

**Walsin Lihwa Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Walsin Lihwa Corporation

Opinion

We have audited the accompanying consolidated financial statements of Walsin Lihwa Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters of the consolidated financial statements of the Group as of and for the year ended December 31, 2023:

Sales Revenue Recognition

In 2023, the main products of the Group's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Group prepares reports on point-of-sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually, and their amounts are significant to the consolidated financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 28 to the consolidated financial statements for related accounting policies and disclosure of information relating to revenue recognition.

Our audit procedures performed in respect of the above key audit matter were as follows:

1. We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires and evaluated the effectiveness of relevant internal controls.
2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.
3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

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

The financial statements of certain subsidiaries included in the consolidated financial statements as of and for the years ended December 31, 2023 and 2022 were audited by other auditors. Our opinion, insofar as it relates to such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$38,396,983 thousand and NT\$27,113,218 thousand, which constituted 14.41% and 10.55% of the Group's consolidated total assets, as of December 31, 2023 and 2022, respectively, and the total net operating revenue of such subsidiaries amounted to NT\$34,331,965 thousand and NT\$3,409,851 thousand, which constituted 18.08% and 1.89% of the Group's consolidated total net operating revenue, for the years ended December 31, 2023 and 2022, respectively.

We did not audit the financial statements of some associates accounted for using the equity method included in the consolidated financial statements of the Group, but such statements were audited by other auditors. As of December 31, 2022, the carrying amount of investments accounted for using the equity method was NT\$4,869,105 thousand, representing 1.90% of the consolidated total assets, and the share of losses of these associates was NT\$313 thousand, representing 0.00% of the consolidated income before income tax.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 16,347,012	6	\$ 19,438,759	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,508,943	1	7,631	-
Financial assets at amortized cost - current (Notes 4 and 8)	727	-	2,202	-
Financial assets for hedging - current (Notes 4 and 9)	346,441	-	20,615	-
Contract assets - current (Notes 4 and 10)	996,025	-	3,022,237	1
Notes receivable (Notes 4, 11, 38 and 39)	920,752	-	4,537,322	2
Trade receivables (Notes 4, 11, 38 and 39)	14,991,531	6	17,294,990	7
Finance lease receivables - current (Notes 4, 12 and 39)	62,067	-	60,020	-
Other receivables (Note 38)	3,707,450	2	3,857,091	1
Inventories (Notes 4 and 13)	33,704,296	13	36,080,291	14
Other financial assets - current (Notes 3, 6 and 39)	788,894	-	505,340	-
Other current assets (Note 22)	5,377,850	2	7,880,887	3
Total current assets	78,751,988	30	92,707,385	36
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,263,649	-	2,639,755	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	18,823,172	7	12,342,232	5
Financial assets at amortized cost - non-current (Notes 4 and 8)	184,613	-	189,242	-
Financial assets for hedging - non-current (Notes 4 and 9)	53,439	-	144,404	-
Investments accounted for using the equity method (Notes 4 and 16)	49,640,171	19	46,189,399	18
Property, plant and equipment (Notes 4, 17 and 39)	78,154,936	29	65,656,466	26
Right-of-use assets (Notes 4 and 18)	4,719,043	2	4,309,355	2
Investment properties (Notes 4 and 19)	15,514,751	6	16,123,806	6
Goodwill (Notes 4 and 20)	4,157,877	1	286,139	-
Other intangible assets (Notes 4, 20 and 21)	7,997,819	3	9,053,283	4
Deferred tax assets (Notes 4 and 30)	4,234,852	2	3,448,277	1
Refundable deposits (Notes 6 and 39)	158,940	-	288,948	-
Finance lease receivables - non-current (Notes 4, 12 and 39)	540,456	-	602,523	-
Other non-current assets (Notes 6, 22 and 39)	2,174,325	1	2,916,527	1
Total non-current assets	187,618,043	70	164,190,356	64
TOTAL	\$ 266,370,031	100	\$ 256,897,741	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 23)	\$ 11,508,074	4	\$ 17,120,571	7
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	22,746	-	64,772	-
Financial liabilities for hedging - current (Notes 4 and 9)	5,878	-	222,272	-
Contract liabilities - current	13,828	-	6,014	-
Notes payable (Note 38)	317,865	-	591,536	-
Trade payables (Note 38)	16,390,669	6	17,497,315	7
Other payables (Note 25)	12,069,796	5	15,315,705	6
Current tax liabilities (Notes 4 and 30)	5,861,143	2	6,103,462	2
Lease liabilities - current (Notes 4 and 18)	257,859	-	245,223	-
Current portion of long-term borrowings and bonds payable (Notes 23 and 24)	1,640,420	1	1,207,209	1
Other current liabilities	2,671,050	1	2,495,289	1
Total current liabilities	50,759,328	19	60,869,368	24
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	484,429	-	363,192	-
Financial liabilities for hedging - non-current (Notes 4 and 9)	2,705	-	-	-
Bonds payable (Note 24)	12,951,405	5	7,742,955	3
Long-term borrowings (Note 23)	31,924,532	12	40,820,860	16
Long-term notes and bills payable (Note 23)	2,998,822	1	1,497,914	1
Deferred tax liabilities (Notes 4, 20 and 30)	6,587,732	3	5,782,915	2
Lease liabilities - non-current (Notes 4 and 18)	2,765,167	1	2,309,732	1
Net defined benefit liabilities - non-current (Notes 4 and 26)	349,381	-	348,779	-
Other non-current liabilities (Note 35)	3,097,217	1	2,952,903	1
Total non-current liabilities	61,161,390	23	61,819,250	24
Total liabilities	111,920,718	42	122,688,618	48
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)				
Share capital	40,313,329	15	37,313,329	14
Capital surplus	33,624,917	13	24,672,454	10
Retained earnings				
Legal reserve	9,538,222	4	7,564,090	3
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings	48,340,145	18	51,762,058	20
Total retained earnings	60,590,617	23	62,038,398	24
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(4,947,475)	(2)	(4,256,774)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	14,068,677	5	6,693,877	3
Loss on hedging instruments	(65,100)	-	(105,801)	-
Other equity - others	(2,774,650)	(1)	(2,774,607)	(1)
Total other equity	6,281,452	2	(443,305)	-
Total equity attributable to owners of WLC	140,810,315	53	123,580,876	48
NON-CONTROLLING INTERESTS	13,638,998	5	10,628,247	4
Total equity	154,449,313	58	134,209,123	52
TOTAL	\$ 266,370,031	100	\$ 256,897,741	100

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 532,389	6	\$ 633,081	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	49,143	1	249	-
Financial assets at amortized cost - current (Notes 4 and 8)	24	-	72	-
Financial assets for hedging - current (Notes 4 and 9)	11,283	-	671	-
Contract assets - current (Notes 4 and 10)	32,439	-	98,428	1
Notes receivable (Notes 4, 11, 38 and 39)	29,987	-	147,771	2
Trade receivables (Notes 4, 11, 38 and 39)	488,244	6	563,263	7
Finance lease receivables - current (Notes 4, 12 and 39)	2,021	-	1,955	-
Other receivables (Note 38)	120,744	2	125,618	1
Inventories (Notes 4 and 13)	1,097,681	13	1,175,062	14
Other financial assets - current (Notes 3, 6 and 39)	25,693	-	16,458	-
Other current assets (Note 22)	175,146	2	256,665	3
Total current assets	<u>2,564,794</u>	<u>30</u>	<u>3,019,293</u>	<u>36</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	41,155	-	85,972	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 14)	613,033	7	401,962	5
Financial assets at amortized cost - non-current (Notes 4 and 8)	6,012	-	6,163	-
Financial assets for hedging - non-current (Notes 4 and 9)	1,740	-	4,703	-
Investments accounted for using the equity method (Notes 4 and 16)	1,616,680	19	1,504,296	18
Property, plant and equipment (Notes 4, 17 and 39)	2,545,349	29	2,138,299	26
Right-of-use assets (Notes 4 and 18)	153,690	2	140,347	2
Investment properties (Notes 4 and 19)	505,284	6	525,120	6
Goodwill (Notes 4 and 20)	135,414	1	9,319	-
Other intangible assets (Notes 4, 20 and 21)	260,473	3	294,847	4
Deferred tax assets (Notes 4 and 30)	137,921	2	112,303	1
Refundable deposits (Notes 6 and 39)	5,176	-	9,410	-
Finance lease receivables - non-current (Notes 4, 12 and 39)	17,602	-	19,623	-
Other non-current assets (Notes 6, 22 and 39)	70,812	1	94,985	1
Total non-current assets	<u>6,110,341</u>	<u>70</u>	<u>5,347,349</u>	<u>64</u>
TOTAL	<u>\$ 8,675,135</u>	<u>100</u>	<u>\$ 8,366,642</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 23)	\$ 374,795	4	\$ 557,583	7
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	741	-	2,109	-
Financial liabilities for hedging - current (Notes 4 and 9)	191	-	7,239	-
Contract liabilities - current	450	-	196	-
Notes payable (Note 38)	10,352	-	19,265	-
Trade payables (Note 38)	533,811	6	569,852	7
Other payables (Note 25)	393,089	5	498,802	6
Current tax liabilities (Notes 4 and 30)	190,886	2	198,777	2
Lease liabilities - current (Notes 4 and 18)	8,398	-	7,986	-
Current portion of long-term borrowings and bonds payable (Notes 23 and 24)	53,425	1	39,316	1
Other current liabilities	86,991	1	81,268	1
Total current liabilities	<u>1,653,129</u>	<u>19</u>	<u>1,982,393</u>	<u>24</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	15,777	-	11,828	-
Financial liabilities for hedging - non-current (Notes 4 and 9)	88	-	-	-
Bonds payable (Note 24)	421,801	5	252,172	3
Long-term borrowings (Note 23)	1,039,718	12	1,329,453	16
Long-term notes and bills payable (Note 23)	97,666	1	48,784	1
Deferred tax liabilities (Notes 4, 20 and 30)	214,549	3	188,338	2
Lease liabilities - non-current (Notes 4 and 18)	90,056	1	75,223	1
Net defined benefit liabilities - non-current (Notes 4 and 26)	11,379	-	11,359	-
Other non-current liabilities (Note 35)	100,869	1	96,171	1
Total non-current liabilities	<u>1,991,903</u>	<u>23</u>	<u>2,013,328</u>	<u>24</u>
Total liabilities	<u>3,645,032</u>	<u>42</u>	<u>3,995,721</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 27)				
Share capital	1,312,924	15	1,215,220	14
Capital surplus	1,095,096	13	803,532	10
Retained earnings				
Legal reserve	310,641	4	246,347	3
Special reserve	88,333	1	88,333	1
Unappropriated earnings	1,574,341	18	1,685,786	20
Total retained earnings	1,973,315	23	2,020,466	24
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(161,130)	(2)	(138,635)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	458,188	5	218,006	3
Loss on hedging instruments	(2,120)	-	(3,446)	-
Other equity - others	(90,365)	(1)	(90,363)	(1)
Total other equity	204,573	2	(14,438)	-
Total equity attributable to owners of WLC	4,585,908	53	4,024,780	48
NON-CONTROLLING INTERESTS	444,195	5	346,141	4
Total equity	<u>5,030,103</u>	<u>58</u>	<u>4,370,921</u>	<u>52</u>
TOTAL	<u>\$ 8,675,135</u>	<u>100</u>	<u>\$ 8,366,642</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 189,839,626	100	\$ 180,400,719	100
OPERATING COSTS (Note 13)	<u>(175,396,014)</u>	<u>(93)</u>	<u>(163,054,414)</u>	<u>(91)</u>
GROSS PROFIT	<u>14,443,612</u>	<u>7</u>	<u>17,346,305</u>	<u>9</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,166,373	1	2,880,008	1
General and administrative expenses	5,742,908	3	4,748,280	3
Research and development expenses	<u>293,565</u>	<u>-</u>	<u>219,303</u>	<u>-</u>
Total operating expenses	<u>8,202,846</u>	<u>4</u>	<u>7,847,591</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>6,240,766</u>	<u>3</u>	<u>9,498,714</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	541,506	-	240,793	-
Dividend income	513,679	-	766,857	-
Other income (Note 29)	1,763,119	1	1,130,256	1
(Loss) gain on disposal of property, plant and equipment	(11,472)	-	68,051	-
Gain on disposal of investments (Note 29)	965,914	1	7,210,043	4
Foreign exchange (loss) gains, net	(240,593)	-	1,748,708	1
Gain on valuation of financial assets and liabilities at fair value through profit or loss	169,525	-	265,134	-
Other expenses	(909,612)	-	(305,781)	-
Reversal (recognition) of impairment loss (Note 29)	12,427	-	(87)	-
Interest expense	(2,135,730)	(1)	(827,715)	-
Share of profit of associates accounted for using the equity method	<u>528,869</u>	<u>-</u>	<u>3,607,040</u>	<u>2</u>
Total non-operating income and expenses	<u>1,197,632</u>	<u>1</u>	<u>13,903,299</u>	<u>8</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	7,438,398	4	23,402,013	13
INCOME TAX EXPENSE (Notes 4 and 30)	<u>(1,497,148)</u>	<u>(1)</u>	<u>(4,261,937)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>5,941,250</u>	<u>3</u>	<u>19,140,076</u>	<u>11</u>

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WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (109,805)	-	\$ 260,538	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6,307,904	3	(4,067,542)	(2)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>1,288,908</u>	<u>1</u>	<u>(644,358)</u>	<u>(1)</u>
	<u>7,487,007</u>	<u>4</u>	<u>(4,451,362)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(833,485)	-	1,609,132	1
Gain (loss) on hedging instruments	60,360	-	(105,801)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(47,991)</u>	<u>-</u>	<u>180,029</u>	<u>-</u>
	<u>(821,116)</u>	<u>-</u>	<u>1,683,360</u>	<u>1</u>
Other comprehensive income (loss) for the year	<u>6,665,891</u>	<u>4</u>	<u>(2,768,002)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 12,607,141</u>	<u>7</u>	<u>\$ 16,372,074</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 5,134,316	3	\$ 19,352,097	11
Non-controlling interests	<u>806,934</u>	<u>-</u>	<u>(212,021)</u>	<u>-</u>
	<u>\$ 5,941,250</u>	<u>3</u>	<u>\$ 19,140,076</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 11,993,418	6	\$ 16,639,046	9
Non-controlling interests	<u>613,723</u>	<u>1</u>	<u>(266,972)</u>	<u>-</u>
	<u>\$ 12,607,141</u>	<u>7</u>	<u>\$ 16,372,074</u>	<u>9</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 1.32</u>		<u>\$ 5.45</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 5.44</u>	

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 6,182,694	100	\$ 5,875,288	100
OPERATING COSTS (Note 13)	<u>(5,712,295)</u>	<u>(93)</u>	<u>(5,310,354)</u>	<u>(91)</u>
GROSS PROFIT	<u>470,399</u>	<u>7</u>	<u>564,934</u>	<u>9</u>
OPERATING EXPENSES				
Selling and marketing expenses	70,554	1	93,796	1
General and administrative expenses	187,035	3	154,642	3
Research and development expenses	<u>9,561</u>	<u>-</u>	<u>7,142</u>	<u>-</u>
Total operating expenses	<u>267,150</u>	<u>4</u>	<u>255,580</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>203,249</u>	<u>3</u>	<u>309,354</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	17,636	-	7,842	-
Dividend income	16,729	-	24,975	-
Other income (Note 29)	57,421	1	36,810	1
(Loss) gain on disposal of property, plant and equipment	(374)	-	2,216	-
Gain on disposal of investments (Note 29)	31,458	1	234,817	4
Foreign exchange (loss) gains, net	(7,836)	-	56,952	1
Gain on valuation of financial assets and liabilities at fair value through profit or loss	5,521	-	8,635	-
Other expenses	(29,624)	-	(9,959)	-
Reversal (recognition) of impairment loss (Note 29)	405	-	(3)	-
Interest expense	(69,556)	(1)	(26,957)	-
Share of profit of associates accounted for using the equity method	<u>17,224</u>	<u>-</u>	<u>117,474</u>	<u>2</u>
Total non-operating income and expenses	<u>39,004</u>	<u>1</u>	<u>452,802</u>	<u>8</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	242,253	4	762,156	13
INCOME TAX EXPENSE (Notes 4 and 30)	<u>(48,759)</u>	<u>(1)</u>	<u>(138,802)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>193,494</u>	<u>3</u>	<u>623,354</u>	<u>11</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (3,576)	-	\$ 8,485	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	205,436	3	(132,471)	(2)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>41,977</u>	<u>1</u>	<u>(20,985)</u>	<u>(1)</u>
	<u>243,837</u>	<u>4</u>	<u>(144,971)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(27,145)	-	52,406	1
Gain (loss) on hedging instruments	1,966	-	(3,446)	-
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(1,563)</u>	<u>-</u>	<u>5,863</u>	<u>-</u>
	<u>(26,742)</u>	<u>-</u>	<u>54,823</u>	<u>1</u>
Other comprehensive income (loss) for the year	<u>217,095</u>	<u>4</u>	<u>(90,148)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 410,589</u>	<u>7</u>	<u>\$ 533,206</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 167,214	3	\$ 630,259	11
Non-controlling interests	<u>26,280</u>	<u>-</u>	<u>(6,905)</u>	<u>-</u>
	<u>\$ 193,494</u>	<u>3</u>	<u>\$ 623,354</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 390,601	6	\$ 541,901	9
Non-controlling interests	<u>19,988</u>	<u>1</u>	<u>(8,695)</u>	<u>-</u>
	<u>\$ 410,589</u>	<u>7</u>	<u>\$ 533,206</u>	<u>9</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars, Except Earnings Per Share)

	2023		2022 (Restated)	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 0.04</u>		<u>\$ 0.18</u>	
Diluted	<u>\$ 0.04</u>		<u>\$ 0.18</u>	

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of WLC											
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Other Equity			Non-controlling Interests	Total Equity	
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others			Total
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)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)	-	(2,683,140)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)	-	(994)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887	-	887
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000	-	9,000,000
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097	(212,021)	19,140,076
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	313,270	1,843,913	(4,764,433)	(105,801)	-	(2,713,051)	(54,951)	(2,768,002)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	19,665,367	1,843,913	(4,764,433)	(105,801)	-	16,639,046	(266,972)	16,372,074
Share-based payment transaction (Note 32)	-	225,000	-	-	-	-	-	-	-	225,000	-	225,000
Others	-	6,686	-	-	-	-	-	-	-	6,686	-	6,686
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,832,475	8,832,475
BALANCE AT DECEMBER 31, 2022 (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	-	(6,932)	-	-	204,652	-	(204,652)	-	-	(6,932)	-	(6,932)
Changes in percentage of ownership interests in subsidiaries	-	26,730	-	-	-	-	-	-	-	26,730	(26,730)	-
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497	-	11,923,497
Net profit for the year ended December 31, 2023	-	-	-	-	5,134,316	-	-	-	-	5,134,316	806,934	5,941,250
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(70,350)	(690,701)	7,579,452	40,701	-	6,859,102	(193,211)	6,665,891
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,063,966	(690,701)	7,579,452	40,701	-	11,993,418	613,723	12,607,141
Others	-	9,168	-	-	-	-	-	-	(43)	9,125	-	9,125
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,423,758	2,423,758
BALANCE AT DECEMBER 31, 2023	\$ 40,313,329	\$ 33,624,917	\$ 9,538,222	\$ 2,712,250	\$ 48,340,145	\$ (4,947,475)	\$ 14,068,677	\$ (65,100)	\$ (2,774,650)	\$ 140,810,315	\$ 13,638,998	\$ 154,449,313

