Walsin Lihwa Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Walsin Lihwa Corporation

Opinion

We have audited the accompanying parent company only financial statements of Walsin Lihwa Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only 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 parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing 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 Parent Company Only 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 parent company only financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are key audit matters of the Company’s parent company only financial statements as of and for the year ended December 31, 2023:

<u>Sales Revenue Recognition</u>

In 2023, the main products of the Company’s wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed under the contracts at the time of shipments. The Company prepares reports on point-of-sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually, and their amounts are significant to the parent company only 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 22 to the parent company only financial statements for related accounting policies and disclosure of information relating to revenue recognition.

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

1. We obtained an understanding and tested the reasonableness of revenue recognition policy and internal control procedures over the sales of bare copper wires and evaluated the effectiveness of relevant internal controls.

2. We performed sampling and reconciliation of sales prices and quantities with their respective amounts in the contracts and verified the accuracy of market price adjustments.

3. We verified the accuracy of monthly reports by recalculating the sales revenue and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

Other Matter

The parent company only financial statements of certain equity-method investees included in the parent company only 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 investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT$14,356,192 thousand and NT$14,685,608 thousand, which constituted 7.08% and 7.30% of the total assets as of December 31, 2023 and 2022, respectively. The aforementioned investment classified as other non-current liabilities was NT$374,028 thousand, which constituted 0.18% of the total assets as of December 31, 2023. The investment gains (loss) amounted to NT$486,243 thousand and NT$(118,414) thousand for the years ended December 31, 2023 and 2022, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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 audit 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 parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

WALSIN LIHWA CORPORATION

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

	2023		2022 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	$ 3,530,594	2	$ 10,997,025	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,499,047	1	-	-
Contract assets - current (Notes 4 and 8)	175,083	-	267,147	-
Notes receivable (Notes 4, 9 and 32)	15,863	-	25,058	-
Trade receivables (Notes 4 and 9)	2,119,899	1	3,652,066	2
Trade receivables from related parties (Notes 4, 9 and 32)	438,177	-	296,053	-
Finance lease receivables (Notes 4, 10 and 32)	9,068	-	-	-
Other receivables (Note 32)	1,720,601	1	8,272,172	4
Inventories (Notes 4 and 11)	11,120,657	5	11,819,088	6
Other current assets (Notes 3, 6, 17 and 33)	314,635	-	2,019,441	1
Total current assets	20,943,624	10	37,348,050	19
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,184,108	1	2,567,786	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	18,635,179	9	12,206,200	6
Investments accounted for using equity method (Notes 4 and 13)	130,841,304	65	117,556,202	59
Property, plant and equipment (Notes 4 and 14)	20,828,266	10	18,760,190	9
Right-of-use assets (Notes 4 and 15)	75,711	-	1,459,994	1
Investment properties (Notes 4 and 16)	8,099,078	4	8,170,554	4
Deferred tax assets - non-current (Notes 4 and 24)	680,501	-	700,710	-
Refundable deposits	25,700	-	31,197	-
Finance lease receivables - non-current (Notes 4, 10 and 32)	1,517,217	1	-	-
Other non-current assets (Notes 6, 17 and 33)	34,394	-	2,281,237	1
Total non-current assets	181,921,458	90	163,734,070	81
TOTAL	$ 202,865,082	100	$ 201,082,120	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 504,234	-	$ 6,600,565	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	44,519	-	51,505	-
Trade payables (Note 32)	3,648,025	2	3,226,544	2
Other payables	2,163,348	1	2,884,659	1
Other payables to related parties (Note 32)	3,308,150	2	9,273,554	5
Current tax liabilities (Notes 4 and 24)	1,361,449	1	1,420,015	1
Lease liabilities - current (Notes 4 and 15)	37,025	-	38,519	-
Other current liabilities	407,295	-	227,916	-
Total current liabilities	11,474,045	6	23,723,277	12
NON-CURRENT LIABILITIES				
Bonds Payable (Note 19)	12,800,000	6	7,500,000	4
Long-term borrowings (Note 18)	26,446,398	13	37,445,270	18
Long-term notes and bills payable (Note 18)	2,998,822	2	1,497,914	1
Deferred tax liabilities (Notes 4 and 24)	5,974,347	3	5,495,675	3
Lease liabilities - non-current (Notes 4 and 15)	1,675,034	1	1,498,347	1
Net defined benefit liabilities - non-current (Notes 4 and 20)	137,005	-	147,420	-
Other non-current liabilities (Notes 29 and 32)	549,116	-	193,341	-
Total non-current liabilities	50,580,722	25	53,777,967	27
Total liabilities	62,054,767	31	77,501,244	39
EQUITY (Note 21)				
Share capital	40,313,329	20	37,313,329	18
Capital surplus	33,624,917	16	24,672,454	12
Retained earnings				
Legal reserve	9,538,222	5	7,564,090	4
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings	48,340,145	24	51,762,058	26
Total retained earnings	60,590,617	30	62,038,398	31
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(4,947,475)	(3)	(4,256,774)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	14,068,677	7	6,693,877	3
Loss on hedging instruments	(65,100)	-	(105,801)	-
Other equity - other	(2,774,650)	(1)	(2,774,607)	(1)
Total other equity	6,281,452	3	(443,305)	-
Total equity	140,810,315	69	123,580,876	61
TOTAL	$ 202,865,082	100	$ 201,082,120	100

The accompanying notes are an integral part of the parent company only financial statements.

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

WALSIN LIHWA CORPORATION

PARENT COMPANY ONLY 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	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 22)	$ 83,321,352	100	$ 98,420,045	100
OPERATING COSTS (Note 11)	(76,550,777)	(92)	(87,224,447)	(89)
(UNREALIZED) REALIZED GAIN	(11,785)	-	11,802	-
GROSS PROFIT	6,758,790	8	11,207,400	11
OPERATING EXPENSES				
Selling and marketing expenses	845,777	1	1,431,892	1
General and administrative expenses	1,659,411	2	1,833,812	2
Research and development expenses	211,655	-	200,649	-
Total operating expenses	2,716,843	3	3,466,353	3
PROFIT FROM OPERATIONS	4,041,947	5	7,741,047	8
NON-OPERATING INCOME AND EXPENSES				
Interest income	254,125	-	119,155	-
Dividend income	510,707	1	764,885	1
Other income - other	58,360	-	405,699	-
Gain on disposal of property, plant and equipment	430	-	78,846	-
Foreign exchange gain, net	102,135	-	1,732,956	2
Gain (loss) on valuation of financial assets and liabilities at fair value through profit or loss	122,354	-	(165,235)	-
Other expenses	(76,810)	-	(124,715)	-
Gain (loss) on disposal of investments (Note 23)	1,085,948	1	(597,501)	(1)
Interest expense	(806,443)	(1)	(727,747)	(1)
Share of profit of subsidiaries and associates accounted for using the equity method	1,659,130	2	15,429,151	16
Total non-operating income and expenses	2,909,936	3	16,915,494	17
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	6,951,883	8	24,656,541	25
INCOME TAX EXPENSE (Notes 4 and 24)	(1,817,567)	(2)	(5,304,444)	(5)
NET PROFIT FOR THE YEAR	5,134,316	6	19,352,097	20

(Continued)

WALSIN LIHWA CORPORATION

PARENT COMPANY ONLY 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	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 20)	$ (34,728)	-	$ 260,538	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6,254,992	7	(4,022,988)	(4)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,288,838	2	(688,713)	(1)
	7,509,102	9	(4,451,163)	(5)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(642,710)	(1)	1,663,884	2
Share of other comprehensive (loss) income of associates accounted for using the equity method	(7,290)	-	74,228	-
	(650,000)	(1)	1,738,112	2
Other comprehensive income (loss) for the year, net of income tax	6,859,102	8	(2,713,051)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 11,993,418	14	$ 16,639,046	17
EARNINGS PER SHARE (Note 25)				
Basic	$ 1.32		$ 5.45	
Diluted	$ 1.32		$ 5.44	

The accompanying notes are an integral part of the parent company only financial statements.

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

WALSIN LIHWA CORPORATION

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

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	Total Equity
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
Appropriation of 2021 earnings (Note 21)										
Legal reserve	-	-	1,454,522	-	(1,454,522)	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(5,490,133)	-	-	-	-	(5,490,133)
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)
Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	313,270	1,843,913	(4,764,433)	(105,801)	-	(2,713,051)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	19,665,367	1,843,913	(4,764,433)	(105,801)	-	16,639,046
Share-based payment transaction (Note 26)	-	225,000	-	-	-	-	-	-	-	225,000
Others	-	6,686	-	-	-	-	-	-	-	6,686
BALANCE AT DECEMBER 31, 2022	37,313,329	24,672,454	7,564,090	2,712,250	51,762,058	(4,256,774)	6,693,877	(105,801)	(2,774,607)	123,580,876
Appropriation of 2022 earnings (Note 21)										
Legal reserve	-	-	1,974,132	-	(1,974,132)	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(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)
Change in ownership interests in subsidiaries	-	26,730	-	-	-	-	-	-	-	26,730
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497
Net profit for the year ended December 31, 2023	-	-	-	-	5,134,316	-	-	-	-	5,134,316
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(70,350)	(690,701)	7,579,452	40,701	-	6,859,102
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,063,966	(690,701)	7,579,452	40,701	-	11,993,418
Others	-	9,168	-	-	-	-	-	-	(43)	9,125
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

The accompanying notes are an integral part of the parent company only financial statements.

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

WALSIN LIHWA CORPORATION

PARENT COMPANY ONLY 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	$ 6,951,883	$ 24,656,541
Adjustments for:		
Depreciation expenses	1,408,723	1,422,173
Amortization expenses	28,191	11,750
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(122,354)	165,235
Interest expenses	806,443	727,747
Interest income	(254,125)	(119,155)
Dividend income	(510,707)	(764,885)
Compensation costs of employee share options	-	225,000
Share of profit of subsidiaries and associates accounted for using the equity method	(1,659,130)	(15,429,151)
Gain on disposal of property, plant and equipment	(430)	(78,846)
(Gain) loss on disposal of investments	(1,085,948)	597,501
Unrealized (realized) gain on the transaction with associates	11,785	(11,802)
Unrealized loss on foreign currency exchange	424	7,352
Loss on lease modification	8	6
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	1,084,190	(555,033)
Decrease (increase) in contract assets	92,064	(116,082)
Decrease in notes receivable	9,195	11,935
Decrease in trade receivables	1,390,043	1,170,524
Decrease (increase) in other receivables	694,938	(625,476)
Decrease in inventories	698,431	3,748,184
Decrease in other current assets	1,427,973	232,752
Decrease (increase) in other financial assets	280,997	(280,997)
(Increase) decrease in other operating assets	(2)	93,091
Increase in trade payables	421,481	186,320
(Decrease) increase in other payables	(866,064)	146,827
Increase (decrease) in other current liabilities	167,594	(133,155)
Decrease in net defined benefit liabilities	(45,143)	(43,738)
Decrease in other operating liabilities	(766)	(50,009)
Cash generated from operations	10,929,694	15,194,609
Interest received	232,104	118,408
Dividends received	1,874,051	2,161,080
Interest paid	(706,048)	(649,093)
Income tax paid	(1,349,412)	(1,989,646)
Net cash generated from operating activities	10,980,389	14,835,358

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WALSIN LIHWA CORPORATION

PARENT COMPANY ONLY 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	$ (173,987)	$ (90,000)
Disposal of financial assets at fair value through other comprehensive income	-	335
Purchase of financial assets at fair value through profit or loss	-	(2,686,100)
Acquisition of investments accounted for using the equity method	(19,529,179)	(17,718,066)
Increase in prepaid long-term investments	(17,423)	(2,204,073)
Repatriation through capital reduction of investee companies accounted for using the equity method	4,501,800	11,178,225
Purchase of property, plant and equipment	(3,507,223)	(2,467,304)
Proceeds from disposal of property, plant and equipment	430	129,210
Decrease (increase) in refundable deposits	5,497	(3,650)
Decrease (increase) in other receivables	5,831,227	(6,710,599)
Purchase of investment properties	-	(183)
Decrease in finance lease receivables	7,475	-
Other investing activities	(458,231)	(524,195)
Net cash used in investing activities	(13,339,614)	(21,096,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(6,096,337)	1,518,581
Proceeds from bonds payable	5,300,000	-
Proceeds from long-term borrowings	13,246,152	21,755,400
Repayment of long-term borrowings	(24,245,024)	(19,450,144)
Increase in long-term notes and bills payable	1,500,908	1,497,914
Increase in other payables to related parties	13,634	3,345,925
Repayment of the principal portion of lease liabilities	(43,182)	(30,665)
Cash dividends paid	(6,716,022)	(5,489,781)
Proceeds from issuance of ordinary shares	11,923,497	9,000,000
Other financing activities	9,168	6,685
Net cash (used in) generated from financing activities	(5,107,206)	12,153,915
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,466,431)	5,892,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,997,025	5,104,152
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,530,594	$ 10,997,025

The accompanying notes are an integral part of the parent company only financial statements.

