

Walsin Lihwa Corporation

2023 Annual Report

Printed on March 20, 2024

For related information, please visit:

<https://www.walsin.com>

<https://mops.twse.com.tw>

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5. Independent Auditors

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6. Overseas Securities Exchange

Issued globally and traded on the Luxembourg Stock Exchange
The information is available at <https://mops.twse.com.tw>

7. Email Address of Investor Relations Contact: opinion@walsin.com

8. Corporate Website: <https://www.walsin.com>



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I Letter to Shareholders

Dear Shareholders,

In recent years, the global economic environment has faced numerous challenges, including geopolitical instability, supply chain restructuring, rapid advancements in artificial intelligence, and the transition to renewable energy sources. These factors have significantly impacted and posed challenges to corporate operations. Walsin Lihwa, adhering to a philosophy of sustainable management, has implemented strategies for technological applications, product and market structure adjustments, and risk governance, and therefore gradually transitioned to high-value of products, entered high-end markets, and made investments in the new energy sector, driving the Company's repositioning in the market.

In 2023, Walsin Lihwa established a joint venture with NKT Group (based in Denmark), initiated the construction of a submarine cable plant in Kaohsiung Port, and expanded into the wind energy supply chain, thereby contributing to Taiwan's new energy policies. Cogne steel mill (based in Italy) (in which we invested in 2022) also successfully acquire 100% of the shares of Special Melted Products (SMP) (based in the UK) by leveraging its key position in the European stainless steel supply chain, leading the Company to officially enter the aerospace industry chain. This has established our unique position in the manufacturing of stainless steel and nickel-based alloys in Europe.

Accomplishments in 2023

Walsin Lihwa continues to optimize its high-value production capabilities and expand into new industrial domains, actively manage its inventory, and integrate its operations, in order to mitigate impacts from market risk. Upon reviewing the Company's operational results for 2023, its consolidated revenue has grown for four consecutive years, primarily due to the expansions and mergers and acquisitions initiated by the Stainless Steel BG and the Commodity BG. Compared to 2022, where a one-time profit was generated from the disposal of the solar development division of a subsidiary in the United States, the profits from upstream raw materials and end products in the stainless steel sector were also affected by the global economic recession, leading to a decline in gross profit and net income after taxes. The Company's consolidated revenue and consolidated gross profit for the year 2023 was NT\$189.8 billion and NT\$14.4 billion respectively, and its net income after taxes was NT\$5.1 billion, with earnings per share of NT\$1.32.

Wire and Cable Business:

The overall profitability of the Wire & Cable Business has grown compared to the previous year, primarily due to capturing the demand for enterprise factory construction, resilient power grid construction, and the development of industrial cables, thereby maintaining stable gross profit and profitability.

Stainless Steel Business:

The overall profitability of the Stainless Steel Business has declined compared to the previous year, as the main demand market has not yet recovered, and although the supply chain inventory adjustment period has ended, the prices of end products remain weak, thereby affecting profitability.

Commodity Business:

The overall profitability of the Commodity Business has declined compared to the previous year, due to weak demand in the stainless steel market and a slowdown in the growth of demand for nickel batteries for electric vehicles, leading to an imbalance in nickel metal supply and demand. However, PT. Sunny Metal Industry has been fully operational since the first quarter of 2023, and its overall nominal annual capacity (along with that of PT. Walsin Nickel Industrial Indonesia) has increased to 95,000 metric tons of nickel.

Real Estate Business:



The overall operating cash flow of the Real Estate Business has increased compared to the previous year, mainly because the No. 1 office building in the AB plot in Nanjing, China, was completed and delivered in 2022, resulting in an increased occupancy rate.

Summary of 2024 Business Plan

Wire and Cable Business:

We will continue seizing domestic resilient power grid opportunities, actively entering the domestic and international high-voltage power transmission markets, and developing innovative service models to enhance the commercial values for our customers. Additionally, we will focus on the core technological capabilities of industrial cable development to expand into offshore wind power business; the construction of the submarine cable plant in Kaohsiung Port in cooperation with Denmark NKT is expected to meet the demand for domestication of submarine cables as scheduled.

Stainless Steel Business:

We will continue being committed to product and market structure adjustments, expanding the proportion of high-value products, increasing turnover and gross profit margin; acquiring Inox and MST (both based in Europe) to obtain upstream clean materials and extend to downstream high-end product applications; and through industry chain integration, leveraging product, equipment, certification, and distribution channel synergies, with a view to becoming a global stainless steel long products manufacturer.

Commodity Business:

Despite facing challenges such as continuous expansion of nickel product lines and intense competition for nickel resources in Indonesia, leading to increased production costs and market price fluctuations, the Commodity BG will focus on maximizing production efficiency and optimizing operational costs. With the completion of the high nickel matte production line this year, through capturing industry demand, enhancing product supply flexibility, strengthening price risk management, and raw material procurement adjustment capabilities, we expect to gradually deepen the nickel battery supply chain, expanding sales channels, and maintaining industry competitiveness.

Real Estate Business:

Our commercial office buildings in Nanjing, China, meet Grade A International Office Building Standard and, as a first-tier, leading brand, attracts numerous corporate headquarters. We will dynamically adjust the business portfolio of One Mall, with a view to creating stable cash flow and promoting the steady development of the commercial cluster in Nanjing Walsin Centro.

Future corporate development strategy under the influence of external competition, regulations and overall business operation

Looking forward to 2024, the Company will continue to strengthen its product and market structure, increase the proportion of high-end applications and high value-added products, deepen the synergy of new fields and new markets, utilize innovative technology to achieve excellent management, while aligning with world-class ESG standards, practicing sustainable development goals for the environment, society, and governance, ensuring stable growth in the face of challenges. Here, we would like to express our gratitude to all our shareholders for their continued support along the way. We look forward to joining hands with all our partners in moving forward together into a new chapter!

Chairman Yu-Lon Chiao



II Company Profile

1. Date of establishment December 2, 1966

2. Company History & Evolution

- 1966 Walsin Wire & Cable Co., Ltd. established.
- 1969 Walsin and Lihwa merged and renamed as Walsin Lihwa Wire & Cable Co., Ltd.
- 1970 Formed technological partnerships with Western Electric in the U.S. and Fujikura in Japan and began production of plastic insulation telephone cable.
- 1972 Began production of EP rubber high-voltage cables.
The Company's shares were listed on the Taiwan Stock Exchange.
- 1977 Completed the Hsinchuang plant for SCR copper rod production, with annual manufacturing capacity of 50,000 tonnes of low-oxygen copper rods.
- 1982 Expanded SCR production facilities to increase annual manufacturing capacity to 100,000 tonnes of low-oxygen copper rods.
- 1987 Construction of the Yangmei plant completed.
Entered the semiconductor IC industry by investing in Winbond Electronics Corp. and Sumi-Pac Corp. In the following decade, the Company expanded into passive component, LCD panel, PCB thin board and other industries.
- 1991 Invested in PT. Walsin Lippo Industries in Indonesia to expand aluminum wire business into the Southeast Asian market.
- 1992 Company renamed Walsin Lihwa Corporation.
Electronics division merged with the acquired Wanbang Electronics to form the new Walsin Technology Corp.
Established plants in Shanghai and Jiangyin to produce power cables and steel cables, thus beginning a new chapter in China investment.
- 1993 Expanded into the stainless steel industry by forming Walsin Cartech Specialty Steel, a joint venture with Carpenter Technology Corp. in the U.S.
Established the Wuhan wire and cable plant for optical communication cable production.
- 1995 Formed Walsin (China) Investment Co., Ltd. and set up four operating locations in China's major cities, including Hangzhou, Shanghai and Nanjing, for the production of power cables, bare copper wires and fiber optic cables.
- 1997 Established specialty steel plants in Changshu and in Baihe, Shanghai, for the production and sale of seamless steel tubes and straight steel bars.
Formed HannStar Board Corp. to expand into the PCB industry.
- 1998 Acquired and incorporated the assets of Walsin Cartech into the company.
Conducted enterprise re-engineering and full implementation of the SAP enterprise resource management system.
Expanded into the TFT-LCD industry by forming HannStar Display Corp.
- 2000 Established the Dongguan plant for bare copper wire production.
- 2002 Expansion of Yenshui specialty steel plant was carried out to include slab steelmaking facilities.
- 2003 With Yenshui specialty steel plant beginning slab production, the company expanded into the stainless steel plate market.
- 2005 Set up new plants in Nanjing, Changshu and Jiangyin to produce copper products as well as seamless steel pipes and steel wire products.
Shanghai and Hangzhou power cable plants completed expansion and increased production capacity; began mass production of 220kV EHV cables.

