067	35,147	88,900	1,623,770
Reclassified	12,652	4,096,924	12,260,892	1,811,882	(18,323,589)	(141,239)
Transfer to investment properties	-	-	-	(3,675)	-	(3,675)
Effects of foreign currency exchange differences	<u>1,040</u>	<u>533,063</u>	<u>1,594,807</u>	<u>126,998</u>	<u>348,099</u>	<u>2,604,007</u>
Balance at September 30, 2023	<u>\$ 4,000,234</u>	<u>\$ 28,556,127</u>	<u>\$ 65,317,967</u>	<u>\$ 10,555,250</u>	<u>\$ 16,070,256</u>	<u>\$ 124,499,834</u>
<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	-	887,350	3,117,304	536,590	-	4,541,244
Disposals	-	(7,193)	(247,792)	(163,901)	-	(418,886)
Reclassified	-	-	(327)	(19,661)	-	(19,988)
Impairment losses reserved	-	-	-	(34)	-	(34)
Effects of foreign currency exchange differences	<u>-</u>	<u>150,909</u>	<u>621,715</u>	<u>57,820</u>	<u>-</u>	<u>830,444</u>
Balance at September 30, 2023	<u>\$ 8,067</u>	<u>\$ 10,821,141</u>	<u>\$ 31,663,088</u>	<u>\$ 6,324,380</u>	<u>\$ -</u>	<u>\$ 48,816,676</u>
Carrying amount at September 30, 2023	<u>\$ 3,992,167</u>	<u>\$ 17,734,986</u>	<u>\$ 33,654,879</u>	<u>\$ 4,230,870</u>	<u>\$ 16,070,256</u>	<u>\$ 75,683,158</u>
<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	17,502	174,175	392,464	4,509,285	5,121,120
Disposals	-	(6,582)	(131,594)	(142,589)	(141,219)	(421,984)
Acquisition through business combinations	-	-	-	35,107	7,820,280	7,855,387
Reclassified	88,445	96,884	2,516,283	152,181	(2,853,793)	-
Transfers from (to) investment properties	-	87,939	-	(99,622)	-	(11,683)
Transfers from inventories	-	1,291,100	-	-	-	1,291,100
Effects of foreign currency exchange differences	<u>-</u>	<u>521,215</u>	<u>1,335,168</u>	<u>167,145</u>	<u>147,026</u>	<u>2,170,554</u>
Balance at September 30, 2022	<u>\$ 3,727,164</u>	<u>\$ 20,679,332</u>	<u>\$ 38,863,087</u>	<u>\$ 8,288,324</u>	<u>\$ 15,786,954</u>	<u>\$ 87,344,861</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 8,067	\$ 7,102,766	\$ 17,527,744	\$ 5,227,302	\$ -	\$ 29,865,879
Depreciation expenses	-	640,101	1,760,793	408,837	-	2,809,731
Disposals	-	(5,957)	(115,664)	(134,897)	-	(256,518)
Acquisition through business combinations	-	-	-	1,660	-	1,660
Transfers from (to) investment properties	-	5,221	-	(14,759)	-	(9,538)
Impairment losses reversed	-	-	(111)	(96)	-	(207)
Effects of foreign currency exchange differences	<u>-</u>	<u>102,125</u>	<u>237,905</u>	<u>83,729</u>	<u>-</u>	<u>423,759</u>
Balance at September 30, 2022	<u>\$ 8,067</u>	<u>\$ 7,844,256</u>	<u>\$ 19,410,667</u>	<u>\$ 5,571,776</u>	<u>\$ -</u>	<u>\$ 32,834,766</u>
Carrying amount at September 30, 2022	<u>\$ 3,719,097</u>	<u>\$ 12,835,076</u>	<u>\$ 19,452,420</u>	<u>\$ 2,716,548</u>	<u>\$ 15,786,954</u>	<u>\$ 54,510,095</u>

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

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

The Group's main buildings 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 September 30, 2023, December 31, 2022 and September 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 NT\$18 thousand for the three months ended September 30, 2022, respectively, and the Group recognized a reversal of impairment loss on property, plant and equipment of NT\$34 thousand and NT\$207 thousand for the nine months ended September 30, 2023 and 2022, respectively.

18. LEASE ARRANGEMENTS

- a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Land	\$ 3,371,469	\$ 3,443,726	\$ 3,297,167
Buildings	509,127	506,666	105,094
Machinery equipment	724,249	263,942	-
Office equipment	69,082	61,617	-
Transportation equipment	<u>36,234</u>	<u>33,404</u>	<u>32,634</u>
	<u>\$ 4,710,161</u>	<u>\$ 4,309,355</u>	<u>\$ 3,434,895</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2023	2022	2023
			2022
Additions to right-of-use assets	<u>\$ 204,690</u>	<u>\$ 13,098</u>	<u>\$ 526,760</u>
Disposals	<u>\$ (1,802)</u>	<u>\$ (911)</u>	<u>\$ (2,102)</u>
			<u>\$ (48,077)</u>
Depreciation charge for right-of-use assets			
Land	\$ 38,459	\$ 30,988	\$ 114,513
Buildings	30,799	13,249	86,371
Machinery equipment	14,568	-	35,925
Office equipment	1,868	-	5,444
Transportation equipment	<u>3,984</u>	<u>4,620</u>	<u>11,323</u>
	<u>\$ 89,678</u>	<u>\$ 48,857</u>	<u>\$ 253,576</u>
			<u>\$ 138,191</u>

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Current	\$ 261,306	\$ 245,223	\$ 87,844
Non-current	\$ 2,657,863	\$ 2,309,732	\$ 1,614,539

Range of discount rate for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	0.83%-6.123%	0.83%-6.123%	0.83%-6.123%
Buildings	0.83%-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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 6,056	\$ 8,653	\$ 46,189	\$ 29,809
Expenses relating to low-value asset leases	\$ 143	\$ 384	\$ 560	\$ 753
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,322	\$ 2,337	\$ 3,957	\$ 6,851
Total cash outflow for leases	\$ (82,268)	\$ (34,572)	\$ (290,014)	\$ (107,082)

19. INVESTMENT PROPERTIES

	September 30, 2023	December 31, 2022	September 30, 2022
Completed investment properties	\$ 15,879,449	\$ 16,123,806	\$ 16,344,136

**Completed
Investment
Properties**

Cost

Balance at January 1, 2023	\$ 19,078,843
Transfers from property, plant and equipments	3,675
Transfers to inventories	(34,439)
Effects of foreign currency exchange differences	<u>161,235</u>

Balance at September 30, 2023	<u>\$ 19,209,314</u>
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Balance at January 1, 2022	\$ 12,991,354
Transfers from property, plant and equipments	11,683
Transferred from inventories	5,967,302
Others	(4,901)
Effects of foreign currency exchange differences	<u>153,970</u>

Balance at September 30, 2022	<u>\$ 19,119,408</u>
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Accumulated depreciation and impairment

Balance at January 1, 2023	\$ 2,955,037
Depreciation expenses	347,350
Effects of foreign currency exchange differences	<u>27,478</u>

Balance at September 30, 2023	<u>\$ 3,329,865</u>
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Balance at January 1, 2022	\$ 2,560,291
Depreciation expenses	179,665
Transfers from property, plant and equipments	9,538
Others	(292)
Effects of foreign currency exchange differences	<u>26,070</u>

Balance at September 30, 2022	<u>\$ 2,775,272</u>
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- 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 September 30, 2023 and 2022.

20. GOODWILL

	For the Nine Months Ended September 30	
	2023	2022
<u>Cost</u>		
Balance at January 1, 2023	\$ 286,139	\$ 152,771
Acquisition through business combinations	3,900,572	295,178
Disposal of subsidiaries	-	(157,359)
Effects of foreign currency exchange differences	<u>14,526</u>	<u>4,588</u>
Balance at September 30, 2023	<u>\$ 4,201,237</u>	<u>\$ 295,178</u>
<u>Accumulated impairment</u>		
Balance at January 1, 2023	\$ -	\$ -
Balance at September 30, 2023	\$ -	\$ -
Carrying amount at September 30, 2023	<u>\$ 4,201,237</u>	<u>\$ 295,178</u>

The Group acquired Special Melted Products Ltd. on September 19, 2023 and recognized the provisionally determined goodwill of NT\$3,900,572 thousand. As of the date of issuance of the consolidated financial statements, the purchase price allocation report has not been finalized. The amount may change afterward. Please refer to Note 33.

The Group acquired PT. Sunny Metal Industry on September 23, 2022 and recognized the goodwill of NT\$295,178 thousand. Please refer to Note 33. The Group adjusted the initial accounting treatment and provisionally determined amounts from the acquisition date based on the finalized purchase price allocation report in the third quarter of 2023. The comparative period amount was restated accordingly. The adjustments to the Group's balance sheet items are as follows:

	December 31, 2022		
	Amount Before Restatement	Adjustment	Restated
Goodwill	<u>\$ 83,393</u>	<u>\$ 202,746</u>	<u>\$ 286,139</u>
Other intangible assets-supply contract	<u>\$ 2,734,203</u>	<u>\$ 2,427,687</u>	<u>\$ 5,161,890</u>
Other intangible assets-core technology	<u>\$ 1,922,845</u>	<u>\$ 1,742,455</u>	<u>\$ 3,665,300</u>
Deferred tax liabilities	<u>\$ (5,797,938)</u>	<u>\$ 15,023</u>	<u>\$ (5,782,915)</u>
Non-controlling interests	<u>\$ (6,240,336)</u>	<u>\$ (4,387,911)</u>	<u>\$ (10,628,247)</u>
	September 30, 2022		
	Amount Before Restatement	Adjustment	Restated
Goodwill	<u>\$ 4,432,755</u>	<u>\$ (4,137,577)</u>	<u>\$ 295,178</u>
Other intangible assets-supply contract	<u>\$ -</u>	<u>\$ 5,336,699</u>	<u>\$ 5,336,699</u>
Other intangible assets-core technology	<u>\$ -</u>	<u>\$ 3,789,426</u>	<u>\$ 3,789,426</u>
Deferred tax liabilities	<u>\$ (5,448,362)</u>	<u>\$ (118,866)</u>	<u>\$ (5,567,228)</u>
Non-controlling interests	<u>\$ (3,110,511)</u>	<u>\$ (4,869,682)</u>	<u>\$ (7,980,193)</u>

21. OTHER INTANGIBLE ASSETS

	Supply Contract	Core Technology	Others	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 5,161,890	\$ 3,665,300	\$ 873,664	\$ 9,700,854
Additions	-	-	71,494	71,494
Acquisitions through business combination	-	-	18,820	18,820
Effect of foreign currency exchange differences	<u>262,213</u>	<u>186,189</u>	<u>32,809</u>	<u>480,491</u>
Balance at September 30, 2023	<u>\$ 5,424,103</u>	<u>\$ 3,851,489</u>	<u>\$ 996,067</u>	<u>\$ 10,271,659</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2023	\$ -	\$ -	\$ 647,571	\$ 647,571
Amortization expenses	460,269	319,522	51,180	830,971
Effect of foreign currency exchange differences	<u>19,987</u>	<u>13,875</u>	<u>24,546</u>	<u>58,408</u>
Balance at September 30, 2023	<u>\$ 480,256</u>	<u>\$ 333,397</u>	<u>\$ 723,297</u>	<u>\$ 1,536,950</u>
Carrying amount at September 30, 2023	<u>\$ 4,943,847</u>	<u>\$ 3,518,092</u>	<u>\$ 272,770</u>	<u>\$ 8,734,709</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 69,229	\$ 69,229
Additions	-	-	2,297	2,297
Acquisitions through business combination	5,336,699	3,789,426	-	9,126,125
Disposals	-	-	(35)	(35)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>2,059</u>	<u>2,059</u>
Balance at September 30, 2022	<u>\$ 5,336,699</u>	<u>\$ 3,789,426</u>	<u>\$ 73,550</u>	<u>\$ 9,199,675</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 48,570	\$ 48,570
Amortization expenses	-	-	3,536	3,536
Disposals	-	-	(35)	(35)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>1,508</u>	<u>1,508</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,579</u>	<u>\$ 53,579</u>
Carrying amount at September 30, 2022	<u>\$ 5,336,699</u>	<u>\$ 3,789,426</u>	<u>\$ 19,971</u>	<u>\$ 9,146,096</u>

- a. The Group acquired PT. Sunny Metal Industry on September 23, 2022. According to the finalized purchase price allocation report being issued in the third quarter of 2023, the Group restated the comparative period amount and recognized the supply contract and core technology of NT\$5,336,699 thousand and NT\$3,789,426 thousand, respectively. Please refer to Note 33.
- b. Except for the above description and the recognition of amortization expenses, there were no significant additions, disposals or impairments of other intangible assets of the Group for the nine months ended September 30, 2023 and 2022.
- c. The supply contract and core technology generated by PT. Sunny Metal Industry are amortized on an accelerated basis over 8 years and 16 years, respectively.
- d. Apart from stated above, the other intangible assets of the Group are amortized on a straight-line basis over 5-18 years.

22. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayment for purchases	\$ 3,998,511	\$ 3,694,957	\$ 3,140,337
Prepaid expense	617,612	999,406	1,990,346
Prepaid sales tax	1,558,190	3,142,781	2,743,067
Prepayment for investments	-	2,204,073	841,569
Others	<u>1,102,747</u>	<u>756,197</u>	<u>484,598</u>
	<u>\$ 7,277,060</u>	<u>\$ 10,797,414</u>	<u>\$ 9,199,917</u>
Current	\$ 6,236,188	\$ 7,880,887	\$ 7,917,266
Non-current	<u>1,040,872</u>	<u>2,916,527</u>	<u>1,282,651</u>
	<u>\$ 7,277,060</u>	<u>\$ 10,797,414</u>	<u>\$ 9,199,917</u>

23. BORROWINGS

	September 30, 2023	December 31, 2022	September 30, 2022
Short-term borrowings	<u>\$ 13,378,674</u>	<u>\$ 17,120,571</u>	<u>\$ 16,224,069</u>
Current portion of long-term borrowings	<u>\$ 1,324,245</u>	<u>\$ 1,109,049</u>	<u>\$ 64,229</u>
Long-term borrowings	<u>\$ 33,542,978</u>	<u>\$ 40,820,860</u>	<u>\$ 32,892,656</u>
Long-term notes and bills payable	<u>\$ 2,997,855</u>	<u>\$ 1,497,914</u>	<u>\$ -</u>

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

	September 30, 2023		December 31, 2022		September 30, 2022	
	Interest Rate %	Amount	Interest Rate %	Amount	Interest Rate %	Amount
Bank lines of credit	1.73%-7.43%	\$ 12,313,510	0.95%-6.42%	\$ 15,566,558	1.15%-5.15%	14,648,082
Discounted notes receivable	-	-	1.25%-2.20%	1,554,013	1.30%-3.50%	1,575,987
Transferred receivables	7.50%-7.60%	<u>1,065,164</u>	-	<u>-</u>	-	<u>-</u>
		<u>\$ 13,378,674</u>		<u>\$ 17,120,571</u>		<u>\$ 16,224,069</u>

Notes receivable financing is based on notes receivable of the Group which are used to apply for a discounted loan. Refer to Note 39 for the amount of discounted notes receivable and relevant terms with recourse rights.

Refer to Note 39 for transferred receivables which were secured by a portion of the Group's trade receivables.

Refer to Notes 6 and 39 for collaterals pledged for short-term borrowings as of September 30, 2023, December 31, 2022 and September 30, 2022.

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

		September 30, 2023		December 31, 2022	September 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		\$ 192,742	\$ 233,439	\$ 247,004
Taipei Fubon Commercial Bank	From December 25, 2013 to October 11, 2028; after the grace period, repayments are due in stages		39,750	67,375	69,867
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts		<u>59,597</u>	<u>78,365</u>	<u>-</u>
			<u>292,089</u>	<u>379,179</u>	<u>316,871</u>
<u>Long-term credit loan</u>					
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
The Export-Import Bank of the Republic of China	Long-term credit loan from September 22, 2022 to September 22, 2029; 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		-	-	500,000
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		1,500,000	1,500,000	-
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024		-	1,555,400	-

(Continued)

September 30, 2023			December 31, 2022	September 30, 2022
	Significant Covenant	Amount	Amount	Amount
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	\$ -	\$ 1,000,000	\$ -
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	-	-
China CITIC Bank	Principal repayment at maturity, from August 15, 2023 to September 22, 2026	77,078	-	-
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 30, 2019 to June 30, 2028	2,564,274	1,007,776	-
Other long-term credit loans	Principal repayment are due according to contracts, from November 1, 2018 to June 13, 2030	5,496,818	4,797,684	-
		<u>34,575,134</u>	<u>41,550,730</u>	<u>32,640,014</u>
		<u>34,867,223</u>	<u>41,929,909</u>	<u>32,956,885</u>
Less: current portion of long-term borrowings		<u>(1,324,245)</u>	<u>(1,109,049)</u>	<u>(64,229)</u>
		<u>\$ 33,542,978</u>	<u>\$ 40,820,860</u>	<u>\$ 32,892,656</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 September 30, 2023, December 31, 2022 and September 30, 2022, the effective interest rate ranges of the credit borrowings were 1.25%-6.375%, 0.10%-5.56% and 0.96%-3.34% per annum, respectively. As of September 30, 2023, December 31, 2022 and September 30, 2022, the effective interest rate ranges of the secured borrowings were 2.10%-6.20%, 0.55%-4.70% and 2.10%-2.35% per annum.
- 3) As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's current portion of the long-term borrowings under the loan agreements was NT\$1,324,245 thousand, NT\$1,109,049 thousand and NT\$64,229 thousand, respectively. The Group's consolidated financial statements for the nine months ended September 30, 2023 and 2022 and for the years ended December 31, 2022 showed that the Group was in compliance with the aforementioned financial ratio requirements.
- 4) Refer to Note 39 for collaterals pledged on bank borrowings as of September 30, 2023, December 31, 2022 and September 30, 2022.

- c. Long-term notes and bills payable as of September 30, 2023 and December 31, 2022 were as follows:

September 30, 2023

Acceptance Agency	Type	Interest Rate	Amount
China Bills, Mega Bills and International Bills	Unsecured	1.43-1.50	\$ 3,000,000
Less: Discount on long-term bills payable			<u>(2,145)</u>
			<u>\$ 2,997,855</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

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic unsecured bonds	\$ 12,800,000	\$ 7,500,000	\$ 7,500,000
Overseas unsecured bonds	303,383	341,115	-
Less: Current portion of long-term borrowings	<u>(101,730)</u>	<u>(98,160)</u>	<u>-</u>
	<u>\$ 13,001,653</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

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for purchases of equipment	\$ 1,919,542	\$ 3,211,232	\$ 787,723
Payables for salaries or bonuses	1,102,217	968,942	753,692
Payables for dividends	3,586	3,209	3,209
Other accrued expenses payables	4,284,493	5,468,712	4,982,482
Other financing payables	7,362,427	5,375,736	587,375
Other payables-other	<u>63,435</u>	<u>287,874</u>	<u>197,684</u>
	<u>\$ 14,735,700</u>	<u>\$ 15,315,705</u>	<u>\$ 7,312,165</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022 the effective interest rate ranges of other financing payables of the subsidiary PT. Sunny Metal Industry were 7.16%-7.61%, 3.38%-5.21% and 3.38%-5.21% respectively.

26. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2023 and 2022, the pension expenses of defined benefit plans were NT\$33,272 thousand and NT\$3,247 thousand, respectively, and for the nine months ended September 30, 2023 and 2022, the pension expenses of defined benefit plans were NT\$90,302 thousand and NT\$9,575 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

	September 30, 2023	December 31, 2022	September 30, 2022
Share capital			
Ordinary shares	\$ 40,313,329	\$ 37,313,329	\$ 37,313,329
Capital surplus	33,611,062	24,672,454	24,679,496
Retained earnings	60,262,333	62,038,398	61,123,500
Others	9,521,104	(443,305)	2,431,236
Non-controlling interests	<u>14,082,902</u>	<u>10,628,247</u>	<u>7,980,193</u>
	<u>\$ 157,790,730</u>	<u>\$ 134,209,123</u>	<u>\$ 133,527,754</u>

a. Share capital

Ordinary shares

	September 30, 2023	December 31, 2022	September 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>3,731,333</u>
Amount of issued shares	<u>\$ 40,313,329</u>	<u>\$ 37,313,329</u>	<u>\$ 37,313,329</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 September 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 September 30, 2022, 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

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 27,787,949	\$ 18,864,452	\$ 18,864,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,130	2,130	2,130
Share of changes in capital surplus of associates	445,883	441,175	448,074
Treasury share transactions	2,254,074	2,254,074	2,254,074
Gain on disposal of property plant and equipment	2,074,231	2,074,231	2,074,231
Others	1,045,731	1,036,392	1,036,535
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries	<u>1,064</u>	<u>-</u>	<u>-</u>
	<u>\$ 33,611,062</u>	<u>\$ 24,672,454</u>	<u>\$ 24,679,496</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 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:

	Appropriation of Earnings	Dividends Per Share (NT\$)
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:

	Appropriation of Earnings	Dividends Per Share (NT\$)
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

	September 30, 2023	December 31, 2022	September 30, 2022
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 September 30, 2023 and 2022.

e. Other equity items

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (4,256,774)	\$ (6,100,687)
Share from exchange difference of associates accounted for using the equity method	<u>2,602,213</u>	<u>3,038,794</u>
Balance at September 30	<u>\$ (1,654,561)</u>	<u>\$ (3,061,893)</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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 6,693,877	\$ 11,534,267
Unrealized (loss) gain - equity instruments	7,564,310	(3,924,480)
Share from associates accounted for using the equity method	(78,779)	(1,949,760)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(192,828)</u>	<u>(75,431)</u>
Balance at September 30	<u>\$ 13,986,580</u>	<u>\$ 5,584,596</u>

3) Loss on hedging instruments

	For the Nine Months Ended September 30	
	2023	2022
<u>Cash flow hedges</u>		
Balance at January 1	\$ (105,801)	\$ -
Loss on hedging instruments	<u>69,536</u>	<u>-</u>
Balance at September 30	<u>\$ (36,265)</u>	<u>\$ -</u>

4) Other equity - others

	For the Nine Months Ended September 30	
	2023	2022
Other equity - others		
Balance at September 30	<u>\$ (2,774,607)</u>	<u>\$ (91,467)</u>

28. OPERATING REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Sales revenue	\$ 45,019,821	\$ 42,006,944	\$ 142,681,418	\$ 132,969,266
Sale of real estate	52,142	-	55,899	-
Other revenue	<u>1,273,890</u>	<u>1,617,710</u>	<u>3,769,074</u>	<u>3,696,173</u>
	<u>\$ 46,345,853</u>	<u>\$ 43,624,654</u>	<u>\$ 146,506,391</u>	<u>\$ 136,665,439</u>