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of WLC											
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Other Equity			Non-controlling Interests	Total Equity	
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others			Total
BALANCE AT JANUARY 1, 2022	\$ 1,117,516	\$ 600,581	\$ 198,976	\$ 88,333	\$ 1,269,024	\$ (198,688)	\$ 375,648	\$ -	\$ (2,979)	\$ 3,448,411	\$ 67,180	\$ 3,515,591
Appropriation of 2021 earnings (Note 27)												
Legal reserve	-	-	47,371	-	(47,371)	-	-	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(178,803)	-	-	-	-	(178,803)	-	(178,803)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(87,384)	(87,384)	-	(87,384)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(32)	-	-	-	-	-	-	-	(32)	-	(32)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(117)	-	117	-	-	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	29	-	-	2,591	-	(2,591)	-	-	29	-	29
Issuance of ordinary shares for cash	97,704	195,408	-	-	-	-	-	-	-	293,112	-	293,112
Net profit for the year ended December 31, 2022	-	-	-	-	630,259	-	-	-	-	630,259	(6,905)	623,354
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,203	60,053	(155,168)	(3,446)	-	(88,358)	(1,790)	(90,148)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	640,462	60,053	(155,168)	(3,446)	-	541,901	(8,695)	533,206
Share-based payment transaction (Note 32)	-	7,328	-	-	-	-	-	-	-	7,328	-	7,328
Others	-	218	-	-	-	-	-	-	-	218	-	218
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	287,656	287,656
BALANCE AT DECEMBER 31, 2022 (AS RESTATED)	1,215,220	803,532	246,347	88,333	1,685,786	(138,635)	218,006	(3,446)	(90,363)	4,024,780	346,141	4,370,921
Appropriation of 2022 earnings (Note 27)												
Legal reserve	-	-	64,294	-	(64,294)	-	-	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(218,740)	-	-	-	-	(218,740)	-	(218,740)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(226)	-	-	6,666	-	(6,665)	-	-	(225)	-	(225)
Changes in percentage of ownership interests in subsidiaries	-	871	-	-	-	-	-	-	-	871	(871)	-
Issuance of ordinary shares for cash	97,704	290,620	-	-	-	-	-	-	-	388,324	-	388,324
Net profit for the year ended December 31, 2023	-	-	-	-	167,214	-	-	-	-	167,214	26,280	193,494
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(2,291)	(22,495)	246,847	1,326	-	223,387	(6,292)	217,095
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	164,923	(22,495)	246,847	1,326	-	390,601	19,988	410,589
Others	-	299	-	-	-	-	-	-	(2)	297	-	297
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	78,937	78,937
BALANCE AT DECEMBER 31, 2023	\$ 1,312,924	\$ 1,095,096	\$ 310,641	\$ 88,333	\$ 1,574,341	\$ (161,130)	\$ 458,188	\$ (2,120)	\$ (90,365)	\$ 4,585,908	\$ 444,195	\$ 5,030,103

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,438,398	\$ 23,402,013
Adjustments for:		
Depreciation expenses	7,016,106	4,385,647
Amortization expenses	1,192,166	65,655
Expected credit loss recognized on trade receivables	412,281	105,680
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(169,525)	(265,134)
Interest expenses	2,135,730	827,715
Interest income	(541,506)	(240,793)
Dividend income	(513,679)	(766,857)
Compensation costs of employee share options	-	233,077
Share of profit of associates accounted for using the equity method	(528,869)	(3,607,040)
Loss (gain) on disposal of property, plant and equipment	11,472	(68,051)
Gain on disposal of other asset	(121,938)	-
Gain on disposal of investments	(965,914)	(7,210,043)
Impairment loss (reversed) recognized on non-financial assets	(12,427)	87
Unrealized (gain) loss on foreign currency exchange	(63,228)	183,114
Gain from bargain purchase	(1,168,686)	(339,526)
Loss on lease modification	1,045	6
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	1,618,550	(581,544)
Decrease (increase) in notes receivable	3,616,570	(1,909,911)
Decrease in trade receivables	3,675,874	100,992
Increase in other receivables	(1,487,488)	(1,225,918)
Decrease (increase) in inventories	3,312,465	(2,101,272)
Decrease in other current assets	914,699	631,447
Increase in other financial assets	(242,768)	(55,183)
Decrease (increase) in other operating assets	68,712	(446,591)
Increase (decrease) in financial liabilities held for trading	973,916	(823,192)
Increase in contract liabilities	5,480	-
(Decrease) increase in notes payable	(273,671)	244,589
(Decrease) increase in trade payables	(701,919)	3,673,923
(Decrease) increase in other payables	(1,677,792)	1,094,617
Increase in other current liabilities	2,377	273,773
Increase (decrease) in net defined benefit liabilities	602	(211,583)
Increase (decrease) in other operating liabilities	54,659	(556,293)
Cash generated from operations	23,981,692	14,813,404
Interest received	493,679	357,042
Dividends received	1,888,623	2,166,803
Interest paid	(1,926,395)	(740,191)
Income tax paid	(1,689,669)	(2,731,958)
Net cash generated from operating activities	<u>22,747,930</u>	<u>13,865,100</u>

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WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
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	-	24,004
Purchase of financial assets at amortized cost	-	(183,665)
Purchase of financial assets for hedging	(342,786)	-
Purchase of investments accounted for using the equity method	(1,077,128)	(4,980,030)
Prepayments for investments	(1,334,026)	(2,204,073)
Net cash outflow on acquisition of subsidiaries	(5,856,439)	(11,037,204)
Disposal of subsidiaries	-	9,242,576
Payments for property, plant and equipment	(16,512,380)	(15,499,282)
Proceeds from disposal of property, plant and equipment	32,361	154,162
Increase in advance receipts	1,779,516	-
Decrease (increase) in refundable deposits	126,456	(68,728)
Purchase of intangible assets	(37,277)	(141,056)
Purchase of investment properties	-	(182)
Acquisition of right-of-use assets	-	(283,745)
Other investing activities	<u>1,894,919</u>	<u>(1,228,906)</u>
Net cash used in investing activities	<u>(21,500,770)</u>	<u>(26,346,546)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(6,499,696)	7,713,149
Proceeds from issuance of bonds	5,300,000	-
Repayment of bonds	(100,066)	(46,684)
Proceeds from long-term borrowings	13,383,126	21,755,400
Repayment of long-term borrowings	(22,027,953)	(19,732,834)
Increase in long-term notes and bills payable	1,500,908	1,497,914
(Decrease) increase in other payables	(2,780,037)	5,375,736
Repayment of the principal portion of lease liabilities	(308,747)	(120,625)
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	2,355,894	359,522
Other financing activities	<u>9,168</u>	<u>6,685</u>
Net cash (used in) generated from financing activities	<u>(3,959,928)</u>	<u>20,318,482</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(378,979)</u>	<u>1,133,649</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (Restated)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (3,091,747)	\$ 8,970,685
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>19,438,759</u>	<u>10,468,074</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 16,347,012</u>	<u>\$ 19,438,759</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 242,253	\$ 762,156
Adjustments for:		
Depreciation expenses	228,500	142,832
Amortization expenses	38,826	2,138
Expected credit loss recognized on trade receivables	13,427	3,442
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(5,521)	(8,635)
Interest expenses	69,556	26,957
Interest income	(17,636)	(7,842)
Dividend income	(16,729)	(24,975)
Compensation costs of employee share options	-	7,591
Share of profit of associates accounted for using the equity method	(17,224)	(117,474)
Loss (gain) on disposal of property, plant and equipment	374	(2,216)
Gain on disposal of other asset	(3,971)	-
Gain on disposal of investments	(31,458)	(234,817)
Impairment loss (reversed) recognized on non-financial assets	(405)	3
Unrealized (gain) loss on foreign currency exchange	(2,059)	5,964
Gain from bargain purchase	(38,062)	(11,058)
Loss on lease modification	34	-
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	52,713	(18,940)
Decrease (increase) in notes receivable	117,784	(62,202)
Decrease in trade receivables	119,716	3,289
Increase in other receivables	(48,444)	(39,926)
Decrease (increase) in inventories	107,880	(68,434)
Decrease in other current assets	29,790	20,565
Increase in other financial assets	(7,906)	(1,797)
(Decrease) increase in other operating assets	2,238	(14,545)
Increase (decrease) in financial liabilities held for trading	31,718	(26,810)
Increase in contract liabilities	178	-
(Decrease) increase in notes payable	(8,913)	7,966
(Decrease) increase in trade payables	(22,860)	119,652
(Decrease) increase in other payables	(54,642)	35,649
Increase in other current liabilities	77	8,916
Increase (decrease) in net defined benefit liabilities	20	(6,891)
Increase (decrease) in other operating liabilities	1,780	(18,117)
Cash generated from operations	781,034	482,441
Interest received	16,078	11,628
Dividends received	61,509	70,568
Interest paid	(62,739)	(24,107)
Income tax paid	(55,029)	(88,974)
Net cash generated from (used in) operating activities	<u>740,853</u>	<u>451,556</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

	2023	2022 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (5,666)	\$ (4,573)
Disposal of financial assets at fair value through other comprehensive income	-	782
Purchase of financial assets at amortized cost	-	(5,982)
Purchase of financial assets for hedging	(11,164)	-
Purchase of investments accounted for using the equity method	(35,080)	(162,190)
Prepayments for investments	(43,447)	(71,782)
Net cash outflow on acquisition of subsidiaries	(190,732)	(359,460)
Disposal of subsidiaries	-	301,012
Payments for property, plant and equipment	(537,775)	(504,780)
Proceeds from disposal of property, plant and equipment	1,054	5,021
Increase in advance receipts	57,955	-
Decrease (increase) in refundable deposits	4,118	(2,238)
Purchase of intangible assets	(1,214)	(4,594)
Purchase of investment properties	-	(6)
Acquisition of right-of-use assets	-	(9,241)
Other investing activities	<u>61,714</u>	<u>(40,023)</u>
Net cash used in investing activities	<u>(700,237)</u>	<u>(858,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(211,682)	251,202
Proceeds from issuance of bonds	172,610	-
Repayment of bonds	(3,259)	(1,520)
Proceeds from long-term borrowings	435,861	708,530
Repayment of long-term borrowings	(717,406)	(642,659)
Increase in long-term notes and bills payable	48,882	48,784
(Decrease) increase in other payables	(90,540)	175,077
Repayment of the principal portion of lease liabilities	(10,055)	(3,929)
Cash dividends paid	(218,727)	(178,791)
Proceeds from issuance of ordinary shares	388,324	293,112
Changes in non-controlling interests	76,727	11,709
Other financing activities	<u>299</u>	<u>218</u>
Net cash (used in) generated from financing activities	<u>(128,966)</u>	<u>661,733</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(12,342)</u>	<u>36,922</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of U.S. Dollars)

	2023	2022 (Restated)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (100,692)	\$ 292,157
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>633,081</u>	<u>340,924</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 532,389</u>	<u>\$ 633,081</u>

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

(With Deloitte & Touche auditors' report dated February 23, 2024)

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 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 STATE

The consolidated financial statements of WLC and its subsidiaries (collectively, the "Group") were approved by the board of directors of WLC on February 23, 2024.

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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, the initial application of the IFRS Accounting Standards 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, which 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 IFRS Accounting Standards 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 IFRS Accounting Standards 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 has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 IFRS Accounting Standards 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.

d. Presentation reclassification

The management of the Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The management concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows in 2023. The other financial assets were reclassified to cash and cash equivalents with a carrying amount of \$23,380 thousand and \$40,786 thousand on December 31, 2023 and 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

	Adjustments
Net cash used in operating activities	<u>\$ (39,707)</u>
Net decrease in cash and cash equivalents	<u>\$ (39,707)</u>

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other related regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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 and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of WLC and the entities controlled by WLC.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of WLC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the WLC.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Refer to Note 15 and Table 8 for the percentage of ownership, main businesses and details of the subsidiaries.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date. Contingent considerations is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Group's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of WLC are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of WLC and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

Inventories in the construction industry include construction land and work in progress, which are accounted for on the basis of acquisition cost or construction cost, and the cost is calculated separately for each project. Interest expenses incurred before the completion of the project are capitalized as part of its construction cost.

h. Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 37.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest earned upon early withdrawal exceeds that of regular saving accounts, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, operating lease receivable, finance lease receivables, as well as contract assets.

The Group always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables, operating lease receivable, finance lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- a) Internal or external information shows that the debtor is unlikely to pay its creditors.
- b) Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of WLC's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of WLC's own equity instruments.

Financial liabilities

1) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

- a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses are recognized in other gains or losses. Fair value is determined in the manner described in Note 37.

b) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of:

- i. The amount of the loss allowance reflecting expected credit losses; and
- ii. The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

1) Fair value hedges

Gain or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income (from the period when the hedge was effective) remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

p. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

q. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation and the amount of the obligation can be measured reliably.

r. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods and real estate

Revenue from the sale of goods and real estate comes from sales of wires, cables, stainless steel and real estate. Sales of wires, cables and stainless steel are recognized as revenue when the customer has full discretion over the manner of distribution and the price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

For contracts to sell properties in the ordinary course of business, the fixed transaction price is received in instalments and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed, and the property is transferred to the buyer.

2) Revenue from the others

a) Revenue from the rendering of services

Revenue from the rendering of services is recognized when services are rendered. Revenue generated from services provided under the contract is recognized according to the completion of the contract.

b) Construction contract revenue

Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payment exceeds the revenue recognized to date, then the Group recognizes a contract liability for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

s. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

b) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

t. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

u. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

v. Share-based payment arrangements

Employee share options granted to employees and others providing similar services.

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

w. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group review the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revisions and future years if the revision affects both current and future years.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 3,613	\$ 4,413
Checking accounts and cash in banks	13,901,500	15,013,929
Cash equivalents		
Time deposits	2,068,397	4,265,727
Short-term bills	350,122	113,904
Foreign exchange deposit account for offshore funds	<u>23,380</u>	<u>40,786</u>
	<u>\$ 16,347,012</u>	<u>\$ 19,438,759</u>

The market rate intervals of cash in the bank at the end of the year were as follows (except for the checking accounts' interest rate of 0.00%):

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Bank balance	0.001%-2.60%	0.001%-3.80%
Time deposits	0.755%-5.60%	0.96%-4.00%
Short-term bills	0.53%-1.27%	0.4%-0.5%

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

	Purpose	<u>December 31</u>	
		<u>2023</u>	<u>2022</u>
Other financial assets - current			
Restricted deposits	To meet contract requirements for completing construction	\$ 81,640	\$ 34,648
	To secure short-term borrowings and letters of credit	25,306	167,546
Refundable deposits	Futures deposits	<u>2,348</u>	<u>303,146</u>
		<u>109,294</u>	<u>505,340</u>
Refundable deposits			
Other - pledged time deposits	To meet contract requirements for completing construction	62,080	51,718
	To meet required security deposit	-	268
Other non-current assets - other			
Restricted deposits	To meet construction project and performance letter of guarantee	10,838	11,023
Pledged time deposits	To meet required security deposit	<u>1,427</u>	<u>1,439</u>
		<u>74,345</u>	<u>64,448</u>
		<u>\$ 183,639</u>	<u>\$ 569,788</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Commodity futures contracts	\$ 68,624	\$ -
Options	10,142	7,629
Interest rate swap contracts	-	2

(Continued)

	December 31	
	2023	2022
Non-derivative financial assets		
Contingent consideration (Note 34)	\$ 2,614,285	\$ 2,567,786
Foreign unlisted shares	<u>79,541</u>	<u>71,969</u>
Financial assets at FVTPL	<u>\$ 2,772,592</u>	<u>\$ 2,647,386</u>
Current	\$ 1,508,943	\$ 7,631
Non-current	<u>1,263,649</u>	<u>2,639,755</u>
	<u>\$ 2,772,592</u>	<u>\$ 2,647,386</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
Commodity futures contracts	\$ -	\$ 21,189
Foreign exchange forward contracts	16,041	21,470
Exchange rate swap contracts	6,705	22,113
Non-derivative financial liabilities		
Contingent consideration	<u>484,429</u>	<u>363,192</u>
Financial liabilities at FVTPL	<u>\$ 507,175</u>	<u>\$ 427,964</u>
Current	\$ 22,746	\$ 64,772
Non-current	<u>484,429</u>	<u>363,192</u>
	<u>\$ 507,175</u>	<u>\$ 427,964</u>
		(Concluded)

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

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2023</u>							
Commodity futures contracts							
Copper	Buy	13,300	2023.08.21- 2023.12.29	2024.01.17- 2024.06.19	US\$ 110,946	US\$ 113,261	US\$ 2,315
Nickel	Buy	150	2023.11.01- 2023.11.24	2024.02.01- 2024.02.23	US\$ 2,550	US\$ 2,478	US\$ (72)
Zinc	Sell	150	2023.10.30	2024.01.01	RMB 3,176	RMB 3,233	RMB (57)
<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)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Sell	EUR to USD	2024.01.02-2024.01.22	EUR7,572/USD8,242
	USD to RMB	2024.01.02-2024.03.04	USD32,000/RMB227,033
Buy	EUR to MYR	2024.02.02-2024.04.19	EUR510/MYR2,583
	USD to RMB	2024.01.02	USD5,000/RMB35,629
	USD to JPY	2024.01.29	USD3,500/JPY495,565
	USD to IDR	2024.01.02-2024.02.01	USD78,000/IDR1,205,962,000
	USD to SGD	2024.01.16-2024.02.27	USD4,000/SGD5,331
	EUR to GBP	2024.01.31-2024.03.28	EUR9,795/GBP8,500
	EUR to BRL	2024.01.19-2024.04.23	EUR3,786/BRL20,420
	EUR to KRW	2024.02.29	EUR128/KRW183,000
	EUR to RMB	2024.03.28	EUR3,674/RMB28,800
	EUR to SEK	2024.01.31-2024.04.30	EUR4,177/SEK48,100

December 31, 2022

Sell	USD to RMB	2023.01.31-2023.05.05	USD2,543/RMB17,228
	EUR to MYR	2023.01.31-2023.06.30	EUR1,499/MYR7,048
Buy	EUR to USD	2023.01.03-2023.01.10	EUR7,987/USD8,500
	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605
	USD to RMB	2023.01.05	USD16,571/RMB116,504
	EUR to USD	2023.01.05	EUR15,834/USD16,571
	USD to SGD	2023.01.30-2023.02.01	USD13,127/SGD17,778
	EUR to KRW	2023.01.31-2023.02.28	EUR434/KRW592,638
	EUR to TRY	2023.01.31	EUR292/TRY6,000
	EUR to ZAR	2023.01.18-2023.02.17	EUR710/ZAR12,483
	EUR to GBP	2023.01.31-2023.03.31	EUR4,944/GBP4,340
EUR to BRL	2023.01.17-2023.03.15	EUR5,485/BRL29,982	

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023	USD to RMB	2024.02.07-2024.02.27	USD143,988/RMB1,024,564
	USD to NTD	2024.01.02-2024.02.29	USD118,000/NTD3,649,647
December 31, 2022	USD to RMB	2023.01.18	USD75,000/RMB516,585
	EUR to USD	2023.01.17	EUR15,955/USD17,000
	EUR to ZAR	2023.01.18	EUR133/ZAR2,390

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

December 31, 2023

Notional Amount	Type of Transaction	Buyer/Seller	Premium Paid	Fair Value
US\$11,241	Put	Buyer	US\$371	US\$330

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	EUR19,934	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 years ended December 31, 2023 and 2022, the Group's strategies for commodity futures contracts, foreign exchange forward contracts, exchange rate swap contracts and interest rate swap contracts were to hedge exposures to fluctuations in the prices of raw material, 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 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Foreign investments		
Corporate bonds	\$ 15	\$ 588
Mutual funds	<u>712</u>	<u>1,614</u>
	<u>\$ 727</u>	<u>\$ 2,202</u>
<u>Non-current</u>		
Foreign investments		
Government bonds	<u>\$ 184,613</u>	<u>\$ 189,242</u>

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

9. FINANCIAL INSTRUMENTS FOR HEDGING

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Cash flow hedges - hedged foreign currency deposits	\$ 346,441	\$ -
Cash flow hedges - interest rate swap contracts	<u>53,439</u>	<u>165,019</u>
	<u>\$ 399,880</u>	<u>\$ 165,019</u>
Current	\$ 346,441	\$ 20,615
Non-current	<u>53,439</u>	<u>144,404</u>
	<u>\$ 399,880</u>	<u>\$ 165,019</u>
<u>Financial liabilities</u>		
Cash flow hedges - foreign exchange forward contracts	\$ 4,967	\$ -
Cash flow hedges - gas and electricity swap contracts	<u>3,616</u>	<u>222,272</u>
	<u>\$ 8,583</u>	<u>\$ 222,272</u>
Current	\$ 5,878	\$ 222,272
Non-current	<u>2,705</u>	<u>-</u>
	<u>\$ 8,583</u>	<u>\$ 222,272</u>

- a. The Group entered into foreign exchange forward contracts and foreign currency deposits to hedge against the exchange rate fluctuations associated with designated foreign currency receivables and payables. The conditions of the foreign exchange forward contracts are the same as those of the corresponding financial assets, so the management believes that the foreign exchange forward contracts are highly effective hedging instruments. For information regarding the financial instruments used for hedging, refer to Note 37.