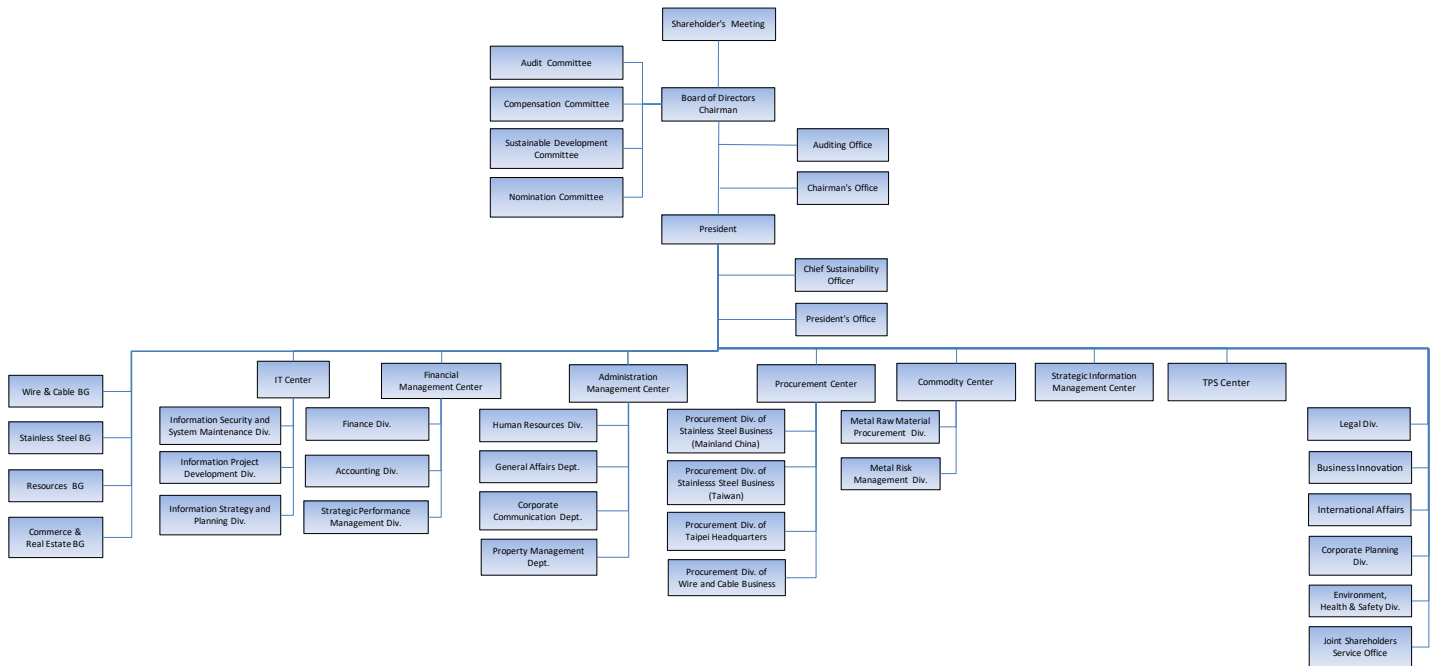


- Expansion of Yenshui specialty steel plant to include slab steelmaking facilities was completed.
- 2006 New copper production plant in Nanjing completed, with annual production capacity of 250,000 tonnes. Total copper production increased from 400,000 to 650,000 tonnes.
Development of 500kV EHV cables for Hangzhou power plant was invested and received certification.
The Company's consolidated revenue exceeded NT\$100 billion.
- 2007 Expanded steel production capacity by acquiring stake in Yantai Huanghai Iron and Steel Co., Ltd.
Changshu specialty steel plant passed review by the National Nuclear Safety Administration and received certification for nuclear power plant sales.
Hangzhou power cable plant began expansion efforts and construction of the second VCV process tower and added high voltage cable production lines.
- 2008 Expansion of Yantai plant for stainless steel manufacturing process; added new stainless steel billet products.
- 2009 Yantai stainless steel plant completed transformation of stainless steel manufacturing processes; stainless steel and high-grade alloy steel products were added.
Changshu plant's seamless steel tube production began Phase 2 expansion to increase production capacity.
Completion of the new A6 building in Xinyi Development Zone and the relocation of Walsin Lihwa headquarters.
- 2010 Nanjing Walsin Centro began construction in Nanjing's Hexi Newtown. A multi-purpose commercial center spanning one million square meters will be developed over several phases.
Partnered with Nanjing municipal government to create the Nanjing Taiwan Trade Mart, thus establishing a cross-Strait commercial trading platform.
- 2012 Construction of two office buildings in C1 land plot of Nanjing Walsin Centro completed and transferred to the Jiangsu Branch of the China Development Bank and the Nanjing Branch of China Guangfa Bank.
- 2013 Cold rolled steel coil production officially commenced at the Taichung Harbor stainless steel roll plant.
- 2014 First batch of premium residential buildings in C2 land plot in Nanjing Walsin Centro delivered; phased development of D and AB land plots planned.
- 2016 The Company marked its 50th anniversary.
- 2017 Taiwan and China, have recorded steady increase in overall steelmaking and annual production of 710,000 tonnes.
- 2018 The roughing mill was launched in Yenshui plant to improve the product quality and yield rate.
Phase I office buildings in Nanjing Walsin Centro on AB land plot and Phase II houses on D land plot were delivered.
- 2019 Walsin shopping mall in Nanjing was open for operation, serving as a representative landmark for Walsin's entrance to shopping mall industry.
- 2020 The Company established PT Walsin Nickel Industrial Indonesia to extend into the production and sale of upstream raw materials for stainless steel.
- 2021 Construction of nickel iron production line in Indonesia was completed, and nickel metal, the raw material for stainless steel, started to be produced.
- 2022 Invested in Cogne, Italy to expand into the global market of stainless steel.
Invested in PT. Sunny Metal Industry, Indonesia and built a nickel ice plant to enter the battery nickel market.
Commissioned Yantai rolling mill, a milestone towards intelligent manufacturing.
- 2023 Acquisition of a British company SMP to expand high-end stainless steel application markets.
Signing of a collaboration agreement with a Danish company NKT to initiate submarine cable business operations.