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

1. GENERAL INFORMATION

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

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1972. In October 1995, November 2010 and June 2023, the Company increased its share capital and issued Global Depositary Receipts (GDRs), which were listed on the Luxembourg Stock Exchange under stock number 168527.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 23, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AMENDED 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 a material impact on the Company's accounting policies.

   1) Amendments to IAS 1 "Disclosure of Accounting Policies"

      When applying the amendments, the Company 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 Company 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 parent company only financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the parent company only financial statements;

b) The Company 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 Company is required to make significant judgments or assumptions in applying an accounting policy, and the Company 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 Company has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in parent company only financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company 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 Company 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 Company 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 Company recognized the cumulative effect of retrospective application 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 Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company 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 Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company’s exposure to Pillar Two income taxes. The requirement that the Company 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

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IFRS Accounting Standards**
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 will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller concurrently the lessee shall retrospectively apply the amendment to IFRS 16 to the sale and leaseback transactions entered after the initial application date of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

1) Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”

The amendments clarify that for a sale and leaseback transaction, if the transfer of an asset meets the requirements of "Revenue from Contracts with Customers" in IFRS 15 and it is classified as a sale, the liabilities that arise from the leaseback by the seller and lessee, shall be treated according to the lease liability of IFRS 16. However, if it involves variable lease payments that are not dependent on the index or rate, the seller and lessee shall measure the liability in a manner that does not recognize the gain or loss related to the retained right of use. Subsequently, the difference between the current lease payment amount and the actual payment amount included in the calculation of lease liabilities is recognized as profit or loss.

The 2020 amendments stipulate that, for the purpose of classification of liabilities, the aforementioned settlement refers to the elimination of liabilities due to the transfer of cash, other economic resources, or the Company's equity instruments to the counterparty. However, if the terms of a liability may, at the option of the counterparty, result in its settlement by the transfer of the Company's equity instruments, and if the option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation," the aforementioned clauses do not affect the classification of liabilities.

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

   The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company 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 Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

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

3) IAS 7 and IFRS 7 Amendments “Supplier Financing 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 Company 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 Company’s liabilities and cash flows and on the Company’s exposure to liquidity risk.

   In addition to the above effects, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the amendments of other standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Convertibility.".	January 1, 2025 (Note 2)

Note 1: Unless noted otherwise, the above said standards recently released/amended/amended standards or interpretations take effects from the year of reporting period after the dates of release or amendment.

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 Company 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 Company loses control of a subsidiary that contains a business but retains significant influence or joint venture, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company 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 Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company 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 Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company'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 Company 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.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the aforesaid amendments to standards and interpretations will not have any material impact on the Company's financial position and financial performance; provided, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Presentation of Items Reclassified Subsequently

The management of the Company considers that 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 parent company only balance sheets and parent company only statements of cash flows in 2023. The other current assets - other 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	$ (39,707)
Net decrease in cash and cash equivalents	$ (39,707)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only 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.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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 Company 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. Foreign currencies

In preparing the Company's parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) 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 fair value was 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.

e. 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 parent company only balance sheets date.

f. Investments accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company’s share of equity of subsidiaries.

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of a subsidiary 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 Company’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investment in associates

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

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

Any excess of the cost of acquisition over the Company'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 Company'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 Company 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 Company's proportionate interest in the associate. The Company 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 Company's ownership interest is reduced due to its additional subscription of the new shares of the 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 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 Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company 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 deducted from investments and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value on that date and the fair value is regarded as its 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 Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

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

g. 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.

h. 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. 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.

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

i. 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 within useful lives. 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 estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment loss.

Intangible assets are derecognized when they are disposed or are not expected to generate future economic benefits through usage or through disposal.

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

j. 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 Company 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 Company 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 Company 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 Company 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.

k. Financial instruments

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

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.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial asset 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 31.

ii. 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 asset 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 and 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 assets that are not credit-impaired on purchase or origination but have 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.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company 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, it will be transferred to retained earnings.

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

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), operating lease receivables, finance lease receivables, as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, operating lease receivables, finance lease receivables and contract assets. For all other financial instruments, the Company 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 a financial instrument has not increased significantly since initial recognition, the Company 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 represent 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 Company considers that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Company 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.

c) Derecognition of financial assets

The Company 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.

2) Equity instruments

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

The repurchase of the Company’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 the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are 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 31.

ii. Financial guarantee contracts

Financial guarantee contracts issued by the Company, 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.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company 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 that is 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.

l. Hedge accounting

The Company 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 item that are attributable to the hedged risk and are recognized in the parent company only statement of profit or loss under the line item that relates to the hedged item.

The Company 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 adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted 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 Company 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 was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

m. 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.

n. Provisions

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

o. Revenue recognition

The Company 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

Revenue from the sale of goods comes from sales of wires, cables and stainless steel. 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 Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the others

a) Revenue from the reading of services

Revenue from the reading 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

A contract asset is recognized during the construction and is 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 Company recognizes a contract liability for the difference. Certain payments retained by the customer as specified in the contract are intended to ensure that the Company adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfies its performance obligation.

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.

p. Leases

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

1) The Company as lessor

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

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

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 Company’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.

2) The Company as lessee

The Company 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 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 Company 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 Company 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 parent company only balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as, in the period in which the events or conditions that trigger the concession occur and makes a corresponding adjustment to the lease liability.

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.

q. Government grants

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

Government grants are recognized profit and loss on a systematic basis over the periods in which the Company 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 Company 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.

r. 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 an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the 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 liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. 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.

s. Share-based payment transaction agreements

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 Company'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.

t. Taxation

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

1) Current tax

According to the Income Tax Act in 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 carryforward 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 Company 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 liability is settled or the asset 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except the current and deferred taxes that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes will be recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about 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 to be relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company reviews the estimates and underlying on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 1,000	$ 1,050
Checking accounts and cash in banks	3,506,214	7,423,539
Cash equivalents		
Time deposits	-	3,531,650
Repatriation of offshore fund and projects grants	23,380	40,786
	$ 3,530,594	$ 10,997,025

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

	December 31	
	2023	**2022**
Bank balance	0.001%-2.60%	0.001%-3.80%
Time deposits	-	1.035%

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

		December 31	
	Purpose	**2023**	**2022**
Other current assets - current			
Refundable deposits	Futures deposits	$ -	$ 280,997
Non-current assets - other			
Pledged time deposits	To meet required security deposits	600	600
		$ 600	$ 281,597

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	December 31 2022
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Commodity futures contracts	$ 68,870	$ -
Non-derivative financial assets		
Contingent consideration	2,614,285	2,567,786
Financial assets at FVTPL	$ 2,683,155	$ 2,567,786
Current	$ 1,499,047	$ -
Non-current	1,184,108	2,567,786
	$ 2,683,155	$ 2,567,786
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Commodity futures contracts	$	$ 21,017
Foreign exchange forward contracts	9,807	30,488
Exchange rate swap contracts	34,712	-
Financial liabilities at FVTPL	$ 44,519	$ 51,505
Current	$ 44,519	$ 51,505
Non-current	-	-
	$ 44,519	$ 51,505

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)
December 31, 2023							
Commodity futures							
Copper	Buy	13,300	2023.08.31-2023.12.29	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)
December 31, 2022							
Commodity futures							
Copper	Buy	5,900	2022.08.15-2022.12.30	2023.01.18-2023.06.21	US$ 48,178	US$ 49,332	US$ 1,154
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)

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)
December 31, 2023			
Buy	USD to IDR	2024.01.02-2024.02.01	USD78,000/IDR1,205,962,000
	USD to JPY	2024.01.29	USD3,500/JPY495,565
Sell	EUR to USD	2024.01.16-2024.01.22	EUR4,000/USD4,342
December 31, 2022			
Buy	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023	USD to NTD	2024.01.02-2024.02.29	USD118,000/NTD3,649,647

d. For the years ended December 31, 2023 and 2022, the Company's strategies for commodity futures contracts, forward exchange contracts and foreign exchange swap contracts were to hedge exposures to fluctuations in the prices of raw material and foreign exchange rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; therefore, they were not accounted for by hedge accounting.

e. Financial assets - contingent consideration is the amount of consideration to be received by the Company from the acquirer in the disposal of the subsidiary on July 27, 2022. In accordance with the agreement of contingent consideration, the acquirer shall respectively pay additional payments when the gross profit of the 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.

8. CONTRACT ASSETS

At the end of the year, contract balances were as follows:

	December 31	
	2023	2022
Contract assets		
Cable installation	$ 175,083	$ 267,147
Less: Allowance for impairment loss	-	-
Contract assets - current	$ 175,083	$ 267,147

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

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
Notes receivable	$ 12,877	$ 24,016
Notes receivable - non-operating		
Notes receivable	1,940	-
Notes receivable from related parties	1,046	1,042
	$ 15,863	$ 25,058
Trade receivables		
Trade receivables	$ 2,119,899	$ 3,652,066
Less: Allowance for impairment loss	-	-
	2,119,899	3,652,066
Trade receivables from related parties	438,177	296,053
	$ 2,558,076	$ 3,948,119

The average credit period on the sales of goods is 60 days. In determining the collectability of a trade receivable, the Company 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 Company dealt with new entities, the Company 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 Company uses other publicly available financial information or its own trading records to rate its major customers. The Company'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 Company's credit risk is significantly reduced.

The Company permits the use of a lifetime expected credit loss allowance for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience with the respective debtors and an analysis of the debtors' current financial positions. As the Company'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 Company's customer base.

The Company 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 Company 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 Company's provision matrix.

December 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	$ 2,499,599	$ 58,477	$ -	$ -	$ -	$ 2,588,076
Loss allowance (lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 2,499,599	$ 58,477	$ -	$ -	$ -	$ 2,558,076

December 31, 2022

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	$ 3,763,039	$ 24,816	$ 126,508	$ 33,756	$ -	$ 3,948,119
Loss allowance (lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 3,763,039	$ 24,816	$ 126,508	$ 33,756	$ -	$ 3,948,119

10. FINANCE LEASE RECEIVABLE

	December 31	
	2023	2022
Undiscounted lease payments		
Year 1	$ 17,793	$ -
Year 2	17,793	-
Year 3	107,457	-
Year 4	107,457	-
Year 5	107,457	-
Year 6 onwards	1,829,733	-
	2,187,690	-
Less: Unearned finance income	(661,045)	-
Net investment in leases presented as finance lease receivables	$ 1,526,285	$ -
Current	$ 9,068	$ -
Non-current	1,517,217	-
	$ 1,526,285	$ -

a. In July and October 2023, the Company subleased the land leased at the Kaohsiung Port Intercontinental Container Center to related parties and receives lease payments and management fees annually. The average term of the finance lease is 22 years, which is categorized as a finance lease because the remaining lease term of the main lease is fully subleased; please refer to Note 32.

b. 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 2.83% to 3.20% per annum as of December 31, 2023.

c. The finance lease receivables as of December 31, 2023, neither past due nor impaired.