29. NET PROFIT FROM CONTINUING OPERATIONS

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Gain on disposal of investments				
- non-iron commodity futures	\$ 40,687	\$ 482,401	\$ 861,504	\$ 155,963
Gain (loss) on disposal of				
investments - foreign				
exchange forward contracts	22,303	41,062	(97,839)	193,131
Gain (loss) on disposal of				
investment - exchange rate				
swap contracts	300,264	(73,108)	230,298	(221,404)
Loss on disposal of investment				
- future options	(11,804)	-	(59,795)	-
Gains on disposals of				
investments - subsidiary				
(Note 34)	<u>-</u>	<u>7,899,376</u>	<u>-</u>	<u>7,899,376</u>
	<u>\$ 351,450</u>	<u>\$ 8,349,731</u>	<u>\$ 934,168</u>	<u>\$ 8,027,066</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Impairment loss reversed on				
property, plant and				
equipment	\$ -	\$ 18	\$ 34	\$ 207
Other	<u>(4)</u>	<u>(18)</u>	<u>(40)</u>	<u>(203)</u>
	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ (6)</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 September 30, 2023				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 1,270,150</u>	<u>\$ 764,652</u>	<u>\$ -</u>	<u>\$ 2,034,802</u>
Post-employment benefits	<u>\$ 75,458</u>	<u>\$ 21,870</u>	<u>\$ -</u>	<u>\$ 97,328</u>
Other employee benefits	<u>\$ 110,404</u>	<u>\$ 50,234</u>	<u>\$ -</u>	<u>\$ 160,638</u>
Depreciation				
Property, plant and equipment	\$ 1,432,250	\$ 161,497	\$ 716	\$ 1,594,463
Right-of-use assets	64,668	25,010	-	89,678
Investment properties	<u>115,149</u>	<u>545</u>	<u>-</u>	<u>115,694</u>
	<u>\$ 1,612,067</u>	<u>\$ 187,052</u>	<u>\$ 716</u>	<u>\$ 1,799,835</u>
Amortization	<u>\$ 530,711</u>	<u>\$ 19,741</u>	<u>\$ -</u>	<u>\$ 550,452</u>
For the Nine Months Ended September 30, 2023				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 3,864,206</u>	<u>\$ 2,520,907</u>	<u>\$ -</u>	<u>\$ 6,385,113</u>
Post-employment benefits	<u>\$ 220,932</u>	<u>\$ 88,260</u>	<u>\$ -</u>	<u>\$ 309,192</u>
Other employee benefits	<u>\$ 352,683</u>	<u>\$ 175,064</u>	<u>\$ -</u>	<u>\$ 527,747</u>
Depreciation				
Property, plant and equipment	\$ 4,044,278	\$ 494,831	\$ 2,135	\$ 4,541,244
Right-of-use assets	151,459	102,117	-	253,576
Investment properties	<u>345,715</u>	<u>1,635</u>	<u>-</u>	<u>347,350</u>
	<u>\$ 4,541,452</u>	<u>\$ 598,583</u>	<u>\$ 2,135</u>	<u>\$ 5,142,170</u>
Amortization	<u>\$ 821,407</u>	<u>\$ 54,589</u>	<u>\$ -</u>	<u>\$ 875,996</u>

For the Three Months Ended September 30, 2022				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 1,013,401</u>	<u>\$ 671,393</u>	<u>\$ -</u>	<u>\$ 1,684,794</u>
Post-employment benefits	<u>\$ 42,389</u>	<u>\$ 29,404</u>	<u>\$ -</u>	<u>\$ 71,793</u>
Other employee benefits	<u>\$ 224,469</u>	<u>\$ 584,274</u>	<u>\$ -</u>	<u>\$ 808,743</u>
Depreciation				
Property, plant and equipment	\$ 862,605	\$ 99,580	\$ 712	\$ 962,897
Right-of-use assets	8,072	40,785	-	48,857
Investment properties	<u>90,083</u>	<u>545</u>	<u>-</u>	<u>90,628</u>
	<u>\$ 960,760</u>	<u>\$ 140,910</u>	<u>\$ 712</u>	<u>\$ 1,102,382</u>
Amortization	<u>\$ 901</u>	<u>\$ 6,097</u>	<u>\$ -</u>	<u>\$ 6,998</u>

For the Nine Months Ended September 30, 2022				
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 3,229,367</u>	<u>\$ 2,202,048</u>	<u>\$ -</u>	<u>\$ 5,431,415</u>
Post-employment benefits	<u>\$ 141,789</u>	<u>\$ 81,111</u>	<u>\$ -</u>	<u>\$ 222,900</u>
Other employee benefits	<u>\$ 486,273</u>	<u>\$ 735,921</u>	<u>\$ -</u>	<u>\$ 1,222,194</u>
Depreciation				
Property, plant and equipment	\$ 2,534,887	\$ 272,700	\$ 2,144	\$ 2,809,731
Right-of-use assets	23,961	114,230	-	138,191
Investment properties	<u>178,030</u>	<u>1,635</u>	<u>-</u>	<u>179,665</u>
	<u>\$ 2,736,878</u>	<u>\$ 388,565</u>	<u>\$ 2,144</u>	<u>\$ 3,127,587</u>
Amortization	<u>\$ 2,905</u>	<u>\$ 18,733</u>	<u>\$ -</u>	<u>\$ 21,638</u>

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 September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022, the employees' compensation amounted to NT\$18,591 thousand, NT\$123,915 thousand, NT\$65,650 thousand and NT\$243,018 thousand, respectively, and the remuneration of directors amounted to NT\$18,750 thousand, NT\$24,500 thousand, NT\$56,250 thousand and NT\$73,500 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.

	For the Year Ended December 31			
	2022		2021	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved 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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 294,617	\$ 295,320	\$ 1,082,184	\$ 1,403,350
Unappropriated earnings	(171,252)	-	352,059	380,028
Adjustments for prior period	1,541	244	(19,427)	(5,852)
Land value-added tax	<u>2,652</u>	<u>-</u>	<u>2,840</u>	<u>-</u>
	<u>127,558</u>	<u>295,564</u>	<u>1,417,656</u>	<u>1,777,526</u>
Deferred tax				
In respect of the current period	(45,362)	2,339,509	105,075	2,537,766
Adjustments for prior period	<u>-</u>	<u>2</u>	<u>(17,082)</u>	<u>37,339</u>
	<u>(45,362)</u>	<u>2,339,511</u>	<u>87,993</u>	<u>2,575,105</u>
Income tax expense recognized in profit or loss	<u>\$ 82,196</u>	<u>\$ 2,635,075</u>	<u>\$ 1,505,649</u>	<u>\$ 4,352,631</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 September 30					
	2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 1,634,513	4,031,333	\$ 0.41	\$ 9,458,910	3,600,898	\$ 2.63
Effect of potentially dilutive ordinary shares						
Employees' compensation	-	505		-	3,144	
	<u>\$ 1,634,513</u>	<u>4,031,838</u>	<u>\$ 0.41</u>	<u>\$ 9,458,910</u>	<u>3,604,042</u>	<u>\$ 2.62</u>
	For the Nine Months Ended September 30					
	2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 4,750,516	3,833,531	\$ 1.24	\$ 18,748,698	3,488,476	\$ 5.37
Effect of potential dilutive ordinary shares						
Employees' compensation	-	2,681		-	6,477	
	<u>\$ 4,750,516</u>	<u>3,836,212</u>	<u>\$ 1.24</u>	<u>\$ 18,748,698</u>	<u>3,494,953</u>	<u>\$ 5.36</u>

32. SHARE-BASED PAYMENT TRANSACTION AGREEMENTS

Employee Stock 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 September 30, 2023 is as follows:

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

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

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

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

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

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

33. BUSINESS COMBINATIONS

- a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Degerfors Long Products AB	Manufacture and sale of stainless steel	August 1, 2023	100.00	<u>\$ 182,129</u>
Special Melted Products Ltd.	Manufacture and sale of stainless steel	September 19, 2023	100.00	<u>\$ 5,668,618</u>
PT. Sunny Metal Industry	Manufacture and sale of nickel matte	September 23, 2022	50.10	<u>\$ 6,057,005</u>

To create synergy from the acquired company's products, technologies, market advantages and also for the purpose of expanding the stainless steel and nickel alloy business. Cogne Acciai Speciali S.p.A. acquired 100% of the shares of Degerfors Long Products AB and Special Melted Products Ltd. at a consideration of NT\$182,129 thousand and NT\$5,668,618 thousand on August 1, 2023, and September 19, 2023, respectively.

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

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

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry
Current assets			
Cash and cash equivalents	\$ -	\$ 34,513	\$ 103,771
Trade receivables, net	810,467	1,020,964	-
Other receivables	56,466	104,651	4,904
Inventories	549,491	644,700	29,021
Other current assets	106,641	72,961	1,603,712
Non-current assets			
Property, plant and equipment	265,675	1,358,095	7,853,727
Right-of-use assets	4,254	49,568	-
Other intangible assets	-	18,820	9,126,125
Other non-current assets	58	380,560	-
Current liabilities			
Short-term borrowings	-	(1,003,296)	(587,375)
Trade payables	(442,193)	(565,658)	(232,779)
Other payables	(39,918)	-	(5,610,735)
Lease liabilities - current	(2,586)	(49,493)	-
Other current liabilities	(458,751)	(298,338)	(2,480)
Non-current liabilities			
Deferred tax liabilities	-	-	(118,866)
Lease liabilities - non-current	<u>(1,681)</u>	<u>-</u>	<u>-</u>
	<u>\$ 847,923</u>	<u>\$ 1,768,047</u>	<u>\$ 12,169,025</u>

The initial accounting for the acquisition of Degerfors Long Products AB and Special Melted Products Ltd. as of the balance sheet date was only provisionally determined. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized. The amounts may change when the purchase price allocation report is issued.

The purchase price allocation report of PT. Sunny Metal Industry has been finalized before the date of issuance of these consolidated financial statements and therefore adjusted to the fair value as the tax value of the Company.

c. (Gain from bargain purchase) goodwill recognized on acquisitions

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry
Consideration transferred	\$ 182,129	\$ 5,668,618	\$ 6,057,005
Plus: Non-controlling interests	-	-	6,072,344
Less: Fair value of identifiable net assets acquired	(847,923)	(1,768,047)	(12,169,025)
Effects of foreign currency exchange differences	<u>7,803</u>	<u>1</u>	<u>334,854</u>
(Gain from bargain purchase) goodwill recognized on acquisitions	<u>\$ (657,991)</u>	<u>\$ 3,900,572</u>	<u>\$ 295,178</u>

The total amount of acquired goodwill is not tax-deductible, and the acquired gain from bargain purchases is recognized as other income.

The non-controlling interests of PT. Sunny Metal Industry, NT\$6,072,344 thousand, are measured by reference to the fair value of the non-controlling interest. The fair value is based on the proportion of the assets acquired and liabilities assumed at the date of acquisition.

d. Net cash outflow on the acquisition of subsidiaries

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry
Consideration paid in cash	\$ 182,129	\$ 5,668,618	\$ 6,057,005
Less: Cash and cash equivalent balances acquired	<u>-</u>	<u>(34,513)</u>	<u>(103,771)</u>
	<u>\$ 182,129</u>	<u>\$ 5,634,105</u>	<u>\$ 5,953,234</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry
Operating revenue	<u>\$ 872,908</u>	<u>\$ 252,605</u>	<u>\$ -</u>
Net (loss) profit	<u>\$ (22,580)</u>	<u>\$ 71,017</u>	<u>\$ -</u>

Had Degerfors Long Products AB and Special Melted Products Ltd. concluded the acquisitions at the beginning of 2023, the Group's revenue for the three months and nine months ended September 30, 2023 would have been NT\$47,530,045 thousand and NT\$153,477,282 thousand, respectively, and the profit would have been NT\$2,097,423 thousand and NT\$6,026,679 thousand for the three months and nine months ended September 30, 2023, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

Had PT. Sunny Metal Industry concluded the acquisition at the beginning of 2022, the Group's profit for the three months and nine months ended September 30, 2022 would have been NT\$9,309,779 thousand and NT\$18,654,994 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year 2022, nor is it intended to be a projection of future results.