III Corporate Governance Report

1. Organizational Chart

(1) Company Organization Chart (March 20, 2024)





(2) Principal Duties of Various Departments

Department	Job Duties & Functions
Audit Committee	Assisting the Board of Directors in decision-making and supervising matters, including the correctness and accuracy of the Company's financial statements, the engagement (dismissal), independence and performance of attesting CPA, internal control, legal compliance and risk management.
Compensation Committee	Drafting and periodically reviewing the performance evaluation of board directors and managers, as well as the policy, system, standard and structure of compensation. Periodically evaluating and determining the compensation for board directors and managers.
Sustainable Development Committee	Formulating corporate social responsibility vision and strategy; inspecting the Group's overall as well as various committees' steering and overseeing implementation performances via regular meetings; annual ESG results to be submitted to the Board of Directors in the following year.
Nomination Committee	Assisting the Board of Directors in developing and identifying candidates for Board members and senior management and their independence standards, establishing and periodically reviewing a continuing education and succession plan, and ensuring that the Company operates in accordance with the Corporate Governance Best Practice Principles.
Stainless Steel BG	Product Types: Stainless steel slabs (ingots), hot-rolled steel coils, cold-rolled steel coils, hot-rolled rods and cold drawn straight bars, and stainless steel seamless pipes and alloy steel pipes, including ordinary fluid pipes, heat-exchanging pipes, boiler pipes, instrumentation tubes, steel wires for pre-stressed concrete, stranded steel wires, zinc-plated steel wires for bridge cables, zinc-plated stranded steel wires, PE for bridge bracing cables and epoxy-coated stranded steel wires. Responsible for integrating the functions of business, technology, manufacturing, operation and administration of each BU. The managers of this BG are responsible for its profit/loss, improving long-term competitiveness and executing the Company's strategies.
Wire & Cable BG	Product Types: Copper rods and wires that power cable and wire industries use as basic raw materials for conductors, as well as low-, medium- and high-voltage PVC cables, cross-linking PE cables, specialty & professional fire-resistant, fire-retardant, low-smoke and halogen-free cables for different industries, rubber cables, communication cables, related materials for cable insulation, as well as other plastic accessories. Responsible for integrating the functions of business, technology, manufacturing of each BU. The managers of this BG are responsible for its profit/loss, improving long-term competitiveness and executing the Company's strategies.
Resources BG	Product types: Production of nickel pig iron and nickel matte as well as agency sales of stainless steel semi-finished products Responsible for integrating the functions of business, technology, manufacturing of each Indonesia subsidiaries. The managers of this BG are responsible for its profit/loss, improving long-term competitiveness and executing the Company's strategies.
Commerce & Real Estate BG	Business Items: Developing composite commercial properties, real estate management, etc. The managers of this BG are responsible for its profit/loss, improving long-term competitiveness and executing the Company's strategies.
Auditing Office	Responsible for planning and auditing internal auditing systems.
IT Center	Establishment of information system for Industry 4.0 business operation, establishment of reliable/safe information system environment, realization of platform for cloud information service and establishment of big data analysis.
Administration Management Center	Responsible for human resources, procurement, media and general affairs, etc.
Financial Management Center	Responsible for the operation of financial accounting system and participating in the management and decision-making.

Department	Job Duties & Functions
Strategic Information Management Center	Responsible for data utilization indicator design and action plan planning, data analysis and modeling, data management and information security, internal and external resources integration and management.
Procurement Center	Responsible for establishing procurement policies and standards and performing procurement functions, including capital expenditure, engineering and maintenance, material back up supplies, outsourcing and other non-critical material procurements.
Commodity Center	Responsible for entering into transactions of important raw material procurements and controlling raw material prices.
TPS Center	<ol style="list-style-type: none"> 1. Creating a learning organization with full employee participation (i.e., learning by doing and doing by learning) via OJT 2. Learning from TPS to train outstanding T-shaped executives at current time and places with current resources who are suitable for use by the Group 3. Strengthening the DNA of the Group through TPS improvement activities 4. Implementing the mechanism for cultivating human resources on its own and promoting the sustainable management of the Company.
Legal Division	Responsible for legal risk management and the preparation and management of various contracts, legal disputes, litigation or non-litigation cases.
Business Innovation Division	<ol style="list-style-type: none"> 1. Conducting research on international market opportunities and trends in the next 5 to 10 years and providing innovative solutions to achieve corporate sustainability goals. 2. Collaborating with business units in helping them implement daily improvements, understand customers' future needs and provide appropriate solutions.
International Affairs Division	<ol style="list-style-type: none"> 1. Liaison with representatives of overseas offices and other relevant personnel. 2. Compliance with overseas laws and regulations and engagement of external professionals. 3. Reception of overseas visitors and assistance with their itinerary arrangements. 4. Budget control and execution for overseas offices. 5. Support for general administrative tasks in overseas offices.
Corporate Planning Division	Responsible for investment planning and execution related to company strategy.
Environment, Health & Safety Division	Responsible for the Company's environmental protection, occupational safety and health management and other related matters, and promoting and implementing business strategies and plans for the company-wide environment, safety and health initiatives and energy and carbon management.
Joint Shareholders Service Office	Responsible for the planning and execution of the Company's shareholder services and the administration matters relating thereto.



2. Profiles of Board Directors, President, Vice Presidents and Department Heads

(1) Information on Directors

Title	Nationality or Registration Country	Name	Gender & Age	Term Began	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse and Underage Children	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Chairman	R.O.C.	Yu-Lon Chiao	Male 61-70 years old	May 19, 2023	3 years	April 10, 1981	50,460,440	1.35%	50,460,440	1.25%	21,011,889	0.52%
Vice Chairman	R.O.C.	Patricia Chiao	Female 61-70 years old	May 19, 2023	3 years	May 31, 2005 (Note2)	109,085,587	2.92%	109,085,587	2.71%	0.00	0.00%
Director	R.O.C.	Yu-Cheng Chiao	Male 61-70 years old	May 19, 2023	3 years	April 10, 1981	41,001,551	1.10%	41,001,551	1.02%	19,502,428	0.48%
Director	R.O.C.	Yu-Heng Chiao	Male 61-70 years old	May 19, 2023	3 years	April 18, 1990	65,343,810	1.75%	65,343,810	1.62%	4,324,192	0.11%