11. INVENTORIES

	December 31	
	2023	2022
Raw materials	$ 2,138,339	$ 1,905,546
Raw materials in transit	1,935,674	1,488,842
Supplies	1,015,358	1,208,541
Work-in-process	1,679,293	1,746,284
Finished goods and merchandise	4,245,700	5,251,659
Construction in progress	106,293	218,216
	$ 11,120,657	$ 11,819,088

a. The cost of goods sold related to inventories for the years ended December 31, 2023 and 2022 were NT$75,130,774 thousand and NT$86,967,000 thousand, respectively.

b. The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of NT$89,173 thousand and NT$74,230 thousand, respectively.

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

	December 31	
	2023	2022
Domestic listed ordinary 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
Domestic unlisted ordinary shares	743,243	498,902
	$ 18,635,179	$ 12,206,200
Current	$ -	$ -
Non-current	18,635,179	12,206,200
	$ 18,635,179	$ 12,206,200

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 Company'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$6,254,992 thousand and NT$(4,022,988) thousand, respectively, recognized in other comprehensive income (loss).

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 87,101,281	$ 72,758,665
Investments in associates	43,740,023	44,797,537
	$ 130,841,304	$ 117,556,202

a. Investments in subsidiaries

	December 31			
	2023		2022	
Name of Subsidiary	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Unlisted companies:				
Walsin Lihwa Holdings Ltd.	$ 20,583,253	100.00	$ 24,073,818	100.00
Concord Industries Ltd.	3,685,272	100.00	5,210,454	100.00
Walsin Precision Technology Sdn. Bhd.	551,918	100.00	563,204	100.00
Min Maw Precision Industry Corp.	409,853	100.00	388,436	100.00
Ace Result Limited	382,041	100.00	354,722	100.00
Walsin Info-Electric Inc.	348,242	99.51	314,008	99.51
Chin-Cherng Construction Co., Ltd.	5,462,298	99.22	6,182,490	99.22
P.T. Walsin Lippo Industries	980,706	70.00	953,239	70.00
Joint Success Enterprises Limited	4,237,555	49.05	5,084,267	49.05
PT. Walsin Nickel Industrial Indonesia	7,269,121	50.00	5,832,774	50.00
Walsin Singapore Pte. Ltd.	30,809,949	100.00	19,603,265	100.00
Walsin Lihwa Europe S.a r.l.	9,666,272	100.00 (Note 3)	4,146,986	100.00 (Note 3)
Walsin America, LLC	-	100.00	-	100.00 (Note 1)
PT. Sunny Metal Industry	-	-	-	- (Note 2)
Walsin Energy Cable System Co., Ltd.	2,657,462	90.00 (Note 4)	-	-
Others	57,339		51,002	
	$ 87,101,281		$ 72,758,665	

Note 1: Due to the adjustment of the investment structure of the Group, it was transferred from WLHL to Walsin Lihwa Corporation in December 2022.

Note 2: On September 23, 2022, the Company 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, the board of directors of the Company resolved to transfer PT. Sunny Metal Industry to Walsin Singapore Pte. Ltd.

Note 3: On May 31, 2022, the Company'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, the Company's board of directors approved to increase capital in cash of MEG S.A., and the capital increase base date was August 30, 2023. Walsin Lihwa Europe S.a r.l. 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 4: The Company established Walsin Energy Cable System Co., Ltd. with 100% shares, on February 13, 2023. On February 24, 2023, the Company'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 Company did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 90.00%

As of December 31, 2023 and 2022, the carrying amount of Company's long-term investment to Walsin America, LLC was negative, so the difference of NT$374,028 thousand and NT$17,487 thousand were reclassified to other non-current liabilities, respectively.

b. Investments in associates

	December 31			
	2023		2022	
Name of Associate	**Carrying Value**	**Ownership Percentage**	**Carrying Value**	**Ownership Percentage**
Material associates				
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
Associates that are not individually material				
Others	12,542,170		13,587,952	
	$ 43,740,023		$ 44,797,537	

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 Company is the single largest shareholder of the abovementioned material associates in which the Company has an ownership percentage of less than 50%. Considering the relative size and wide dispersion of the voting rights owned by other shareholders, the Company 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 quotations are summarized as follows:

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

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Company for equity accounting purposes.

1) 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	(54,295,007)	(3,069,785)	(12,353,431)
Equity	100,460,178	10,626,325	56,615,776
Non-controlling interests	(8,163,361)	(92,257)	(10,036,131)
	$ 92,296,817	$ 10,534,068	$ 46,579,645
Proportion of the Company's ownership	21.99%	21.17%	18.30%
Equity attributable to the Company	$ 20,296,070	$ 2,230,062	$ 8,524,075
Other adjustments	39,503	547	107,596
Carrying amount	$ 20,335,573	$ 2,230,609	$ 8,631,671
Operating revenue	$ 75,006,078	$ 7,276,069	$ 32,797,671
Net profit (loss) for the year	$ 34,449	$ (112,652)	$ 2,657,922
Other comprehensive (loss) income	(1,304,665)	601,516	1,555,362
Total comprehensive (loss) income for the year	$ (1,270,216)	$ 488,864	$ 4,213,284

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	(53,654,523)	(3,970,323)	(18,917,380)
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	(8,570,720)	(200,109)	(9,303,110)
	$ 94,162,996	$ 10,039,983	$ 44,280,924
Proportion of the Company's ownership	22.21%	21.01%	18.30%
Equity attributable to the Company	$ 20,913,601	$ 2,109,400	$ 8,103,409
Other adjustments	39,504	-	43,671
Carrying amount	$ 20,953,105	$ 2,109,400	$ 8,147,080
Operating revenue	$ 94,529,790	$ 9,506,348	$ 35,297,163
Net profit for the year	$ 14,986,552	$ 156,098	$ 2,295,275
Other comprehensive income (loss)	2,717,903	(1,186,315)	218,387
Total comprehensive income (loss) for the year	$ 17,704,455	$ (1,030,217)	$ 2,513,662

2) Associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net profit from continuing operations	$ 281,776	$ 366,767
Other comprehensive (loss) income	1,066,695	(901,548)
Total comprehensive income (loss) for the year	$ 1,348,471	$ (534,781)

The Company'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. The financial statements of certain equity-method investees included in the financial statements were not audited by the auditors of the Company but were audited by other independent auditors. The investment in such investee amounted to NT$14,356,192 thousand and NT$14,685,608 thousand as of December 31, 2023 and 2022, respectively. The equity-method investee classified as other non-current liabilities amounted to NT$374,028 thousand as of December 31, 2023. Investment gain (loss) amounted to NT$486,243 thousand and NT$(118,414) thousand for the years ended December 31, 2023 and 2022, respectively.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2023	$ 3,748,745	$ 7,348,401	$ 21,165,234	$ 4,475,494	$ 3,105,197	$ 39,843,071
Additions	207,703	67,000	80,539	154,557	2,842,575	3,352,374
Disposals	-	(4,385)	(56,376)	(59,206)	-	(119,967)
Reclassified	12,652	12,448	177,078	39,670	(241,848)	-
Balance at December 31, 2023	$ 3,969,100	$ 7,423,464	$ 21,366,475	$ 4,610,515	$ 5,705,924	$ 43,075,478
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ 8,067	$ 4,545,423	$ 13,470,602	$ 3,058,789	$ -	$ 21,082,881
Disposals	-	(4,385)	(56,376)	(59,206)	-	(119,967)
Depreciation expenses	-	183,088	798,711	302,499	-	1,284,298
Balance at December 31, 2023	$ 8,067	$ 4,724,126	$ 14,212,937	$ 3,302,082	$ -	$ 22,247,212
Carrying amount at December 31, 2023	$ 3,961,033	$ 2,699,338	$ 7,153,538	$ 1,308,433	$ 5,705,924	$ 20,828,266
Cost						
Balance at January 1, 2022	$ 3,611,025	$ 7,219,012	$ 20,438,380	$ 4,282,943	$ 1,779,489	$ 37,330,849
Additions	80,867	29,938	258,714	126,330	2,180,778	2,676,627
Disposals	(50,356)	(4,979)	(78,137)	(30,930)	(3)	(164,405)
Reclassified	107,209	104,430	546,277	97,151	(855,067)	-
Balance at December 31, 2022	$ 3,748,745	$ 7,348,401	$ 21,165,234	$ 4,475,494	$ 3,105,197	$ 39,843,071
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ 8,067	$ 4,365,668	$ 12,751,878	$ 2,793,963	$ -	$ 19,919,576
Disposals	-	(4,980)	(78,137)	(30,924)	-	(114,041)
Depreciation expenses	-	184,735	796,861	295,750	-	1,277,346
Balance at December 31, 2022	$ 8,067	$ 4,545,423	$ 13,470,602	$ 3,058,789	$ -	$ 21,082,881
Carrying amount at December 31, 2022	$ 3,740,678	$ 2,802,978	$ 7,694,632	$ 1,416,705	$ 3,105,197	$ 18,760,190

a. Apart from stated above, the above items of property, plant and equipment 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 Company’s main buildings, office buildings and electrical and mechanical power equipment are depreciated over their estimated useful lives of 50 years and 20 years, respectively.

b. The Company 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, the Company keeps in its possession the land titles with the annotation of the land being pledged to the Company. As of December 31, 2023 and 2022, the recorded total carrying amount of such parcels of land amounted to NT$491,917 thousand.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 41,463	$ 1,423,924
Buildings	279	2,666
Transportation equipment	33,969	33,404
	$ 75,711	$ 1,459,994

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 15,910	$ 1,450,985
Disposal	$ (1,267)	$ (511)
Sublease (Note 10)	$ (1,345,977)	$ -
Depreciation charge for right-of-use assets		
Land	$ 35,957	$ 56,047
Buildings	1,647	1,714
Transportation equipment	15,345	13,769
	$ 52,949	$ 71,530

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 37,025	$ 38,519
Non-current	$ 1,675,034	$ 1,498,347

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	2.05%-3.759%	2.05%-3.759%
Buildings	1.198%	1.198%
Transportation equipment	1.964%-3.44%	1.964%-3.038%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 16,436	$ 19,512
Expenses relating to low-value asset leases	$ 243	$ 108
Total cash outflow for leases	$ (59,861)	$ (50,285)

16. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Completed investment properties	$ 8,099,078	$ 8,170,554

	Completed Investment Properties
Cost	
Balance at January 1, 2023	$ 9,977,685
Additions	-
Balance at December 31, 2023	$ 9,977,685
Balance at January 1, 2022	$ 9,977,502
Additions	183
Balance at December 31, 2022	$ 9,977,685
Accumulated depreciation and impairment	
Balance at January 1, 2023	$ 1,807,131
Depreciation expenses	71,476
Balance at December 31, 2023	$ 1,878,607
Balance at January 1, 2022	$ 1,733,834
Depreciation expenses	73,297
Balance at December 31, 2022	$ 1,807,131

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

b. The investment property of the Company is the Walsin Xin Yi Building and other completed investment properties. The building 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$32,102,265 thousand and NT$30,844,090 thousand, respectively.