34. DISPOSAL OF SUBSIDIARIES

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

a. Consideration received from disposals

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

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

b. On the date of loss of control, the loss of assets and liabilities is as follows:

	New Leaf Energy, Inc.
Current assets	
Cash and cash equivalents	\$ 22,836
Contract asset	3,356,257
Other current assets	59,784
Tax assets	48,384
Non-current assets	
Deferred tax assets	274,265
Goodwill	<u>157,359</u>
Total assets	<u>\$ 3,918,885</u>
Current liabilities	
Notes payable and trade payables	\$ (150,190)
Other payables	<u>(313,081)</u>
Total current liabilities	<u>(463,271)</u>
Net assets disposed of	<u>\$ 3,455,614</u>

c. Gain on disposal of subsidiaries

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

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

d. Net cash inflow on disposals of subsidiaries

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

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

35. OPERATING LEASE ARRANGEMENTS

Operating leases are related to the 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 lessee exercises its option to renew. The lessee does not have bargain purchase option to acquire the property at the expiry of the lease period.

As of September 30, 2023, December 31, 2022 and September 30, 2022, deposits received under operating leases amounted to NT\$371,053 thousand, NT\$339,128 thousand and, NT\$363,151 thousand, respectively (recorded under other non-current liabilities).

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

2023 (from October 1 to December 31)	\$ 424,840
2024-2028	3,326,300
After 2028	<u>329,639</u>
	<u>\$ 4,080,779</u>

36. 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.

37. 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.

September 30, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 14	\$ -	\$ -	\$ 14	\$ 14
Mutual funds	711	-	-	711	711
Government bonds	<u>195,231</u>	<u>-</u>	<u>192,168</u>	<u>-</u>	<u>192,168</u>
	<u>\$ 195,956</u>	<u>\$ -</u>	<u>\$ 192,168</u>	<u>\$ 725</u>	<u>\$ 192,893</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	<u>\$ 13,103,383</u>	<u>\$ -</u>	<u>\$ 12,706,877</u>	<u>\$ -</u>	<u>\$ 12,706,877</u>

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 588	\$ -	\$ -	\$ 588	\$ 588
Mutual funds	1,614	-	-	1,614	1,614
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>
Financial liabilities at amortized cost					
Bonds payable	\$ 7,841,115	\$ -	\$ 7,484,393	\$ -	\$ 7,484,393

September 30, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Government bonds	\$ 196,839	\$ -	\$ 189,319	\$ -	\$ 189,319
<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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 38,325	\$ -	\$ 38,325
Foreign unlisted shares	-	-	66,601	66,601
Contingent consideration	-	-	2,548,169	2,548,169
Derivative financial assets for hedging	-	121,497	-	121,497
	<u>\$ -</u>	<u>\$ 159,822</u>	<u>\$ 2,614,770</u>	<u>\$ 2,774,592</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 19,290,633	\$ -	\$ -	\$ 19,290,633
Unlisted securities	-	-	790,988	790,988
	<u>\$ 19,290,633</u>	<u>\$ -</u>	<u>\$ 790,988</u>	<u>\$ 20,081,621</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 65,407	\$ -	\$ -	\$ 65,407
Contingent consideration	-	-	456,166	456,166
Derivatives financial liabilities for hedging	-	31,792	-	31,792
	<u>\$ 65,407</u>	<u>\$ 31,792</u>	<u>\$ 456,166</u>	<u>\$ 553,365</u>

December 31, 2022

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

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 38,073	\$ -	\$ -	\$ 38,073
Contingent consideration	-	-	2,345,076	2,345,076
	<u>\$ 38,073</u>	<u>\$ -</u>	<u>\$ 2,345,076</u>	<u>\$ 2,383,149</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 11,822,724	\$ -	\$ -	\$ 11,822,724
Unlisted securities	<u>-</u>	<u>-</u>	<u>685,714</u>	<u>685,714</u>
	<u>\$ 11,822,724</u>	<u>\$ -</u>	<u>\$ 685,714</u>	<u>\$ 12,508,438</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 3,780	\$ -	\$ 3,780
Derivatives financial liabilities for hedging	<u>-</u>	<u>195,551</u>	<u>-</u>	<u>195,551</u>
	<u>\$ -</u>	<u>\$ 199,331</u>	<u>\$ -</u>	<u>\$ 199,331</u>
				(Concluded)

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

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

For the nine months ended September 30, 2023

Financial Assets	Financial Assets at FVTOCI	
	Equity Instruments	
Balance at January 1, 2023	\$ 624,755	
Additions	150,000	
Recognized in other comprehensive income	15,141	
Effects of exchange difference	<u>1,092</u>	
Balance at September 30, 2023	<u>\$ 790,988</u>	
Financial Assets	Financial Assets at FVTPL	
	Financial Assets	Financial Liabilities
Balance at January 1, 2023	\$ 2,639,755	\$ 363,192
Recognized in profit or loss	(157,946)	78,831
Effects of exchange difference	<u>132,961</u>	<u>14,143</u>
Balance at September 30, 2023	<u>\$ 2,614,770</u>	<u>\$ 456,166</u>

For the nine months ended September 30, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Financial Instruments	Equity Instruments
Balance at January 1, 2022	\$ -	\$ 663,502
Additions	2,195,677	120,000
Disposals	-	(335)
Recognized in other comprehensive loss	-	(99,701)
Recognized in profit or loss	116,834	-
Effects of exchange difference	<u>32,565</u>	<u>2,248</u>
Balance at September 30, 2022	<u>\$ 2,345,076</u>	<u>\$ 685,714</u>

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

Financial Instruments	Valuation Techniques and Inputs
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

Financial Instruments	Valuation Techniques and Inputs
Unlisted equity securities	<p>Market approach. Fair values are determined based on observable and comparable companies' fair values at the end of the reporting period, adjusted by price-earnings ratio and price-to-book ratio of the investees.</p> <p>Net asset method. Fair values are determined based on the book value of companies.</p> <p>Discounted cash flow. Present values are determined based on future cash flows discounted at market yield.</p>
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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 13,427,886	\$ 19,397,973	\$ 23,349,669
Contract assets - current	1,315,964	3,022,237	2,677,968
Notes receivable and trade receivables (including related parties)	22,519,313	21,832,312	22,037,868
Finance lease receivables (current and non-current)	617,718	662,543	677,237
Other receivables	8,327,144	3,857,091	2,856,878
Other financial assets	250,620	546,126	763,450
Refundable deposits	171,843	288,948	233,036
Financial assets at amortized cost (current and non-current)	195,956	191,444	196,839
Derivative financial assets for hedging (current and non-current)	121,497	165,019	-
Financial assets at FVTPL (current and non-current)	2,653,095	2,647,386	2,383,149
Financial assets at FVTOCI (current and non-current)	20,081,621	12,342,232	12,508,438
			(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	\$ 521,573	\$ 427,964	\$ 3,780
Derivative financial liabilities for hedging (current and non-current)	31,792	222,272	195,551
Financial liabilities at amortized cost			
Short-term borrowings	13,378,674	17,120,571	16,224,069
Contract liabilities	17,711	6,014	4,980
Notes payable and trade payables	16,168,511	18,088,851	14,902,124
Other payables	14,735,700	15,315,705	7,312,165
Bonds payable	13,103,383	7,841,115	7,500,000
Long-term borrowings (including current portion)	34,867,223	41,929,909	32,956,885
Long-term notes and bills payable	2,997,855	1,497,914	-
Deposits received (recorded under other current and non-current liabilities)	422,855	385,210	412,983
			(Concluded)

d. Financial risk management objectives and policies

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

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

1) Market risk

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

There had 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 to 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 41.

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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Assets</u>			
U.S. dollar	\$ 6,712,160	\$ 3,798,744	\$ 5,089,587
Euro	377,870	1,432,653	62,520
<u>Liabilities</u>			
U.S. dollar	5,032,758	2,381,338	7,505,656
Euro	504,115	310,405	598,566

Sensitivity analysis

The Group was 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.

	U.S. Dollar Impact			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit or loss	\$ (127,092)	\$ 330,041	\$ 66,696	\$ 323,823
	Euro Dollar Impact			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit or loss	\$ (587)	\$ 4,815	\$ 6,995	\$ 14,301

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 nine months ended September 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								
Exchange rate swap contracts	USD to RMB	USD70,000/RMB467,691	2022.10.13	RMB 439,091	Financial liabilities for hedging	\$ -	RMB (28,600)	\$ -
Exchange rate swap contracts	USD to RMB	USD11,000/RMB76,639	2022.10.14	RMB 75,287	Financial liabilities for hedging	-	RMB (1,352)	-
Exchange rate swap contracts	USD to RMB	USD75,000/RMB510,585	2023.01.08	RMB 502,809	Financial liabilities for hedging	-	RMB (13,776)	-

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:

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 195,231	\$ 189,242	\$ 196,839
Financial liabilities	13,103,383	7,841,115	7,500,000
Cash flow interest rate risk			
Financial assets	725	2,202	-
Financial liabilities	58,606,179	65,924,130	49,768,329

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for financial instruments at the end of the 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 September 30, 2023 and 2022 would have decreased by NT\$158,207 thousand and NT\$91,849 thousand, respectively, and the Group's pre-tax net profit for the nine months ended September 30, 2023 and 2022 would have decreased by NT\$439,541 thousand and NT\$373,262 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 nine months ended September 30, 2023

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
Cash flow hedges									
Interest rate swap contracts	EUR	\$ 119,247	2023.12.31-2030.12.18	-0.255%-3.474%	Note	Financial assets for hedging	\$ 3,583	\$ -	\$ -

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. As of the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to financial guarantees provided by the Group, could be equal to the total of the following:

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

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

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

3) Liquidity risk

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

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

September 30, 2023

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 22,065,346	\$ 6,399,545	\$ 29,395,418	\$ 745,870	\$ 58,606,179
Lease liabilities	278,244	244,042	481,213	2,487,097	3,490,596
Fixed interest rate liabilities	101,730	101,730	12,899,923	-	13,103,383
Non-interest bearing liabilities	<u>23,665,330</u>	<u>155,575</u>	<u>104,220</u>	<u>2,674,321</u>	<u>26,599,446</u>
	<u>\$ 46,110,650</u>	<u>\$ 6,900,892</u>	<u>\$ 42,880,774</u>	<u>\$ 5,907,288</u>	<u>\$ 101,799,604</u>

December 31, 2022

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

September 30, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 16,875,673	\$ 7,550,292	\$ 23,704,594	\$ 1,637,770	\$ 49,768,329
Lease liabilities	63,581	36,066	161,457	1,628,141	1,889,245
Fixed interest rate liabilities	-	-	7,500,000	-	7,500,000
Non-interest bearing liabilities	<u>22,794,986</u>	<u>58,708</u>	<u>174,317</u>	<u>11,886</u>	<u>22,039,897</u>
	<u>\$ 38,734,240</u>	<u>\$ 7,645,066</u>	<u>\$ 31,540,368</u>	<u>\$ 3,277,797</u>	<u>\$ 81,197,471</u>

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

September 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	\$ (32,676)	\$ (30,998)	\$ (1,733)	\$ -	\$ -	\$ (65,407)
Foreign exchange forward contracts	3,324	(1,413)	-	-	-	1,911
Exchange rate swap contracts	27,710	-	-	-	-	27,710
Interest rate swap contracts	-	3,588	40,711	69,900	7,298	121,497
Gas swap contracts	(10,659)	(21,133)	-	-	-	(31,792)
Futures options	-	8,704	-	-	-	8,704
	<u>\$ (12,301)</u>	<u>\$ (41,252)</u>	<u>\$ 38,978</u>	<u>\$ 69,900</u>	<u>\$ 7,298</u>	<u>\$ 62,623</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>

September 30, 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	\$ 12,812	\$ 26,785	\$ (1,524)	\$ -	\$ -	\$ 38,073
Foreign exchange forward contracts	13,058	(13,959)	(680)	-	-	(1,581)
Exchange rate swap contracts	(136,146)	-	(61,604)	-	-	(197,750)
	<u>\$ (110,276)</u>	<u>\$ 13,971</u>	<u>\$ (64,953)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (161,258)</u>

e. Transfers of financial assets

1) Transfers of financial assets with recourse

The Group discounted trade receivables with an aggregate carrying amount of \$1,426,028 thousand, to banks during the nine months ended September 30, 2023. According to the contract, if the trade receivables are not recoverable at maturity, the banks have the right to require that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, the Group continues to recognize the full carrying amounts of the trade receivables and treats the trade receivables that have been transferred to banks as collateral for borrowings. Refer to Note 23.