- b. The Group converts some of the issued floating rate financial liabilities from floating rate to fixed rate through the interest rate swap contracts in order to reduce the risk of the cash flow of the issued floating rate financial liabilities due to changes in interest rates. The conditions of the interest rate swap contracts are the same as the one of the related financial liabilities, therefore, the management of the Group considers they can be highly effective hedging instruments. For information regarding the financial instruments used for hedging, refer to Note 37.
- c. The Group is exposed to the risk that the future cash flows of the assets and liabilities may fluctuate due to changes in market prices of gas and electricity that are required for the Group's operations. The Group assesses that the risk may be significant and therefore enters into gas and electricity swap contracts for hedging purposes. The breakdown of the cash flow hedge items and derivative financial instruments designated for hedging at the end of the reporting period were as follows:

Financial Commodity	Type of Transaction	Quantity	Trade Date	Maturity Date	Notional Amount (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2023</u>							
Gas	Buy	13,600 Tons	2023.12.11	2024.01.31-2024.03.31	EUR 502	EUR 435	EUR (67)
Electricity	Buy	22,000 Megawatt hours	2023.12.14	2024.01.31-2024.06.30	EUR 1,857	EUR 1,817	EUR (40)
<u>December 31, 2022</u>							
Gas	Buy	139,800 Tons	2022.04.22-2022.12.28	2023.01.31-2023.12.31	EUR 17,700	EUR 10,907	EUR (6,793)

10. CONTRACT ASSETS

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Contract assets		
Cable installation	\$ 735,895	\$ 1,242,468
Solar power systems installation	260,130	1,779,769
Less: Allowance for impairment loss	-	-
Contract assets - current	<u>\$ 996,025</u>	<u>\$ 3,022,237</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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
Notes receivable	<u>\$ 920,752</u>	<u>\$ 4,537,322</u>

(Continued)

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables</u>		
Trade receivables	\$ 15,628,930	\$ 17,575,200
Less: Allowance for impairment loss	<u>(637,399)</u>	<u>(280,210)</u>
	<u>\$ 14,991,531</u>	<u>\$ 17,294,990</u> (Concluded)

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>	

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 is 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.

December 31, 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	\$ 11,050,307	\$ 3,109,790	\$ 585,572	\$ 550,249	\$ 333,012	\$ 15,628,930
Loss allowance (lifetime ECLs)	<u>(16,320)</u>	<u>(34,607)</u>	<u>(71,766)</u>	<u>(292,380)</u>	<u>(222,326)</u>	<u>(637,399)</u>
Amortized cost	<u>\$ 11,033,987</u>	<u>\$ 3,075,183</u>	<u>\$ 513,806</u>	<u>\$ 257,869</u>	<u>\$ 110,686</u>	<u>\$ 14,991,531</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)	<u>(8,432)</u>	<u>(31,422)</u>	<u>(26,064)</u>	<u>(71,707)</u>	<u>(142,585)</u>	<u>280,210</u>
Amortized cost	<u>\$ 14,699,929</u>	<u>\$ 2,242,979</u>	<u>\$ 229,483</u>	<u>\$ 100,441</u>	<u>\$ 22,158</u>	<u>\$ 17,294,990</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	\$ 280,210	\$ 92,903
Add: Net remeasurement of loss allowance	412,281	105,680
Add: Acquisitions through business combination	-	91,508
Less: Amounts written off	(51,459)	(17,859)
Foreign exchange gains and losses	<u>(3,633)</u>	<u>7,978</u>
Balance at December 31	<u>\$ 637,399</u>	<u>\$ 280,210</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

	December 31	
	2023	2022
<u>Undiscounted lease payments</u>		
Year 1	\$ 81,359	\$ 81,359
Year 2	81,359	81,359
Year 3	81,359	81,359
Year 4	81,359	81,359
Year 5	81,359	81,359
Year 6 onwards	<u>287,658</u>	<u>369,017</u>
	694,453	775,812
Less: Unearned finance income	<u>(91,930)</u>	<u>(113,269)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 602,523</u>	<u>\$ 662,543</u>
Current	\$ 62,067	\$ 60,020
Non-current	<u>540,456</u>	<u>602,523</u>
	<u>\$ 602,523</u>	<u>\$ 662,543</u>

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

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

The finance lease receivables as of December 31, 2023 and 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

	December 31	
	2023	2022
Manufacturing and trading industries		
Raw materials	\$ 8,353,682	\$ 7,852,613
Raw materials in transit	2,496,691	1,871,877
Supplies	2,017,810	2,256,735
Work-in-process	7,900,218	8,652,837
Finished goods and merchandise	10,441,129	12,807,714
Contracts in progress	<u>227,395</u>	<u>462,456</u>
	<u>31,436,925</u>	<u>33,904,232</u>
Real estate development industry		
Undeveloped land	3,434	3,434
Buildings and land held for sale	174,510	208,551
Contracts in progress	<u>2,089,427</u>	<u>1,964,074</u>
	<u>2,267,371</u>	<u>2,176,059</u>
	<u>\$ 33,704,296</u>	<u>\$ 36,080,291</u>

- a. The cost of goods sold related to inventories for the years ended December 31, 2023 and 2022 were NT\$174,176,304 thousand and NT\$162,026,574 thousand, respectively.
- b. The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of NT\$97,969 thousand and reversals of inventory write-downs of NT\$101,667 thousand, respectively.
- c. The inventory for the real estate development business are primarily land and construction costs for future construction and contracts in progress of WLC subsidiary, Walsin (Nanjing) Development Co., Ltd.
- d. Walsin (Nanjing) Development Co., Ltd. entered into an agreement with third parties for the sale of real estate as of December 31, 2023 and 2022; the selling prices for the related residential buildings and office buildings were RMB13,950 thousand and RMB4,710 thousand, respectively. The sale of the real estate in the amounts of NT\$58,663 thousand and NT\$19,786 thousand were recognized as operating revenue for the years ended December 31, 2023 and 2022, respectively.

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Domestic listed ordinary and emerging market shares		
HannStar Display Corp.	\$ 3,550,641	\$ 3,340,899
HannStar Board Corp.	3,525,594	2,017,812
TECO Electric & Machinery Corp.	10,815,701	6,348,587
K. S. Terminals Inc.	10,426	10,179
Domestic unlisted ordinary shares	812,330	564,148
Foreign unlisted ordinary shares	<u>108,480</u>	<u>60,607</u>
	<u>\$ 18,823,172</u>	<u>\$ 12,342,232</u>
Non-current	<u>\$ 18,823,172</u>	<u>\$ 12,342,232</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 years ended December 31, 2023 and 2022, the unrealized valuation gains (losses) resulting from these investments in equity instruments were NT\$6,307,904 thousand and NT\$(4,067,542) 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 December 31, 2023 and 2022 were as follows:

Investor	Investee	Main Business	Percentage of Ownership (%)		
			December 31		
			2023	2022	
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00	
	Concord Industries Limited (CIL)	Investment holding	100.00	100.00	
	Ace Result Global Limited	Investment holding	100.00	100.00	
	Min Maw Precision Industry Corp. (Min Maw)	Solar power systems management, design, and installation	100.00	100.00	
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	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	
	Joint Success Enterprises Limited	Investments	49.05	49.05	
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires	70.00	70.00	
	PT. Walsin Lippo Kabel	Cables and wires	70.00	70.00	
	Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00	
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00	50.00	
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00	
	Walsin Singapore Pte. Ltd.	Investment holding	100.00	100.00	
	Walsin America, LLC	Investment holding	100.00	100.00	
	Walsin Lihwa Europe S.a.r.l.	Investment holding	100.00	100.00	
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.50	99.00	
	Walsin Energy Cable System Co., Ltd.	Submarine communication cables	90.00	-	
	Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	42.00	42.00
		PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10	50.10
	WLHL	Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00
Jiangyin Walsin Steel Cable Co., Ltd. (JHS)		Manufacture and sale of steel cables and wires	100.00	100.00	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.		Manufacture and sale of cables and wires	95.71	95.71	
Dongguan Walsin Wire & Cable Co., Ltd.		Manufacture and sale of bare copper cables and wires	100.00	100.00	
	Walsin International Investments Limited	Investments	100.00	100.00	
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	100.00	100.00	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	18.37	18.37	
CIL	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment holding	100.00	100.00	
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00	
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	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	
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00	
Chin-Cherng Construction Co. Joint Success Enterprises Limited	Joint Success Enterprises Limited	Investments	50.95	50.95	
	Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	100.00	100.00	
	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	100.00	100.00	
Min Maw Precision Industry Corp. (Min Maw)	PT. Walsin Research Innovation Indonesia	Consulting and management	0.50	1.00	
Walsin America, LLC	Borrego Energy Holdings, LLC	Solar power system	72.55	72.55	
Borrego Energy Holdings, LLC	Borrego Energy, LLC	Solar power system	100.00	100.00	
	Cleanleaf Energy Holdings, Inc.	Investment holding	100.00	-	
			(Note 13)		
Walsin Lihwa Europe S.a.r.l.	MEG S.A.	Investment holding	90.21	85.03	
MEG S.A.	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	77.60	82.32	
Cogne Acciai Speciali S.p.A.	Cogne France Société par Actions Simplifiée	Sale of stainless steel	100.00	100.00	
	Cogne Edelstahl GmbH	Sale of stainless steel	100.00	100.00	
	Cogne SG Pte. Ltd.	Sale of stainless steel	100.00	100.00	
	Cogne Hong Kong Limited	Investment holding	100.00	100.00	
	Cogne U.K. Limited	Sale of stainless steel	100.00	100.00	
	Cogne Stainless Bars SA	Manufacture and sale of stainless steel	100.00	100.00	
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	82.53	99.00	
	Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Sale of stainless steel	100.00	100.00	
	Cogne Speciality Steel USA, Inc.	Sale of stainless steel	100.00	100.00	

(Continued)

Investor	Investee	Main Business	Percentage of Ownership (%)	
			December 31	
			2023	2022
	Cogne Celik Sanayi ve Ticaret Limited Şirketi	Sale of stainless steel	100.00	100.00
	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	100.00 (Note 11)	- (Note 4)
	Special Melted Products Limited	Manufacture and sale of high-quality special steels and nickel-based alloys	100.00 (Note 9)	-
	Degerfors Long Products AB	Sale of special steel	100.00 (Note 9)	-
Cogne Edelmetall GmbH	EMB GmbH Edelmetall & Metallhandel - Beratung & Service	Sale of stainless steel	- (Note 12)	100.00 (Note 4)
Cogne Hong Kong Limited	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	- (Note 11)	100.00 (Note 4)
Cogne Stainless Bars SA	Aosta Servizi Generali S.r.l.	Machinery and Electrical maintenance	100.00	100.00 (Note 4)
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	0.02 (Note 10)	1.00 (Note 4)
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	0.10 (Note 8)	-
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	99.90 (Note 8)	-

(Concluded)

Note 1: 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. Due to the adjustment of the investment structure of the Group, Walsin America, LLC was transferred from WLHL to WLC in December 2022.

Note 2: 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 3: 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 4: The subsidiaries of Cogne Acciai Speciali S.p.A. were merged into the Group in November 2022 through the above-mentioned business combination.

Note 5: The Group established PT. Walsin Research Innovation Indonesia on August 23, 2022, and injected capital on November 9, 2022. On February 24, 2023, WLC's board of directors approved to increase capital in cash of PT. Walsin Research Innovation Indonesia, and the capital increase base date was on May 22, 2023.

Note 6: On September 23, 2022, the Group acquired 50.10% shares of PT. Sunny Metal Industry from Ever Rising Limited and Berg Holding Limited at the price of US\$200,000 thousand. On November 4, 2022, WLC's board of directors resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.

Note 7: 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 100.00% to 90.00%.

Note 8: The Group established PT. Walhsu Metal Industry on May 23, 2023, and injected capital on June 5, 2023.

Note 9: 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.

Note 10: On April 13, 2023, the board of directors approved to increase capital in cash of Cogne Mexico Sociedad Anonima de Capital Variable, and the capital increase base date was on August 14, 2023. The Group did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 82.55%

Note 11: Due to the adjustment of the investment structure of the Group, it was transferred from Cogne Hong Kong Limited to Cogne Acciai Speciali S.p.A in May 2023.

Note 12: In January 2023, Cogne Edelstahl GmbH merged EMB GmbH Edelstahl & Metallhandel - Beratung & Service through absorption.

Note 13: The Group established Cleanleaf Energy Holdings, Inc. on September 14, 2023. As of December 31, 2023, the capital injection had not been completed.

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

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

Note: The investee has a capital of HK\$500 thousand and total assets of HK\$1 thousand. As of December 31, 2023 and 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 subsidiaries, and Walsin America LLC's subsidiary Borrego Energy Holdings, LLC for the years ended December 31, 2023 and 2022 were not audited by the auditor of WLC but by other auditors. As of December 31, 2023 and 2022, the combined total assets of those subsidiaries were NT\$38,396,983 thousand and NT\$27,113,218 thousand, respectively; for the years ended December 31, 2023 and 2022, the combined net operating revenues of these subsidiaries were NT\$34,331,965 thousand and NT\$3,409,851 thousand, respectively.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

Name of Associate	December 31			
	2023		2022	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
<u>Material associates</u>				
Winbond Electronics Corp.	\$ 20,335,573	21.99	\$ 20,953,105	22.21
Walton Advanced Engineering, Inc.	2,230,609	21.17	2,109,400	21.01
Walsin Technology Corp.	8,631,671	18.30	8,147,080	18.30
<u>Associates that are not individually material</u>				
Others	<u>18,442,318</u>		<u>14,979,814</u>	
	<u>\$ 49,640,171</u>		<u>\$ 46,189,399</u>	

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

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

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

Name of Associate	December 31	
	2023	2022
Winbond Electronics Corp.	<u>\$ 27,995,121</u>	<u>\$ 17,323,429</u>
Walton Advanced Engineering, Inc.	<u>\$ 1,671,833</u>	<u>\$ 1,244,282</u>
Walsin Technology Corp.	<u>\$ 10,934,986</u>	<u>\$ 7,023,284</u>

All the associates were accounted for using the equity method.

The Group’s share of profit and other comprehensive income of associates for the years ended December 31, 2023 and 2022 were based on the associates’ financial statements audited by independent auditors for the same period.

a. Material associates

December 31, 2023

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets	\$ 66,505,389	\$ 5,910,245	\$ 38,015,600
Non-current assets	124,282,555	11,394,115	56,427,628
Current liabilities	(36,032,759)	(3,608,250)	(25,474,021)
Non-current liabilities	<u>(54,295,007)</u>	<u>(3,069,785)</u>	<u>(12,353,431)</u>
Equity	100,460,178	10,626,325	56,615,776
Non-controlling interests	<u>(8,163,361)</u>	<u>(92,257)</u>	<u>(10,036,131)</u>
	<u>\$ 92,296,817</u>	<u>\$ 10,534,068</u>	<u>\$ 46,579,645</u>
Proportion of the Group's ownership	21.99%	21.17%	18.30%
Equity attributable to the Group	\$ 20,296,070	\$ 2,230,062	\$ 8,524,075
Other adjustments	<u>39,503</u>	<u>547</u>	<u>107,596</u>
Carrying amount	<u>\$ 20,335,573</u>	<u>\$ 2,230,609</u>	<u>\$ 8,631,671</u>
Operating revenue	<u>\$ 75,006,078</u>	<u>\$ 7,276,069</u>	<u>\$ 32,797,671</u>
Net profit for the year	\$ 34,449	\$ (112,652)	\$ 2,657,922
Other comprehensive income (loss)	<u>(1,304,665)</u>	<u>601,516</u>	<u>1,555,362</u>
Total comprehensive income for the year	<u>\$ (1,270,216)</u>	<u>\$ 488,864</u>	<u>\$ 4,213,284</u>

December 31, 2022

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets	\$ 68,537,523	\$ 8,080,399	\$ 42,078,074
Non-current assets	115,627,470	11,240,954	49,653,421
Current liabilities	(27,776,754)	(5,110,938)	(19,230,081)
Non-current liabilities	<u>(53,654,523)</u>	<u>(3,970,323)</u>	<u>(18,917,380)</u>
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	<u>(8,570,720)</u>	<u>(200,109)</u>	<u>(9,303,110)</u>
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>
Proportion of the Group's ownership	22.21%	21.01%	18.30%
Equity attributable to the Group	\$ 20,913,601	\$ 2,109,400	\$ 8,103,409
Other adjustments	<u>39,504</u>	<u>-</u>	<u>43,671</u>
Carrying amount	<u>\$ 20,953,105</u>	<u>\$ 2,109,400</u>	<u>\$ 8,147,080</u>
Operating revenue	<u>\$ 94,529,790</u>	<u>\$ 9,506,348</u>	<u>\$ 35,297,163</u>

(Continued)

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Net profit for the year	\$ 14,986,552	\$ 156,098	\$ 2,295,275
Other comprehensive income (loss)	<u>2,717,903</u>	<u>(1,186,315)</u>	<u>218,387</u>
Total comprehensive income for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	<u>\$ 2,513,662</u> (Concluded)

b. Associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Net profit from continuing operations	\$ 361,594	\$ 389,057
Other comprehensive (loss) income	<u>1,059,418</u>	<u>(893,111)</u>
Total comprehensive income for the year	<u>\$ 1,421,012</u>	<u>\$ (504,054)</u>

In December 2023, WLC's board of directors resolved that the subsidiary Dongguan Walsin Wire & Cable Co., Ltd. acquired 60% shares of the associate Hangzhou Walsin Power Cable & Wire Co., Ltd. at a consideration of RMB310,864 thousand. This transaction will cause the Group to increase its shareholding percentage in Hangzhou Walsin Power Cable & Wire Co., Ltd. from 40% to 100%, and the relationship with the Group will change from associate to subsidiary. As of the issuance date of the consolidated financial report, the transaction has not yet been completed.

The Group's shares of profit and other comprehensive income of the associates for the years ended December 2023 and 2022 were based on the associates' financial statements audited by independent auditors for the same period. PT. Westrong Metal Industry and PT. CNGR Walsin New Energy and Technology Indonesia for the year ended 2022 were not audited by the auditor of WLC but by other auditors. As of December 31, 2022, the carrying amount of investments accounted for using the equity method was NT\$4,869,105 thousand; for the year ended 2022, the amount of the share of loss was NT\$313 thousand.

17. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Group	<u>\$ 78,154,936</u>	<u>\$ 65,656,466</u>

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
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	205,834	1,327,378	282,805	15,148,027	17,171,747
Disposals	-	(14,619)	(297,804)	(212,726)	(6,215)	(531,364)
Acquisition through business combinations	2,169	1,112,763	664,434	35,147	88,900	1,903,413
Reclassified	12,652	6,328,748	13,345,299	3,423,208	(23,251,543)	(141,636)
Transfers to investment properties	-	-	-	(4,558)	-	(4,558)
Effects of foreign currency exchange differences	1,191	(229,104)	304,032	(127,037)	105,959	55,041
Balance at December 31, 2023	<u>\$ 4,000,385</u>	<u>\$ 30,268,808</u>	<u>\$ 65,772,201</u>	<u>\$ 12,003,844</u>	<u>\$ 15,947,767</u>	<u>\$ 127,993,005</u>
Accumulated depreciation and impairment						
Balance at January 1, 2023	\$ 8,067	\$ 9,790,075	\$ 28,172,188	\$ 5,913,566	\$ -	\$ 43,883,896
Depreciation expenses	-	1,215,719	4,262,838	724,009	-	6,202,566
Capitalized depreciation expense	-	-	123	45	-	168
Disposals	-	(10,909)	(270,836)	(205,783)	-	(487,528)
Reclassified	-	-	(328)	(19,664)	-	(19,992)
Impairment losses recognized	-	-	93	43	-	136
Effects of foreign currency exchange differences	-	(11,775)	335,293	(64,695)	-	258,823
Balance at December 31, 2023	<u>\$ 8,067</u>	<u>\$ 10,983,110</u>	<u>\$ 32,499,371</u>	<u>\$ 6,347,521</u>	<u>\$ -</u>	<u>\$ 49,838,069</u>
Carrying amount at December 31, 2023	<u>\$ 3,992,318</u>	<u>\$ 19,285,698</u>	<u>\$ 33,272,830</u>	<u>\$ 5,656,323</u>	<u>\$ 15,947,767</u>	<u>\$ 78,154,936</u>
Cost						
Balance at January 1, 2022	\$ 3,611,025	\$ 18,671,274	\$ 34,969,055	\$ 7,783,638	\$ 6,305,375	\$ 71,340,367
Additions	80,867	38,133	456,243	558,271	12,079,434	13,212,948
Disposals	(50,357)	(12,016)	(294,063)	(208,508)	(401)	(565,345)
Acquisition through business combination	27,303	2,117,040	11,468,941	126,563	8,905,089	22,644,936
Reclassified	107,209	316,857	2,574,412	429,784	(3,428,262)	-
Transfers from (to) investment properties	-	87,958	-	(100,679)	-	(12,721)
Transfers from inventories	-	1,291,378	-	-	-	1,291,378
Effects of foreign currency exchange differences	623	354,562	1,254,274	17,936	1,404	1,628,799
Balance at December 31, 2022	<u>\$ 3,776,670</u>	<u>\$ 22,865,186</u>	<u>\$ 50,428,862</u>	<u>\$ 8,607,005</u>	<u>\$ 23,862,639</u>	<u>\$ 109,540,362</u>
Accumulated depreciation and impairment						
Balance at January 1, 2022	\$ 8,067	\$ 7,102,766	\$ 17,527,744	\$ 5,227,302	\$ -	\$ 29,865,879
Depreciation expenses	-	879,711	2,423,403	589,329	-	3,892,443
Disposals	-	(9,863)	(273,116)	(196,262)	-	(479,241)
Reclassified	-	156,976	(344,870)	187,894	-	-
Impairment losses reversed	-	-	(111)	(44)	-	(155)
Transfers from (to) investment properties	-	5,223	-	(17,082)	-	(11,859)
Acquisition through business combination	-	1,566,907	8,513,323	70,907	-	10,151,137
Effects of foreign currency exchange differences	-	88,355	325,815	51,522	-	465,692
Balance at December 31, 2022	<u>\$ 8,067</u>	<u>\$ 9,790,075</u>	<u>\$ 28,172,188</u>	<u>\$ 5,913,566</u>	<u>\$ -</u>	<u>\$ 43,883,896</u>
Carrying amount at December 31, 2022	<u>\$ 3,768,603</u>	<u>\$ 13,075,111</u>	<u>\$ 22,256,674</u>	<u>\$ 2,693,439</u>	<u>\$ 23,862,639</u>	<u>\$ 65,656,466</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 December 31, 2023 and 2022, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand.
- c. After appropriate evaluation, the Group recognized an impairment loss on property, plant and equipment of NT\$136 thousand for the year ended December 31, 2023, and a reversal of impairment loss on property, plant and equipment of NT\$155 thousand for the year ended December 31, 2022.

18. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amounts</u>		
Land	\$ 3,389,816	\$ 3,443,726
Buildings	526,343	506,666
Machinery equipment	710,189	263,942
Office equipment	58,177	61,617
Transportation equipment	<u>34,518</u>	<u>33,404</u>
	<u>\$ 4,719,043</u>	<u>\$ 4,309,355</u>
	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Additions to right-of-use assets	<u>\$ 555,761</u>	<u>\$ 1,751,920</u>
Acquisition through business combination	<u>\$ 53,822</u>	<u>\$ 933,182</u>
Disposals	<u>\$ (24,196)</u>	<u>\$ (48,913)</u>
Depreciation charge for right-of-use assets		
Land	\$ 157,629	\$ 115,110
Buildings	95,885	61,748
Machinery equipment	60,308	3,357
Office equipment	20,217	762
Transportation equipment	<u>15,382</u>	<u>18,211</u>
	<u>\$ 349,421</u>	<u>\$ 199,188</u>

- b. Lease liabilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amounts</u>		
Current	<u>\$ 257,859</u>	<u>\$ 245,223</u>
Non-current	<u>\$ 2,765,167</u>	<u>\$ 2,309,732</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	0.83%-6.123%	0.83%-6.123%
Buildings	0.83%-8.76%	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%-3.44%	1.964%-5.75%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 83,990</u>	<u>\$ 52,133</u>
Expenses relating to low-value asset leases	<u>\$ 1,145</u>	<u>\$ 936</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 4,992</u>	<u>\$ 9,052</u>
Total cash outflow for leases	<u>\$ (398,874)</u>	<u>\$ (182,746)</u>

19. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Completed investment properties	<u>\$ 15,514,751</u>	<u>\$ 16,123,806</u>
		Completed Investment Properties
<u>Cost</u>		
Balance at January 1, 2023		\$ 19,078,843
Transfers from property, plant and equipments		4,558
Transfers to inventories		(34,586)
Effects of foreign currency exchange differences		<u>(140,232)</u>
Balance at December 31, 2023		<u>\$ 18,908,583</u>
Balance at January 1, 2022		\$ 12,991,354
Additions		182
Transfers from property, plant and equipment		12,721
Others		72,339
Transferred from inventories		5,968,587
Effects of foreign currency exchange differences		<u>33,660</u>
Balance at December 31, 2022		<u>\$ 19,078,843</u>

(Continued)

	Completed Investment Properties
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 2,955,037
Depreciation expenses	464,119
Effects of foreign currency exchange differences	<u>(25,324)</u>
Balance at December 31, 2023	<u>\$ 3,393,832</u>
Balance at January 1, 2022	\$ 2,560,291
Depreciation expenses	294,016
Transfers from property, plant and equipment	11,859
Others	76,950
Effects of foreign currency exchange differences	<u>11,921</u>
Balance at December 31, 2022	<u>\$ 2,955,037</u> (Concluded)

The completed investment properties are depreciated on a straight-line method over their estimated useful lives of 20 to 50 years.

The investment properties of the Group increased because the Group changed the purpose of use of the completed commercial building of Walsin (Nanjing) Development Co., Ltd. and transferred it to investment property. The main investment properties of the Group are Walsin Xin Yi Building and the completed investment properties of Walsin (Nanjing) Development Co., Ltd. The building's valuation was commissioned by independent appraisal agencies (third parties). As of December 31, 2023 and 2022, the fair values of the investment properties were NT\$46,171,839 thousand and NT\$45,032,010 thousand, respectively.

20. GOODWILL

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 286,139	\$ 152,771
Acquisition through business combination	3,900,572	295,178
Disposal of subsidiary (Note 34)	-	(157,359)
Effects of foreign currency exchange differences	<u>(28,834)</u>	<u>(4,451)</u>
Balance at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</u>
<u>Accumulated impairment</u>		
Balance at January 1	\$ -	\$ -
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>
Carrying amount at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</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 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	\$ 83,393	\$ 202,746	\$ 286,139
Other intangible assets-supply contract	\$ 2,734,203	\$ 2,427,687	\$ 5,161,890
Other intangible assets-core technology	\$ 1,922,845	\$ 1,742,455	\$ 3,665,300
Deferred tax liabilities	\$ (5,797,938)	\$ 15,023	\$ (5,782,915)
Non-controlling interests	\$ (6,240,336)	\$ (4,387,911)	\$ (10,628,247)

The adjustments to the Group's statements of comprehensive income items are as follows:

	For the Year Ended December 31, 2022		
	Amount Before Restatement	Adjustment	Restated
The Effects on Comprehensive Income			
Exchange differences on translation of the financial statement of foreign operations	\$ 1,757,704	\$ (148,572)	\$ 1,609,132

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	-	-	37,599	37,599
Acquisitions through business combination	-	-	18,820	18,820
Effect of foreign currency exchange differences	(840)	(597)	28,610	27,173
Balance at December 31, 2023	<u>\$ 5,161,050</u>	<u>\$ 3,664,703</u>	<u>\$ 958,693</u>	<u>\$ 9,784,446</u>

(Continued)

	Supply Contract	Core Technology	Others	Total
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2023	\$ -	\$ -	\$ 647,571	\$ 647,571
Amortization expenses	627,287	432,015	72,521	1,131,823
Effect of foreign currency exchange differences	<u>(9,041)</u>	<u>(6,226)</u>	<u>22,500</u>	<u>7,233</u>
Balance at December 31, 2023	<u>\$ 618,246</u>	<u>\$ 425,789</u>	<u>\$ 742,592</u>	<u>\$ 1,786,627</u>
Carrying amount at December 31, 2023	<u>\$ 4,542,804</u>	<u>\$ 3,238,914</u>	<u>\$ 216,101</u>	<u>\$ 7,997,819</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 69,229	\$ 69,229
Additions	-	-	153,868	153,868
Acquisitions through business combination	5,336,699	3,789,426	630,172	9,756,297
Disposals	-	-	(1,524)	(1,524)
Effect of foreign currency exchange differences	<u>(174,809)</u>	<u>(124,126)</u>	<u>21,919</u>	<u>(277,016)</u>
Balance at December 31, 2022	<u>\$ 5,161,890</u>	<u>\$ 3,665,300</u>	<u>\$ 873,664</u>	<u>\$ 9,700,854</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 48,570	\$ 48,570
Amortization expenses	-	-	40,708	40,708
Acquisitions through business combination	-	-	545,096	545,096
Disposals	-	-	(1,524)	(1,524)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>14,721</u>	<u>14,721</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,571</u>	<u>\$ 647,571</u>
Carrying amount at December 31, 2022	<u>\$ 5,161,890</u>	<u>\$ 3,665,300</u>	<u>\$ 226,093</u>	<u>\$ 9,053,283</u> (Concluded)

- 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 December 31, 2023 and 2022.

- c. The supply contract and core technology generated by PT. Sunny Metal Industry are amortized on an accelerated basis over 8 years and 16 years, respectively.
- d. Apart from stated above, the other intangible assets of the Group are amortized on a straight-line basis over 5-18 years.

22. OTHER ASSETS

	December 31	
	2023	2022
Prepayment for purchases	\$ 3,012,629	\$ 3,694,957
Prepaid expense	669,186	999,406
Prepaid sales tax	1,615,043	3,142,781
Prepayment for investments	1,334,026	2,204,073
Others	<u>921,291</u>	<u>756,197</u>
	<u>\$ 7,552,175</u>	<u>\$ 10,797,414</u>
Current	\$ 5,377,850	\$ 7,880,887
Non-current	<u>2,174,325</u>	<u>2,916,527</u>
	<u>\$ 7,552,175</u>	<u>\$ 10,797,414</u>

23. BORROWINGS

	December 31	
	2023	2022
Short-term borrowings	<u>\$ 11,508,074</u>	<u>\$ 17,120,571</u>
Current portion of long-term borrowings	<u>\$ 1,538,480</u>	<u>\$ 1,109,049</u>
Long-term borrowings	<u>\$ 31,924,532</u>	<u>\$ 40,820,860</u>
Long-term notes and bills payable	<u>\$ 2,998,822</u>	<u>\$ 1,497,914</u>

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

	December 31			
	2023		2022	
	Interest Rate		Interest Rate	
	%	Amount	%	Amount
Bank lines of credit	0.86-7.60	\$ 11,490,666	0.95-6.42	\$ 15,566,558
Discounted notes receivable	-	-	1.25-2.20	1,554,013
Transferred receivables	1.98	<u>17,408</u>	-	<u>-</u>
		<u>\$ 11,508,074</u>		<u>\$ 17,120,571</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 December 31, 2023 and 2022.

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

	December 31		
	2023	2022	
	Significant Covenant	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	\$ 179,177	\$ 233,439
Taipei Fubon Commercial Bank	From December 25, 2013 to October 11, 2028; after the grace period, repayments are due in stages	38,033	67,375
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts	<u>56,237</u>	<u>78,365</u>
		<u>273,447</u>	<u>379,179</u>
<u>Long-term credit loan</u>			
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
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
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
DBS Bank	Principal repayment at maturity, from March 30, 2020 to April 15, 2025	-	7,552,100
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
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
Far Eastern International Bank	Loan from October 21, 2022 to October 14, 2027; principal to be repaid evenly in three phases; 1st repayment is due 48 months after the signing date, after which repayments are due once every six months	2,000,000	500,000
KGI Bank	Principal repayment at maturity, from October 24, 2022 to April 24, 2027	-	1,500,000
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024	-	1,555,400
Hua Nan Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 28, 2027	2,500,000	2,500,000
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000
Chang Hwa Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 8, 2027	2,000,000	3,000,000
Bank of Taiwan	Loan from June 13, 2023 to June 13, 2030; principal to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	1,799,194	-
Chinatrust Commercial Bank	Principal repayment at maturity, from August 15, 2023 to September 22, 2026	134,484	-

(Continued)

December 31			
		2023	2022
	Significant Covenant	Amount	Amount
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 30, 2019 to June 30, 2028	\$ 2,486,656	\$ 1,007,776
Other long-term credit loans	Principal repayments are due according to contracts, from November 1, 2018 to November 15, 2033	<u>5,131,461</u>	<u>4,297,684</u>
		<u>33,189,565</u>	<u>41,550,730</u>
		33,463,012	41,929,909
Less: Current portion of long-term borrowings		<u>(1,538,480)</u>	<u>(1,109,049)</u>
		<u>\$ 31,924,532</u>	<u>\$ 40,820,860</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 December 31, 2023 and 2022, the effective interest rate ranges of the credit borrowings were 0.10%-8.00% and 0.10%-5.56% per annum, respectively. As of December 31, 2023 and 2022, the effective interest rate ranges of the secured borrowings were 2.15%-6.20% and 0.55%-4.70% per annum, respectively.
 - 3) As of December 31, 2023 and 2022, the Group's current portions of the long-term borrowings under the loan agreements were NT\$1,538,480 thousand and NT\$1,109,049 thousand, respectively. The Group's consolidated financial statements for the years ended December 31, 2023 and 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 December 31, 2023 and 2022.
- c. Long-term notes and bills payables as of December 31, 2023 and 2022 were as follows:

December 31, 2023

Acceptance Agency	Type	Interest Rate	Amount
China Bills, Mega Bills and International Bills	Unsecured	1.521-1.58	\$ 3,000,000
Less: Discount on long-term bills payable			<u>(1,178)</u>
			<u>\$ 2,998,822</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

	December 31	
	2023	2022
Domestic unsecured bonds	\$ 12,800,000	\$ 7,500,000
Overseas unsecured bonds	253,345	341,115
Less: Current portion of long-term borrowings	<u>(101,940)</u>	<u>(98,160)</u>
	<u>\$ 12,951,405</u>	<u>\$ 7,742,955</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

	December 31	
	2023	2022
Payables for purchases of equipment	\$ 3,436,394	\$ 3,211,232
Payables for salaries or bonuses	1,001,161	968,942
Payables for dividends	3,586	3,209
Other accrued expenses payables	4,942,356	5,468,712
Other financing payables	2,628,672	5,375,736
Other payables - other	<u>57,627</u>	<u>287,874</u>
	<u>\$ 12,069,796</u>	<u>\$ 15,315,705</u>

As of December 31, 2023 and 2022, the effective interest rate ranges of other financing payables of the subsidiary PT. Sunny Metal Industry were 6.83%-7.62% and 3.38%-5.21% respectively.

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

WLC and its subsidiaries in the ROC adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, WLC and its subsidiaries in the ROC make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group recognized expenses of NT\$114,765 thousand and NT\$109,019 thousand for the years ended December 31, 2023 and 2022, respectively, which is based on the specified ratio in defined contributions plan.

b. Defined benefit plans

The defined benefit plans adopted by WLC in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. WLC contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

Cogne Acciai Speciali S.p.A. of the Group also adopts defined benefit plan.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 1,293,149	\$ 1,332,167
Fair value of plan assets	<u>(1,036,090)</u>	<u>(1,060,075)</u>
Net defined benefit liabilities	<u>\$ 257,059</u>	<u>\$ 272,092</u>

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2022	\$ 1,487,554	\$ (1,037,916)	\$ 449,638
Service cost			
Current service cost	10,455	-	10,455
Net interest expense (income)	<u>9,721</u>	<u>(6,442)</u>	<u>3,279</u>
Recognized in profit or loss	<u>20,176</u>	<u>(6,442)</u>	<u>13,734</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(82,973)	(82,973)
Actuarial gain - changes in financial assumptions	(63,850)	-	(63,850)
Actuarial gain - experience adjustments	<u>(113,715)</u>	<u>-</u>	<u>(113,715)</u>
Recognized in other comprehensive loss	<u>(177,565)</u>	<u>(82,973)</u>	<u>(260,538)</u>
Contributions from the employer	-	(52,475)	(52,475)
Benefits paid	(119,731)	119,731	-
Acquisition of subsidiaries through business combination	118,977	-	118,977
Exchange difference	<u>2,756</u>	<u>-</u>	<u>2,756</u>
Balance at December 31, 2022	<u>1,332,167</u>	<u>(1,060,075)</u>	<u>272,092</u>
Service cost			
Current service cost	120,194	-	120,194
Net interest expense (income)	<u>15,119</u>	<u>(13,317)</u>	<u>1,802</u>
Recognized in profit or loss	<u>135,313</u>	<u>(13,317)</u>	<u>121,996</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(9,604)	(9,604)
Actuarial loss - experience adjustments	<u>119,409</u>	<u>-</u>	<u>119,409</u>
Recognized in other comprehensive loss	<u>119,409</u>	<u>(9,604)</u>	<u>109,805</u>
Contributions from the employer	-	(53,180)	(53,180)
Benefits paid	(298,379)	100,086	(198,293)
Exchange difference	<u>4,639</u>	<u>-</u>	<u>4,639</u>
Balance at December 31, 2023	<u>\$ 1,293,149</u>	<u>\$ (1,036,090)</u>	<u>\$ 257,059</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans are as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 87,335	\$ 6,982
Selling and marketing expenses	7,623	914
General and administrative expenses	26,923	5,638
Research and development expenses	<u>115</u>	<u>200</u>
	<u>\$ 121,996</u>	<u>\$ 13,734</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rates	1.25%-3.10%	1.25%-3.00%
Expected rates of salary increase	1.85%-2.25%	2.25%-2.80%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rates		
0.5% increase	<u>\$ (43,458)</u>	<u>\$ (47,681)</u>
0.5% decrease	<u>\$ 46,068</u>	<u>\$ 50,683</u>
Expected rates of salary increase		
0.5% increase	<u>\$ 44,682</u>	<u>\$ 49,149</u>
0.5% decrease	<u>\$ (42,588)</u>	<u>\$ (46,718)</u>

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

27. EQUITY

	December 31	
	2023	2022
Share capital		
Ordinary shares	\$ 40,313,329	\$ 37,313,329
Capital surplus	33,624,917	24,672,454
Retained earnings	60,590,617	62,038,398
Others	6,281,452	(443,305)
Non-controlling interests	<u>13,638,998</u>	<u>10,628,247</u>
	<u>\$ 154,449,313</u>	<u>\$ 134,209,123</u>

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands)	<u>6,500,000</u>	<u>6,500,000</u>
Amount of authorized shares	<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>
Amount of issued shares	<u>\$ 40,313,329</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 December 31, 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 December 31, 2023, 30,002 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 300,022 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 27,787,949	\$ 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
Share of changes in capital surplus of associates	434,243	441,175
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	1,045,560	1,036,392
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries	<u>26,730</u>	<u>-</u>
	<u>\$ 33,624,917</u>	<u>\$ 24,672,454</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

Under the dividends policy 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.