17. OTHER ASSETS

	December 31 2023	December 31 2022
Prepayment for purchases	$ 74,732	$ 1,390,831
Prepaid expense	198,207	348,419
Overpaid sales taxes	37,717	-
Refundable deposits	-	280,997
Prepayment for investments	17,423	2,204,073
Others	20,950	76,358
	$ 349,029	$ 4,300,678
Current	$ 314,635	$ 2,019,441
Non-current	34,394	2,281,237
	$ 349,029	$ 4,300,678

18. BORROWINGS

	December 31 2023	December 31 2022
Short-term borrowings	$ 504,234	$ 6,600,565
Long-term borrowings	$ 26,446,398	$ 37,445,270
Long-term notes and bills payable	$ 2,998,822	$ 1,497,914

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

	December 31 2023 Interest Rate %	2023 Amount	2022 Interest Rate %	2022 Amount
Procurement loans	0.86%-1.00%	$ 4,234	-	$ -
Bank lines of credit	1.60%	500,000	0.95%-1.62%	6,600,565
		$ 504,234		$ 6,600,565

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

	December 31 2023 Significant Covenant	2023 Amount	2022 Amount
Long-term credit loan			
The Export-Import Bank of the Republic of China	Long-term credit loan from December 04, 2020 to December 04, 2027; principal to be repaid evenly in seven phases; 1st repayment 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	Principal repayments at maturity, 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

(Continued)

	December 31		
	2023		2022
	Significant Covenant	Amount	Amount
Taiwan Cooperative Bank	Principal repayment at maturity, 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 repayments at maturity, from March 30, 2020 to April 15, 2025	-	7,552,100
Hua Nan Commercial Bank	Principal repayment at maturity, 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 repayments at maturity, from October 4, 2022 to October 3, 2025	-	1,500,000
Taiwan Cooperative Bank	Principal repayments at maturity, from October 4, 2022 to October 4, 2027; principal to be repaid in two phases: From the 4th year, repayments are due once every six months; at rates of 20% and 80%, respectively	3,000,000	3,000,000
Far Eastern International Bank	Principal repayments at maturity, from October 21, 2022 to October 14, 2027; principal to be repaid evenly in three phases; 1st repayment due 48 months after the drawdown date, after which repayments are due once every six months	2,000,000	500,000
KGI Bank	Principal repayments at maturity, from October 24, 2022 to April 24, 2027	-	1,500,000
Standard Chartered Bank	Principal repayments at maturity, from November 16, 2022 to December 31, 2024	-	1,555,400
Hua Nan Commercial Bank	Principal repayments at maturity, from March 8, 2022 to March 8, 2027	2,500,000	2,500,000
Agricultural Bank of Taiwan	Principal repayments at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000
Chang Hwa Commercial Bank	Principal repayments 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	-
Others bank long-term credit loan	Principal repayments at maturity, from September 22, 2022 to November 15, 2033	1,009,434	1,200,000
		26,446,398	37,445,270
Less current portion of long-term borrowings		-	-
		$ 26,446,398	$ 37,445,270

(Concluded)

1) As mentioned above, long-term borrowings are assigned to credit loans.

2) Under the loan agreements with DBS Bank, the Company should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual 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.

3) As of December 31, 2022, Company was in compliance with the aforementioned financial ratio requirements.

c. Long-term notes and bills payables

December 31, 2023

Acceptance Agency	Character	Interest Rate (%)	Amount
China Bills, Mega Bills and International Bills	Unsecured	1.521-1.58	$ 3,000,000
Less: Discount on short-term bills payable			(1,178)
			$ 2,998,822

December 31, 2022

Acceptance Agency	Character	Interest rate (%)	Amount
China Bills and International Bills	Unsecured	1.395-1.50	$ 1,500,000
Less: Discount on short-term bills payable			(2,086)
			$ 1,497,914

19. BONDS PAYABLE

	December 31	
	2023	2022
Domestic unsecured bonds	$ 12,800,000	$ 7,500,000

On October 8, 2021, the Company issued the first unsecured bonds for $7.5 billion, each with a face value of $10 million. The issuance period is 5 years, and the maturity date is on October 8, 2026. The annual percentage rate is 0.7%. 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.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

b. Defined benefit plans

The defined benefit plans adopted by the Company 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. The Company 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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company’s defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 1,175,002	$ 1,209,509
Fair value of plan assets	(1,036,090)	(1,060,075)
Net defined benefit liabilities	$ 138,912	$ 149,434

As of December 31, 2023 and 2022, net defined benefit liabilities of NT$1,907 thousand and NT$2,014 thousand, respectively, were recorded under “other payables - accrued expense.”

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2022	$ 1,482,158	$ (1,028,335)	$ 453,823
Service cost			
Current service cost	10,007	-	10,007
Net interest expense (income)	9,244	(6,442)	2,802
Recognized in profit or loss	19,251	(6,442)	12,809
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(82,973)	(82,973)
Actuarial loss			
Changes in financial assumptions	(63,850)	-	(63,850)
Experience adjustments	(113,715)	-	(113,715)
Recognized in other comprehensive income	(177,565)	(82,973)	(260,538)
Contributions from the employer	-	(56,660)	(56,660)
Benefits paid	(114,335)	114,335	-
Balance at December 31, 2022	1,209,509	(1,060,075)	149,434
Service cost			
Current service cost	6,128	-	6,128
Net interest expense (income)	15,119	(13,317)	1,802
Recognized in profit or loss	21,247	(13,317)	7,930

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (9,604)	$ (9,604)
Actuarial loss			
Experience adjustments	44,332	-	44,332
Recognized in other comprehensive income	44,332	(9,604)	34,728
Contributions from the employer	-	(53,180)	(53,180)
Benefits paid	(100,086)	100,086	-
Balance at December 31, 2023	$ 1,175,002	$ (1,036,090)	$ 138,912

(Concluded)

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	$ 4,178	$ 6,638
Selling and marketing expenses	791	894
General and administrative expenses	2,846	5,077
Research and development expenses	115	200
	$ 7,930	$ 12,809

Through the defined benefit plans under the Labor Standards Act, the Company 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 plan's 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 are as follows:

	December 31	
	2023	2022
Discount rate(s)	1.25%	1.25%
Expected rate(s) of salary increase	2.25%	2.25%

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 rate(s)		
0.5% increase	$ (43,458)	$ (47,681)
0.5% decrease	$ 46,068	$ 50,683
Expected rate(s) of salary increase		
0.5% increase	$ 44,682	$ 49,149
0.5% decrease	$ (42,588)	$ (46,718)

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.

21. 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)
	$ 140,810,315	$ 123,580,876

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands)	6,500,000	6,500,000
Amount of authorized shares	$ 65,000,000	$ 65,000,000
Number of issued and fully paid shares (in thousands)	4,031,333	3,731,333
Amount of issued shares	$ 40,313,329	$ 37,313,329

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

On June 6, 2022, the Company’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, the Company’s chairman adjusted the new share issuing price from NT$33 to NT$30.

On May 29, 2023, the Company'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 the Company. 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 the Company 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

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)		
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
May only be used to offset a deficit		
The change of interest in subsidiaries	26,730	-
	$ 33,624,917	$ 24,672,454

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 Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company'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 the Company 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 the Company'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 the Company's board of directors and reported in the shareholders' meeting. Other than the aforementioned regulations, the distribution shall be after deducting the share of profit of associates accounted for using the equity method and adding cash dividends of associates accounted for using the equity method. The Company 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 the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company'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 the Company.

Refer to Note 23 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, respectively, was as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 1,454,522	$ -
Cash dividends	5,490,133	1.6
	$ 6,944,655	

The appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	2023	**2022**	**2023**	**2022**
Legal reserve	$ 526,862	$ 1,454,522	$ -	$ -
Cash dividends	4,434,466	5,490,133	1.1	1.8
	$ 4,961,328	$ 6,944,655		

The above appropriations for cash dividends were approved by the Company's board of directors on February 23, 2024 and February 24, 2023, respectively. The other appropriations for 2022 were approved by the shareholders in the meeting on May 19, 2023. The other appropriations for 2023 are pending resolution at the shareholder's meeting scheduled for May 17, 2024.

d. Special reserve

	December 31	
	2023	**2022**
Special reserve	$ 2,712,250	$ 2,712,250

Information regarding the above special reserve did not change for 2023 and 2022.

e. Other equity items

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

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

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 6,693,877	$ 11,534,267
Unrealized gain (loss) - equity instruments	6,254,992	(4,022,988)
Share from associates accounted for using the equity method	1,324,460	(741,445)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(204,652)	(75,957)
Balance at December 31	$ 14,068,677	$ 6,693,877

3) (Loss) gain on the hedging instruments

	For the Year Ended December 31	
	2023	2022
Cash flow hedges		
Balance at January 1	$ (105,801)	$ -
Share from associates accounted for using the equity method	40,701	(105,801)
Balance at December 31	$ (65,100)	$ (105,801)

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's put and call options	-	(2,683,140)
Other comprehensive loss from associates accounted for using the equity method	(43)	-
Balance at December 31	$ (2,774,650)	$ (2,774,607)

22. OPERATING REVENUE

	For the Year Ended December 31	
	2023	2022
Sales revenue	$ 80,859,850	$ 95,624,880
Other revenue	2,461,502	2,795,165
	$ 83,321,352	$ 98,420,045

23. NET PROFIT FROM CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of investments - commodity futures	$ 787,980	$ (640,987)
(Loss) gain on disposal of investments - forward exchange contracts	(56,354)	259,332
Gain (loss) on disposal of investments - exchange rate swap contracts	354,322	(215,846)
	$ 1,085,948	$ (597,501)

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	$ 1,733,457	$ 1,526,618	$ -	$ 3,260,075
Post-employment benefits	$ 70,182	$ 52,513	$ -	$ 122,695
Other employee benefits	$ 167,052	$ 100,329	$ -	$ 267,381

(Continued)

	For the Year Ended December 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Depreciation				
Property, plant and equipments	$ 1,096,208	$ 188,090	$ -	$ 1,284,298
Right-of-use assets	7,123	45,826	-	52,949
Investment properties	69,296	2,180	-	71,476
	$ 1,172,627	$ 236,096	$ -	$ 1,408,723
Amortization	$ -	$ 28,191	$ -	$ 28,191

(Concluded)

	For the Year Ended December 31, 2022			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	$ 1,960,313	$ 1,745,879	$ -	$ 3,706,192
Post-employment benefits	$ 70,683	$ 51,145	$ -	$ 121,828
Other employee benefits	$ 169,398	$ 100,287	$ -	$ 269,685
Depreciation				
Property, plant and equipments	$ 1,103,944	$ 173,402	$ -	$ 1,277,346
Right-of-use assets	5,508	66,022	-	71,530
Investment properties	71,118	2,179	-	73,297
	$ 1,180,570	$ 241,603	$ -	$ 1,422,173
Amortization	$ -	$ 11,750	$ -	$ 11,750

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 compensation of employees' 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 Company's board of directors on February 23, 2024 and February 24, 2023, respectively.

If there is a change in the amounts before the annual financial statements are authorized for issue, the differences are recorded in the expenses as an adjustment.

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021 resolved by the Company'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 financial statements.

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

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 1,030,748	$ 1,059,128
Income tax on unappropriated earnings	306,493	321,642
Adjustments for prior year	(18,555)	(11,548)
Land value-added tax	-	248
	1,318,686	1,369,470
Deferred tax		
In respect of the current year	513,036	3,898,110
Adjustments for prior year	(14,155)	36,864
	498,881	3,934,974
Income tax expense recognized in profit or loss	$ 1,817,567	$ 5,304,444

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 6,951,883	$ 24,656,541
Income tax expense calculated at the statutory rate	$ 1,390,377	$ 4,931,308
Investment income accounted for using the equity method	313,200	153,441
Tax-exempt dividend income	(102,141)	(152,977)
Loss on investments	-	(2,630)
Others	(57,652)	28,096
Land value-added tax	-	248
Income tax on unappropriated earnings	306,493	321,642
Adjustments for prior years' tax	(32,710)	25,316
Income tax expense recognized in profit or loss	$ 1,817,567	$ 5,304,444

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable (recorded under other non-current assets - others)	$ 4,166	$ 32,006
Current tax liabilities		
Income tax payable	$ 1,361,449	$ 1,420,015

c. Deferred tax assets and liabilities

	December 31	
	2023	2022
Deferred tax assets		
Pension expense overlimit	$ 14,337	$ 23,000
Unrealized impairment loss on long-term investments	7,000	7,000
Unrealized loss on inventories write-down	57,183	39,000
Loss on idle capacity	21,234	5,000
Impairment loss on idle assets	-	15,000
Loss on liquidation of investments	439,000	591,000
Impairment loss on property, plant and equipment	110,982	16,000
Others	30,765	4,710
	$ 680,501	$ 700,710
Deferred tax liabilities		
Provision for land value-added tax	$ (131,132)	$ (131,132)
Unrealized gain of investments	(5,843,215)	(5,364,543)
	$ (5,974,347)	$ (5,495,675)

d. The Company's income tax returns through 2020 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

	For the Year Ended December 31					
	2023			2022		
	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share						
Net income	$ 5,134,316	3,883,388	$ 1.32	$ 19,352,097	3,549,689	$ 5.45
Effect of potentially dilutive ordinary shares						
Employee bonus	-	2,500		-	5,690	
	$ 5,134,136	3,885,888	$ 1.32	$ 19,352,097	3,555,379	$ 5.44

26. SHARE-BASED PAYMENT AGREEMENTS

Employee Share Option Plan for Cash Capital Increase

The Company 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. The Company recognized the capital surplus of NT$157,800 thousand on the grant date at the fair value computed based on the Black-Scholes option evaluation model.