As of September 30, 2023, the carrying amount of these trade receivables that have been transferred but not derecognized was 1,294,590 thousand, and the carrying amount of the related liabilities was \$1,065,164 thousand.

2) Transfers of financial assets without recourse

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) (%)
<u>For the nine months ended September 30, 2023</u>					
CTBC bank	<u>\$ 103,574</u>	<u>\$ 11,091</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-
<u>For the nine months ended September 30, 2022</u>					
CTBC bank	<u>\$ 94,553</u>	<u>\$ 18,930</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

38. 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
TCC Energy Storage Technology Corporation	Substantive related party
Trefilados Inoxidables de Mexico, S.A. DE C.V.	Substantive related party
Ferriere di Stabio SA	Substantive related party
Novametal SA	Substantive related party
Novametal do Brasil LTDA	Substantive related party
Wire Products Stainless Steel PTY Ltd	Substantive related party
T.D.V. Trefileries des Vosges SA	Substantive related party
Novametal Europe Srl	Substantive related party
Novametal USA	Substantive related party
Dongguan Novametal Wire Co., LTD	Substantive related party

b. Sales

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates	\$ 5,241	\$ 3,634	\$ 615,351	\$ 17,479
Other related parties	<u>983,030</u>	<u>224,095</u>	<u>3,794,898</u>	<u>1,121,192</u>
	<u>\$ 988,271</u>	<u>\$ 227,729</u>	<u>\$ 4,410,249</u>	<u>\$ 1,138,671</u>

c. Rental income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates	\$ 12,232	\$ 12,149	\$ 36,532	\$ 36,179
Other related parties	<u>283</u>	<u>283</u>	<u>851</u>	<u>851</u>
	<u>\$ 12,515</u>	<u>\$ 12,432</u>	<u>\$ 37,383</u>	<u>\$ 37,030</u>

d. Purchases of goods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates	\$ 2,203	\$ 14,003	\$ 8,443	\$ 57,296
Other related parties	<u>40,106</u>	<u>1,403</u>	<u>276,322</u>	<u>3,537</u>
	<u>\$ 42,309</u>	<u>\$ 15,406</u>	<u>\$ 284,765</u>	<u>\$ 60,833</u>

e. Administrative expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associates	\$ 3,697	\$ 4,306	\$ 10,048	\$ 10,556
Other related parties	<u>3,991</u>	<u>3,905</u>	<u>10,908</u>	<u>9,591</u>
	<u>\$ 7,688</u>	<u>\$ 8,211</u>	<u>\$ 20,956</u>	<u>\$ 20,147</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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
HannStar Board Corp.	\$ -	\$ -	\$ 153,009	\$ 140,259
HannStar Display Corp.	-	-	-	298,293
Other related parties	<u>-</u>	<u>-</u>	<u>5,779</u>	<u>7,705</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,788</u>	<u>\$ 446,257</u>

g. Notes receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	<u>\$ 12,053</u>	<u>\$ 9,332</u>	<u>\$ 12,306</u>

h. Trade receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 677,686	\$ 2,481	\$ 880
Other related parties	<u>392,088</u>	<u>42,651</u>	<u>10,971</u>
	<u>\$ 1,069,774</u>	<u>\$ 45,132</u>	<u>\$ 11,851</u>

i. Notes payable

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ -	\$ 16,553	\$ 57,137

j. Trade payables

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 1,293	\$ 225	\$ 131
Other related parties	<u>16,931</u>	<u>504</u>	<u>318</u>
	<u>\$ 18,224</u>	<u>\$ 729</u>	<u>\$ 449</u>

k. Other receivables (excluding financing provided)

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 18,343	\$ 13,056	\$ 16,752
Other related parties	<u>2,701</u>	<u>3,062</u>	<u>2,857</u>
	<u>\$ 21,044</u>	<u>\$ 16,118</u>	<u>\$ 19,609</u>

l. Financing provided

For the Nine Months Ended September 30, 2023				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 359,566</u>	<u>\$ 359,566</u>	<u>\$ 11,603</u>	4.35%
PT. Westrong Metal Industry Innovation West Mantewe Pte. Ltd.	<u>\$ 6,458,450</u>	<u>\$ 2,788,451</u>	<u>\$ 150,373</u>	7.75%-7.99%
	<u>\$ 661,535</u>	<u>\$ -</u>	<u>\$ -</u>	-

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

For the Nine Months Ended September 30, 2022				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	\$ 360,721	\$ 354,262	\$ 11,638	4.35%

m. Guarantee deposits

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 7,362	\$ 7,362	\$ 7,362
Other related parties	282	282	282
	<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 was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 54,150	\$ 53,596	\$ 163,070	\$ 157,562
Post-employment benefits	<u>325</u>	<u>325</u>	<u>975</u>	<u>973</u>
	<u>\$ 54,475</u>	<u>\$ 53,921</u>	<u>\$ 164,045</u>	<u>\$ 158,535</u>

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

39. 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:

	September 30, 2023	December 31, 2022	September 30, 2022
Refundable deposits (recorded under other financial assets - current)	\$ 38,897	\$ 303,146	\$ 350,919
Restricted deposits (recorded under other financial assets - current)	187,311	202,194	370,484
Pledged time deposits (recorded under other financial assets - other)	1,457	1,439	1,450
Restricted deposits (recorded under other financial assets - other)	11,236	11,023	11,180
Finance lease receivables	61,549	60,020	59,520
Long-term finance lease receivables	556,169	602,523	617,717
Refundable deposits	51,951	51,986	52,004
Discounted notes receivable	-	1,554,013	1,575,987
Trade receivables	1,294,590	-	-
Property, plant and equipment	<u>78,330</u>	<u>79,052</u>	<u>-</u>
	<u>\$ 2,281,490</u>	<u>\$ 2,865,396</u>	<u>\$ 3,039,261</u>

40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
U.S. dollar	US\$ 2,969	US\$ 3,186	US\$ 4,168
Japanese yen	JPY 61,245	JPY 54,144	JPY 42,000
Euro	EUR 18,553	EUR 34,490	EUR 32,875
Renminbi	RMB 2,189	RMB 2,189	RMB 2,189
New Taiwan dollar	NT\$ 70,410	NT\$ 20,939	NT\$ 31,281

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

	September 30, 2023	December 31, 2022	September 30, 2022
New Taiwan dollar	NT\$ 775,174	NT\$ 841,035	NT\$ 660,075
U.S. dollar	US\$ 30	US\$ 30	US\$ 30
Renminbi	RMB 49,129	RMB 16,884	RMB 117,067

- 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:

	September 30, 2023	December 31, 2022	September 30, 2022
New Taiwan dollar	NT\$ 248,182	NT\$ 496,000	NT\$ 260,000

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

	September 30, 2023	December 31, 2022	September 30, 2022
U.S. dollar	US\$ 21,113	US\$ 43,926	US\$ 55,215
Renminbi	RMB 4,743	RMB 85,530	RMB 222,412

- 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:

	September 30, 2023	December 31, 2022	September 30, 2022
New Taiwan dollar	NT\$ 2,273,920	NT\$ 2,237,159	NT\$ 2,283,412
U.S. dollar	US\$ 33,842	US\$ 72,295	US\$ 44,240
Renminbi	RMB 780,991	RMB 780,815	RMB 835,965
Euro	EUR 154,655	EUR 70,927	EUR 88,006
Japanese yen	JPY -	JPY 11,680	JPY 35,040
Indonesian rupiah	IDR86,458,884	IDR89,743,621	IDR78,805,597

41. 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:

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$	208,895	32.27
Japanese yen		864,296	0.2162
Euro		24,384	33.91
Singapore dollar		4,058	23.53
Hong Kong dollar		2,781	4.123
Australian dollar		241	20.55
Renminbi		2,559	4.49457
Indonesian rupiah		1,099,376,367	0.00208
Korean won		1,489,214	0.02403
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
U.S. dollar	\$ 41,077	32.27	\$ 1,325,555
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	54,257	32.27	1,750,873
Renminbi	352,276	4.49457	1,583,329
Indonesian rupiah	447,039,874	0.00208	929,843
Non-monetary items			
U.S. dollar	1,838	32.27	59,312
Renminbi	2,904	4.49457	13,052
			(Concluded)

December 31, 2022

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

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 1,387,999	31.7500	\$ 44,068,968
Japanese yen	679,590	0.2201	149,578
Euro	62,939	31.2600	1,967,469
Singapore dollar	5,508	22.2100	122,329
Hong Kong dollar	3,989	4.0440	16,130
Australian dollar	979	20.6600	20,231
Renminbi	17,535	4.47199	78,415
Indonesian rupiah	2,197,681,268	0.00208	4,571,177
Non-monetary items			
U.S. dollar	3,207	31.7500	101,829
Renminbi	481,281	4.47199	2,152,283

Financial liabilities

Monetary items			
U.S. dollar	291,986	31.7500	9,270,556
Japanese yen	3,890	0.2201	856
Euro	43	31.2600	1,329
Swiss franc	17	32.5150	553
Renminbi	430,826	4.47199	1,926,650
Indonesian rupiah	179,217,255	0.00208	372,772
Non-monetary items			
U.S. dollar	9,628	4.47199	43,055
Euro	1,275	6.59600	8,407

For the three months ended September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were NT\$(191,656) thousand, NT\$1,821,257 thousand, NT\$(67,976) thousand and NT\$2,226,528 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.

42. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and 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 instruments (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
 - 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)

43. 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 wires 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 with those summarized in Note 4. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

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

3) Identification of operating segment

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

b. Financial information

1) Segment revenues and results

	(NT\$ in Thousand)					
	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
For the nine months ended September 30, 2023						
Revenue from external customers	\$ 34,542,389	\$ 72,771,993	\$ 32,174,857	\$ 1,590,401	\$ 5,426,751	\$ 146,506,391
Segment profit (loss)	2,373,886	1,165,453	4,056,889	(22,044)	(1,448,856)	6,125,328
Net non-operating income (expenses)						
Net interest income (expenses)						(1,171,548)
Share of profit of associates accounted for using the equity method						477,568
Dividend income						513,676
Loss on disposal of property, plant and equipment						(11,560)
Gain on disposal of investments						934,168
Foreign exchange gain, net						(67,976)
Gain on financial assets and liabilities at fair value through profit or loss						25,718
Impairment losses						(6)
Net other income						<u>254,595</u>
Consolidated income before income tax						<u>\$ 7,079,963</u>
For the nine months ended September 30, 2022						
Revenue from external customers	45,331,035	59,642,134	17,891,234	1,471,588	12,329,448	\$ 136,665,439
Segment profit (loss)	2,191,029	4,287,869	5,811,745	126,075	(4,248,579)	8,168,139
Net non-operating income (expenses)						
Net interest income (expenses)						(439,128)
Share of profit of associates accounted for using the equity method						3,627,785
Dividend income						762,167
Gain on disposal of property, plant and equipment						3,966
Gain on disposal of investments						8,027,066
Foreign exchange gain, net						2,226,528
Gain on financial assets and liabilities at fair value through profit or loss						150,464
Impairment losses reversed						4
Net other income						<u>492,435</u>
Consolidated income before income tax						<u>\$ 23,019,426</u>

2) Segment assets and liabilities

	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
<u>Segment assets</u>						
September 30, 2023	<u>\$ 10,903,848</u>	<u>\$ 87,352,728</u>	<u>\$ 40,841,319</u>	<u>\$ 30,103,684</u>	<u>\$ 104,390,778</u>	<u>\$ 273,592,357</u>
December 31, 2023	<u>\$ 9,871,071</u>	<u>\$ 45,004,557</u>	<u>\$ 43,433,642</u>	<u>\$ 30,296,978</u>	<u>\$ 128,291,493</u>	<u>\$ 256,897,741</u>
September 30, 2022	<u>\$ 11,848,420</u>	<u>\$ 43,500,093</u>	<u>\$ 35,746,924</u>	<u>\$ 30,858,307</u>	<u>\$ 108,292,706</u>	<u>\$ 230,246,450</u>
<u>Segment liabilities</u>						
September 30, 2023	<u>\$ 7,003,204</u>	<u>\$ 53,180,525</u>	<u>\$ 10,671,692</u>	<u>\$ 15,445,009</u>	<u>\$ 29,501,197</u>	<u>\$ 115,801,627</u>
December 31, 2023	<u>\$ 5,690,853</u>	<u>\$ 26,924,149</u>	<u>\$ 27,486,296</u>	<u>\$ 15,638,505</u>	<u>\$ 46,948,815</u>	<u>\$ 122,688,618</u>
September 30, 2022	<u>\$ 8,210,022</u>	<u>\$ 25,267,410</u>	<u>\$ 26,792,270</u>	<u>\$ 15,452,090</u>	<u>\$ 20,996,904</u>	<u>\$ 96,718,696</u>

TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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 (US\$ 250,750)	\$ - (US\$ -)	\$ - (US\$ -)	-	Operating capital	\$ -	Equipment purchase	\$ -	-	\$ -	\$ 57,483,131	\$ 57,483,131
		PT. Westrong Metal Industry	Other receivables	Yes	2,766,600 (US\$ 90,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Equipment purchase	-	-	-	57,483,131	57,483,131

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 = \$143,707,828 × 40% = \$57,483,131.

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

The limit on the amount of financing provided = \$143,707,828 × 40% = \$57,483,131.
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 September 30, 2023 was as follows: US\$ to NT\$ = 1:32.27.

TABLE 1-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 359,566 (RMB 80,000)	\$ 359,566 (RMB 80,000)	\$ 359,566 (RMB 80,000)	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,662,213 (RMB 369,827)	\$ 1,662,213 (RMB 369,827)
		Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	8,539,683 (RMB 1,900,000)	8,539,683 (RMB 1,900,000)	3,650,849 (RMB 812,280)	3.50	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Yantai Walsin Stainless Steel Co., Ltd.	Other receivables	Yes	16,618,798 (US\$ 320,000) (RMB 1,400,000)	16,618,798 (US\$ 320,000) (RMB 1,400,000)	7,222,557 (US\$ 160,583) (RMB 454,002)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,901,607 (US\$ 45,000) (RMB 100,000)	1,901,607 (US\$ 45,000) (RMB 100,000)	1,415,879 (US\$ 43,876) (RMB -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Changshu Walsin Specialty Steel Co., Ltd.	Other receivables	Yes	2,512,414 (US\$ 50,000) (RMB 200,000)	2,512,414 (US\$ 50,000) (RMB 200,000)	1,007,921 (US\$ 31,234) (RMB -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Dongguan Walsin Wire & Cable Co., Ltd.	Other receivables	Yes	806,750 (US\$ 25,000)	806,750 (US\$ 25,000)	790,325 (US\$ 24,491)	4.82	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Jiangyin Walsin Steel Cable Co., Ltd.	Other receivables	Yes	1,446,343 (US\$ 10,000) (RMB 250,000)	1,446,343 (US\$ 10,000) (RMB 250,000)	806,436 (US\$ 8,296) (RMB 119,861)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
2	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	3,370,928 (RMB 750,000)	3,370,928 (RMB 750,000)	1,457,931 (RMB 324,376)	2.00	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
3	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	19,559,964 (US\$ 400,000) (RMB 1,480,000)	19,559,964 (US\$ 400,000) (RMB 1,480,000)	13,486,689 (US\$ 254,000) (RMB 1,177,000)	4.65	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		Walsin Lihwa Corporation	Other receivables	Yes	19,362,000 (US\$ 600,000)	19,362,000 (US\$ 600,000)	1,129,450 (US\$ 35,000)	4.56-5.32	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131
		PT. Walsin Nickel Industrial Indonesia	Other receivables	Yes	3,048,000 (US\$ 100,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Operating capital	-	-	-	6,810,680 (RMB 1,515,313)	6,810,680 (RMB 1,515,313)
		PT. Sunny Metal Industry	Other receivables	Yes	2,420,250 (US\$ 75,000)	2,420,250 (US\$ 75,000)	2,419,863 (US\$ 74,988)	7.01-7.44	Operating capital	-	Operating capital	-	-	-	6,810,680 (RMB 1,515,313)	6,810,680 (RMB 1,515,313)

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. = \$143,707,828 × 40% = \$57,483,131.
Hangzhou Walsin Power Cable & Wire Co., Ltd. = RMB924,568 × 40% = RMB369,827 (\$1,662,213).
PT. Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry = RMB3,788,282 × 40% = RMB1,515,313 (\$6,810,680).

(Continued)

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

Dongguan Walsin Wire & Cable Co., Ltd. = $\$143,707,828 \times 40\% = \$57,483,131$.
Walsin (China) Investment Co., Ltd. = $\text{RMB}924,568 \times 40\% = \text{RMB}369,827$ (\$1,662,213).
Walsin International Investments Limited = $\text{RMB}3,788,282 \times 40\% = \text{RMB}1,515,313$ (\$6,810,680).

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 September 30, 2023 were as follows: US\$ to NT\$ = 1:32.27; RMB to NT\$ = 1:4.49457; US\$ to RMB = 1:7.1798.

(Concluded)

TABLE 1-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan 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	\$ 449,457 (RMB 100,000)	\$ 449,457 (RMB 100,000)	\$ 288,871 (RMB 64,271)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 57,483,131	\$ 57,483,131
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	674,186 (RMB 150,000)	674,186 (RMB 150,000)	514,291 (RMB 114,425)	2.00	Operating capital	-	Operating capital	-	-	-	57,483,131	57,483,131

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. = \$143,707,828 × 40% = \$57,483,131.

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. = \$143,707,828 × 40% = \$57,483,131.
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of Renminbi.
3. The currency exchange rates as of September 30, 2023 was as follows: RMB to NT\$ = 1:4.49457.

TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 854,510 (US\$ 26,480)	\$ 854,510 (US\$ 26,480)	\$ 854,510 (US\$ 26,480)	2.48	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 57,483,131	\$ 57,483,131

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. = \$143,707,828 × 40% = \$57,483,131.
- b. The limit on the amount of financing provided was as follows:

Joint Success Enterprises Limited = \$143,707,828 × 40% = \$57,483,131.
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 September 30, 2023 was as follows: US\$ to NT\$ = 1:32.27.

TABLE 1-4

WALSIN INFO-ELECTRIC CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ -	-	\$ -	\$ 128,062	\$ 128,062

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 = $\$320,156 \times 40\% = \$128,062$.
- b. The limit on the amount of financing provided was as follows:

Walsin Info-Electric Corp. Corporation = $\$320,156 \times 40\% = \$128,062$.

TABLE 1-5

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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		
8	Walsin Singapore Pte. Ltd.	PT. Sunny Metal Industry	Other receivables	Yes	\$ 7,930,353 (US\$ 245,750)	\$ 7,930,353 (US\$ 245,750)	\$ 5,671,453 (US\$ 175,750)	7.11-7.62	Operating capital	\$ -	Equipment purchase	\$ -	-	\$ -	\$ 11,722,336 (US\$ 363,258)	\$ 11,722,336 (US\$ 363,258)
		PT. Westrong Metal Industry	Other receivables	Yes	3,691,850 (US\$ 117,500)	2,788,451 (US\$ 86,410)	2,788,451 (US\$ 86,410)	7.75-7.99	Operating capital	-	Equipment purchase	-	-	-	11,722,336 (US\$ 363,258)	11,722,336 (US\$ 363,258)
		PT. Walhsu Metal Industry	Other receivables	Yes	942,600 (US\$ 30,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	11,722,336 (US\$ 363,258)	11,722,336 (US\$ 363,258)
		Innovation West Mantewe Pte. Ltd.	Other receivables	Yes	661,535 (US\$ 20,500)	661,535 (US\$ 20,500)	- (US\$ -)	-	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	11,722,336 (US\$ 363,258)	11,722,336 (US\$ 363,258)
9	PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Other receivables	Yes	1,452,150 (US\$ 45,000)	1,452,150 (US\$ 45,000)	1,161,720 (US\$ 36,000)	7.44-7.62	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	2,031,138 (US\$ 62,942)	2,031,138 (US\$ 62,942)

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\$908,146 × 40% = US\$363,258 (\$11,722,336).
PT. Walhsu Metal Industry = US\$157,355 × 40% = US\$62,942 (\$2,031,138).

b.

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

Walsin Singapore Pte. Ltd. = US\$908,146 × 40% = US\$363,258 (\$11,722,336).
PT. Sunny Metal Industry = US\$157,355 × 40% = US\$62,942 (\$2,031,138).

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 September 30, 2023 was as follows: US\$ to NT\$ = 1:32.27.
- 85 -

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Euro and Pound)

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		
10	Cogne Acciai Speciali S.p.A.	Degerfors Long Products AB	Other receivables	Yes	\$ 347,100 (EUR 10,000)	\$ 339,100 (EUR 10,000)	\$ 339,100 (EUR 10,000)	4.76	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,636,746 (EUR 107,247)	\$ 3,636,746 (EUR 107,247)
		Special Melted Products Limited	Other receivables	Yes	470,760 (GBP 12,000)	470,760 (GBP 12,000)	254,995 (GBP 6,500)	4.82	Operating capital	-	Operating capital	-	-	-	3,636,746 (EUR 107,247)	3,636,746 (EUR 107,247)

Notes:

1. According to the financing regulations provided by Cogne Acciai Speciali S.p.A., the total limit on the amount of the financing provided to subsidiary whose equity is 50% owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company’s equity as presented in the latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 5% of the parent company’s equity as presented in the latest consolidated financial statements. The total limit on the amount of the financing provided to a oversea subsidiary whose equity is 100%-owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company’s equity as presented in the latest consolidated financial statements.
- a. The limit on the amount of financing provided to a single enterprise was as follows:

Degerfors Long Products AB, Special Melted Products Limited = EUR536,233 × 20% = EUR107,247 (\$3,636,746).
- b. The limit on the amount of financing provided was as follows:

Cogne Acciai Speciali S.p.A. = EUR536,233 × 20% = EUR107,247 (\$3,636,746).
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of EUR and GBP.
3. The currency exchange rates as of September 30, 2023 were as follows: EUR to NT\$ = 1:33.91; GBP to NT\$ = 1:39.23; GBP to EUR = 1:1.1569.