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 for 2023 and 2022 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	2023	2022	2023	2022
Legal reserve	\$ 526,862	\$ 1,974,132	\$ -	\$ -
Cash dividends	<u>4,434,466</u>	<u>6,716,399</u>	1.1	1.8
	<u>\$ 4,961,328</u>	<u>\$ 8,690,531</u>		

The above appropriations for cash dividends were approved by WLC’s board of directors on February 23, 2024 and February 24, 2024, and the other appropriations for 2022 were approved by the shareholders in the meeting on May 19, 2023. The other appropriations for 2023 are yet to be resolved at the shareholders’ meeting scheduled for May 17, 2024.

d. Special reserve

	<u>December 31</u>	
	2023	2022
Special reserve	<u>\$ 2,712,250</u>	<u>\$ 2,712,250</u>

Information regarding the above special reserve did not change for the years ended December 31, 2023 and 2022.

e. Other equity items

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	\$ (4,256,774)	\$ (6,100,687)
Share from subsidiaries and associates accounted for using the equity method	<u>(690,701)</u>	<u>1,843,913</u>
Balance at December 31	<u>\$ (4,947,475)</u>	<u>\$ (4,256,774)</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 FVOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 6,693,877	\$ 11,534,267
Unrealized gain (loss) - equity instruments	6,307,904	(4,067,542)
Share from associates accounted for using the equity method	1,271,548	(696,891)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(204,652)</u>	<u>(75,957)</u>
Balance at December 31	<u>\$ 14,068,677</u>	<u>\$ 6,693,877</u>

3) Loss on hedging instruments

	For the Year Ended December 31	
	2023	2022
<u>Cash flow hedges</u>		
Balance at January 1	\$ (105,801)	\$ -
Loss on hedging instruments	<u>(40,701)</u>	<u>(105,801)</u>
Balance at December 31	<u>\$ (65,100)</u>	<u>\$ (105,801)</u>

4) Other equity - others

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (2,774,607)	\$ (91,467)
Originally recognized equity items arising from the acquisition of subsidiary equity instrument put options	-	(2,683,140)
Other comprehensive loss from associates accounted for using the equity method	<u>(43)</u>	<u>-</u>
Balance at December 31	<u>\$ (2,774,650)</u>	<u>\$ (2,774,607)</u>

28. OPERATING REVENUE

	For the Year Ended December 31	
	2023	2022
Sales revenue	\$ 184,438,249	\$ 175,754,340
Sales of real estate	58,663	19,786
Other revenue	<u>5,342,714</u>	<u>4,626,593</u>
	<u>\$ 189,839,626</u>	<u>\$ 180,400,719</u>

29. NET PROFIT FROM CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of investments - non-iron commodity futures	\$ 799,172	\$ (646,558)
(Loss) gain on disposal of investments - foreign exchange forward contracts	(89,402)	152,471
Gain (loss) on disposal of investment - exchange rate swap contracts	300,349	(169,573)
Loss on disposal of investment - future options	(44,205)	(25,673)
Gain on disposals of investments - subsidiaries	<u>-</u>	<u>7,899,376</u>
	<u>\$ 965,914</u>	<u>\$ 7,210,043</u>

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

	For the Year Ended December 31	
	2023	2022
Impairment loss (recognized) reversed on property, plant and equipments	\$ (136)	\$ 155
Others	<u>12,563</u>	<u>(242)</u>
	<u>\$ 12,427</u>	<u>\$ (87)</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 in 2023, 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 Year Ended December 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 5,273,501	\$ 3,332,057	\$ -	\$ 8,605,558
Post-employment benefits	\$ 294,417	\$ 120,881	\$ -	\$ 415,298
Other employee benefits	<u>\$ 975,917</u>	<u>\$ 416,686</u>	<u>\$ -</u>	<u>\$ 1,392,603</u>
Depreciation				
Property, plant and equipments	\$ 5,535,465	\$ 664,425	\$ 2,676	\$ 6,202,566
Right-of-use assets	195,826	153,595	-	349,421
Investment properties	<u>461,939</u>	<u>2,180</u>	<u>-</u>	<u>464,119</u>
	<u>\$ 6,193,230</u>	<u>\$ 820,200</u>	<u>\$ 2,676</u>	<u>\$ 7,016,106</u>
Amortization	<u>\$ 1,117,481</u>	<u>\$ 74,685</u>	<u>\$ -</u>	<u>\$ 1,192,166</u>

For the Year Ended December 31, 2022

	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	\$ 4,430,500	\$ 2,906,207	\$ -	\$ 7,336,707
Post-employment benefits	\$ 222,785	\$ 108,317	\$ -	\$ 331,102
Other employee benefits	\$ 674,335	\$ 811,982	\$ -	\$ 1,486,317
Depreciation				
Property, plant and equipments	\$ 3,458,410	\$ 431,174	\$ 2,859	\$ 3,892,443
Right-of-use assets	44,479	154,709	-	199,188
Investment properties	291,837	2,179	-	294,016
	<u>\$ 3,794,726</u>	<u>\$ 588,062</u>	<u>\$ 2,859</u>	<u>\$ 4,385,647</u>
Amortization	\$ 23,497	\$ 42,158	\$ -	\$ 65,655

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 years ended December 31, 2023 and 2022, the employees' compensation amounted to NT\$70,700 thousand and NT\$252,000 thousand, respectively, and the remuneration of directors amounted to NT\$30,000 thousand and NT\$100,050 thousand, respectively. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022 were approved by the Group's board of directors on February 23, 2023 and February 24, 2023, 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 employees' compensation and the remuneration of directors for the years ended December 31, 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.

Information on the employees' compensation and remuneration of directors resolved by WLC's board of directors in 2024 and 2023 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:

	<u>For the Year Ended December 31</u>	
	2023	2022
Current tax		
In respect of the current year	\$ 1,207,290	\$ 792,895
Unappropriated earnings	306,498	321,642
Adjustments for prior year	(37,860)	17,976
Land value-added tax	<u>2,978</u>	<u>175,864</u>
	<u>1,478,906</u>	<u>1,308,377</u>
Deferred tax		
In respect of the current year	24,987	2,916,207
Adjustments for prior year	<u>(6,745)</u>	<u>37,353</u>
	<u>18,242</u>	<u>2,953,560</u>
Income tax expense recognized in profit or loss	<u>\$ 1,497,148</u>	<u>\$ 4,261,937</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit before tax from continuing operations	<u>\$ 7,438,398</u>	<u>\$ 23,402,013</u>
Income tax expense calculated at the statutory rate	\$ 672,957	\$ 4,097,945
Investment income accounted for using equity method	670,843	262,151
Tax-exempt dividend income	(102,248)	(183,234)
Loss on investments	-	(2,630)
Others	(41,708)	(58,684)
Unrecognized loss carryforwards/deductible temporary differences	32,433	(406,446)
Adjustments for prior years' tax	(44,605)	55,329
Income tax on unappropriated earnings	306,498	321,642
Land value-added tax	<u>2,978</u>	<u>175,864</u>
Income tax expense recognized in profit or loss	<u>\$ 1,497,148</u>	<u>\$ 4,261,937</u>

b. Current tax assets and liabilities

	<u>December 31</u>	
	2023	2022
Current tax assets		
Tax refund receivable (recorded under other current and other non-current assets - others)	<u>\$ 304,113</u>	<u>\$ 397,168</u>
Current tax liabilities		
Income tax payable	<u>\$ 5,861,143</u>	<u>\$ 6,103,462</u>

c. Deferred tax assets and liabilities

	December 31	
	2023	2022
<u>Deferred tax assets</u>		
Loss carryforwards	\$ 1,863,709	\$ 1,001,877
Pension expense overlimit	14,337	23,000
Unrealized loss on inventories write-down	124,673	140,047
Loss on idle capacity	21,234	-
Impairment loss on idle assets	-	15,000
Unrealized deferred gross profit	3,290	-
Unrealized impairment loss on long-term investments	7,000	7,000
Difference between financial and tax accounting of the depreciation of property, plant and equipment	3,539	22,149
Prepaid expense	1,170,448	1,165,401
Loss on liquidation of investments	439,000	591,000
Other	<u>587,622</u>	<u>482,803</u>
	<u>\$ 4,234,852</u>	<u>\$ 3,448,277</u>
<u>Deferred tax liabilities</u>		
Difference between financial and tax accounting of the depreciation of property, plant and equipment	\$ (66,337)	\$ (81,836)
Provision for land value-added tax	(141,238)	(147,215)
Unrealized gain on investments	(6,049,964)	(5,364,542)
Others	<u>(330,193)</u>	<u>(189,322)</u>
	<u>\$ (6,587,732)</u>	<u>\$ (5,782,915)</u>

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets were as follows:

Loss Carryforwards	December 31	
	2023	2022
Expiry in 2023	\$ -	98
Expiry in 2024	3,832	3,898
Expiry in 2025	3,187	3,439
Expiry in 2026	5,931	6,032
Expiry in 2027	24,479	24,897
Expiry in 2028	<u>6,560</u>	<u>-</u>
	<u>\$ 43,989</u>	<u>\$ 38,364</u>

e. As of December 31, 2023, the Group's tax loss carryforwards were as follows:

Expiry Year	Tax Loss Carryforwards
2024	\$ 108,466
2025	16,265
2026	196,360
2027	512,688
2028	708,774
2029	-
2030	-
2031	3,342
2032	11,324
2033	12,234
Indefinite	<u>338,245</u>
	<u>\$ 1,907,698</u>

f. WLC's income tax returns through 2020, have been assessed by the tax authorities.

g. Pillar Two income tax legislation

In July and December 2023, the governments of the United Kingdom, Luxembourg, Germany, France, Italy, South Korea and Malaysia, where part of WLC's subsidiaries are registered, enacted the Pillar Two income tax legislation effective on January 1, 2024. Since the Pillar Two income tax legislation was not effective at the reporting date, the Group has no related current tax exposure.

Under the legislation, part of WLC's subsidiaries will be required to pay, in the United Kingdom, Luxembourg, Germany, France, Italy, South Korea and Malaysia, a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. As of December 31, 2023, no country has yet implemented the Pillar Two income tax legislation, so there may not be a primary jurisdiction for the potential exposure to such income tax. The Group will continue to assess the impact of the Pillar Two income tax legislation on its future financial performance.

31. EARNINGS PER SHARE

	For the Year Ended December 31					
	2023			2022		
	Amounts (Numerator)		Earnings Per Share (In Dollars)	Amounts (Numerator)		Earnings Per Share (In Dollars)
	After Income Tax		After Income Tax	After Income Tax		After Income Tax
	(Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	(Attributable to Parent's Shareholders)	(Attributable to Parent's Shareholders)	Shares (Denominator) (In Thousands)	(Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 5,134,316	3,883,388	<u>\$ 1.32</u>	\$ 19,352,097	3,549,689	<u>\$ 5.45</u>
Effect of potentially dilutive ordinary shares						
Employees compensation	<u>-</u>	<u>2,500</u>		<u>-</u>	<u>5,690</u>	
	<u>\$ 5,134,316</u>	<u>3,885,888</u>	<u>\$ 1.32</u>	<u>\$ 19,352,097</u>	<u>3,555,379</u>	<u>\$ 5.44</u>

32. SHARE-BASED PAYMENT AGREEMENTS

Employee Share Option 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 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. 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

- b. In view of the dramatic changes in the capital market environment, in order to maintain the shareholders' rights and ensure the completion of the 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>
MEG S.A.	Manufacture and sale of stainless steel	November 30, 2022	85.03	<u>\$ 6,715,504</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 industry, the Group acquired PT. Sunny Metal Industry and increased its investment in Matte and Nickel Pig Iron to increase production capacity.

To combine the acquired company's products, technologies and market advantages and expand its stainless steel business, the Group acquired 85.03% of the shares of MEG S.A. at a consideration of \$6,497,972 thousand on November 30, 2022 and held 82.32% of the shares of Cogne Acciai Speciali S.p.A. through MEG S.A. The Group finally held 70% of the shares of Cogne Acciai Speciali S.p.A.

b. Consideration transferred

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Cash	\$ 182,129	\$ 5,668,618	\$ 6,057,005	\$ 6,497,972
Contingent consideration arrangement (Note 1)	-	-	-	355,089
Issue option (Note 2)	-	-	-	(137,557)
	<u>\$ 182,129</u>	<u>\$ 5,668,618</u>	<u>\$ 6,057,005</u>	<u>\$ 6,715,504</u>

1) According to the agreement of acquisition, the Group is required to pay additional EUR15,000 thousand if MEG S.A.'s earnings before interest, tax, depreciation and amortization from the settlement date to 2025 exceed EUR180,000 thousand. Based on the results of the financial forecast, the management of the Group believes that it is probable to make this payment. The fair value of this obligation at the date of acquisition was estimated at \$355,089 thousand.

2) According to the agreement of acquisition, the Group has the right to acquire the remaining equity interest from the minority shareholders for a period of 6.5 to 7 years from the settlement date. The fair value of this option at the acquisition date was estimated to be \$137,557 thousand.

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

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Current assets				
Cash and cash equivalents	\$ -	\$ 34,513	\$ 103,771	\$ 1,373,797
Financial asset at fair value through profit - current	-	-	-	10,456
Hedging derivative financial assets - current	-	-	-	175,136
Financial assets at amortised cost - current	-	-	-	2,153
Net trade receivables	810,467	1,020,964	-	6,455,973

(Continued)

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Other receivables	\$ 56,466	\$ 104,651	\$ 4,904	\$ -
Inventories	837,726	644,700	29,021	9,550,240
Other current assets	106,641	72,961	1,603,712	648,923
Non-current assets				
Financial asset at fair value through profit - non-current	-	-	-	71,200
Property, plant and equipment	545,318	1,358,095	7,853,727	4,640,072
Right-of-use assets	4,254	49,568	-	933,182
Other intangible assets	-	18,820	9,126,125	85,076
Deferred tax assets	-	-	-	137,536
Other non-current assets	58	380,560	-	15,494
Current liabilities				
Short-term borrowings	-	(1,003,296)	(587,375)	(1,420,750)
Financial liabilities at fair value through profit - current	-	-	-	(4,909)
Hedging derivative financial liabilities - current	-	-	-	(42,710)
Trade payables	(442,193)	(565,658)	(232,779)	(5,244,797)
Other payables	(39,918)	-	(5,610,735)	(3,885)
Current tax liabilities	-	-	-	(617,198)
Lease liabilities - current	(2,586)	(49,493)	-	(137,417)
Other current liabilities	(458,751)	(298,338)	(2,480)	(1,761,848)
Non-current liabilities				
Bonds payable	-	-	-	(285,159)
Long-term payable	-	-	-	(3,347,986)
Deferred tax liabilities	(57,607)	-	(118,866)	(112,229)
Lease liabilities - non-current	(1,681)	-	-	(710,774)
Defined benefit liabilities	-	-	-	(118,977)
Other non-current liabilities	-	-	-	(14,515)
	<u>\$ 1,358,194</u>	<u>\$ 1,768,047</u>	<u>\$ 12,169,025</u>	<u>\$ 10,276,084</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 reports of PT. Sunny Metal Industry and MEG S.A. have 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.

(Gain on bargain purchase) goodwill recognized on acquisitions.

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Consideration transferred	\$ 182,129	\$ 5,668,618	\$ 6,057,005	\$ 6,715,504
Plus: Non-controlling interests	-	-	6,072,344	3,082,995
Less: Carrying value of identifiable net assets acquired	(1,358,194)	(1,768,047)	(12,169,025)	(10,276,084)
Effects foreign currency exchange difference	<u>7,379</u>	<u>1</u>	<u>334,854</u>	<u>138,059</u>
(Gain from bargain purchase) goodwill recognized on acquisitions	<u>\$ (1,168,686)</u>	<u>\$ 3,900,572</u>	<u>\$ 295,178</u>	<u>\$ (339,526)</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.

The non-controlling interests of MEG S.A., NT\$3,082,995 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.

e. Net cash outflow on the acquisition of subsidiaries

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Consideration paid in cash	\$ 182,129	\$ 5,668,618	\$ 6,057,005	\$ 6,497,972
Less: Cash and cash equivalent balance acquired	<u>-</u>	<u>(34,513)</u>	<u>(103,771)</u>	<u>(1,373,797)</u>
	<u>\$ 182,129</u>	<u>\$ 5,634,105</u>	<u>\$ 5,953,234</u>	<u>\$ 5,124,175</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, were as follows:

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
	2023.08.01- 2023.12.31	2023.09.19- 2023.12.31	2022.09.23- 2022.12.31	2022.11.30- 2022.12.31
Operating revenue	<u>\$ 1,647,068</u>	<u>\$ 1,147,085</u>	<u>\$ -</u>	<u>\$ 1,626,172</u>
Net profit (loss)	<u>\$ 194,352</u>	<u>\$ 327,113</u>	<u>\$ (14,280)</u>	<u>\$ (273,406)</u>

Had Degerfors Long Products AB and Special Melted Products Ltd. concluded the acquisitions at the beginning of 2023, the Group's revenue and profit for the years ended December 31, 2023 would have been NT\$196,466,052 thousand and NT\$6,059,573 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, 2023, nor is it intended to be a projection of future results.

Had PT. Sunny Metal Industry and MEG S.A. concluded the acquisition at the beginning of 2022, the Group's revenue and profit for the years ended December 31, 2022 would have been NT\$210,605,160 thousand and NT\$20,786,576 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

	Amount
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. Analysis of assets and liabilities on the date control was lost:

	Amount
Current assets	
Cash and cash equivalents	\$ 22,836
Contract assets	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

	Amount
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 2022.

d. Net cash inflow on disposals of subsidiaries

	Amount
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 another 10 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to renew. The lessees do not have bargain purchase options to acquire the properties at the expiry of the lease periods.

As of December 31, 2023 and 2022, deposits received under operating leases amounted to NT\$361,813 thousand and NT\$339,128 thousand, respectively (recorded under other non-current liabilities).