December 31, 2023

	Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor who are Spouse or Relative within Second Degree			Note (Note 1)
	Number of shares	Percentage			Position	Name	Relationship	
	0	0.00%	Business Administration Department, University of Washington; The Company's former President and Vice Chairman.	Chairman of Concord Venture Capital Group and Walsin Energy Cable System Co., Ltd., Director of Walton Advanced Engineering, Inc., Ltd., and Vice President Commissioner of subsidiaries of Walsin Lihwa Corporation.	Vice Chairman Director Director Director	Patricia Chiao Yu-Cheng Chiao Yu-Heng Chiao Wei-Shin Ma	Younger sister Older brother Younger brother Sister-in-law	None
	0	0.00%	MBA at College of Notre Dame; the Company's former assistant vice president of Investment Dept., assistant vice president of Financial Dept., head of Financial Investment Dept., assistant vice president of Commodity Center and Financial Investment Management Center, President of Insulated Wire & Cable BU.	Director of Yu Xiang Investment Co., Ltd., Qing An Investment Co., Ltd., Walsin Lihwa Holding Co., Ltd., Walsin Specialty Steel Holding Co., Ltd., Walsin Specialty Steel Corporation, and Joint Success Enterprises Limited; President of Chin-Xin Investment Co., Ltd.	Chairman Director Director Director	Yu-Lon Chiao Yu-Cheng Chiao Yu-Heng Chiao Wei-Shin Ma	Older brother Older brother Younger brother Sister-in-law	None
	0	0.00%	University of Washington Masters of Electrical Engineer and Business Administration The Company's former chairman.	Chairman & CEO of Winbond Electronics Corporation, Chin-Xin Investment Co., Ltd and Chenghe Investment Co., Ltd.; Director of Walsin Technology Corporation, Nuvoton Technology Corp, Jincheng Construction Co., Ltd., United Industrial Gases Co., Ltd., MiTAC Holdings Corporation, Landmark Group Holdings Ltd., Winbond International Corporation, Winbond Electronics Corporation America, Marketplace Management Limited, Nuvoton Investment Holding Ltd., and Songyong Investment Co., Ltd.; Officer of Goldbond LLC; Independent Director, member of the Audit Committee, Nomination Committee and convener of the Compensation Committee at Taiwan Cement Corp.	Chairman Vice Chairman Director Director	Yu-Lon Chiao Patricia Chiao Yu-Heng Chiao Wei-Shin Ma	Younger brother Younger sister Younger brother Sister-in-law	None
	0	0.00%	Golden Gate University, Master of Business Administration The Company's former vice president and vice chairman.	Chairman of Walsin Technology Corporation, Walton Advanced Engineering, Inc., HannStar Board Corp., Global Brands Manufacture, Prosperity Dielectrics Co., Ltd., Info-Tek Corp., and Silitech Technology Corporation; Vice Chairman of Career Technology Mfg. Co., Ltd.; Director of Inpaq Technology Co., Ltd.	Chairman Vice Chairman Director Director	Yu-Lon Chiao Patricia Chiao Yu-Cheng Chiao Wei-Shin Ma	Older brother Older sister Older brother Sister-in-law	None



Title	Nationality or Registration Country	Name	Gender & Age	Term Began	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse and Underage Children	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Director	R.O.C.	Yu-Chi Chiao	Male 51-60 years old	May 19, 2023	3 years	April 18, 1990	51,635,470	1.38%	52,285,470	1.30%	244,033	0.01%
Director	R.O.C.	Andrew Hsia	Male 71-80 years old	May 19, 2023	3 years	May 19, 2023	0	0.00%	0	0.00%	0	0.00%
Director	R.O.C.	Chin-Xin Investment Co., Ltd	-	May 19, 2023	3 years	Legal Person: May 31, 2005 (Note 4)	247,399,375	6.63%	248,002,375	6.15%	-	-
		Representative: Li-Chin Ku	Male 61-70 years old			Representative: May 19, 2023	0	0.00%	0	0%	0	0.00%
Independent Director	R.O.C.	Ming-Ling Hsueh	Male 61-70 years old	May 19, 2023	3 years	June 11, 2014	0	0.00%	0	0.00%	0	0.00%

December 31, 2023

	Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor who are Spouse or Relative within Second Degree			Note (Note 1)
	Number of shares	Percentage			Position	Name	Relationship	
	0	0.00%	Ph.D. in Management from City University of Hong Kong, completed doctoral studies in Management at Fudan University in Shanghai; President of Walsin Lihwa Corporation, Supervisor of Windbond Corporation, Director of HannStar Board Corporation, and Chairman of HannsTouch Holdings Company.	Chairman and President of HannStar Display Corporation; Chairman of Huali Investment Corp., Hannshine Investment Corp., and Hanns Prosper Investment Corp.; Director as Representative of HannsTouch Holdings Company, Coretronic Corporation, Bradford, HannSpirit (BVI) Holding, Brightpro Resources Limited, and Hannspree International Holdings; Supervisor of Torch Investment Co., Ltd.	Chairman Vice Chairman Director Director	Yu-Lon Chiao Patricia Chiao Yu-Cheng Chiao Yu-Heng Chiao	Older brother Older Sister Older brother Older brother	None
	0	0.00%	He received his bachelor's degree in law from Fu Jen Catholic University and his master's degree in diplomacy from the National Chengchi University; he graduated from Graduate Institute of Legal Studies, University of Oxford, UK (M. Litt); he was Head of the Political Section of the R.O.C. Representative Office in the United States, Deputy Representative of the R.O.C. Representative Office in Canada, Head of the R.O.C. Representative Office in New York, R.O.C. Representative Office in India, Political Deputy Minister of Ministry of Foreign Affairs, Deputy Minister of Ministry of National Defense, and Chairman of the Mainland Affairs Council, Executive Yuan.	Vice President & Spokesman of Phu My Hung Holding Group; Chief Representative of Central Trading & Development Corporation.	None	None	None	None
	-	-	Bachelor's degree in Industrial Engineering from Chung Yuan Christian University; Assistant Vice President, Vice President, and President of Walsin Technology Corporation.	President of Walsin Technology Corporation.	None	None	None	None
	0	0.00%						
	0	0.00%	Soochow University, Master in Accountancy; Bloomsburg University of Pennsylvania, Master of Business Administration; PwC Taiwan Director; Executive Director, Taiwan Corporate Governance Association; Adjunct Professor, School of Science and Technology Management, National Tsing Hua University; Adjunct Professor, School of Management, National Taiwan University of Science and Technology.	Independent Director of Yuanta Financial Holdings & Yuanta Commercial Bank, TTY Biopharm and Lite-On Technology Corporation; Director of Tung Hua Book Co., Ltd.	None	None	None	None



Title	Nationality or Registration Country	Name	Gender & Age	Term Began	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse and Underage Children	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Independent Director	R.O.C.	Fu-Hsiung Hu	Male 61-70 years old	May 19, 2023	3 years	May 19, 2023	0	0.00%	0	0.00%	0	0.00%
Independent Director	R.O.C.	Tyzz-Jiun Duh	Male 61-70 years old	May 19, 2023	3 years	May 19, 2023	0	0.00%	0	0.00%	0	0.00%
Independent Director	R.O.C.	Wei-Chuan Gau	Male 61-70 years old	May 19, 2023	3 years	May 19, 2023	0	0.00%	0	0.00%	0	0.00%

Note 1: Where the chairman and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness of, necessity of, and the measures adopted in response to, the above situation.

Note 2: Ms. Patricia Chiao served on the Company’s Board between May 31, 2005 and June 10, 2014 and from May 25, 2016 until March 11, 2024.

Note 3: Mr. Yu-Chi Chiao served on the Company’s Board between April 18, 1990 and June 10, 2014 and from May 19, 2023 until now.

Note 4: Chin-Xin Investment Co., Ltd served on the Company’s Board between May 31, 2005 and June 10, 2014 and from May 26, 2015 until now.

Note 5: Directors whose terms expired and were discharged on May 19, 2023: Ms. Wei-Shin Ma and Mr. Chen, Pei-Ming as the representative of Chin Xin Investment Co., Ltd.; Independent Directors whose terms expired and were discharged on May 19, 2023: Mr. King-Ling Du and Mr. Shiang-Chung Chen.