TABLE 2

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Walsin Lihwa Corporation	Borrego Energy, LLC	b	\$ - (US\$ -)	\$ 365,760 (US\$ 12,000)	\$ - (US\$ -)	\$ - (US\$ -)	\$ - -	-	\$ 143,707,828	Yes	No	No
		Yantai Walsin Stainless Steel Co., Ltd.	b	7,609,172 (RMB 1,692,970)	4,045,113 (RMB 900,000)	4,045,113 (RMB 900,000)	- (RMB -)	-	2.81	143,707,828	Yes	No	Yes

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 at 1.
2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into six 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\$143,707,828 × 100% = NT\$143,707,828.

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.
Yantai Walsin Stainless Steel Co., Ltd.: RMB677,188 × 250% × 100.00% = RMB1,692,970 (\$7,609,172).
4. The currency exchange rates as of September 30, 2023 were as follows: US\$ to NT\$ = 1:32.27; RMB to NT\$ = 1:4.49457.

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars and Euro)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
1	Cogne Acciai Speciali S.p.A.	Degerfors Long Products AB	b	\$ 1,059,891 (EUR 31,256)	\$ 242,970 (EUR 7,000)	\$ - (EUR -)	\$ - (EUR -)	\$ -	-	\$ 3,636,746 (EUR 107,247)	Yes	No	No

Notes:

1. The information on Cogne Acciai Speciali S.p.A. and its subsidiaries is listed and labeled on the entitled “No.” column.

a. “0” represents Cogne Acciai Speciali S.p.A.
b. Subsidiaries are numbered consecutively starting at 1.
2. The relationship between Cogne Acciai Speciali S.p.A. and the endorsed/guaranteed entities can be classified into six categories.

a. A company with which Cogne Acciai Speciali S.p.A. does business.
b. A company in which Cogne Acciai Speciali S.p.A. 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 Cogne Acciai Speciali S.p.A.
d. A company in which Cogne Acciai Speciali S.p.A. directly or indirectly holds 90% or more of the voting shares.
e. A company that fulfills Cogne Acciai Speciali S.p.A.’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 Cogne Acciai Speciali S.p.A.’s joint-investment company in proportion to their shareholding percentages.
g. A company in the same industry as Cogne Acciai Speciali S.p.A. 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 Cogne Acciai Speciali S.p.A., the total limit on the amount of endorsements/guarantees cannot exceed 20% of the equity of Cogne Acciai Speciali S.p.A.’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 125% 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:

EUR536,233 × 20% = EUR107,247 (\$3,636,746).

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

Degerfors Long Products AB: EUR25,005 × 125% × 100% = EUR31,256 (\$1,059,891).
4. The currency exchange rates as of September 30, 2023 was as follows: EUR to NT\$ = 1:33.91.

TABLE 3

WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Lihwa Corporation	<u>Share</u> HannStar Display Corp.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	299,632,180	\$ 3,475,733	10.19	\$ 3,475,733	
	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	3,786,985	12.06	3,786,985	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	12,017,446	10.81	12,017,446	
	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	219,650	9.39	219,650	
	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	57,180	2.97	57,180	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	14,591	1.16	14,591	
	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	276,244	15.00	276,244	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	80,024	3.43	80,024	

TABLE 3-1

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 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> Shaanxi Tianhong Silicon Industrial Corporation	-	Financial assets at fair value through other comprehensive income - non-current	N/A	\$ -	19.00	\$ -	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	<u>Certification of capital verification</u> Shaanxi Electronic Group Optoelectronics Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	N/A	16,416	6.02	16,416	

CHIN-CHERNG CONSTRUCTION CO.

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chin-Cherng Construction Co.	<u>Share</u> Gsharp Corporation	-	Financial assets at fair value through other comprehensive income - non-current	270,000	\$ -	2.73	\$ -	

WALSIN INFO-ELECTRIC CORP.

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Info-Electric Corp.	<u>Share</u> W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	\$ 2,326	5.43	\$ 2,326	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	359,549	42,569	1.05	42,569	
	InSynerger Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	750,000	20,397	6.60	20,397	
	K.S. Terminals Inc.	-	Financial assets at fair value through other comprehensive income - non-current	145,000	10,469	0.09	10,469	
	Landing AI	-	Financial assets at fair value through other comprehensive income - non-current	265,583	4,224	0.54	4,224	

PT. WAL SIN LIPPO INDUSTRIES

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2023				Note
				Number of Shares/Units	Carrying Amount	Number of Shares/Units	Fair Value	
PT. Walsin Lippo Industries	<u>Government bonds</u> Indonesia Government Bonds	-	Financial assets at amortized cost - non-current	-	\$ 6,050	N/A	\$ 5,955	

TABLE 3-5

COGNE ACCIAI SPECIALI S.P.A.

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cogne Acciai Speciali S.p.A.	<u>Share</u> Geo Storage	-	Financial assets at fair value through profit or loss - non-current	N/A	\$ 2	-	\$ 2	
	Metal Interconnector	-	Financial assets at fair value through profit or loss - non-current	2,114,787	1,962	1.64	1,962	

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 NINE MONTHS ENDED SEPTEMBER 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	\$ 2,615,832 (Note 1)	\$ -	2,730,393	\$ 21,457,986
	Concord Industries Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	308,498,375	5,210,454	-	-	11,000,000	336,700	1,151,311 (Note 1)	-	297,498,375	4,059,143
	Walsin Lihwa Europe S.a r.l.	Investments accounted for using the equity method	Capital investment	Subsidiaries	12,000	4,146,986	-	5,415,331 (Note 2)	-	-	-	-	12,000	9,562,317
	Walsin Singapore Pte. Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	422,000,000	19,603,265	311,000,000	12,551,770 (Note 2)	-	-	-	-	733,000,000	32,155,035
	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	2,691,416 (Note 2)	-	-	-	-	270,000,000	2,691,416
	Innovation West Mantewe Pte. Ltd.	Investments accounted for using the equity method	Glory Merry Limited and non-related individual	-	-	-	40	2,452,568	-	-	-	-	40	2,452,568

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 NINE MONTHS ENDED SEPTEMBER 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 Walsin International Co., Ltd.	Investments accounted for using the equity method	Capital reduction	Subsidiaries	4,653,371,702	\$ 4,441,707	-	\$ -	851,207,000	\$ 750,438	\$ 653,425 (Note)	\$ -	3,802,164,702	\$ 3,788,282

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 NINE MONTHS ENDED SEPTEMBER 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 PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Lihwa Corporation	Parent company	-	\$ -	590,000	\$ 145,836 (Note)	-	\$ -	\$ -	\$ -	590,000	\$ 145,836 (Note)

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

TABLE 4-3

WALSIN LIHWA EUROPE S.A.R.L. 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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of Euro)

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 Europe S.a r.l.	Share MEG S.A.	Investments accounted for using the equity method	Capital investment	Subsidiaries	5,102	\$ 177,148	3,175	\$ 158,274 (Note)	-	\$ -	\$ -	\$ -	8,277	\$ 335,422 (Note)
Cogne Acciai Speciali S.p.A.	Special Melted Products Limited	Investments accounted for using the equity method	MUTARES HOLDING-33 GMBH	-	-	-	4,199,156	167,167	-	-	-	-	4,199,156	167,167

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

TABLE 5

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Walsin Lihwa Corporation	Plant	2023/02/04-2023/09/21	\$ 781,884	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\$ 59,368	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	-
Yantai Walsin Stainless Steel Co., Ltd.	Plant	2023/01/01-2023/09/30	RMB 166,054	Based on the terms in the contract	China Construction Eighth Engineering Division. Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Lihwa Corporation	Koung Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	\$ (1,129,475)	(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	\$ 29,542	1	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(260,975)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	125,040	4	
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(394,104)	(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	59,159	2	
	Novametal SA	Substantive related party	Sales	(112,610)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	48,200	1	
	Walsin Singapore Pte. Ltd.	100% directly owned subsidiary	Purchase	4,248,251	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	(323,559)	(8)	

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of Renminbi)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Sales	RMB (135,684)	(24)	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 150,359	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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars and Renminbi)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (160,478)	(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 21,477	3	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (207,205)	(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 44,024	6	
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 47,388	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 (10,936)	(3)	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 26,535	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (3,107)	(1)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (26,535)	(8)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 3,107	2	
	Walsin Lihwa Corporation	Parent company	Purchases	260,975	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	(125,040)	(26)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 207,205	67	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (44,024)	(41)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (47,388)	(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 10,936	13	
	Walsin Lihwa Corporation	Parent company	Purchases	394,104	18	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(59,159)	(8)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 160,478	32	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (21,477)	(13)	

(Concluded)

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Sales	\$ (4,248,251)	(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	\$ 323,559	100	

TABLE 7

WALSIN LIHWA CORPORATION

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Corporation	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Trade receivables \$ 125,040	2.52	\$ -	-	\$ 36,147	\$ -
	Walsin Singapore Pte. Ltd.	100% owned subsidiary	Other receivables 141,130	-	-	-	-	-

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
SEPTEMBER 30, 2023
(In Thousands of Renminbi and U.S. Dollars)

Company Name	Related Party	Nature of 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 265,905	-	\$ -	-	\$ -	\$ -
	Walsin International Investments Limited	100% owned subsidiary	Other receivables US\$ 8,500	-	-	-	-	-
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\$ 161,218	-	-	-	-	-
			RMB 455,141					
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 31,359	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 44,052	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 8,330	-	-	-	-	-
			RMB 120,225					
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate of Walsin Lihwa Corporation	Other receivables RMB 80,179	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 181,879	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 100,487	-	-	-	-	-
Walsin International Investments Limited	Dongguan Walsin Wire & Cable Co., Ltd.	100% owned subsidiary	Other receivables US\$ 24,590	-	-	-	-	-
	Walsin (Nanjing) Development Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 814,662	-	-	-	-	-
	Walsin Lihwa Corporation	Parent company	Other receivables RMB 253,313	-	-	-	-	-
	PT. Sunny Metal Industry	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 554,771	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 3,046,455	-	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 324,962	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Trade receivables RMB 150,359	2.41	-	-	-	-

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

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yantai Walsin Stainless Steel Co., Ltd.	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables \$ 44,024	8.67	\$ -	-	\$ 36,839	\$ -
Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 64,396	-	-	-	-	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 114,619	-	-	-	-	-

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
SEPTEMBER 30, 2023
(In Thousands of Renminbi)

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Subsidiary	Other receivables \$ 208,143	-	\$ -	-	\$ -	\$ -

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Other receivables \$ 20,000	-	\$ -	-	\$ -	\$ -
	Walsin Lihwa Corporation	Parent company	Trade receivables 10,027	36.53	-	-	-	-
	PT. Sunny Metal Industry	50.1% owned subsidiary	Other receivables 183,355	-	-	-	-	-
	PT. Westrong Metal Industry	Associate	Other receivables 88,891	-	-	-	-	-
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	99.9% owned subsidiary	Other receivables 36,664	-	-	-	-	-