As of December 31, 2023, the Group’s future minimum lease receivables on non-cancelable operating lease commitments are as follows:

	Amount
2024	\$ 1,321,205
2025-2028	2,494,094
After 2029	<u>247,232</u>
	<u>\$ 4,062,531</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 approximate to their fair values.

December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 15	\$ -	\$ -	\$ 15	\$ 15
Mutual funds	712	-	-	712	712
Government bonds	<u>184,613</u>	<u>-</u>	<u>184,046</u>	<u>-</u>	<u>184,046</u>
	<u>\$ 185,340</u>	<u>\$ -</u>	<u>\$ 184,046</u>	<u>\$ 727</u>	<u>\$ 184,773</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	<u>\$ 13,053,345</u>	<u>\$ -</u>	<u>\$ 12,656,839</u>	<u>\$ -</u>	<u>\$ 12,656,839</u>

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</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>

(Continued)

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 7,841,115	\$ -	\$ 7,484,393	\$ -	\$ 7,484,393 (Concluded)

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

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 68,624	\$ 10,142	\$ -	\$ 78,766
Foreign unlisted shares	-	-	79,541	79,541
Contingent consideration	-	-	2,614,285	2,614,285
Derivatives financial assets for hedging	-	53,439	-	53,439
	<u>\$ 68,624</u>	<u>\$ 63,581</u>	<u>\$ 2,693,826</u>	<u>\$ 2,826,031</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 17,902,362	\$ -	\$ -	\$ 17,902,362
Unlisted securities	-	-	920,810	920,810
	<u>\$ 17,902,362</u>	<u>\$ -</u>	<u>\$ 920,810</u>	<u>\$ 18,823,172</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 22,746	\$ -	\$ 22,746
Contingent consideration	-	-	484,429	484,429
Derivatives financial liabilities for hedging	-	8,583	-	8,583
	<u>\$ -</u>	<u>\$ 31,329</u>	<u>\$ 484,429</u>	<u>\$ 515,758</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	<u>-</u>	<u>165,019</u>	<u>-</u>	<u>165,019</u>
	<u>\$ -</u>	<u>\$ 172,650</u>	<u>\$ 2,639,755</u>	<u>\$ 2,812,405</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 11,717,477	\$ -	\$ -	\$ 11,717,477
Unlisted securities	<u>-</u>	<u>-</u>	<u>624,755</u>	<u>624,755</u>
	<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	<u>-</u>	<u>222,272</u>	<u>-</u>	<u>222,272</u>
	<u>\$ 21,189</u>	<u>\$ 265,855</u>	<u>\$ 363,192</u>	<u>\$ 650,236</u>

2) There were no transfers between Levels 1, 2 and 3 for the years ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 624,755
Additions	150,000
Recognized in other comprehensive income	147,006
Effects of exchange rate changes	<u>(951)</u>
Balance at December 31, 2023	<u>\$ 920,810</u>

	Financial Assets at FVTPL	
	Financial Assets	Financial Liabilities
Balance at January 1, 2023	\$ 2,639,755	\$ 363,192
Recognized in profit or loss	51,680	106,359
Effects of exchange difference	<u>2,391</u>	<u>14,878</u>
Balance at December 31, 2023	<u>\$ 2,693,826</u>	<u>\$ 484,429</u>

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ 663,502
Additions	120,000
Capital reduction and refund	(335)
Recognized in other comprehensive loss	(159,580)
Effects of exchange difference	<u>1,168</u>
Balance at December 31, 2022	<u>\$ 624,755</u>

	Financial Assets at FVTPL	
	Financial Assets	Financial Liabilities
Balance at January 1, 2022	\$ -	\$ -
Additions	2,267,373	355,089
Recognized in profit or loss	372,109	-
Effects of exchange difference	<u>273</u>	<u>8,103</u>
Balance at December 31, 2022	<u>\$ 2,639,755</u>	<u>\$ 363,192</u>

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

Financial Instruments	Valuation Technique 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.

(Continued)

Financial Instruments	Valuation Technique and Inputs
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.
Derivatives - electricity swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward electricity prices at the end of the reporting period and fixed power prices under contract. (Concluded)

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

Financial Instruments	Valuation Technique and Inputs
Unlisted equity securities	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.
	Net asset method. Fair values are determined based on the book value of companies.
	Discounted cash flow. Present values are determined based on future cash flows discounted at market yield.
Contingent consideration	The estimated fair value is discounted according to the probability of reaching the agreed conditions and based on the credit risk discount rate and other information.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 16,347,012	\$ 19,438,759
Contract assets - current	996,025	3,022,237
Notes receivable and trade receivables (including related parties)	15,912,283	21,832,312
Finance lease receivables (current and non-current)	602,523	662,543
Other receivables	3,707,450	3,857,091
Other financial assets	788,894	505,340
Refundable deposits	158,940	288,948
Financial assets at amortized cost - (current and non-current)	185,340	191,444
Derivative financial assets for hedging (current and non-current)	399,880	165,019
Financial assets at FVTPL (current and non-current)	2,772,592	2,647,386
Financial assets at FVTOCI (current and non-current)	18,823,172	12,342,232
		(Continued)

	December 31	
	2023	2022
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current and non-current)	\$ 507,175	\$ 427,964
Derivative financial liabilities for hedging (current and non-current)	8,583	222,272
Financial liabilities at amortized cost		
Short-term borrowings	11,508,074	17,120,571
Contract liabilities	13,828	6,014
Notes payable and trade payables	16,708,534	18,088,851
Other payables	12,069,796	15,315,705
Bonds payable	13,053,345	7,841,115
Long-term borrowings (including current portion)	33,463,012	41,929,909
Long-term notes and bills payable	2,998,822	1,497,914
Deposits received (recorded under other current and non-current liabilities)	421,207	385,210
		(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 has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 42.

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

	December 31	
	2023	2022
<u>Assets</u>		
U.S. dollar	\$ 4,421,152	\$ 3,798,744
Euro	359,254	1,432,653
<u>Liabilities</u>		
U.S. dollar	7,384,553	2,381,338
Euro	1,384,234	310,405

Sensitivity analysis

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

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

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (7,987)	\$ (7,848)
	Euro Dollar Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ (4,896)	\$ 23,330

Hedge accounting

The Group's hedging strategy is to enter into foreign exchange forward contracts and foreign-currency deposits to avoid the exposure of its foreign currency receipts and payments and to the exchange rate and the procurement of significant capital expenditures in foreign currency. Those transactions are designated as cash flow hedges. When forecast purchases actually take place, basis adjustments are made to the initial carrying amounts of non-financial hedged items when the anticipated purchases take place.

December 31, 2023

Hedging Instrument/ Hedged Items	Notional Amount	Line Item in Balance Sheet	Carrying Amount	
			Asset	Liability
Cash flow hedges				
Foreign exchange forward contracts/Forecast purchases	NT\$727,420/ EUR21,666	Financial liability for hedging	\$ -	\$ 4,966
Hedging foreign-currency deposits/Forecast purchases	EUR10,195	Financial assets for hedging	346,441	-
	Change in Fair Value of Hedging Instruments Used for Calculating	Change in Fair Value of Hedged Items Used for Calculating	Balance in Other Equity	
	Hedge Ineffectiveness	Hedge Ineffectiveness	Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedges				
Foreign exchange forward contracts/Anticipated equipment purchase payment	\$ (4,966)	\$ 4,966	\$ (4,966)	\$ -
Hedging foreign-currency deposits/Anticipated equipment purchase payment	3,655	(3,655)	3,655	-

For the year ended December 31, 2023

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedges					
Anticipated equipment purchase payment	\$ (1,311)	\$ -	\$ -	\$ -	\$ -

The key terms of forward foreign exchange contracts outstanding as of the balance sheet date, which have not yet matured, are as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2023</u>			
Foreign exchange forward contracts	EUR/NTD	2024.07.31-2026.02.26	EUR21,666/NTD727,420

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 year were as follows:

	<u>December 31</u>	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 184,613	\$ 189,242
Financial liabilities	13,053,345	7,841,115
Cash flow interest rate risk		
Financial assets	727	2,202
Financial liabilities	50,598,580	65,924,130

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 year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year 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 profit for the years ended December 31, 2023 and 2022 would have decreased by NT\$506,015 thousand and NT\$660,201 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 year ended December 31, 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	
<u>Cash flow hedges</u>									
Interest rate swap contracts	EUR	\$ 104,643	2024.12.30-2030.12.18	-0.255%-3.803%	Note	Financial assets for hedging	\$ 1,573	\$ -	\$ -

For the year ended December 31, 2022

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	
<u>Cash flow hedges</u>									
Interest rate swap contracts	EUR	\$ 95,177	2023.05.31-2030.12.18	-0.255%-3.120%	Note	Financial assets for hedging	\$ 5,043	\$ -	\$ -

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.

December 31, 2023

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Variable interest rate liabilities	\$ 15,675,226	\$ 4,932,019	\$ 27,212,466	\$ 2,778,869	\$ 50,598,580
Lease liabilities	303,890	317,576	552,859	2,334,493	3,508,818
Fixed interest rate liabilities	101,940	101,940	10,549,465	2,300,000	13,053,345
Non-interest bearing liabilities	<u>26,378,229</u>	<u>61,207</u>	<u>2,744,790</u>	<u>26,885</u>	<u>29,211,111</u>
	<u>\$ 42,459,285</u>	<u>\$ 5,412,742</u>	<u>\$ 41,059,580</u>	<u>\$ 7,440,247</u>	<u>\$ 96,371,854</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>

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

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
<u>Net settled</u>						
Commodity futures contracts	\$ 27,368	\$ 34,910	\$ 6,346	\$ -	\$ -	\$ 68,624
Foreign exchange forward contracts	(13,465)	(2,631)	(2,207)	(2,705)	-	(21,008)
Exchange rate swap contracts	4,468	(11,173)	-	-	-	(6,705)
Interest rate swap contracts	-	-	-	48,415	5,024	53,439
Gas swap contracts	(1,100)	(1,171)	-	-	-	(2,271)
Electricity swap contracts	(216)	(378)	(751)	-	-	(1,345)
Futures options	-	10,142	-	-	-	10,142
	<u>\$ 17,055</u>	<u>\$ 29,699</u>	<u>\$ 3,388</u>	<u>\$ 45,710</u>	<u>\$ 5,024</u>	<u>\$ 100,876</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>

e. Transfers of financial assets

1) Transfers of financial assets with recourse

The Group discounted trade receivables with an aggregate carrying amount of \$364,741 thousand, to banks during 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 December 31, 2023, the carrying amount of these trade receivables that have been transferred but not derecognized was 67,382 thousand, and the carrying amount of the related liabilities was \$17,408 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>December 31, 2023</u>					
CTBC bank	\$ 144,250	\$ 20,318	US\$ 2,700	\$ -	-
<u>December 31, 2022</u>					
CTBC bank	\$ 151,902	\$ 18,449	US\$ 2,700	\$ -	-

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	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
Kuang 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

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Wire Products Stainless Steel PTY Ltd	Substantive related party
T.D.V. Trefileries des Vosges SA	Substantive related party
Novametal Europe Srl	Substantive related party
Novametal USA	Substantive related party
Dongguan Novametal Wire Co., LTD	Substantive related party
	(Concluded)

b. Sales

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 635,432	\$ 22,653
Other related parties	<u>4,997,847</u>	<u>1,452,637</u>
	<u>\$ 5,633,279</u>	<u>\$ 1,475,290</u>

c. Rental income

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 48,748	\$ 48,329
Other related parties	<u>1,135</u>	<u>1,135</u>
	<u>\$ 49,883</u>	<u>\$ 49,464</u>

d. Purchases of goods

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 8,479	\$ 58,289
Other related parties	<u>338,496</u>	<u>4,308</u>
	<u>\$ 346,975</u>	<u>\$ 62,597</u>

e. Administrative expenses

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 15,511	\$ 15,053
Other related parties	<u>15,756</u>	<u>13,630</u>
	<u>\$ 31,267</u>	<u>\$ 28,683</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 Year Ended December 31

	2023	2022
HannStar Board Corp.	\$ 153,009	\$ 140,259
HannStar Display Corp.	-	298,293
Other related parties	<u>5,779</u>	<u>7,705</u>
	<u>\$ 158,788</u>	<u>\$ 446,257</u>

g. Notes receivable

	December 31	
	2023	2022
Associates	<u>\$ 2,892</u>	<u>\$ 9,332</u>

h. Trade receivables

	December 31	
	2023	2022
Associates	\$ 111,941	\$ 2,481
Other related parties	<u>497,188</u>	<u>42,651</u>
	<u>\$ 609,129</u>	<u>\$ 45,132</u>

i. Notes payable

	December 31	
	2023	2022
Associates	<u>\$ -</u>	<u>\$ 16,553</u>

j. Trade payables

	December 31	
	2023	2022
Associates	\$ -	\$ 225
Other related parties	<u>1,161</u>	<u>504</u>
	<u>\$ 1,161</u>	<u>\$ 729</u>

k. Other receivables (excluding financing provided)

	December 31	
	2023	2022
Associates	\$ 16,089	\$ 13,056
Other related parties	<u>3,698</u>	<u>3,062</u>
	<u>\$ 19,787</u>	<u>\$ 16,118</u>

l. Financing provided

Financing provided for the years ended December 31, 2023 and 2022 were as follows:

For the Year Ended December 31, 2023				
Related Parties	Highest Balance for the Period	Ending Balance	Interest Income	Interest Rate
Hangzhou Walsin Power Cable & Wire Co., Ltd.	<u>\$ 361,396</u>	<u>\$ 346,819</u>	<u>\$ 15,579</u>	4.35%
PT. Westrong Metal Industry Innovation West Mantewe Pte. Ltd.	<u>\$ 6,458,450</u>	<u>\$ -</u>	<u>\$ 168,250</u>	7.75%-7.99%
	<u>\$ 664,713</u>	<u>\$ 147,384</u>	<u>\$ 1,992</u>	7.99%

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.	<u>\$ 360,721</u>	<u>\$ 352,747</u>	<u>\$ 15,563</u>	4.35%
PT. Westrong Metal Industry	<u>\$ 2,780,100</u>	<u>\$ 1,228,400</u>	<u>\$ 463</u>	6.79%

m. Guarantee deposits

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

n. Disposal of property, plant and equipment

	For the Year Ended December 31			
	2023		2022	
	Price	Gain on Disposals	Price	Gain on Disposals
Hwa Bao Botanic Conservation Corp.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,800</u>	<u>\$ 78,443</u>

The above transaction prices were determined with reference to the transaction prices of similar real estate in the vicinity and professional valuation reports.

o. Remuneration of key management personnel

The remunerations of directors and key executives were as follows:

	December 31	
	2023	2022
Short-term employee benefits	\$ 137,274	\$ 265,970
Post-employment benefits	<u>1,301</u>	<u>1,299</u>
	<u>\$ 138,575</u>	<u>\$ 267,269</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 and futures:

	December 31	
	2023	2022
Refundable deposits (recorded under other financial assets - current)	\$ 2,348	\$ 303,146
Restricted deposits (recorded under other financial assets - current)	106,946	202,194
Pledged time deposits (recorded under other financial assets - other)	1,427	1,439
Restricted deposits (recorded under other financial assets - other)	10,838	11,023
Finance lease receivables	62,067	60,020
Long-term finance lease receivables	540,456	602,523
Refundable deposits	62,080	51,986
Discounted notes receivable	-	1,554,013
Trade receivables	67,382	-
Property, plant and equipment	<u>77,290</u>	<u>79,052</u>
	<u>\$ 930,834</u>	<u>\$ 2,865,396</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 December 31, 2023 and 2022 were as follows:

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

	December 31	
	2023	2022
U.S. dollar	US\$ 9,130	US\$ 3,186
Japanese yen	JPY 107,111	JPY 54,144
Euro	EUR 12,626	EUR 34,490
Renminbi	RMB 2,189	RMB 2,189
New Taiwan dollar	NT\$ 43,944	NT\$ 20,939

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

	December 31	
	2023	2022
New Taiwan dollar	NT\$ 846,165	NT\$ 841,035
U.S. dollar	US\$ 30	US\$ 30
Renminbi	RMB 47,586	RMB 16,884

- 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:

	December 31	
	2023	2022
New Taiwan dollar	NT\$ 458,000	NT\$ 496,000

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

	December 31	
	2023	2022
U.S. dollar	US\$ 27,839	US\$ 43,926
Renminbi	RMB 133,299	RMB 85,530

- 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:

	December 31	
	2023	2022
New Taiwan dollar	NT\$ 5,844,284	NT\$ 2,237,159
U.S. dollar	US\$ 33,842	US\$ 72,295
Renminbi	RMB 780,991	RMB 780,815
Euro	EUR 171,579	EUR 70,927
Japanese yen	JPY -	JPY 11,680
Indonesian rupiah	IDR 87,029,254	IDR 89,743,621

41. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In August 2023, the board of directors of WLC resolved to acquire 75% of the shares of Berg Holding Limited at a consideration of US\$118,500 thousand. This transaction caused the Group to increase its shareholding percentage in the subsidiary PT. Sunny Metal Industry from 50.10% to 79.61%. The Group completed the transaction in January 2024. According to IFRS 3 "Business Combination", it was determined not a business and should be accounted for as an acquisition of assets.

In August 2023, the board of directors of WLC resolved to dispose of the entire 29.5% shares of the associate PT. Westrong Metal Industry for a consideration of US\$146,000 thousand, and the transaction was completed in January 2024.

On January and February 2024, the board of directors of WLC resolved to acquire 65% shares of Com.Steel Inox S.p.A. and 100% shares of Mannesmann Stainless Tubes GmbH for a consideration of no more than 28,000 thousand Euros and no more than 135,000 thousand Euros, respectively. As of the issuance date of the consolidated financial report, the transactions have not been completed.

42. 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:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
U.S. dollar	\$ 226,235	30.7050	\$ 6,946,546
Japanese yen	635,549	0.2172	138,041
Euro	16,337	33.98	555,131
Singapore dollar	2,675	23.2900	62,301
Renminbi	2,773	4.33524	12,022
Indonesian rupiah	1,439,843,510	0.00198	2,850,890
Korean won	983,701	0.02391	23,520
Non-monetary items			
U.S. dollar	39,447	30.705	1,211,220
Renminbi	6,461	4.33524	28,010
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	155,735	30.705	4,781,843
Renminbi	334,843	4.33524	1,451,625
Indonesian rupiah	257,409,522	0.00198	509,671
Non-monetary items			
U.S. dollar	1,450	30.705	44,522

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

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
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
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were NT\$(240,593) thousand and NT\$1,748,708 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.

43. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

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

- 10) Information on investees (Table 8)
 - 11) Intercompany relationships and significant intercompany transactions (Table 10)
- b. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, 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 year;
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year;
 - 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 year and the purposes;
 - e) The highest balance, the ending period balance, the interest rate range, and total current period interest with respect to the financing of funds; and
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

44. SEGMENT INFORMATION

a. Basic information

1) Classification

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

a) Wires and cables

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

b) Stainless steel

The segment's main products include smelting, rolled stainless steel, carbon steel and precision alloy wire which 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 the construction of residences, offices, markets and hotels, and the offering of rental space, operating management and after-sales services.

e) Administration and investing

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

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

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

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

3) Identification of operating 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
<u>For the year ended December 31, 2023</u>						
Revenue from external customers	\$ 45,292,955	\$ 94,542,646	\$ 41,555,782	\$ 2,129,913	\$ 6,318,330	\$ 189,839,626
Segment profit (loss)	3,207,499	622,917	4,413,465	(54,498)	(1,948,617)	6,240,766
Net non-operating income (expenses)						(1,594,224)
Net interest (expenses) income						528,869
Share of profit of associates accounted for using the equity method						513,679
Dividend income						(11,472)
Loss on disposal of property, plant and equipment						965,914
Gain on disposal of investments						(240,593)
Foreign exchange (loss) gain						169,525
Gain on financial assets and liabilities at fair value through profit or loss						12,427
Reversal of impairment loss						853,507
Net other income						
Consolidated income before income tax						<u>\$ 7,438,398</u>

(Continued)

	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
<u>For the year ended December 31, 2022</u>						
Revenue from external customers	\$ 58,861,592	\$ 79,025,174	\$ 23,469,051	\$ 1,972,699	\$ 17,072,203	\$ 180,400,719
Segment profit (loss)	2,983,318	4,463,460	7,011,709	94,428	(5,054,201)	9,498,714
Net non-operating income (expenses)						(586,922)
Net interest (expenses) income						3,607,040
Share of profit of associates accounted for using the equity method						766,857
Dividend income						68,051
Gain on disposal of property, plant and equipment						7,210,043
Gain on disposal of investments						1,748,708
Foreign exchange gain						265,134
Gain on financial assets and liabilities at fair value through profit or loss						(87)
Impairment loss						824,475
Net other income						<u>\$ 23,402,013</u>
Consolidated income before income tax						<u>(Concluded)</u>

2) Segment assets and liabilities

	Wires and Cables	Stainless Steel	Resource	Real Estate	Administration and Investing	Total
<u>Segment assets</u>						
December 31, 2023	\$ 9,198,949	\$ 81,818,015	\$ 49,013,066	\$ 29,197,011	\$ 97,142,990	<u>\$ 266,370,031</u>
December 31, 2022	9,871,071	45,004,557	43,443,642	30,296,978	128,291,493	<u>\$ 256,897,741</u>
<u>Segment liabilities</u>						
December 31, 2023	4,722,379	47,929,981	11,434,154	14,924,345	32,909,859	<u>\$ 111,920,718</u>
December 31, 2022	5,690,853	26,924,149	27,486,296	15,638,505	46,948,815	<u>\$ 122,688,618</u>

3) Geographical information

The Group's non-current assets (exclude financial instruments, deferred tax assets and post-employment benefit assets) and revenue from single geographical location are detailed below.

	Revenue from External Customers (Note)		Non-current Assets	
	2023	2022	2023	2022
Asia	\$ 154,395,268	\$ 155,926,113	\$ 97,553,322	\$ 89,595,772
United States of America	9,663,309	18,346,783	50,225	240,378
Europe	23,592,668	4,040,919	13,476,703	5,880,861
Others	<u>2,188,381</u>	<u>2,086,904</u>	<u>-</u>	<u>-</u>
	<u>\$ 189,839,626</u>	<u>\$ 180,400,719</u>	<u>\$ 111,080,250</u>	<u>\$ 95,717,011</u>

Note: Revenue from external customers is classified by geographical location.

4) Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2023 and 2022.

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of New Taiwan Dollars and U.S. Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Walsin Lihwa Corporation	PT. Sunny Metal Industry	Other receivables	Yes	\$ 7,642,860 (US\$ 250,750)	\$ - (US\$ -)	\$ - (US\$ -)	-	Operating capital	\$ -	Equipment purchase	\$ -	-	\$ -	\$ 56,324,126	\$ 56,324,126
		PT. Westrong Metal Industry	Other receivables	Yes	2,766,600 (US\$ 90,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Equipment purchase	-	-	-	56,324,126	56,324,126
		Borrego Energy Holdings, LLC & Borrego Energy, LLC	Other receivables	Yes	1,562,750 (US\$ 50,000)	1,535,250 (US\$ 50,000)	875,093 (US\$ 28,500)	6.20	Operating capital	-	Operating capital	-	Promissory note and property	1,349,627	56,324,126	56,324,126

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, PT. Westrong Metal Industry and Borrego Energy Holdings, LLC & Borrego Energy, LLC = $\$140,810,315 \times 40\% = \$56,324,126$.
 - b. The limit on the amount of financing provided was as follows:
The limit on the amount of financing provided = $\$140,810,315 \times 40\% = \$56,324,126$.
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 December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Walsin (China) Investment Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Other receivables	Yes	\$ 361,396 (RMB 80,000)	\$ 346,819 (RMB 80,000)	\$ 346,819 (RMB 80,000)	4.35	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 402,718 (RMB 92,894)	\$ 402,718 (RMB 92,894)
		Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	8,583,155 (RMB 1,900,000)	8,236,956 (RMB 1,900,000)	4,365,140 (RMB 1,006,897)	3.50	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Yantai Walsin Stainless Steel Co., Ltd.	Other receivables	Yes	16,700,430 (US\$ 320,000) (RMB 1,400,000)	15,894,936 (US\$ 320,000) (RMB 1,400,000)	5,521,518 (US\$ 173,922) (RMB 41,807)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivables	Yes	1,910,870 (US\$ 45,000) (RMB 100,000)	1,815,249 (US\$ 45,000) (RMB 100,000)	1,363,670 (US\$ 44,412) (RMB -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Changshu Walsin Specialty Steel Co., Ltd.	Other receivables	Yes	2,524,740 (US\$ 50,000) (RMB 200,000)	2,402,298 (US\$ 50,000) (RMB 200,000)	699,368 (US\$ 22,777) (RMB -)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Dongguan Walsin Wire & Cable Co., Ltd.	Other receivables	Yes	810,625 (US\$ 25,000)	767,625 (US\$ 25,000)	607,683 (US\$ 19,791)	4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Jiangyin Walsin Steel Cable Co., Ltd.	Other receivables	Yes	1,453,613 (US\$ 10,000) (RMB 250,000)	1,390,860 (US\$ 10,000) (RMB 250,000)	305,882 (US\$ -) (RMB 70,557)	3.20-4.82	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		XiAn Walsin Metal Product Co., Ltd.	Other receivables	Yes	836,194 (US\$ 190,000)	823,696 (US\$ 190,000)	790,917 (US\$ 182,439)	1.35	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
2	Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	3,388,088 (RMB 750,000)	3,251,430 (RMB 750,000)	1,195,408 (RMB 275,742)	2.00	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
3	Walsin International Investments Limited	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	19,655,826 (US\$ 400,000) (RMB 1,480,000)	18,698,155 (US\$ 400,000) (RMB 1,480,000)	11,567,051 (US\$ 274,070) (RMB 727,000)	2.80-4.65	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		Walsin Lihwa Corporation	Other receivables	Yes	19,455,000 (US\$ 600,000)	18,423,000 (US\$ 600,000)	3,193,320 (US\$ 104,000)	5.36	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126
		PT. Walsin Nickel Industrial Indonesia	Other receivables	Yes	3,048,000 (US\$ 100,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Operating capital	-	-	-	6,599,800 (RMB 1,522,361)	6,599,800 (RMB 1,522,361)
		PT. Sunny Metal Industry	Other receivables	Yes	2,431,875 (US\$ 75,000)	1,228,200 (US\$ 40,000)	1,227,832 (US\$ 39,988)	7.09-7.55	Operating capital	-	Operating capital	-	-	-	6,599,800 (RMB 1,522,361)	6,599,800 (RMB 1,522,361)

(Continued)

Notes:

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

Jiangyin Walsin Steel Cable Co., Ltd., Walsin (China) Investment Co., Ltd., Walsin Lihwa Corporation, Walsin (Nanjing) Development Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd., Changshu Walsin Specialty Steel Co., Ltd., Dongguan Walsin Wire & Cable Co., Ltd. = $\$140,810,315 \times 40\% = \$56,324,126$.
Hangzhou Walsin Power Cable & Wire Co., Ltd. = $\text{RMB}928,944 \times 10\% = \text{RMB}92,894$ (\$402,718).
PT. Walsin Nickel Industrial Indonesia and PT. Sunny Metal Industry = $\text{RMB}3,805,902 \times 40\% = \text{RMB}1,522,361$ (\$6,599,800).
 - b. The limit on the amount of financing provided was as follows:

Walsin (China) Investment Co., Ltd and Dongguan Walsin Wire & Cable Co., Ltd. = $\$140,810,315 \times 40\% = \$56,324,126$.
Walsin (China) Investment Co., Ltd. = $\text{RMB}928,944 \times 10\% = \text{RMB}92,894$ (\$402,718).
Walsin International Investments Limited = $\text{RMB}3,805,902 \times 40\% = \text{RMB}1,522,361$ (\$6,599,800))
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 December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524; US\$ to RMB = 1:7.0827.

(Concluded)

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 451,745 (RMB 100,000)	\$ 433,524 (RMB 100,000)	\$ 186,875 (RMB 43,106)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 56,324,126	\$ 56,324,126
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 677,618 (RMB 150,000)	\$ 650,286 (RMB 150,000)	\$ 550,424 (RMB 126,965)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	56,324,126	56,324,126

Notes:

1. According to the financing regulations of Changshu Walsin Specialty Steel Co., Ltd. and Jiangyin Walsin Specialty Alloy Materials Co., Ltd., the limit on the amount of financing provided to WLC or an overseas subsidiary whose equity is 100% owned, directly or indirectly by WLC cannot exceed 40% of the parent company's equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
Walsin (China) Investment Co., Ltd. = \$140,810,315 × 40% = \$56,324,126
 - b. The limit on the amount of financing provided was as follows:
Changshu Walsin Specialty Steel Co., Ltd., Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = \$140,810,315 × 40% = \$56,324,126.
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of Renminbi.
3. The currency exchange rates as of December 31, 2023 were as follows: RMB to NT\$ = 1:4.33524.

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
6	Joint Success Enterprises Limited	Walsin (Nanjing) Development Co., Ltd.	Other receivables	Yes	\$ 858,614 (US\$ 26,480)	\$ - (US\$ -)	\$ - (US\$ -)	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 56,324,126	\$ 56,324,126

Notes:

1. According to the financing regulations provided by Joint Success Enterprises Limited, the total limit on the amount of the financing provided to WCL or a oversea subsidiary whose equity is 100%-owned, directly or indirectly by WLC, cannot exceed 40% of the equity of the parent company as presented in the consolidated financial statements of Walsin Lihwa Corporation. The limit on the amount of financing provided to a subsidiary whose equity is less than 100%-owned, directly or indirectly by WLC, cannot exceed 40% of the parent company's equity as presented in the parent company's latest consolidated financial statements. If the financing is a one-time funding, the amount for an individual loan shall not exceed 40 % of the parent company's equity in the parent company's latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 10% of the parent company's equity in the parent company's latest consolidated financial statements.
 - a. The limit on the amount of financing provided to a single enterprise was as follows:
Walsin (Nanjing) Development Co., Ltd. = \$140,810,315 × 40% = \$56,324,126
 - b. The limit on the amount of financing provided was as follows:
Joint Success Enterprises Limited = \$140,810,315 × 40% = \$56,324,126
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 December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705.

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
7	Walsin Info-Electric Corporation	Walsin Lihwa Corporation	Other receivables	Yes	\$ 130,000	\$ 100,000	\$ 100,000	1.60	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 139,983	\$ 139,983

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:

$$\text{Walsin Lihwa Corporation} = \$349,957 \times 40\% = \$139,983$$

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

$$\text{Walsin Info-Electric Corp.} = \$349,957 \times 40\% = \$139,983$$

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
8	Walsin Singapore Pte. Ltd.	PT. Sunny Metal Industry	Other receivables	Yes	\$ 10,025,041 (US\$ 320,750)	\$ 9,848,629 (US\$ 320,750)	\$ 8,503,750 (US\$ 276,950)	7.11-7.62	Operating capital	\$ -	Equipment purchase	\$ -	-	\$ -	\$ 11,224,765 (US\$ 365,568)	\$ 11,224,765 (US\$ 365,568)
		PT. Westrong Metal Industry	Other receivables	Yes	3,691,850 (US\$ 117,500)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Equipment purchase	-	-	-	11,224,765 (US\$ 365,568)	11,224,765 (US\$ 365,568)
		PT. Walsu Metal Industry	Other receivables	Yes	942,600 (US\$ 30,000)	- (US\$ -)	- (US\$ -)	-	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	11,224,765 (US\$ 365,568)	11,224,765 (US\$ 365,568)
		Innovation West Mantewe Pte. Ltd.	Other receivables	Yes	664,713 (US\$ 20,500)	629,453 (US\$ 20,500)	147,384 (US\$ 4,800)	7.99	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	11,224,765 (US\$ 365,568)	11,224,765 (US\$ 365,568)
9	PT. Sunny Metal Industry	PT. Walsu Metal Industry	Other receivables	Yes	1,459,125 (US\$ 45,000)	1,381,725 (US\$ 45,000)	1,166,790 (US\$ 38,000)	7.44-7.62	Operating capital	-	Construction of new plants and equipment purchase	-	-	-	1,924,405 (US\$ 62,674)	1,924,405 (US\$ 62,674)

Notes:

- 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.
 - The limit on the amount of financing provided to a single enterprise was as follows:
PT. Sunny Metal Industry, PT. Westrong Metal Industry, PT. Walsu Metal Industry, Innovation West Mantewe Pte. Ltd., = US\$913,921 × 40% = US\$365,568 (\$11,224,765).
PT. Walsu Metal Industry = US\$156,685 × 40% = US\$62,674 (\$1,924,405).
 - The limit on the amount of financing provided was as follows:
Walsin Singapore Pte. Ltd. = US\$913,921 × 40% = US\$365,568 (\$11,224,765).
PT. Sunny Metal Industry = US\$156,685 × 40% = US\$62,674 (\$1,924,405).
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- The currency exchange rates as of December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 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)	\$ - (EUR -)	\$ - (EUR -)	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,676,568 (EUR 108,198)	\$ 3,676,568 (EUR 108,198)
		Special Melted Products Limited	Other receivables	Yes	552,485 (GBP 13,920)	290,493 (GBP 7,420)	240,851 (GBP 6,152)	4.95-4.96	Operating capital	-	Operating capital	-	-	-	3,676,568 (EUR 108,198)	3,676,568 (EUR 108,198)

Notes:

- 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.
 - The limit on the amount of financing provided to a single enterprise was as follows:
Degerfors Long Products AB, Special Melted Products Limited = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
 - The limit on the amount of financing provided was as follows:
Cogne Acciai Speciali S.p.A. = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of EUR and GBP.
- The currency exchange rates as of December 31, 2023 were as follows: EUR to NT\$ = 1:33.98; GBP to NT\$ = 1:39.15; GBP to EUR = 1:1.1521.

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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\$ -)	\$ - -	- 2.77	\$ 140,810,315 140,810,315	Yes Yes	No No	No Yes
		Yantai Walsin Stainless Steel Co., Ltd.	b	6,512,311 (RMB 1,502,180)	4,065,705 (RMB 900,000)	3,901,716 (RMB 900,000)	- (RMB -)	- -					

Notes:

- The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled "No." column.
 - "0" represents Walsin Lihwa Corporation.
 - Subsidiaries are numbered consecutively starting from 1.
- The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories
 - A company with which Walsin Lihwa Corporation does business.
 - A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
 - A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
 - A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
 - 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.
 - 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.
 - 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.
- 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.
 - The limit on the amount of endorsements/guarantees provided was as follows:

$$\text{NT\$}140,810,315 \times 100\% = \$140,810,315$$
 - The limit on the amount of endorsements/guarantees provided to a single entity was as follows:
 Borrego Energy, LLC: $\text{US\$}0 \times 250\% \times 72.55\% = \text{US\$}0$
 Yantai Walsin Stainless Steel Co., Ltd.: $\text{RMB}600,872 \times 250\% \times 100.00\% = \text{RMB}1,502,180$ (\$6,512,311)
- The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524.

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Euro and SEK)

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	\$ 1,773,416 (EUR 52,190)	\$ 616,000 (SEK 200,000)	\$ 616,000 (SEK 200,000)	\$ - (SEK -)	\$ -	16.75	\$ 3,676,568 (EUR 108,198)	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:

$$\text{EUR}540,989 \times 20\% = \text{EUR}108,198 (\text{\$}3,676,568).$$
 - b. The limit on the amount of endorsements/guarantees provided to a single entity was as follows:

$$\text{Degerfors Long Products AB: EUR}41,752 \times 125\% \times 100\% = \text{EUR}52,190 (\text{\$}1,773,416).$$
4. The currency exchange rates as of December 31, 2023 was as follows: EUR to NT\$ = 1:33.98; SEK to NT\$ = 1:3.08.

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Lihwa Corporation	Share 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	\$ 3,550,641	10.19	\$ 3,550,641	
	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	3,525,594	12.06	3,525,594	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	10,815,701	10.81	10,815,701	
	Kuang 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	295,107	9.39	295,107	
	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	64,327	2.97	64,327	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	14,954	1.16	14,954	
	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	284,474	15.00	284,474	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	84,381	3.43	84,381	

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of Renminbi)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
XiAn Walsin Metal Product Co., Ltd.	<u>Certification of capital verification</u> Shaanxi Tianhong Silicon Industrial Corporation	-	Financial assets at fair value through other comprehensive income - non-current	N/A	\$ -	19.00	\$ -	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	<u>Certification of capital verification</u> Shaanxi Electronic Group Optoelectronics Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	N/A	18,155	6.02	18,155	

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

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

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

WALSIN INFO-ELECTRIC CORP.

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Info-Electric Corp.	<u>Share</u> W T International Inc.	-	Financial assets at fair value through other comprehensive income - non-current	228,000	\$ 2,308	5.43	\$ 2,308	
	Ufi Space Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	359,549	30,541	1.03	30,541	
	InSynerger Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	750,000	36,240	6.60	36,240	
	K.S. Terminals Inc.	-	Financial assets at fair value through other comprehensive income - non-current	145,000	10,426	0.09	10,426	
	Landing AI	-	Financial assets at fair value through other comprehensive income - non-current	265,583	29,774	0.54	29,774	

PT. WAL SIN LIPPO INDUSTRIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of U.S. Dollars)

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
PT. Walsin Lippo Industries	<u>Government bonds</u> Indonesia Government Bonds	-	Financial assets at amortized cost - non-current	-	\$ 6,012	N/A	\$ 5,994	

COGNE ACCIAI SPECIALI S.P.A.

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

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cogne Acciai Speciali S.p.A.	Share Geo Storage	-	Financial assets at fair value through profit or loss - non-current	N/A	\$ 2	-	\$ 2	
	Metal Interconnector	-	Financial assets at fair value through profit or loss - non-current	2,114,787	2,339	1.64	2,339	

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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Corporation	Share													
	Walsin Lihwa Holdings Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	108,730,393	\$ 24,073,818	-	\$ -	106,000,000	\$ 3,214,530	\$ 3,490,565 (Note 1)	\$ -	2,730,393	\$ 20,583,253
	Concord Industries Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	308,498,375	5,210,454	-	-	11,000,000	336,700	1,525,182 (Note 1)	-	297,498,375	3,685,272
	Walsin Lihwa Europe S.a r.l.	Investments accounted for using the equity method	Capital investment	Subsidiaries	12,000	4,146,986	-	5,519,286 (Note 2)	-	-	-	-	12,000	9,666,272
	Walsin Singapore Pte. Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	422,000,000	19,603,265	311,000,000	11,206,684 (Note 2)	-	-	-	-	733,000,000	30,809,949
	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	2,657,462 (Note 2)	-	-	-	-	270,000,000	2,657,462
	Innovation West Mantewe Pte. Ltd.	Investments accounted for using the equity method	Glory Merry Limited and non-related individual	-	-	-	40	2,444,727	-	-	-	-	40	2,444,727
	Winbond Electronics Corporation	Investments accounted for using the equity method	Capital investment	Associates	883,848,423	20,953,105	35,531,593	(617,532) (Note 2)	-	-	-	-	919,380,016	20,335,573
	Chin-Cherng Construction Co.	Investments accounted for using the equity method	Capital reduction	Subsidiaries	577,583,403	6,182,490	-	-	47,627,598	476,276	720,191 (Note 1)	-	529,955,805	5,462,298
	Joint Success Enterprises Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	36,058,184	5,084,267	-	-	14,713,622	474,294	846,712 (Note 1)	-	21,344,562	4,237,555

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.