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

The Company used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase as remeasurement 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

27. ACQUISITION OF A SUBSIDIARY THAT DOES NOT CONSTITUTE A BUSINESS

To develop a new energy industry and increase investment in Matte and Nickel pig iron production capacity, the Company acquired 50.10% shares of PT. Sunny Metal Industry for $6,057,005 thousand on September 23, 2022.

In addition, to combine the acquired company's products, technologies and market advantages to expand the stainless steel and nickel alloy business, the Company acquired 85.032% of the shares of MEG S.A. for $6,497,972 thousand on November 30, 2022. On August 1, 2023 and September 19, 2023, the Company acquired 100% equity interests in Degerfors Long Products AB and Special Melted Products Ltd. for $182,129 thousand and $5,668,618 thousand, respectively.

In accordance with IFRS 3 "Business Combinations", the aforementioned acquisition of equity does not constitute a business; therefore, the share purchase transaction is accounted for as the acquisition of assets. For the description of the acquisition of the investment in subsidiaries, refer to Note 33 to the Company's consolidated financial statements for the year ended December 31, 2023.

28. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

The Company entered into an 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). For the description of the disposal of the investment, refer to Note 34 to the Company's consolidated financial statements for the year ended December 31, 2023.

29. OPERATING LEASE ARRANGEMENTS

Operating leases relating to the investment properties owned by the Company 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 its option to renew. The lessees do not have a 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$171,003 thousand and NT$159,118 thousand, respectively (recorded under other non-current liabilities).

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

2024	$ 655,201
2025-2028	1,062,343
After 2029	21,156
	$ 1,738,700

30. CAPITAL MANAGEMENT

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

Key management personnel of the Company 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 Company 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.

31. FINANCIAL INSTRUMENTS

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

Except the following assets and liabilities, the management considers 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 Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial liabilities					
Financial liabilities at amortized cost					
Bonds payable	$ 12,800,000	$ -	$ 12,403,494	$ -	$ 12,403,494

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Bonds payable	$ 7,500,000	$ -	$ 7,143,278	$ -	$ 7,143,278

The fair values of the financial assets and financial liabilities included in the Level 2 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.

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
Financial assets at FVTPL				
Contingent consideration	$ -	$ -	$ 2,614,285	$ 2,614,285
Derivatives not designated as hedging instruments	68,870	-	-	68,870
	$ 68,870	$ -	$ 2,614,285	$ 2,683,155
Financial assets at FVTOCI				
Investments in equity instruments				
Listed securities in ROC	$ 17,891,936	$ -	$ -	$ 17,891,936
Unlisted securities	-	-	743,243	743,243
	$ 17,891,936	$ -	$ 743,243	$ 18,635,179
Financial liabilities at FVTPL				
Derivatives not designated as hedging instruments	$ -	$ 44,519	$ -	$ 44,519

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Contingent consideration	$ -	$ -	$ 2,567,786	$ 2,567,786
Financial assets at FVTOCI				
Investments in equity instruments				
Listed securities in ROC	$ 11,707,298	$ -	$ -	$ 11,707,298
Unlisted securities	-	-	498,902	498,902
	$ 11,707,298	$ -	$ 498,902	$ 12,206,200
Financial liabilities at FVTPL				
Derivatives not designated as hedging instruments	$ 21,017	$ 30,488	$ -	$ 51,505

2) There were no transfers between Levels 1, 2 and 3 in 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Financial Instruments	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	$ 2,567,786	$ 498,902
Additions	-	150,000
Recognized in other comprehensive income	-	94,341
Recognized in profit or loss	46,499	-
Balance at December 31, 2023	$ 2,614,285	$ 743,243

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Financial Instruments	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ -	$ 528,367
Additions	2,686,100	90,000
Disposals	-	(335)
Recognized in other comprehensive loss	-	(119,130)
Recognized in profit or loss	(118,314)	-
Balance at December 31, 2022	$ 2,567,786	$ 498,902

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, 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, discounted at a rate that reflects the credit risk of various counterparties.

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 credit risk discount rate and other information.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 3,530,594	$ 10,997,025
Contract assets - current	175,083	267,147
Notes receivable and trade receivables (including related parties)	2,573,939	3,973,177
Finance lease receivables (current and non-current)	1,526,285	-
Other receivables	1,720,601	8,272,172
Refundable deposits	25,700	31,197
Financial assets at FVTPL (current and non-current)	2,683,155	2,567,786
Financial assets at FVTOCI (current and non-current)	18,635,179	12,206,200
Financial liabilities		
Financial liabilities at FVTPL (current and non-current)	44,519	51,505
Financial liabilities at amortized cost		
Short-term borrowings	504,234	6,600,565
Notes payables and trade payables	3,648,025	3,226,544
Other payables	5,471,498	12,158,213
Bonds payable	12,800,000	7,500,000
Long-term borrowings	26,446,398	37,445,270
Long-term notes and bills payable	2,998,822	1,497,914
Deposits received (recorded under other non-current liabilities)	175,088	175,854

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and investments, borrowings, trade receivables, trade payables and lease liabilities. The Company'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 Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company 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 Company'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 Company did not enter into or trade financial instruments for speculative purposes.

1) Market risk

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

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

a) Foreign currency risk

The Company had 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 Company's policy to negotiate the terms of the derivatives to match the terms of the hedged item to maximize hedge effectiveness.

The carrying amounts of the Company'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 36.

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

	December 31	
	2023	**2022**
Assets		
U.S. dollar	$ -	$ -
Liabilities		
U.S. dollar	6,125,648	2,886,740
Euro	135,920	-

Sensitivity analysis

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

The following table details the Company'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	$ (81,249)	$ (7,084)

b) Interest rate risk

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

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial liabilities	$ 12,800,000	$ 7,500,000
Cash flow interest rate risk		
Financial liabilities	$ 29,949,454	$ 45,543,749

Sensitivity analysis

The sensitivity analysis below was determined based on the Company'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 Company's pre-tax net profit for the years ended December 31, 2023 and 2022 would decrease by NT$299,495 thousand and NT$455,437 thousand, respectively.

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

a) The carrying amount of the respective recognized financial assets as stated in the parent company only 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 Company 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 Company'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 Company 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 Company reviews the recoverable amount of each individual trade receivables at the end of the year to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company'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
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 3,800,013	$ 3,000,000	$ 25,644,810	$ 800,410	$ 33,245,233
Lease liabilities	36,274	32,125	313,986	1,656,268	2,038,653
Fixed interest rate liabilities	-	-	10,500,000	2,300,000	12,800,000
Non-interest bearing liabilities	5,894,405	20,654	69,121	14,652	5,998,832
	$ 9,730,692	$ 3,052,779	$ 36,527,917	$ 4,771,330	$ 54,082,718

December 31, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 10,076,552	$ 12,307,500	$ 26,135,684	$ 500,000	$ 49,019,736
Lease liabilities	33,771	31,007	234,683	1,752,617	2,052,078
Fixed interest rate liabilities	-	-	7,500,000	-	7,500,000
Non-interest bearing liabilities	11,945,959	75,051	59,111	4,503	12,084,624
	$ 22,056,282	$ 12,413,558	$ 33,929,478	$ 2,257,120	$ 70,656,438

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

December 31, 2023

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$ 27,614	$ 34,910	$ 6,346	$ -	$ 68,780
Foreign exchange forward contracts	(9,371)	(436)	-	-	(9,807)
Exchange rate swap contracts	4,467	(39,179)	-	-	(34,712)
	$ 22,710	$ (4,705)	$ 6,346	$ -	$ 24,351

December 31, 2022

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$(44,748)	$ 15,206	$ 8,525	$ -	$(21,017)
Foreign exchange forward contracts	(30,488)	-	-	-	(30,488)
	$(75,236)	$ 15,206	$ 8,525	$ -	$(51,505)

e. Transfers of financial assets

Factored trade receivables that are not overdue at the end of the year were as follows:

Counterparty	Proceeds from Receivables Factoring	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
2023					
CTBC bank	$ 144,250	$ 20,318	US$ 2,700	$ -	-
2022					
CTBC bank	$ 151,902	$ 18,449	US$ 2,700	$ -	-

32. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Walsin Lihwa Holdings Ltd.	Subsidiary
Walsin Info-Electric Corp.	Subsidiary
Chin-Cherng Construction Co.	Subsidiary
Min Maw Precision Industry Corp.	Subsidiary
Dongguan Walsin Wire & Cable Co., Ltd.	Subsidiary
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Subsidiary
Changshu Walsin Specialty Steel Co., Ltd.	Subsidiary
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Subsidiary
Yantai Walsin Stainless Steel Co., Ltd.	Subsidiary
PT. Walsin Nickel Industrial Indonesia	Subsidiary
Walsin Internation Investments Limited	Subsidiary
Borrego Energy Holdings, LLC	Subsidiary
Borrego Energy, LLC	Subsidiary
Waltuo Green Resources Corporation	Subsidiary
PT. Sunny Metal Industry	Subsidiary
Walsin Singapore Pte. Ltd.	Subsidiary
Walsin Energy Cable System Co., Ltd.	Subsidiary
PT. Walsin Lippo Industries	Subsidiary
Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Subsidiary
Dongguan Cogne Steel Products Co., Ltd.	Subsidiary
Cogne Celik Sanayi ve Ticaret Limited Şirketi	Subsidiary
Cogne Edelstahl Gmbh	Subsidiary
Cogne Acciai Speciali S.p.A.	Subsidiary
Cogne U.K. Limited	Subsidiary
Cogne France Société par Actions Simplifiée	Subsidiary
Walsin Technology Corp.	Associate
Walton Advanced Engineering, Inc.	Associate
Chin-Xin Investment Co., Ltd.	Associate
Tsai Yi Corporation	Associate
Winbond Electronics Corp.	Associate
Prosperity Dielectrics Co., Ltd.	Associate
PT. Westrong Metal Industry	Associate
HannStar Display Corp.	Substantive related party
Kuang Tai Metal Industrial Co., Ltd.	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
T.D.V. Trefileries des Vosges SA	Substantive related party
Novametal SA	Substantive related party
Trefilados Inoxidables de Mexico, S.A. DE C.V.	Substantive related party
Novametal do Brasil LTDA	Substantive related party
Ferriere di Stabio SA	Substantive related party
Wire Products Stainless Steel PTY Ltd	Substantive related party

b. Sales

	For the Year Ended December 31	
	2023	2022
Subsidiaries	$ 1,002,325	$ 835,245
Other related parties	2,032,889	1,447,563
	$ 3,035,214	$ 2,282,808

c. Rental income

	For the Year Ended December 31	
	2023	2022
Subsidiaries	$ 7,501	$ 6,480
Associates	37,349	36,930
Other related parties	1,135	1,135
	$ 45,985	$ 44,545

d. Purchases of goods

	For the Year Ended December 31	
	2023	2022
Subsidiaries		
Walsin Singapore Pte. Ltd.	$ 8,154,060	$ -
Others	38,796	5,898
Other related parties	3,239	4,308
	$ 8,196,095	$ 10,206

e. Administrative expenses

	For the Year Ended December 31	
	2023	2022
Subsidiaries	$ 390	$ 391
Associates	15,511	15,053
Other related parties	15,756	13,630
	$ 31,657	$ 29,074