Note 6: The shareholding ratios are rounded to the nearest hundredth percent.

Note after Period-End: Ms. Patricia Chiao, Vice Chairman, resigned from her post on March 11, 2024.

December 31, 2022

	Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor who are Spouse or Relative within Second Degree			Note (Note 1)
	Number of shares	Percentage			Position	Name	Relationship	
	0	0.00%	M.A., Graduate School of Business, National Taiwan University; Managing Director, Central Trust Bureau; Director of Mega Bank; Director of Department of Economic Energy and Agriculture, Executive Yuan; Vice Chairman of Council of Agriculture; Chairman of National Animal Industry Foundation, Institute of Animal Science and Technology, and Joint Credit Information Center and Taiwan Cooperative Securities	Independent Managing Director of O-Bank Co., Ltd.	None	None	None	None
	0	0.00%	Ph.D., Institute of Forestry, National Taiwan University; Director General of the Department of Commerce of the Ministry of Economic Affairs; Director General of the Department of Information Technology of the Ministry of Economic Affairs; Director General of the Industrial Development Bureau of the Ministry of Economic Affairs; Minister of the Ministry of Economic Affairs; Chairman of the National Development Council; Vice Premier of the Executive Yuan; CEO of Taoyuan Industrial Commercial Development & Investment Promotion Committee.	Policy Advisor of Taiwan Electrical and Electronics Manufacturers' Association; Senior Advisor of Taiwan Transportation Vehicle Manufacturers Association and the Chinese National Federation of Industries; Member of Taoyuan Industrial Commercial Development & Investment Promotion Committee; Vice Chairman of ShaCode Foundation; Director of Fair Winds Foundation; Independent Director of USI Corporation, China Development Financial Holding Corporation & CDIB Capital Group, and Macronix International Co., Ltd.	None	None	None	None
	0	0.00%	Ph.D. in Accounting, Business School, Renmin University of China, Master of Business Administration, Baruch College, City University of New York, Computer Auditing Joint Course Diploma, NYU/Coopers & Lybrand, Bachelor of Accounting, Department of Business, National Taiwan University; Vice Chairman of KPMG Taiwan Inc.; Executive Director of KPMG Taiwan; Head of Insurance Business of KPMG Taiwan; CPA & Counselor of Audit Department of KPMG Taiwan; Director & CFO of Maxpro Capital Acquisition Corp; Counselor of Eco-Green Tech. Co., Ltd.	CPA of Chuanzhi Shared-Office Accounting Firm; Chairman of KS&A Investment Co. Ltd.; Independent Director of Mercuries F&B	None	None	None	None



1. Major shareholders of institutional shareholder

December 31, 2023

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (Note)	Shareholding
Chin-Xin Investment Co., Ltd	Winbond Electronics Corp.	37.69%
	Walsin Lihwa Corporation	36.99%
	Huali Investment Corp.	4.43%
	Yu-Cheng Chiao	3.14%
	Yu-Lon Chiao	3.14%
	Yu-Heng Chiao	3.14%
	Yu-Chi Chiao	3.14%
	Walsin Technology Corporation.	1.86%
	HannStar Board Corporation	1.34%
	Prosperity Dielectrics Co., Ltd.	0.72%

Note 1: Top ten shareholders of the institutional shareholder.

Note 2: The shareholding ratios are rounded to the nearest hundredth percent.

2. Major Shareholders in Previous Table who are Institutional Investors and their Major Shareholders

December 31, 2023

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (Note)	Shareholding
Winbond Electronics Corporation	Walsin Lihwa Corporation	21.99%
	Chin-Xin Investment Co., Ltd	6.22%
	Labor Pension Fund (New System)	1.84%
	Investment account of LGT Bank (Singapore) under the custody of Business Department of Standard Chartered Bank	1.76%
	Yu-Cheng Chiao	1.64%
	Investment account of Norges Bank under the custody of Citibank Taiwan Ltd.	1.14%
	Investment account of Vanguard Emerging Markets Stock Index Fund managed by Vanguard Group under the custody of JP Morgan Chase Bank N.A., Taipei Branch	1.01%
	Pai-Yung Hong	0.99%
	Investment account of PGIA Fund – PGIA General International Stock Index Fund under the custody of JP Morgan Chase Bank N.A., Taipei Branch	0.99%
	Patricia Chiao	0.92%
	Huali Investment Corp.	HannStar Color Co. Ltd.

March 19, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (Note)	Shareholding
Walsin Lihwa Corporation	Chin-Xin Investment Co., Ltd	6.15%
	Winbond Electronics Corporation	6.14%
	TECO Electric and Machinery Co., Ltd.	5.22%
	LGT Bank (Singapore) Investment Fund under the custody of Business Department, Standard Chartered Bank (Taiwan) Ltd.	4.54%
	Rong Jiang Co., Ltd.	4.27%
	Fund Account of Yuanta Taiwan High Dividend ETF	3.31%
	Patricia Chiao	2.71%
	Huali Investment Corp.	2.65%
	Chunghwa Post Co., Ltd.	1.89%
	Yu-Heng Chiao	1.62%

December 31, 2023

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (Note)	Shareholding
Walsin Technology Corporation	Walsin Lihwa Corporation	18.30%
	HannStar Board Corporation	7.74%
	Global Brands Manufacture Ltd.	3.39%
	Walton Advanced Engineering, Inc.	2.74%
	Yu-Heng Chiao	2.65%
	Investment account of Malayan Banking Berhad Securities Sdn Bhd - Internal Trades Platform - Client Account under the custody of Citibank Taiwan Ltd.	2.33%
	Giga Investment Co.	1.37%
	Chin-Xin Investment Co., Ltd.	1.27%
	Tsai Yi Corporation	1.10%
	Winbond Electronics Corporation	1.09%
HannStar Board Corporation	Walsin Technology Corporation	20.32%
	Walsin Lihwa Corporation	12.06%
	Career Technology (Mfg.) Co., Ltd.	5.44%
	Chin-Xin Investment Co., Ltd.	3.55%
	Yu-Heng Chiao	2.19%
	Pai-Yung Hong	1.86%
	Xing Xing Investment Co., Ltd.	1.59%
	Fund Account of Yuanta Taiwan High Dividend Low Volatility ETF	1.56%
	Fund Account of Fuh Hwa Taiwan Technology Dividend Highlight ETF under the custody of Taipei Fubon Commercial Bank Co., Ltd.	1.43%
	Prosperity Dielectrics Co., Ltd.	1.07%
Prosperity Dielectrics Co., Ltd.	Walsin Technology Corporation	43.13%
	Walton Advanced Engineering, Inc.	0.75%
	Yu-Heng Chiao	0.62%
	Ta-Ho Maritime Corporation	0.55%
	ABC Taiwan Electronics Corp	0.47%
	Wen-Che Shen	0.44%
	Sheng-Chi Liao	0.36%
	Tsung-Yuan Huang	0.30%
	Ying-Ying Su	0.24%
	Yu Yueh Co., Ltd.	0.17%

Note 1: Top ten shareholders of the institutional shareholder.

Note 2: The shareholding ratios are rounded to the nearest hundredth percent.



3. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualification Name	Professional Qualifications and Experience	Independence (Note)	Number of Other Public Companies Where He/She Acts as Independent Directors Concurrently
Yu-Lon Chiao	Mr. Yu-Lon Chiao joined Walsin Lihwa in 1983 and has served as Vice President, President, Vice Chairman, and CEO, and took over as Chairman in 1996. Mr. Chiao, highly experienced in the wire and cable, stainless steel, electronic technology, commercial and real estate industries, has focused on the management of the Company and led the Company's continuous growth with good results. He has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0
Patricia Chiao	Patricia Chiao, Vice Chairman, has been with the Company since 1981, has served as Assistant Vice President of the Finance Department, Special Assistant to the President, Associate Manager and Vice President of the Commodity Center and Financial Investment Management Center, General Manager of the Copper Business Group, and General Manager of the Wire and Cable Business Group, and has served as Vice Chairman since 2016. She is familiar with the organization and business operations of the Company and has professional knowledge and experience in management, investment judgment and human resources. She has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0
Yu-Cheng Chiao	Yu-Cheng Chiao, Director, served as Chairman of the Company from 1986 to 1994. Currently, he serves as Chairman of Winbond Electronics Corporation, Independent Director of Taiwan Cement Corporation, Director of Walsin Technology Corporation. He served as, among others, Chairman of Nuvoton Technology Corporation and Director of Taiwan Electrical and Electronic Manufacturers' Association, received the ERSO Award and was elected as the eighth member of ITRI. Therefore, he has the necessary expertise and experience in management and business development of the Company. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	1
Yu-Heng Chiao	Yu-Heng Chiao, Director, the Vice President and Vice Chairman of the Company from 1990 to 1996. Currently, he acts as Chairman of Walsin Technology Corporation, HannStar Board Corp., Global Brands Manufacture Ltd., Walton Advanced Engineering, Inc., Prosperity Dielectrics Co., Ltd., Info-Tek Corp., and Silitech Technology Corporation. Therefore, he has the necessary expertise and experience in management and business development of the Company. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0

Qualification Name	Professional Qualifications and Experience	Independence (Note)	Number of Other Public Companies Where He/She Acts as Independent Directors Concurrently
Yu-Chi Chiao	Yu-Chi Chiao has previously served as a Director and President of the Company and is currently the Chairman and President of HannStar Display Corporation; he also holds the position of Chairman at Huali Investment Corp., Hannshine Investment Corp., Hanns Prosper Investment Corp. Therefore, he has the necessary expertise and experience in management, commerce, and business development of the Company. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0
Andrew Hsia	Andrew Hsia, Director, serves as Vice President and Spokesman of Phu My Hung International Corporation and Chief Representative of Central Trading & Development Corporation (Samoa). He served as, among others, a diplomat of the Republic of China, Chairman of the Mainland Affairs Council, Deputy Minister of the Ministry of National Defense, Representative of the Ministry of Foreign Affairs in Indonesia, and Head of Political Section, Ministry of Foreign Affairs. He has a background of legal and diplomatic expertise and an international perspective, and is familiar with the economies and markets of the Southeast Asian region. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0
Chin-Xin Investment Co., Ltd Representative: Li-Chin Ku	Director Li-Chin Ku currently serves as Vice Chairman of Walsin Technology Corporation. He has previously held positions as Assistant Vice President, Vice President, and President of Walsin Technology Corporation. His professional experience is focused on the passive components industry, with a deep familiarity in the manufacturing and sales of passive components, and therefore he possesses expertise in operation and management. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	-	0
Ming-Ling Hsueh	Ming-Ling Hsueh, Independent Director, used to act as PwC Taiwan Director, and is Independent Director of Yuanta Financial Holdings & Yuanta Commercial Bank, Lite-On Technology Corporation, and TTY Biopharm, and Director of Tung Hua Book Co., Ltd. He is also Adjunct Professor, School of Science and Technology Management, National Tsing Hua University, Adjunct Professor, School of Management, National Taiwan University of Science and Technology, and Executive Director, Taiwan Corporate Governance Association. Therefore, he has professional knowledge and background in finance, accounting and corporate governance. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Ming-Ling Hsueh, Independent Director, has not been involved in any of the circumstances described in Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Besides, neither he nor his spouse nor any of his relatives within second degree of kinship is a director of the Company or its affiliates holding any number and proportion of shares of the Company (which are not held in the name of others).	3



Qualification Name	Professional Qualifications and Experience	Independence (Note)	Number of Other Public Companies Where He/She Acts as Independent Directors Concurrently
Fu-Hsiung Hu	Fu-Hsiung Hu, Independent Director, was Vice Chairman, Council of Agriculture, Executive Yuan; Director of Department of Economic Energy and Agriculture, Executive Yuan; Director of the Office of the President of the Executive Yuan; Chairman of Joint Credit Information Center, Taiwan Cooperative Securities, and National Animal Industry Foundation; Director, Mega International Commercial Bank and Taiwan Cooperative Bank; Managing Director, Central Trust of China; Director, Straits Exchange Foundation. He is currently acting as Managing Director of O-Bank, with professional knowledge and background in business administration, finance and securities, and credit information. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Fu-Hsiung Hu, Independent Director, has not been involved in any of the circumstances described in Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Besides, neither he nor his spouse nor any of his relatives within second degree of kinship is a director of the Company or its affiliates holding any number and proportion of shares of the Company (which are not held in the name of others).	1
Tyzz-Jiun Duh	Tyzz-Jiun Duh, Independent Director, has previously held positions such as Director General of the Department of Commerce of the Ministry of Economic Affairs; Director General of the Department of Information Technology of the Ministry of Economic Affairs; Director General of the Industrial Development Bureau of the Ministry of Economic Affairs; Minister of the Ministry of Economic Affairs; Chairman of the National Development Council; and Vice Premier of the Executive Yuan, boasting over 15 years of administrative management experience. He currently serves as Policy Advisor of Taiwan Electrical and Electronics Manufacturers' Association and Independent Director of China Development Financial Holding Corporation & CDIB Capital Group, among others. He is well-versed in the industrial and commercial industry landscape and economic development trends, possessing expertise and experience in financial holding, government and public sectors, information technology and cybersecurity, and international affairs. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Tyzz-Jiun Duh, Independent Director, has not been involved in any of the circumstances described in Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Besides, neither he nor his spouse nor any of his relatives within second degree of kinship is a director of the Company or its affiliates holding any number and proportion of shares of the Company (which are not held in the name of others).	3
Wei-Chuan Gau	Wei-Chuan Gau, Independent Director, has previously served as Vice Chairman of KPMG Taiwan Inc. and Executive Director of KMPG Taiwan. He is currently CPA of Chuanzhi Shared-Office Accounting Firm, Chairman of KS&A Investment Co. Ltd., and Independent Director of Mercuries F&B. He possesses experience, professional capabilities, and practical experience in accounting and audit, risk management, and information technology. In addition, he has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Wei-Chuan Gau, Independent Director, has not been involved in any of the circumstances described in Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Besides, neither he nor his spouse nor any of his relatives within second degree of kinship is a director of the Company or its affiliates holding any number and proportion of shares of the Company (which are not held in the name of others).	1

Note: None of the Independent Directors of the Company are directors, supervisors or employees of companies with specific relationships with the Company and have not received compensation for providing business, legal, financial or accounting services to the Company or its affiliates in the last two years.