TABLE 8

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE
FOR THE NINE MONTHS ENDED SEPTEMBER 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 and Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 103,022	\$ 3,317,552	\$ 2,730,393	100.00	\$ 21,457,986	\$ 191,388	\$ 191,366	
	Concord Industries Limited	British Virgin Islands	Investments holding	13,274,435	13,611,135	297,498,375	100.00	4,059,143	(902,780)	(902,780)	
	Ace Result Global Limited	British Virgin Islands	Investments holding	1,587,416	1,587,416	44,739,988	100.00	318,657	(41,986)	(41,986)	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	32,791,149	100.00	406,755	18,319	18,319	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	8,389	(9,271)	(9,271)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	611,688	611,688	577,583,403	99.22	6,166,425	(111,206)	(110,338)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	318,588	4,085	4,065	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	1,006,419	51,410	35,987	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	12,004	11,656	2,999,500	70.00	11,195	(2,473)	(1,731)	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	1,164,273	1,164,273	36,058,184	49.05	4,936,289	(251,182)	(240,885)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	7,786,235	794,084	293,811	
	Tsai Yi Corporation (Formerly known as Walsin Color Co., Ltd.)	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	942,281	23,407	7,951	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	167,025	(12,367)	(3,298)	
	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	19,314,116	(771,636)	(171,380)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.01	2,168,677	14,236	2,991	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,721,810	2,177,461	400,371	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	7,405,348	2,380,181	1,213,077	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	560,952	8,256	8,256	
	Walsin Singapore Pte. Ltd.	Singapore	Investments holding	26,357,910	16,790,710	733,000,000	100.00	32,155,035	1,636,452	1,326,921	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cables	2,700,000	-	270,000,000	90.00	2,691,416	(14,708)	(13,746)	
	Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	11,560,560	6,692,862	12,000	100.00	9,562,317	497,713	497,713	
	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	43,669	22,223	13,930	99.50	37,791	(6,026)	(5,987)	
	Walsin America, LLC	USA	Investments	196,654	185,752	N/A	100.00	(397,404)	(374,079)	(374,079)	(Note 4)
	PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	292,244	(167)	(49)	
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	-	-	(13,969)	(504)	(Note 3)
	Innovation West Mantewe Pte. Ltd.	Singapore	Investments holding	2,452,575	-	40	40.00	2,452,568	-	-	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Holding Limited	Walsin International Investments Limited	Hong Kong	Investments	HK\$ 3,802,165	HK\$ 4,653,372	\$ 3,802,164,702	100.00	\$ 17,026,699	\$ 426,530	\$ 426,530	
	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.858	-	-	
Walsin America LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ 38,147	N/A	72.55	(404,825)	(510,498)	(370,367)	
Borrego Energy Holdings, LLC	Borrego Energy, LLC	USA	Grid-connected solar electric systems	US\$ 52,576 (Note 1)	US\$ 52,576	N/A	100.00	(557,994)	(510,498)	(510,498)	
Concord Industries Limited	Walsin Specialty Steel Corp.	British Virgin Islands	Commerce and investments	US\$ 82,893 (Note 2)	US\$ 92,393 (Note 2)	82,893,195	100.00	1,307,327	186,639	186,639	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited	British Virgin Islands	Investments	1,202,993	1,202,993	37,461,816	50.95	5,046,466	(251,182)	(127,977)	
	Dingsin Development Co., Ltd.	Taiwan	Investment of real estate and related business	8,540	8,540	2,119,200	35.32	37,312	3,455	1,220	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	1,603	1,603	172,342	0.17	1,079	(12,367)	(52)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	54,154	54,154	3,264,092	0.67	142,904	794,084	5,320	
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	6,398,689	2,380,181	999,676	
	PT. Sunny Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 200,000	US\$ 200,000	50,100	50.10	6,888,709	1,800,395	467,866	(Note 3)
	PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 146,000	US\$ -	590,000	29.50	4,706,128	(13,969)	(3,607)	(Note 3)
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Luxembourg	Investments holding	EUR 347,216	EUR 207,216	8,277	90.21	11,374,162	715,943	599,091	
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9,491	US\$ -	9,490,500	99.90	285,372	506	505	
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9	US\$ -	9,500	0.10	307	506	1	
Min Maw Precision Industry Corp.	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	224	224	70	0.50	185	(6,026)	-	

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 NINE MONTHS ENDED SEPTEMBER 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 Type (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outward	Inward						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 645,400 (US\$ 20,000)	b	\$ 840,343 (US\$ 26,041) (Note 2)	\$ - -	\$ - -	\$ 840,343 (US\$ 26,041) (Note 2)	\$ (151,396)	100.00	\$ (151,396)	\$ 703,252	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	504,283 (US\$ 15,627)	b	482,630 (US\$ 14,956) (Note 3)	- -	- -	482,630 (US\$ 14,956) (Note 3)	49,549	95.71	47,426	1,278,894	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	5,746,642 (US\$ 178,080)	b	2,722,943 (US\$ 84,380) (Note 4)	- -	- -	2,722,943 (US\$ 84,380) (Note 4)	(126,432)	40.00	(57,525)	624,341	-
Walsin (China) Investment Co., Ltd.	Investments	2,536,422 (US\$ 78,600)	b	2,536,422 (US\$ 78,600) (Note 5)	- -	- -	2,536,422 (US\$ 78,600) (Note 5)	(225,839)	100.00	(225,839)	4,155,536	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	3,130,190 (US\$ 97,000)	b	3,130,190 (US\$ 97,000) (Note 6)	- -	- -	3,130,190 (US\$ 97,000) (Note 6)	187,536	100.00	187,536	1,260,826	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	839,020 (US\$ 26,000)	b	839,020 (US\$ 26,000) (Note 7)	- -	- -	839,020 (US\$ 26,000) (Note 7)	(8,868)	100.00	(8,868)	1,505,591	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,581,230 (US\$ 49,000)	b	1,581,230 (US\$ 49,000) (Note 8)	- -	- -	1,581,230 (US\$ 49,000) (Note 8)	(451,788)	100.00	(451,788)	1,351,805	-
XiAn Walsin Metal Product Co., Ltd. (Note 11)	Manufacture and sale of specialized stainless steel plates	1,786,145 (US\$ 55,350)	b	972,941 (US\$ 30,150)	- -	- -	972,941 (US\$ 30,150)	(8,987)	100.00	(8,987)	(817,329)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	10,812,548 (US\$ 335,065) (Note 9)	b	6,871,154 (US\$ 212,927)	- -	- -	6,871,154 (US\$ 212,927)	(1,111,240)	100.00	(1,111,240)	3,043,669	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	1,641,898 (US\$ 50,880) (Note 13)	b	422,092 (US\$ 13,080)	- -	- -	422,092 (US\$ 13,080)	44,265	30.00	13,278	502,565	1,021,507 (US\$ 31,655)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	32,270 (US\$ 1,000)	b	32,270 (US\$ 1,000)	- -	- -	32,270 (US\$ 1,000)	(6,397)	100.00	(6,397)	(535,465)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Type (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outward	Inward						
Dong Guan Cogne Steel Products Co., Ltd.	Stainless steel products	\$ 782,948 (EUR 23,089)	b	\$ - (US\$ -)	\$ - -	\$ - -	\$ - (US\$ -)	\$ (22,278)	70.00	\$ (15,594)	\$ 578,963	\$ -
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	5,393,484 (RMB 1,200,000)	b	- (US\$ -)	- -	- -	- (US\$ -)	-	19.00	-	- (Note 10)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	44,946 (RMB 10,000)	b	9,810 (US\$ 304)	- -	- -	9,810 (US\$ 304)	268	20.00	53	9,978	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12)	Communications equipment and electronic components	699,342 (RMB 155,597)	b	- (RMB -)	- -	- -	- (RMB -)	20,141	6.02	-	73,783	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,613,500 (US\$ 50,000)	b	1,607,046 (US\$ 49,800) (Note 14)	- -	- -	1,607,046 (US\$ 49,800) (Note 14)	(405,805)	99.60	(404,191)	8,998,592	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,495 (RMB 1,000)	b	- (RMB -)	- -	- -	- (RMB -)	(7,888)	99.60	(7,857)	(26,482)	-

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

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
\$ 19,513,282 (US\$ 604,688)	\$ 19,838,273 (US\$ 614,759)	N/A (Note 18)

Note 1: Investments can be classified into three categories as follows:

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

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

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

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

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

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

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.

(Continued)

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 capitalization of retained earnings of US\$7,280 thousand.

Note 14: The amount included investment through Joint Success Enterprise Limited approved in the previous years.

Note 15: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Renminbi and Euro.

Note 16: The currency exchange rates of September 30, 2023 were as follows: US\$ to NT\$ = 1:32.27, RMB to NT\$ = 1:4.49457, EUR to NT\$ = 1:33.91. The average exchange rates as of September 30, 2023 were as follows: US\$ to NT\$ = 1:30.927, RMB to NT\$ = 1:4.39658, EUR to NT\$ = 1:33.5126.

Note 17: 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 18: Upper limit on investment:

WLC was approved as the operation headquarters 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.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 Type (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 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	\$ (92,300)	50.95	\$ (47,027)	\$ 1,024,142	\$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 1	-	-	-	-	(1,794)	50.95	(914)	(3,014)	-

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,734,878 (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 the parent company’s accountant.

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

$$\text{NT\$6,224,796 thousand} \times 60\% = \text{NT\$3,734,878 thousand}.$$

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

TABLE 10

WALSIN LIHWA CORPORATION AND INVESTEES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)**

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	For the nine months ended September 30, 2023 Walsin Lihwa Corporation	Jianyin Walsin Specialty Alloy Materials Co., Ltd. Changshu Walsin Specialty Steel Co., Ltd. Changshu Walsin Specialty Steel Co., Ltd. Walsin Singapore Pte. Ltd.	Transactions between parent company and subsidiaries Transactions between parent company and subsidiaries Transactions between parent company and subsidiaries Transactions between parent company and subsidiaries	Trade receivables	\$ 125,040	The terms are set by quotations on the local market and are similar to those of general customers	-
				Sales	394,104	The terms are set by quotations on the local market and are similar to those of general customers	-
				Sales	260,975	The terms are set by quotations on the local market and are similar to those of general customers	-
				Other receivables	141,130	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 265,905	Based on capital demand	-
		Walsin International Investment Limited	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,500	Based on capital demand	-
2	Joint Success Enterprise Limited	Walsin (Nanjing) Development Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 208,143	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\$ 161,218	Based on capital demand	3
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 455,141	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 8,330	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 120,225	Based on capital demand	-
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 31,359	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 814,662	Based on capital demand	1
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 181,879	Based on capital demand	-
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 100,487	Based on capital demand	-
			Transactions between parent company and subsidiaries	Other receivables	US\$ 24,590	Based on capital demand	-

(Continued)

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
4	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	RMB 253,313	Based on capital demand	-
		PT. Sunny Metal Industry	Transactions between subsidiaries	Other receivables	RMB 554,771	Based on capital demand	1
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 3,046,455	Based on capital demand	5
5	Yantai Walsin Stainless Steel Co., Ltd.	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 44,024	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 160,478	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 207,205	The terms are set by quotations on the local market and are similar to those of general customers	1
6	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 26,535	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 114,619	Based on capital demand	-
7	Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 47,388	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 64,396	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 324,962	Based on capital demand	1
9	Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Trade receivables	US\$ 10,027	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	Other receivables	US\$ 20,000	Based on capital demand	-
		PT. Sunny Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 183,355	Based on capital demand	2
		Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Sales	US\$ 137,364	The terms are set by quotations on the local market and are similar to those of general customers	3
		PT. Westrong Metal Industry	Associate	Other receivables	US\$ 88,891	Based on capital demand	1
10	PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 36,664	Based on capital demand	-

(Concluded)

TABLE 11**WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 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.