The stock registration matters of the Company 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 Display Corp.	$ -	$ 298,293
HannStar Board Corp.	153,009	140,259
Other related parties	5,779	7,705
	$ 158,788	$ 446,257

g. Notes receivable

Not arising from operating activities

	December 31	
	2023	2022
Associates	$ 1,046	$ 1,042

h. Trade receivables

	December 31	
	2023	2022
Subsidiaries	$ 223,026	$ 253,402
Other related parties	215,151	42,651
	$ 438,177	$ 296,053

i. Trade payables

	December 31	
	2023	2022
Subsidiaries	$ 137,857	$ 11,605
Other related parties	-	504
	$ 137,857	$ 12,109

j. Other receivables (excluding financing provided)

	December 31	
	2023	2022
Subsidiaries		
Walsin Singapore Pte. Ltd.	$ 290,281	$ -
Others	6,968	36,471
Associates	16,090	13,056
Other related parties	3,698	3,062
	$ 317,037	$ 52,589

k. Other payables (excluding loans from related parties)

Related Party	December 31 2023	December 31 2022
Subsidiaries	$ 12,371	$ 5,521,658
Other related parties	-	275,909
	$ 12,371	$ 5,797,567

l. Acquisitions of property, plant and equipment

Related Party	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Min Maw Precision Industry Corp.	$ 2,676	$ -

m. Disposals of property, plant and equipment

	Proceeds		Gain on Disposals	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party	2023	2022	2023	2022
Hwa Bao Botanic Conservation Corp.	$ -	$ 128,800	$ -	$ 78,443

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

n. Lease arrangements - Company is lessee

Line Item	Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest expense	Subsidiaries	$ -	$ 1
Lease liabilities	Subsidiaries	$ -	$ 4,169

o. Sublease arrangements

Sublease of finance lease

Line Item	Related Party Category	December 31 2023	December 31 2022
Finance lease receivables	Subsidiaries/Walsin Energy Cable System Co., Ltd.	$ 1,526,285	$ -

Line Item	Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest revenue	Subsidiaries/Walsin Energy Cable System Co., Ltd.	$ 22,839	$ -

p. Guarantee deposits

	December 31 2023	December 31 2022
Associates	$ 7,362	$ 7,362
Other related parties	282	282
	$ 7,644	$ 7,644

q. Loan to related parties (including interest receivable)

Related Party Category/Name	December 31 2023	December 31 2022
Subsidiaries		
Borrego Energy, LLC	$ 648,967	$ -
Borrego Energy Holdings, LLC	230,405	-
PT. Sunny Metal Industry	-	5,481,736
	$ 879,372	$ 5,481,736
Associates		
PT. Westrong Metal Industry	$ -	$ 1,228,863

Interest revenue

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Subsidiaries		
PT. Sunny Metal Industry	$ 75,231	$ 84,453
Others	4,279	-
	$ 79,510	$ 84,453
Associates		
PT. Westrong Metal Industry	$ 73,636	$ 463

The interest rate of the Company’s loan to the above-mentioned related parties is equivalent to the market interest rate.

r. Loan from related parties (including interest payable)

Related Party	December 31 2023	December 31 2022
Walsin Internation Investments Limited	$ 3,195,696	$ 3,475,987
Walsin Info-Electric Corp.	100,383	-
	$ 3,295,779	$ 3,475,987

	For the Year Ended December 31	
	2023	2022
Interest expenses		
Subsidiaries	$ 73,603	$ 6,535

s. Endorsements and guarantees

	December 31	
	2023	2022
Subsidiaries		
Amount endorsed	$ 3,901,716	$ 368,520
Amount utilized	$ -	$ -

t. Remuneration of key management personnel

The remunerations of directors and key executives in 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 137,226	$ 265,922
Post-employment benefits	1,301	1,299
	$ 138,527	$ 267,221

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for future deposits:

	December 31	
	2023	2022
Refundable deposits (recorded under other financial assets - current)	$ -	$ 280,997
Pledged time deposits (recorded under other non-current financial assets - other)	600	600
	$ 600	$ 281,597

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

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

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

	December 31	
	2023	2022
New Taiwan dollar	NT$ 864,165	NT$ 841,035
U.S. dollar	US$ 30	US$ 30

c. Based on the tariff and relevant regulations, the Company 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

e. The Company entered into a contract for the construction of new plants on the Company’s own land. The amount of the unrecognized commitments was as follow:

	December 31	
	2023	2022
U.S. dollar	US$ 238	US$ 18
Japanese yen	JPY -	JPY 11,680
Euro	EUR 35,830	EUR 39,064
New Taiwan dollar	NT$2,193,920	NT$2,237,157

35. SIGNIFICANT SUBSEQUENT EVENTS

For the subsequent significant events description in the acquisition of subsidiaries and disposal of associates by the Company, refer to Note 41 in the consolidated financial statements.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

Unit: Foreign Currency/In Thousands of Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
U.S. dollar	$ 67,802	30.7050	$ 2,081,860
Japanese yen	635,549	0.2172	138,041
Euro	15,846	33.9800	538,447
Hong Kong dollar	1,005	3.9290	3,949
Australian dollar	306	20.9800	6,420
Singapore dollar	154	23.2900	3,587
Investments accounted for using the equity method			
U.S. dollar	1,259,917	30.7050	38,685,751
Renminbi	6,663,558	4.33524	28,888,123
Indonesia rupiah	1,423,535,240	0.00198	2,818,600
Euro	284,469	33.9800	9,666,272
Malaysian ringgit	86,089	6.4110	551,917
Financial liabilities			
Monetary items			
U.S. dollar	132,912	30.7050	4,081,063
Euro	581	33.9800	19,742
Swiss franc	17	36.4850	620
Japanese yen	31,554	0.2172	6,854

December 31, 2022

Unit: Foreign Currency/In Thousands of Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
U.S. dollar	$ 382,488	30.7100	$ 11,746,208
Japanese yen	236,526	0.2324	54,969
Euro	35,095	32.7200	1,148,296
Hong Kong dollar	1,027	3.9380	4,043
Australian dollar	1,298	20.8300	27,031
Investments accounted for using the equity method			
U.S. dollar	884,702	30.7100	27,169,195
Renminbi	7,874,934	4.40934	34,723,262
Indonesia rupiah	2,475,983,068	0.0020	4,902,446
Euro	131,042	32.7200	4,287,682
Malaysian ringgit	84,073	6.6990	563,204
Financial liabilities			
Monetary items			
U.S. dollar	311,554	30.7100	9,567,835
Euro	121	32.7200	3,973
Swiss franc	17	33.2050	564

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange were gain NT$102,135 thousand and loss NT$1,732,956 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 of the entities in the Group.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. 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 instruments (Note 7)

10) Information on investees (Table 8)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 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 9):

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 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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10).

38. SEGMENT INFORMATION

The Company has provided the financial information of the operating segments in the consolidated financial statements. These parent company only financial statements do not provide such information.

TABLE 1

WALSIN LIHWA CORPORATION

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

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

      PT. Sunny Metal Industry, PT. Westrong Metal Industry and Borrego Energy Holdings, LLC & Borrego Energy, LLC = $140,810,315 × 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 × 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 CORPORATION

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

No. (Note 1)	Endorsement/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guarantee During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Provided to Subsidiaries Mainland China
		Name	Relationship (Note 2)										
0	Walsin Lihwa Corporation	Borrego Energy, LLC	b	$ - (US$ -)	$ 365,760 (US$ 12,000)	$ - (US$ -)	$ - (US$ -)	$ -	-	$ 140,810,315	Yes	No	No
		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 -)	-	2.77	140,810,315	Yes	No	Yes

Notes:

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

    a. “0” represents Walsin Lihwa Corporation.
    b. Subsidiaries are numbered consecutively starting from 1.

2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories:

    a. A company with which Walsin Lihwa Corporation does business.
    b. A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
    c. A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
    d. A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
    e. A company that fulfills Walsin Lihwa Corporation’s contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
    f. A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation’s joint-investment company in proportion to their shareholding percentages.
    g. A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

3. According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation’s current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.

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

        NT$140,810,315 × 100% = $140,810,315

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

        Borrego Energy, LLC: US$0 × 250% × 72.55% = US$0

        Yantai Walsin Stainless Steel Co., Ltd.: RMB600,872 × 250% × 100.00% = RMB1,502,180

4. The currency exchange rates as of December 31, 2022 were as follows: US$ to NT$ = 1:30.705. RMB to NT$ = 1:4.33524

TABLE 3

WALSIN LIHWA CORPORATION

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	

WALSIN LIHWA CORPORATION

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 (Note1)	$ -	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 (Note1)	-	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 (Note2)	-	-	-	-	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 (Note2)	-	-	-	-	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 (Note3)	-	-
	Walsin Energy Cable System Co., Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	-	-	270,000,000	2,657,462 (Note2)	-	-	-	-	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) (Note2)	-	-	-	-	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	720,192 (Note1)	-	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 (Note1)	-	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.

TABLE 5

WALSIN LIHWA CORPORATION

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)

Company Name	Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Relationships	Information on Previous Title Transfer If Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationships	Transaction Date	Amount			
Walsin Lihwa Corporation	Plant	2024/02/04-2024/12/26	$ 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	-

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	Purchases	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)	

TABLE 7

WALSIN LIHWA CORPORATION

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	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.	100% directly owned subsidiary	Other receivables	$ 290,281	-	$ -	-	$ -	$ -
	Borrego Energy Holdings, LLC.	72.55% indirectly owned subsidiary	Other receivables	230,405	-	-	-	-	-
	Borrego Energy, LLC.	72.55% indirectly owned subsidiary	Other receivables	648,967	-	-	-	-	-

WALSIN LIHWA CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE GROUP EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan 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 cables	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 2)
	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 1)
	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)	

Note 1: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Corporation to Walsin Singapore Pte. Ltd.

Note 2: Due to adjustments in the investment structure of the Group, it was transferred from Walsin Lihwa Holdings Limited to Walsin Lihwa Corporation.

WALSIN LIHWA CORPORATION

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

Walsin Lihwa Corporation

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 16)	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	$ 614,000 (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)	(588,722)	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	-

(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 16)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	$ 1,338,738 (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$ -)	(32,113)	70.00	(22,493)	564,831	-
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)	-

B. 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)

(Continued)

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 made 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 by the fair value.

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 and Renminbi.

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, EUR 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, EUR to NT$ = 1:33.69722

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

18. Upper limit on investment:

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

(Continued)

C. Significant direct or indirect transactions between the Company and investees in mainland China

(In Thousands of New Taiwan Dollars)

Related Party	Relationship	Transaction Type	Amount	% of Total	Transaction Terms			Notes/Accounts Payable or Receivable		Unrealized Loss
					Unit Price	Payment Terms	Compare to General Transactions	Ending Balance	% of Total	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	100% indirectly owned subsidiary	Sales	$ (369,262)	-	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	$ (99,469)	4	$ (402)
Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	(491,550)	1	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	94,733	4	(16,407)

(Concluded)

TABLE 10

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

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

WALSIN LIHWA CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

WALSIN LIHWA CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand and petty cash	Company factories and offices	$ 1,000
Cash in banks		
Checking accounts and demand deposits		2,505,366
Foreign currency deposits	Including US$21,686 thousand @30.705, JPY257,112 thousand @0.2172 EUR8,214 thousand @33.98 and RMB1 thousand @4.3352	1,000,848
Cash equivalents		
Foreign exchange deposit account for offshore funds	Remittance to the special law paid in to foreign exchange deposit account	23,380
		$ 3,530,594

WALSIN LIHWA CORPORATION

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Client Name	Amount
Notes receivable from operating activities	
Client A	$ 4,225
Client B	2,628
Client C	1,892
Client D	978
Client E	919
Client F	818
Others (Note)	1,417
	12,877
Notes receivable not from operating activities	
Client G	1,940
Associate H	912
Others (Note)	134
	2,986
	$ 15,863

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 3

WALSIN LIHWA CORPORATION

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Client Name	Amount
Unrelated parties	
Client I	$ 135,901
Others (Note)	1,983,998
	$ 2,119,899

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 4

WALSIN LIHWA CORPORATION

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Other receivables	Loan to related parities	$ 879,372
	Other receivable - related parties	317,037
	Business tax refund receivable	274,956
	Futures deposits	99,146
	Discount on raw material	31,947
	Others	118,143
		$ 1,720,601

WALSIN LIHWA CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

		Amount	
Item	**Description**	**Cost**	**Fair Value (Note 2)**
Finished goods	Copper wire	$ 648,435	$ 648,435
	Wire and cables	1,730,004	1,621,813
	Special steel	2,091,570	1,975,452
		4,470,009	4,245,700
Work in process	Wire and cables	658,664	658,664
	Special steel	943,355	904,782
	Others	115,847	115,847
		1,717,866	1,679,293
Raw materials	Copper plates	521,789	521,789
	Special steel and alloy iron	1,271,848	1,269,491
	Others	366,773	347,059
		2,160,410	2,138,339
Raw materials in transit		1,935,674	1,935,674
Raw materials		1,016,318	1,015,358
Construction in progress		106,293	106,293
Less: Allowance for inventory and obsolescence losses (Note 1)		(285,913)	-
		$ 11,120,657	$ 11,120,657

Note 1: Including finished goods of $224,309 thousand, work in process of $38,573 thousand, raw materials of $22,071 thousand, and raw materials in transit of $960 thousand.