Note after Period-End: Ms. Patricia Chiao, Vice Chairman, resigned from her post on March 11, 2024.

4. Diversity and Independence of the Board

(1) Diversity of the Board

In accordance with Article 20 of the Company's Corporate Governance Best Practice Principles and the "Principles of Election of Board Members and Managers and Guidelines for Continuing Education and Succession Planning" established by the Company, the Board of Directors will implement the objectives of diversity and independence in terms of expertise, experience and gender required for Board members, and will continue to invite appropriate candidates to join the Board of Directors in accordance with the above objectives in order to strengthen the balance of the Board of Directors in response to the Company's development strategies and changes in the internal and external environment. In order to achieve the desired objectives of corporate governance, the Board of Directors of the Company is composed of members from the management team, managers of relevant industries and professionals with financial, business and accounting backgrounds, who effectively perform the duties of Board members with different fields and work backgrounds. These duties include establishing and maintaining the Company's vision and values, assisting in promoting corporate governance and strengthening management, overseeing and evaluating the implementation of management policies and operational plans, and being responsible for the Company's overall economic, social, and environmental operations to enhance corporate governance and corporate value from the perspective of stakeholders.

The Company has built its strength by being focused on the wire and cable, stainless steel, commodity, and commercial real estate fields and become a model of business excellence moving towards the manufacturing service industry. There are eleven directors on the Company's Board of Directors of 20th term: Yu-Lon Chiao, Chairman, has been working in the business field of the Company for a long time and has a good understanding of the operation and development of the industry, with an open-minded leadership style that encourages adoption of suggestions; Directors Yu-Cheng Chiao, Yu-Heng Chiao, and Yu-Chi Chiao have joined the management team of the Company and therefore are familiar with the organization and business operation of the Company and are good at operation management and investment judgment; Andrew Hsia, Director, comes from a diplomatic background with an international perspective and therefore has a good grasp of the conditions of the Southeast Asian market and can fully assist the Company in making relevant investment decisions; Director Li-Chin Ku is familiar with the industry, manufacturing, and sale of passive components and therefore has operational management experience and expertise; and the female Director, Director Patricia Chiao, specializes in operational management, investment judgment and human resources. The Company's Independent Directors have industry knowledge and an international market perspective: Independent Director Ming-Ling Hsueh specializes in finance, accounting and corporate governance; Independent Director Fu-Hsiung Hu has expertise and experience in business administration, finance and securities, and credit information; Independent Director Tyzz-Jiun Duh is familiar with the general situation of the industry and commerce sector and the trends of economic development; and Independent Director Wei-Chuan Gau possesses professional capabilities in accounting, auditing, and information technology.

(2) Independence of the Board:

The Company should have only 3 Independent Directors in accordance with the law, but to maintain the independence of its Board of Directors, it has four Independent Directors, which exceed the statutory target and account for 36% of all Directors of the Company; in order to improve the Company's operation and development and operation of corporate governance practices, none of Independent Directors are subject to Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.



(2) Profile of President, Vice Presidents and Department Heads

Title	Nationality	Name	Gender	Date appointed	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in Name of Others	
					Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
President & President of Commerce & Real Estate BG	R.O.C.	Fred Pan	Male	July 16, 2007	500,000	0.01%	0	0.00%	0	0.00%
Executive Vice President & Head of Finance Dept.	R.O.C.	C.C. Chen	Male	May 1, 2010	356,209	0.01%	0	0.00%	0	0.00%
President of Insulated Wire & Cable BG	R.O.C.	Jin-Renn Leu	Male	August 13, 2014	180,900	0.00%	1,000	0.00%	0	0.00%
President of Stainless Steel BG	R.O.C.	Kevin Niu	Male	December 4, 2017	200,000	0.00%	0	0.00%	0	0.00%
President of Commodity BG	R.O.C.	Josh Chia	Male	June 13, 2019	49,000	0.00%	1,559	0.00%	0	0.00%

December 31, 2023

	Education/Work Experience	Other Current Positions at Other Companies	Manager who is Spouse or Relative within the Second Degree			Shares Acquired by Managers under Employee Stock Options	Note (Note 2)
			Title	Name	Relationship		
	MBA of US Tulane University; Finance Chief of Marketing of Philips Taiwan Semiconductor, Finance Chief of Sales of Philips Asia Pacific Semiconductor; the Company's Accounting Division head, Chief of Staff and Vice President.	Vice Chairman of Nanjing Walsin Property Management Co., Ltd.; Director of Walsin (Nanjing) Development Co., Ltd., Walsin International Investment, Joint Success Enterprises Limited; Director and President of Jincheng Construction Co., Ltd., Walsin China Investment Co., Ltd.	None	None	None	None	None
	Master of Accounting Graduate School, National Taiwan University; Audit Team Leader of Deloitte Touche Tohmatsu Limited; Partner of Tianyao United Accountants; the Company's Manager of Performance Analysis Department of Financial Service Center, Head of Financial Management Center, Head of Accounting Division, Head of China Management Division, Vice President of Specialty Steel BG, Head of Yantai BU, Head and Vice President of Specialty Steel BU, and President of Commodity BG.	Chairman of Walsin Singapore Pte. Ltd.; Director of Walsin Info-Electric Inc., PT. Walsin Nickel Industrial Indonesia, PT. Sunny Metal Industry, PT. Westrong Metal Industry Indonesia, PT. CNGR Walsin New Energy and Technology Indonesia, PT. Walhsu Metal Industry, PT. CNGR Walsin New Mining Industry Investment Indonesia, Innovation West Mantewe, Walsin International Investments Limited, and Walsin Lihwa Europe S.aà r.l.; Supervisor of PT. Sultra Sarana Bumi and Walsin (China) Investment Co., Ltd.	None	None	None	None	None
	M.S. in Electrical Engineering, Yuan Ze University; Assistant Manager of Optical Communication Division/Communication Technology Division, Manager of Communication Technology/Quality Assurance Technology Division, Electrical Production/Communication Operation Division, Director of Hsinchuang BU, Vice President of Cable & Wire BG; Head of Wire BU of the Company.	Director of Walsin Energy Cable System Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd., and Taiwan Electric Research & Testing Center	None	None	None	None	None
	Ph.D., Carnegie Mellon University, Pittsburgh, USA; Quantitative Analyst of U.S. based Provident Capital Management, Special Assistant to CEO of Chinatimes Network Technology, Associate Manager of Financial Trading Department of Yuanta Securities, Vice President of Securities Department of CTBC Bank, Vice President of Derivatives Department of KGI Securities; Chief Marketing Officer and Head of Resources Management Center of the Company.	Chairman of Yantai Walsin Stainless Steel Co., Ltd.; Director of Cogne Acciai Speciali S.p.A.	None	None	None	None	None
	MPA in Finance, New York University; MBA in Accounting, National Taiwan University; Bachelor of Accounting, National Taiwan University; Head of Asset and Liability Management Department/Performance Management Department/ Corporate Finance Department of Standard Chartered Bank, Executive Vice President & Accounting Officer of Finance Division of Standard Chartered Bank, Vice President of Accounting Department of Fubon Bank (China) Co., Ltd.; the Company's Project Director of the President Office, Head of Finance Division and Vice President of Financial Management Center.	Chairman of PT. Walsin Nickel Industrial Indonesia, PT. Sunny Metal Industry, and PT. Walhsu Metal Industry; Director of Walsin Precision Technology Co., Ltd., Walsin Singapore Pte. Ltd., PT. Westrong Metal Industry Indonesia, PT. CNGR Walsin New Energy and Technology Indonesia, Anugerah Barokah Cakrawala, PT. CNGR Walsin New Mining Industry Investment Indonesia, PT. Sultra Sarana Bumi, Innovation West Mantewe, and PT. Transcoal Minery.	None	None	None	None	None



Title	Nationality	Name	Gender	Date appointed	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in Name of Others	
					Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Head of Corporate Governance	R.O.C.	Hueiping Lo	Female	January 22, 2021	90,000	0.00%	0	0.00%	0	0.00%
Director of Accounting	R.O.C.	Kelly Liu	Female	November 11, 2023	5,699	0.00%	0	0.00%	0	0.00%

Note 1: Date appointed is the first time appointed department heads.