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 YEAR ENDED DECEMBER 31, 2023
 (In Thousands of Renminbi)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Holdings Limited	Share Walsin International Co., Ltd.	Investments accounted for using the equity method	Capital reduction	Subsidiary	4,653,371,702	\$ 4,441,707	-	\$ -	851,207,000	\$ 750,438	\$ 635,805 (Note)	\$ -	3,802,164,702	\$ 3,805,902

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

WALSIN SINGAPORE PTE. LTD.

**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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of U.S. Dollars)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/ Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Singapore Pte. Ltd.	Share PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Lihwa Corporation	Parent company	-	\$ -	59,000	\$ 145,850 (Note)	-	\$ -	\$ -	\$ -	590,000	\$ 145,850 (Note)

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

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 YEAR ENDED DECEMBER 31, 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	\$ 161,606 (Note)	-	\$ -	\$ -	\$ -	8,277	\$ 338,754 (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	173,702 (Note)	-	-	-	-	4,199,156	173,702 (Note)

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

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Company Name	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	2023/02/04-2023/12/26	\$ 1,130,651	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	-
Yantai Walsin Stainless Steel Co., Ltd.	Plant	2023/01/01-2023/12/28	RMB 182,764	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	-
Yantai Walsin Stainless Steel Co., Ltd.	Dormitory	2023/04/27-2023/12/27	RMB 131,248	Based on the terms in the contract	China Merchants Property Development (Yantai) Co., Limited	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Sunny Metal Industry	Plant	2023/03/27-2023/09/30	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	-
PT. Walhsu Metal Industry	Plant	2023/07/07-2023/12/29	US\$ 23,095	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	-
Walsin Energy Cable System Co., Ltd.	Plant	2023/07/17-2023/11/23	872,500	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	-

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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

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	
Walsin Lihwa Corporation	Kuang Tai Metal Industrial Co., Ltd.	Director of the related party	Sales	\$ (1,515,412)	(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	\$ 51,392	2	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	(369,262)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	99,469	4	
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(491,550)	(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	94,733	4	
	Novametal SA	Substantive related party	Sales	(174,367)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	77,568	3	
	Trefilados Inoxidables de Mexico, S.A. De C.V.	Substantive related party	Sales	(101,453)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	22,675	1	
	Ferriere di Stabio SA	Substantive related party	Sales	(131,839)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	31,914	1	
	Walsin Singapore Pte. Ltd.	100% directly owned subsidiary	Purchase	8,154,060	10	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(126,177)	(3)	

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 YEAR ENDED DECEMBER 31, 2023

(In Thousands of 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	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Sales	RMB (139,259)	(22)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 25,398	30	

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 YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Renminbi and Euro)

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 (234,587)	(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 28,350	5	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (266,611)	(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 26,154	5	
	Cogne Acciai Speciali S.p.a.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	EUR 9,462	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	EUR (9,462)	(16)	
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 57,808	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 (4,813)	(1)	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 34,229	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 (534)	-	
	Walsin Singapore Pte. Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	US\$ 19,973	4	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	US\$ (15,730)	(24)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (34,229)	(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 534	(-)	
	Walsin Lihwa Corporation	Parent company	Purchases	369,262	21	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(99,469)	(18)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 266,611	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 (26,154)	(21)	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (57,808)	(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 4,813	5	
	Walsin Lihwa Corporation	Parent company	Purchases	491,550	17	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(94,733)	(11)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 234,587	34	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 (28,350)	(14)	

COGNE ACCIAI SPECIALI S.P.A. 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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of Euro)

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	
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	EUR (9,462)	(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	\$ 9,462	5	

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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and U.S. Dollars)**

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	
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Sales	\$ (8,154,060)	(93)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 126,177	21	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	US\$ (19,973)	(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	US\$ 15,730	79	

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 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	Walsin Singapore Pte. Ltd. Borrego Energy Holdings, LLC.	100% directly owned subsidiary	Other receivables \$ 290,281	-	\$ -	-	\$ -	\$ -
		72.55% indirectly owned subsidiary	Other receivables 230,405	-	-	-	-	-
	Borrego Energy, LLC.	72.55% indirectly owned subsidiary	Other receivables 648,967	-	-	-	-	-

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

DECEMBER 31, 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% directly owned subsidiary	Other receivables RMB 230,703	-	\$ -	-	\$ -	\$ -
	Walsin International Investments Limited	100% directly owned subsidiary	Other receivables US\$ 4,500	-	-	-	-	-
Walsin (China) Investment Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 174,630 RMB 181,078	-	-	-	-	-
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 22,880	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 44,596	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% directly owned subsidiary	Other receivables US\$ 28 RMB 70,686	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate of Walsin Lihwa Corporation	Other receivables RMB 81,068	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 182,651	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 100,866	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd.	100% directly owned subsidiary	Other receivables US\$ 19,881	-	-	-	-	-
	Walsin (Nanjing) Development Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 1,009,637	-	-	-	-	-
Walsin International Investments Limited	Walsin Lihwa Corporation	Parent company	Other receivables US\$ 104,077	-	-	-	-	-
	PT. Sunny Metal Industry	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 41,721	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 257,578 RMB 916,113	-	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 276,306	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Parent company	Other receivables RMB 201,248	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Trade receivables RMB 25,398	10.97	-	-	-	-

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

DECEMBER 31, 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.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables \$ 28,350	8.64	\$ -	-	\$ 19,804	\$ -
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables 26,154	11.63	-	-	23,105	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 139,045	-	-	-	-	-
Changshu Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 43,198	-	-	-	-	-
Jiangyin Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 127,136	-	-	-	-	-

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

DECEMBER 31, 2023

(In Thousands of 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 Singapore Pte. Ltd.	Walsin Lihwa Corporation Yantai Walsin Stainless Steel Co., Ltd.	Parent company	Trade receivables \$ 4,109	126.31	\$ -	-	\$ 4,109	\$ -
		Both are subsidiaries of Walsin Lihwa Corporation	Trade receivables 15,730	2.54	-	-	15,730	-
	PT. Sunny Metal Industry Innovation West Mantewe Pte. Ltd.	50.1% owned subsidiary	Other receivables 288,902	-	-	-	-	-
		Associate of Walsin Lihwa Corporation	Other receivables 4,864	-	-	-	-	-
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	99.9% owned subsidiary	Other receivables 39,382	-	-	-	-	-

WALSIN INFO-ELECTRIC CORP.

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

DECEMBER 31, 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 Info-Electric Corp.	Walsin Lihwa Corporation	Parent company	Other receivables \$ 100,083	-	\$ -	-	\$ -	\$ -

COGNE ACCIAI SPECIALI S.P.A

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

DECEMBER 31, 2023

(In Thousands of Euro and GBP)

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		
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Trade receivables EUR 9,462	2.00	\$ -	-	\$ -	\$ -
	Special Melted Products Limited	Parent to subsidiary	Other receivables GBP 6,152	-	-	-	-	-

Note: Amounts are stated in thousands of Euro, except those stated in thousands of GBP.

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Hong Kong Dollars)

Information of investees that Walsin Lihwa Corporation has controlling power or significant influence over was as follows:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 103,022	\$ 3,317,552	2,730,393	100.00	\$ 20,583,253	\$ 281,244	\$ 74,675	
	Concord Industries Limited	British Virgin Islands	Investments holding	13,274,435	13,611,135	297,498,375	100.00	3,685,272	(1,147,157)	(1,147,157)	
	Ace Result Global Limited	British Virgin Islands	Investments holding	1,587,416	1,587,416	44,739,988	100.00	382,041	33,896	33,896	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	34,837,100	100.00	409,853	24,677	21,417	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	9,251	(8,409)	(8,409)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	135,412	611,688	529,955,805	99.22	5,462,298	(179,331)	(177,932)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	348,242	4,640	4,618	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	980,706	96,593	67,615	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	12,004	11,656	2,999,500	70.00	11,773	(823)	(576)	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	689,979	1,164,273	21,344,562	49.05	4,237,555	(388,158)	(308,977)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	8,575,298	778,816	288,162	
	Tsai Yi Corporation	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	1,026,607	23,695	8,049	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	169,753	(16,574)	(4,420)	
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	8,211,615	7,429,920	919,380,016	21.99	20,335,573	(1,146,522)	(253,924)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.17	2,230,609	(29,495)	(6,244)	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,631,671	2,325,394	427,443	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	7,269,121	2,855,853	1,458,312	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	551,918	13,214	13,214	
	Walsin Singapore Pte. Ltd.	Singapore	Investments holding	26,357,910	16,790,710	733,000,000	100.00	30,809,949	1,828,395	1,417,688	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cable	2,700,000	-	270,000,000	90.00	2,657,462	(45,479)	(41,660)	
Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	11,560,560	6,692,862	12,000	100.00	9,666,272	639,873	639,873		
PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	43,669	22,223	13,930	99.50	36,315	(5,663)	(5,625)		
Walsin America, LLC	USA	Investments	196,654	185,752	N/A	100.00	(374,028)	(372,662)	(372,662)	(Note 4)	
PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	280,654	(7,744)	(2,259)		
PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	-	-	(12,635)	(504)	(Note 3)	
Innovation West Mantewe Pte. Ltd.	Singapore	Investments holding	2,452,575	-	40	40.00	2,444,727	(15,981)	(6,392)		
PT CNGR Walsin New Mining Industry Investment Indonesia	Indonesia	Investments holding	46,929	-	22,257	29.17	45,131	(2,832)	(860)		
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	16,499,499	506,162	506,162	
	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.828	-	-	
Walsin America, LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ 38,147	N/A	72.55	(379,651)	(507,325)	(368,064)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
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	\$ (524,112)	\$ (507,325)	\$ (507,325)	
	Cleanleaf Energy Holdings, Inc	USA	Investments	US\$ - (Note 5)	US\$ -	100	100.00	-	-	-	
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	1,344,952	272,968	272,968	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited Dinghsin Development Co., Ltd.	British Virgin Islands Taiwan	Investments	725,493	1,202,993	22,175,438	50.95	4,341,711	(388,158)	(197,766)	
			Investment of real estate and related business	8,540	8,540	2,119,200	35.32	37,561	4,158	1,469	
	Concord II Venture Capital Co., Ltd. Chin-Xin Investment Co., Ltd.	Taiwan Taiwan	Venture capital and consulting affairs Investments	1,603 54,154	1,603 54,154	172,342 3,264,092	0.17 0.67	1,107 157,192	(16,574) 778,816	(24) 5,235	
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia PT. Sunny Metal Industry PT. Westrong Metal Industry	Indonesia Indonesia Indonesia	Production and sale of nickel pig iron	US\$ 42,000	US\$ 42,000	420,000	42.00	6,278,036	2,855,853	1,199,458	
			Manufacture and sale of nickel matte	US\$ 200,000	US\$ 200,000	50,100	50.10	6,405,094	1,792,965	319,574	(Note 3)
			Manufacture and sale of nickel matte	US\$ 146,000	US\$ -	590,000	29.50	4,478,309	(12,635)	(3,210)	(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	11,510,849	906,305	770,559	
MEG S.A.	Cogne Acciai Speciali S.p.A.	Italy	Production and sale of stainless steel	EUR 155,988	EUR 15,988	314,705,934	77.60	14,215,240	1,105,020	909,541	
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9,491	US\$ -	9,490,500	99.90	249,671	724	723	
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9	US\$ -	9,500	0.10	292	724	1	
Min Maw Precision Industry Corp.	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	224	224	70	0.50	187	(5,663)	-	

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: As of December 31, 2023, the capital injection had not been completed.

Note 6: Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Euro and Hong Kong dollars.

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, 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:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	\$ 614,100 (US\$ 20,000)	b	\$ 799,589 (US\$ 26,041) (Note 2)	\$ -	\$ -	\$ 799,589 (US\$ 26,041) (Note 2)	\$ (101,194)	100.00	\$ (101,194)	\$ 728,251	\$ -
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	479,827 (US\$ 15,627)	b	459,224 (US\$ 14,956) (Note 3)	-	-	459,224 (US\$ 14,956) (Note 3)	36,375	95.71	34,816	1,187,786	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	5,467,946 (US\$ 178,080)	b	2,590,888 (US\$ 84,380) (Note 4)	-	-	2,590,888 (US\$ 84,380) (Note 4)	183,365	40.00	66,364	724,089	-
Walsin (China) Investment Co., Ltd.	Investments	2,413,413 (US\$ 78,600)	b	2,413,413 (US\$ 78,600) (Note 5)	-	-	2,413,413 (US\$ 78,600) (Note 5)	(208,895)	100.00	(208,895)	4,027,195	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	2,978,385 (US\$ 97,000)	b	2,978,385 (US\$ 97,000) (Note 6)	-	-	2,978,385 (US\$ 97,000) (Note 6)	273,984	100.00	273,984	1,300,217	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	798,330 (US\$ 26,000)	b	798,330 (US\$ 26,000) (Note 7)	-	-	798,330 (US\$ 26,000) (Note 7)	(34,993)	100.00	(34,993)	1,426,606	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat rolled products	1,504,545 (US\$ 49,000)	b	1,504,545 (US\$ 49,000) (Note 8)	-	-	1,504,545 (US\$ 49,000) (Note 8)	(588,772)	100.00	(588,722)	1,178,882	-
XiAn Walsin Metal Product Co., Ltd. (Note 11)	Manufacture and sale of specialized stainless steel plates	1,699,522 (US\$ 55,350)	b	925,756 (US\$ 30,150)	-	-	925,756 (US\$ 30,150)	(11,931)	100.00	(11,931)	(791,207)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	10,288,171 (US\$ 335,065) (Note 9)	b	6,537,924 (US\$ 212,927)	-	-	6,537,924 (US\$ 212,927)	(1,452,987)	100.00	(1,452,987)	2,604,924	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	1,338,738 (US\$ 43,600) (Note 13)	b	401,621 (US\$ 13,080)	-	-	401,621 (US\$ 13,080)	69,464	30.00	20,841	492,115	971,967 (US\$ 31,655)
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	30,705 (US\$ 1,000)	b	30,705 (US\$ 1,000)	-	-	30,705 (US\$ 1,000)	(8,336)	100.00	(8,336)	(518,360)	-
Dong Guan Cogne Steel Products Co., Ltd.	Stainless Steel Products	784,564 (EUR 23,089)	b	- (US\$ -)	-	-	- (US\$ -)	(32,133)	70.00	(22,493)	564,831	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	\$ 5,202,288 (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.	43,352 (RMB 10,000)	b	9,334 (US\$ 304)	- -	- -	9,334 (US\$ 304)	1,038	20.00	208	9,776	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12)	Communications equipment and electronic components	674,550 (RMB 155,597)	b	- (RMB -)	- -	- -	- (RMB -)	22,638	6.02	-	78,706	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,535,500 (US\$ 50,000)	b	1,529,109 (US\$ 49,800) (Note 14)	- -	- -	1,529,109 (US\$ 49,800) (Note 14)	(547,393)	99.60	(545,217)	8,542,838	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,335 (RMB 1,000)	b	- (RMB -)	- -	- -	- (RMB -)	(3,962)	99.60	(3,947)	(21,672)	-

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

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
\$ 18,566,945 (US\$ 604,688)	\$ 18,876,175 (US\$ 614,759)	N/A (Note 18)

Notes:

1. Investments can be classified into three categories as follows:
 - a. Direct investment in mainland China.
 - b. Reinvestment in mainland China through companies in a third country companies.
 - c. Others.
2. Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.
3. Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.
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.
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.
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.
7. Investment through Walsin (China) Investment Co., Ltd.
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.
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.
10. The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and the fair value.

(Continued)

11. XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
12. Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
13. The amount included capitalization of retained earnings of US\$7,280 thousand.
14. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
15. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Renminbi and Euro.
16. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705, RMB to NT\$ = 1:4.33524, Euro to NT\$ = 1:33.98. The average exchange rates of December 31, 2023 were as follows: US\$ to NT\$ = 1:31.154, RMB to NT\$ = 1:4.41546, Euro to NT\$ = 1:33.69722.
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.
18. Upper limit on investment:

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

(Concluded)

CHIN-CHERNG CONSTRUCTION CO.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (In Thousands of New Taiwan Dollars, 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. and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	US\$ 50,000	Note 1	US\$ 25,475	\$ -	\$ -	US\$ 25,475	\$ (123,972)	50.95	\$ (63,164)	\$ 1,008,005	\$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 1	-	-	-	-	(897)	50.95	(457)	(2,557)	-

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,294,097 (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 audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.

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

$$\text{NT\$}5,490,161 \times 60\% = \text{NT\$}3,294,097 \text{ thousand.}$$

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

WALSIN LIHWA CORPORATION AND INVESTEES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, U.S. Dollars, Renminbi, Euro and GBP)

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	\$ 491,550	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jianyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	369,262	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Singapore Pte. Ltd.	Transactions between parent company and subsidiaries	Other receivables	290,281	Based on capital demand	-
		Borrego Energy Holdings, LLC	Transactions between parent company and subsidiaries	Other receivables	230,405	Based on capital demand	-
		Borrego Energy, LLC	Transactions between parent company and subsidiaries	Other receivables	648,967	Based on capital demand	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 230,703	Based on capital demand	-
		Walsin International Investment Limited	Transactions between parent company and subsidiaries	Other receivables	US\$ 4,500	Based on capital demand	-
2	Walsin (China) Investment Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 174,630	Based on capital demand	2
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 181,078	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 44,596	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 28	Based on capital demand	-
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 70,686	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 22,880	Based on capital demand	-
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 1,009,637	Based on capital demand	2
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 182,651	Based on capital demand	-
3	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	RMB 100,866	Based on capital demand	-
		PT. Sunny Metal Industry	Transactions between subsidiaries	Other receivables	US\$ 19,881	Based on capital demand	1
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 41,721	Based on capital demand	-
4	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 257,578	Based on capital demand	4
				Trade receivables	RMB 28,350	The terms are set by quotations on the local market and are similar to those of general customers	-

(Continued)

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 26,154	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 234,587	The terms are set by quotations on the local market and are similar to those of general customers	1
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Sales	RMB 266,611	The terms are set by quotations on the local market and are similar to those of general customers	1
		Walsin (China) Investment Co., Ltd	Transactions between subsidiaries	Other receivables	RMB 139,045	Based on capital demand	-
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 34,229	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 127,136	Based on capital demand	-
6	Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 57,808	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 43,198	Based on capital demand	-
7	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 201,248	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 276,306	Based on capital demand	1
9	Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Trade receivables	US\$ 4,109	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	US\$ 15,730	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	Sales	US\$ 259,494	The terms are set by quotations on the local market and are similar to those of general customers	4
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	US\$ 19,973	The terms are set by quotations on the local market and are similar to those of general customers	-
		PT. Sunny Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 288,902	Based on capital demand	3
10	PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Transactions between parent company and subsidiaries	Other receivables	US\$ 39,382	Based on capital demand	-
11	Walsin Info-Electric Corp.	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	100,083	Based on capital demand	-
12	Cogne Acciai Speciali S.p.A.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	EUR 9,462	The terms are set by quotations on the local market and are similar to those of general customers	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	EUR 9,462	The terms are set by quotations on the local market and are similar to those of general customers	-
		Special Melted Products Limited	Transactions between parent company and subsidiaries	Other receivables	GBP 6,152	Based on capital demand	-

(Concluded)

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

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chin-Xin Investment Co., Ltd.	248,002,375	6.15
Winbond Electronics Corp.	247,527,493	6.14
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.