Note 2: Fair value is the net realizable value.

WALSIN LIHWA CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FVOCI - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name and Type of Securities	Balance, January 1, 2023		Additions in Investment			Decrease in Investment			Balance, December 31, 2023		Collateral
	Shares	Amount	Acquired Shares	Amount		Shares	Amount		Shares	Fair Value	
HannStar Display Corp.	299,632,180	$ 3,340,899	-	$ 209,742	(Note 1)	-	$ -		299,632,180	$ 3,550,641	Nil
HannStar Board Corp.	63,753,952	2,017,812	-	1,507,782	(Note 1)	-	-		63,753,952	3,525,594	Nil
Teco Electronic and Machinery Co., Ltd.	230,438,730	6,348,587	666,000	4,467,114	(Note 2)	-	-		231,104,730	10,815,701	Nil
Kuang Tai Metal Industrial Co., Ltd.	9,631,802	201,788	-	93,319	(Note 1)	-	-		9,631,802	295,107	Nil
Global Investment Holdings	5,221,228	55,794	-	8,533	(Note 1)	-	-		5,221,228	64,327	Nil
Universal Venture Capital Investment	1,400,000	12,904	-	2,050	(Note 1)	-	-		1,400,000	14,954	Nil
Hwa Bao Botanic Conservation Corp.	12,000,000	132,152	15,000,000	152,322	(Note 2)	-	-		27,000,000	284,474	Nil
Tung Mung Development Co., Ltd.	14,285,000	96,264	-	-		-	11,883	(Note 1)	14,285,000	84,381	Nil
		$ 12,206,200		$ 6,440,862			$ 11,883			$ 18,635,179	

Note 1: The amount included adjustments to the valuation at fair value method at the end of the year.

Note 2: The amount included purchase of outstanding shares, a capital increase in cash and adjustments to the allowance for valuation at fair value at the end of the year.

WALSIN LIHWA CORPORATION

STATEMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Balance, December 31, 2023			Market Value or Net Assets Value			
Name and Type of Securities	Shares	Amount	Acquired Shares	Amount	Shares	Amount	Shares	Percentage of Ownership (%)	Amount	Unit Price	Total Amount	Valuation	Collateral
Walsin Lihwa Holdings Limited	108,730,393	$ 24,073,818	-	$ -	106,000,000	$ 3,490,565	2,730,393	100.00	$ 20,583,253		$ 20,785,727	Equity method	Nil
Concord Industries Limited	308,498,375	5,210,454	-	-	11,000,000	1,525,182	297,498,375	100.00	3,685,272		3,685,272	Equity method	Nil
Min Maw Precision Industry Corp.	32,791,149	388,436	2,045,951	21,417	-	-	34,837,100	100.00	409,853		413,113	Equity method	Nil
Ace Result Limited	44,739,988	354,722	-	27,319	-	-	44,739,988	100.00	382,041		382,041	Equity method	Nil
Waltuo Green Resources Corporation	1,828,287	17,660	-	-	-	8,409	1,828,287	100.00	9,251		9,251	Equity method	Nil
Walsin Precision Technology Sdn Bhd	32,178,385	563,204	-	-	-	11,286	32,178,385	100.00	551,918		551,918	Equity method	Nil
Walsin Singapore Pte. Ltd.	422,000,000	19,603,265	311,000,000	11,206,684	-	-	733,000,000	100.00	30,809,949		28,061,954	Equity method	Nil
Walsin Lihwa Europe S.a r.l.	12,000	4,146,986	-	5,519,286	-	-	12,000	100.00	9,666,272		9,666,272	Equity method	Nil
Walsin America, LLC	-	(17,487)	-	10,903	-	367,444	-	100.00	(374,028)		(374,028)	Equity method	Nil
Chin-Cherng Construction Co.	577,583,403	6,182,490	-	-	47,627,598	720,192	529,955,805	99.22	5,462,298		5,462,298	Equity method	Nil
Walsin Info-Electric Corp.	29,854,246	314,008	-	34,234	-	-	29,854,246	99.51	348,242		348,242	Equity method	Nil
PT. Walsin Research Innovation Indonesia	6,930	21,342	7,000	21,447	-	6,474	13,930	99.50	36,315		36,319	Equity method	Nil
PT. Walsin Lippo Industries	10,500	953,239	-	27,467	-	-	10,500	70.00	980,706		980,706	Equity method	Nil
PT. Walsin Lippo Kabel	1,050,000	12,000	1,949,500	348	-	575	2,999,500	70.00	11,773		11,773	Equity method	Nil
PT. Walsin Nickel Industrial Indonesia	500,000	5,832,774	-	1,436,347	-	-	500,000	50.00	7,269,121		7,473,851	Equity method	Nil
Joint Success Enterprises Limited	36,058,184	5,084,267	-	-	14,713,622	846,712	21,344,562	49.05	4,237,555		4,179,844	Equity method	Nil
Chin-Xin Investment Co., Ltd.	179,468,270	7,744,232	-	831,066	-	-	179,468,270	37.00	8,575,298		8,680,769	Equity method	Nil
Tsai Yi Corporation	49,831,505	799,618	-	226,989	-	-	49,831,505	33.97	1,026,607		1,026,607	Equity method	Nil
PT. Westrong Metal Industry	590,000	4,590,864	-	-	590,000	4,590,864	-	-	-		-	Equity method	Nil
PT. CNGR Walsin New Energy and Technology Indonesia	140,651	278,241	-	2,413	-	-	140,651	29.17	280,654		278,131	Equity method	Nil
Concord II Venture Capital Co., Ltd.	26,670,699	174,997	-	-	-	5,244	26,670,699	26.67	169,753		169,753	Equity method	Nil
Powertec Electrochemical Corp.	318,552,792	1,678,639	-	-	-	-	318,552,792	22.46	1,678,639		-	Equity method	Nil
Impairment loss	-	(1,678,639)	-	-	-	-	-		(1,678,639)		-	Equity method	Nil
Winbond Electronics Corp.	883,848,423	20,953,105	35,531,593	781,695	-	1,399,227	919,380,016	21.99	20,335,573		20,296,070	Equity method	Nil
Walton Advanced Engineering, Inc.	109,628,376	2,109,400	-	121,209	-	-	109,628,376	21.17	2,230,609		2,230,609	Equity method	Nil
Walsin Technology Corp.	88,902,325	8,147,080	-	484,591	-	-	88,902,325	18.30	8,631,671		8,632,112	Equity method	Nil
PT. CNGR Walsin New Mining Industry Investment Indonesia	-	-	22,257	46,929	-	1,798	22,257	29.17	45,131		45,164	Equity method	Nil
Walsin Energy Cable System Co., Ltd.	-	-	270,000,000	2,700,000	-	42,538	270,000,000	90.00	2,657,462		2,657,889	Equity method	Nil
Innovation West Mantewe Pte Ltd.	-	-	40	2,452,575	-	7,848	40	40.00	2,444,727		(8,108)	Equity method	Nil
		117,538,715		25,952,919		13,024,358			130,467,276		125,683,549		
Others non-current liabilities		17,487		(10,903)		(367,744)			374,028		-		
		$ 117,556,202		$ 25,942,016		$ 12,656,914			$ 130,841,304		$ 125,683,549		

STATEMENT 8

WALSIN LIHWA CORPORATION

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2023	Addition	Deduction	Balance at December 31, 2023
Cost				
Land	$ 1,492,062	$ -	$ (1,428,280)	$ 63,782
Buildings and improvements	3,908	-	(987)	2,921
Transportation equipments	55,555	15,910	(6,364)	65,101
	$ 1,551,525	$ 15,910	$ (1,435,631)	$ 131,804
Accumulated depreciation				
Land	$ 68,138	$ 35,957	$ (81,776)	$ 22,319
Buildings and improvements	1,242	1,647	(247)	2,642
Transportation equipments	22,151	15,345	(6,364)	31,132
	$ 91,531	$ 52,949	$ (88,387)	$ 56,093

WALSIN LIHWA CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Balance, December 31, 2023	Contract Period	Annual Interest Rates (%)	Collateral
Bank loan					
Citibank, N.A.	Line of credit	$ 500,000	2023.12.01-2024.03.01	Note	Nil
Procurement loans					
Taiwan Cooperative Bank	Inventory financing	1,359	2023.12.05-2024.01.04	Note	Nil
Taiwan Cooperative Bank	Inventory financing	696	2023.12.26-2024.01.25	Note	Nil
Hua Nan Commercial Bank	Inventory financing	2,173	2023.12.07-2024.05.27	Note	Nil
		4,228			
		504,228			
Unrealized foreign exchange loss	Foreign exchange valuation	6			
		$ 504,234			

Note: The effective interest rate ranges of the bank lines of credit were 0.86%-1.60%.

WALSIN LIHWA CORPORATION

STATEMENT OF FINANCIAL LIABILITIES AT FVTPL - CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Maturity Date	Notional Amount	Fair Value
Buy foreign exchange forward contracts	USD to IDR	2024.02.01	USD78,000/IDR1,205,962,000	$ 6,777
Buy foreign exchange forward contracts	USD to JPY	2024.01.29	USD3,500/JPY495,565	282
Sell foreign exchange forward contracts	EUR to USD	2024.01.22	EUR4,000/USD4,342	2,748
Buy cross-currency swap contracts	USD to NTD	2024.02.29	USD104,000/NTD3,213,396	42,487
Sell cross-currency swap contracts	USD to NTD	2024.01.02	USD3,000/NTD93,342	(1,257)
Sell cross-currency swap contracts	USD to NTD	2024.01.16	USD5,000/NTD156,465	(3,211)
Sell cross-currency swap contracts	USD to NTD	2024.02.20	USD6,000/NTD186,444	(3,307)
				$ 44,519

WALSIN LIHWA CORPORATION

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Company A	$ 554,699
Company B	547,775
Company C	521,003
Company D	227,853
Other (Note)	1,658,838
	3,510,168
Trade payable - related parties	
Other (Note)	137,857
	$ 3,648,025

Note: The amount of individual company included in others does not exceed 5% of the account balance.

STATEMENT 12

WALSIN LIHWA CORPORATION

STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Accrued expenses	Bonus	$ 826,142
	Salaries and wages	204,413
	Interest	131,862
	Others (Note)	838,937
		2,001,354
Payables on equipment		158,407
Other payables - others		3,587
		$ 2,163,348

Note: The amount of individual account included in others does not exceed 5% of the account balance.

WALSIN LIHWA CORPORATION

STATEMENT OF OTHER CURRENT LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Advance receipts		$ 374,611
Other current liabilities - other		32,684
		$ 407,295

STATEMENT 14

WALSIN LIHWA CORPORATION

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Creditor	Repayment	Contract Period	Annual Interest Rates (%)	Amount: Current Portion of Long-term Borrowings	Amount: Non-current Portion of Long-term Borrowings	Amount: Total	Collateral
The Export-Import Bank of the Republic of China	Principal is to be repaid evenly in seven phases; 1st repayment due 48 months after the drawdown date, after which repayments are due once every six months.	2020.12.04-2027.12.04	Note	$ -	$ 1,137,770	$ 1,137,770	Nil
Bank of Taiwan	Principal repayments at maturity are from September 22, 2020 to October 4, 2027. The principal is to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively.	2020.09.22-2027.10.04	Note	-	9,000,000	9,000,000	Nil
Taiwan Cooperative Bank	Principal repayment of $1,000,000 thousand is due on the 48th month, and the remaining $1,000,000 thousand is due on maturity.	2021.06.28-2026.06.28	Note	-	2,000,000	2,000,000	Nil
Hua Nan Commercial Bank	Principal repayments at maturity	2021.03.29-2026.03.29	Note	-	2,000,000	2,000,000	Nil
Taiwan Cooperative Bank	Principal repayments at maturity are from October 4, 2022 to October 4, 2027. The principal is to be repaid in two phases: From the 4th year, repayments are due once every six months; at rates of 20% and 80%, respectively.	2022.10.04-2027.10.04	Note	-	3,000,000	3,000,000	Nil
Far Eastern International Bank Co., Ltd.	Principal repayments at maturity are from October 21, 2022 to October 14, 2027. The principal is to be repaid evenly in three phases; 1st repayment is due 48 months after the drawdown date, after which repayments are due once every six months	2022.10.21-2027.10.14	Note	-	2,000,000	2,000,000	Nil
Hua Nan Commercial Bank	Principal repayments at maturity	2022.03.08-2027.03.08	Note	-	2,500,000	2,500,000	Nil
Chang Hwa Commercial Bank	Principal repayments at maturity	2022.03.08-2027.03.08	Note	-	2,000,000	2,000,000	Nil
Bank of Taiwan	Principal is to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	2023.06.13-2030.06.13	Note	-	1,799,194	1,799,194	Nil
The Export-Import Bank of the Republic of China	Principal is 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	2022.09.22-2029.09.22	Note	-	500,000	500,000	Nil
E.SUN Commercial Bank, Ltd.	Principal is to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	2023.06.13-2028.05.15	Note	-	209,024	209,024	Nil
First Commercial Bank	Principal is to be repaid evenly in sixteen phases; 1st repayment is due 36 months after the drawdown date.	2023.06.13-2033.11.15	Note	-	300,010	300,010	Nil
Hua Nan Commercial Bank	Principal is to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	2023.06.13-2030.06.13	Note	-	400	400	Nil
				$ -	$ 26,446,398	$ 26,446,398	

Note: The effective interest rate ranges were 1.25%-1.94%.

STATEMENT 15

WALSIN LIHWA CORPORATION

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Lease Terms	Discount Rate	Amount
Land			$ 1,672,594
Buildings and improvements			210
Transportation equipments			39,255
			1,712,059
Less: Current portion			(37,025)
			$ 1,675,034

STATEMENT 16

WALSIN LIHWA CORPORATION

STATEMENT OF OTHER NON-CURRENT LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Deposits received		$ 175,088
Credit balance of investment using the equity method		374,028
		$ 549,116

STATEMENT 17

WALSIN LIHWA CORPORATION

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Bare copper wire	70,710 tons	$ 19,263,796
Wire and cables	33,143 tons	13,863,613
Copper communication cable	269,010 Km pair	496,745
Optical communication cable	61,732 Km core	93,898
Stainless steel	538,559 tons	45,696,041
Copper plates		1,445,757
		80,859,850
Other operating revenue		
Other		2,461,502
		$ 83,321,352

WALSIN LIHWA CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Raw materials inventory, January 1	$ 1,916,793
Add: Purchases of raw materials	47,433,369
Internal transfer variance, quantity variance	28,290
Other receiving (transfer among factories and part number)	1,436,684
Less: Other sending (resending, lending and outsourcing)	(269,832)
Selling raw materials	(560,491)
Raw materials inventory, December 31	(2,160,410)
Raw materials used	47,824,403
Direct labor	923,285
Manufacturing overhead	7,021,420
Manufacturing cost	55,769,108
Add: Work in process inventory, January 1	1,779,384
Incoming	710,079
Work in process variance reserved	(65,003)
Less: Others (picking for R&D, sample and outsourcing)	(234,034)
Internal transfer variance, quantity variance	(329,310)
Selling work in process	(118,789)
Work in process inventory, December 31	(1,717,866)
Cost of finished goods	55,793,569
Add: Finished goods inventory, January 1	5,397,123
Purchases of finished goods	3,310,886
Receiving from outsourcing and returned goods	18,684,413
Internal transfer of returned goods	533,919
Finished goods variance reserved	464,243
Less: Selling expense and picking for construction in progress, etc.	(1,060,207)
Others (retirement)	(50,791)
Finished goods inventory, December 31	(4,470,009)
Cost of finished goods sold	78,603,146
Add: Cost	679,280
Idle capacity loss	675,356
Loss on reduction of inventory to LCM	89,173
Less: More or less clause and gain on physical inventory	(243,004)
Others	(3,363,541)
Variance allocation	(1,309,636)
Cost of goods sold	75,130,774
Construction cost	1,165,039
Other operating costs	254,964
	$ 76,550,777

STATEMENT 19

WALSIN LIHWA CORPORATION

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Selling and marketing expenses	Warehousing and shipping expense	$ 478,092
	Salary and wages expense	228,102
	Other (Note)	139,583
		$ 845,777

Note: The amount of individual account included in others does not exceed 5% of the account balance.

STATEMENT 20

WALSIN LIHWA CORPORATION

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
General and administrative expenses	Salary and wages expense	$ 1,264,049
	Depreciation expense	207,926
	Professional service fee	130,326
	Insurance expense	99,467
	Other (Note)	415,874
	Less: Administrative expense of investment enterprise (the deduction of investment income)	(458,231)
		$ 1,659,411

Note: The amount of individual account included in others does not exceed 5% of the account balance.

WALSIN LIHWA CORPORATION

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Research and development expenses	Salary and wages expense	$ 86,980
	Research outsourcing expense	23,101
	Depreciation expense	21,420
	Process development cost	16,072
	Consumption of raw material expense	14,640
	Inspection expense	11,547
	Repair expense	11,273
	Others (Note)	26,622
		$ 211,655

Note: The amount of individual account included in others does not exceed 5% of the account balance.

STATEMENT 22

WALSIN LIHWA CORPORATION

STATEMENT OF NON-OPERATING INCOME AND EXPENSES - OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Other income	Financial income	$ 29,755
	Remuneration of directors and supervisors	15,080
	Others (Note)	13,525
		$ 58,360

Note: The amount of individual account included in others does not exceed 5% of the account balance.

STATEMENT 23

WALSIN LIHWA CORPORATION

STATEMENT OF NON-OPERATING INCOME AND MISCELLANEOUS EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Miscellaneous expenses	Employee benefits	$ 40,289
	Finance costs	25,273
	Severance pay	4,351
	Others	6,897
		$ 76,810

Note: The amount of individual account included in others does not exceed 5% of the account balance.

WALSIN LIHWA CORPORATION

STATEMENT OF EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2023			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Employee benefits expense				
Salaries and wages expense	$ 1,733,457	$ 1,526,618	$ -	$ 3,260,075
Labor/health insurance	$ 167,052	$ 100,329	$ -	$ 267,381
Pension expense	$ 70,182	$ 52,513	$ -	$ 122,695
Directors' salaries	$ -	$ 30,000	$ -	$ 30,000
Depreciation				
Property, plant and equipment	$ 1,096,208	$ 188,090	$ -	$ 1,284,298
Right-of-use assets	7,123	45,826	-	52,949
Investment property	69,296	2,180	-	71,476
	$ 1,172,627	$ 236,096	$ -	$ 1,408,723
Amortization expense	$ -	$ 28,191	$ -	$ 28,191

	For the Year Ended December 31, 2022			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Employee benefits expense				
Salaries and wages expense	$ 1,960,313	$ 1,745,879	$ -	$ 3,706,192
Labor/health insurance	$ 169,398	$ 100,287	$ -	$ 269,685
Pension expense	$ 70,683	$ 51,145	$ -	$ 121,828
Directors' salaries	$ -	$ 109,965	$ -	$ 109,965
Depreciation				
Property, plant and equipment	$ 1,103,944	$ 173,402	$ -	$ 1,277,346
Right-of-use assets	5,508	66,022	-	71,530
Investment property	71,118	2,179	-	73,297
	$ 1,180,570	$ 241,603	$ -	$ 1,422,173
Amortization expense	$ -	$ 11,750	$ -	$ 11,750

(Continued)

Note 1: As of December 31, 2023 and 2022, the Company had 3,003 and 2,992 employees, of which 11 and 11 were non-employee directors for respective years.

Note 2: The average employee benefits expenses were $1,220 thousand and $1,375 thousand for the years ended December 31, 2023 and 2022, respectively. The average salaries and wages were $1,090 thousand and $1,243 thousand for the years ended December 31, 2023 and 2022, respectively.

Note 3: There was a 12% adjusted change in the average salaries and wages.

Note 4: The Company did not have supervisions for the years ended December 31, 2023 and 2022. Therefore, there's no compensation to the supervisor.

Note 5: The company's compensation policy:

a. The Company's remuneration is established on the principle of being able to attract and retain talent as follows:

1) Salary:

a) A reasonable and competitive overall remuneration based on the market value of each professional function and the employee's contribution to their responsibilities.

b) Bonus payments are made in accordance with the Company's operational performance, the achievement of team objectives and the employee's personal contribution and performance.

c) Employees are paid and compensated on the basis of their academic experience, technical expertise, professional seniority and personal performance, without discrimination based on gender, race, religion, political affiliation, marital status or union affiliation.

d) The starting salary standards for fresh graduates and foreign workers comply with local laws and regulations.

e) The Company creates harmonious labor relations within the scope of the law, in accordance with the relevant local laws and regulations.

f) The Company reviews its profitability and conducts market salary survey annually to plan salary adjustments.

2) Bonuses and Rewards: The reward and compensation system offered by the Company is designed to motivate employees who perform well in their work. Performance bonuses and production bonuses are granted based on the Company's operational performance, achievement of team goals and individual performance, and employees are remunerated according to the Company's profitability.

3) The Company establishes compensation committee to ensure the compensation arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talents.

(Continued)

b. Compensation for employees and directors:

The Company's Article 25-1 includes the amount and coverage of compensation for employees and directors. If the Company turns a profit in a year, no less than 1% of the profit should be distributed to its employees as compensation and no more than 1% to directors as compensation. The actual amount should be determined by a board meeting where no less than two-thirds of the directors are present and more than half of the directors present votes to approve the suggested amounts. The amounts should be reported to the shareholders meeting. However, if the Company still has accumulated deficit from previous terms, it should first reserve the amount needed to settle the outstanding balance.

c. Remuneration of directors and supervisors:

The Company's Independent Directors and Directors who are authorized by the Board of Directors to regularly involve in the Company's operation may receive remuneration; the amount of remuneration shall be reviewed in accordance with Director's participation and value contributed in the Company's operation, together with reference of international and domestic industrial practice, by the Remuneration Committee and submitted to the Board of Directors for approval.

d. Manager compensation:

To ensure that the manager's performance is closely linked with the Company's strategy and has a competitive salary, the company has formulated the "Manager Performance Evaluation and Salary Management Regulation" as the basis of manager performance review and remuneration payment. The abovementioned regulation includes the manager's performance evaluation and salary compensation policy, system, standard and structure, which shall be submitted to the board of directors after deliberation by the remuneration committee. The manager's remuneration includes salary and bonus. Salary refers to the company's business strategy and profitability, as well as factors such as the manager's professional ability, the scope of responsibility, and market competitiveness; bonus takes individual performance evaluation, company operating performance and future risks into account. However, if there are significant risk events that can affect the company's goodwill, improper internal management, personnel fraud and other risk events, the bonus will be reduced or not be issued.

(Concluded)