Note 2: Where the chairman and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness of, necessity of, and the measures adopted in response to, the above situation.

Note 3: Mr. Richard Wu was transferred to other position effective as of November 3, 2023; therefore, the Director of Accounting was changed to Ms. Kelly Liu.

Note 4: The shareholding ratios are rounded to the nearest hundredth percent.

	Education/Work Experience	Other Current Positions at Other Companies	Manager who is Spouse or Relative within the Second Degree			Shares Acquired by Managers under Employee Stock Options	Note (Note 2)
			Title	Name	Relationship		
	M.B.A., National Taiwan University; former Vice President of Taiwan Cooperative Securities, Associate Manager of KGI Commercial Bank, and Associate Manager of China Development Financial Holding Corporation.	Director of Hannstar Display Corporation, Global Investment Holdings, PT. Walsin Nickel Industrial Indonesia, Walsin Lihwa Europe S.a.r.l. and Walsin America, LLC; Supervisor of PT. Westrong Metal Industry.	None	None	None	None	None
	MBA in California State Polytechnic University Pomona; Audit Team Leader, PwC Taiwan; Accounting staff and Accounting Manager of the Accounting Division of the Company	None.	None	None	None	None	None



3. Remunerations to Directors, President and Vice Presidents in the Most Recent Year

(1) Remuneration to Directors (including Independent Directors)

Title	Name	Directors Remuneration								
		Remuneration (A) (Note 1)		Pension (B)		Remuneration to Directors (C)(Note 2)		Business Expense (D) (Note 3)		
		Company	All Companies In Financial Statements (Note 6)	Company	All Companies In Financial Statements (Note 6)	Company	All Companies In Financial Statements (Note 6)	Company	All Companies In Financial Statements (Note 6)	
Director	Chairman	Yu-Lon Chiao								
	Vice Chairman	Patricia Chiao								
	Director	Yu-Cheng Chiao								
	Director	Yu-Heng Chiao								
	Director	Wei-Shin Ma (Note 9)								
	Legal Person Director and Representative	Chin-Xin Investment Co., Ltd Representative: Li-Chin Ku (Note 10)	34,910,000	34,910,000	0	0	22,000,000	24,544,000	4,635,434	4,659,434
	Director	Andrew Hsia								
	Director	Yu-Chi Chiao (Note 11)								
Independent Director	Independent Director	Ming-Ling Hsueh								
	Independent Director	King-Ling Du (Note 12)								
	Independent Director	Shiang-Chung Chen (Note 13)	2,988,500	2,988,500	0	0	8,000,000	8,000,000	6,284,664	
	Independent Director	Fu-Hsiung Hu								
	Independent Director	Tyzz-Jiun Duh (Note 14)								
	Independent Director	Wei-Chuan Gau (Note 15)								

1. In order to facilitate the management of the remuneration of directors and functional committee members of the Company, the Company has established the "Rules for the Remuneration of Directors and Functional Committee Members", which clearly define the criteria for the remuneration payable to independent directors according to their individual professional input and performance, while taking into account the reasonableness of individual performance, the Company's operating performance and future risks.

2. Except as disclosed in the above chart, remuneration to directors received due to the services provided to all companies listed in the financial statements (such as acting as advisors of parent companies/all companies /investees listed in the financial statements who are not an employee thereof) in the most recent year: 0

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Remunerations (A+B+C+D)		Aggregate of First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies Listed in the Financial Statements	The Company	All Companies Listed in the Financial Statements
<NT\$1,000,000	Wei-Shin Ma	Wei-Shin Ma	Wei-Shin Ma	Wei-Shin Ma
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Yu-Chi Chiao, King-Ling Du, and Shiang-Chung Chen	Yu-Chi Chiao, King-Ling Du, and Shiang-Chung Chen	Yu-Chi Chiao, King-Ling Du, and Shiang-Chung Chen	Yu-Chi Chiao and King-Ling Du, and Shiang-Chung Chen
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Yu-Cheng Chiao, Andrew Hsia, Yu-Heng Chiao, Chin-Xin Investment Co., Ltd., Tyzz-Jiun Duh, and Wei-Chuan Gau	Yu-Cheng Chiao, Andrew Hsia, Yu-Heng Chiao, Chin-Xin Investment Co., Ltd., Tyzz-Jiun Duh, and Wei-Chuan Gau	Yu-Cheng Chiao, Andrew Hsia, Yu-Heng Chiao, Chin-Xin Investment Co., Ltd., Tyzz-Jiun Duh, and Wei-Chuan Gau	Yu-Cheng Chiao, Andrew Hsia, Yu-Heng Chiao, Chin-Xin Investment Co., Ltd., Tyzz-Jiun Duh, and Wei-Chuan Gau
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Ming-Ling Hsueh and Fu-Hsiung Hu	Ming-Ling Hsueh and Fu-Hsiung Hu	Ming-Ling Hsueh and Fu-Hsiung Hu	Ming-Ling Hsueh, and Fu-Hsiung Hu
NT\$5,000,000 (inclusive) ~ ~NT\$10,000,000 (exclusive)				
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Yu-Lon Chiao and Patricia Chiao	Patricia Chiao	Yu-Lon Chiao and Patricia Chiao	Patricia Chiao
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)		Yu-Lon Chiao		Yu-Lon Chiao
NT\$50,000,000 (inclusive) ~NT\$100,000,000 (exclusive)				
> NT\$100,000,000				
Total	11	11	11	11

Unit: NT\$

Ratio of total (A), (B), (C) and (D) to after-tax loss (Note 7) (%)		Remuneration Received as Employee									Total of (A), (B), (C), (D), (E), (F) and (G) and its Ratio to After-tax Income (Note 7) (%)		Remuneration from Re-investments other than Subsidiaries (Note 8)
		Salary, Bonus and Special Allowance (E) (Note 4)		Pension (F)		Employee Bonus (G) (Note 5)							
		Company	All Companies In Financial Statements	Company	All Companies In Financial Statements (Note 6)	Company	All Companies In Financial Statements (Note 6)	Company		All Companies In Financial Statements (Note 6)			
						Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus				
61,545,434 1.1987	64,113,434 1.2487	0	0	0	0	0	0	0	0	0	61,545,434 1.1987	64,113,434 1.2487	101,605,054
17,273,164 0.3364	17,273,164 0.3364	0	0	0	0	0	0	0	0	0	17,273,164 0.3364	17,273,164 0.3364	2,580,000

Note 1: 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.

Note 2: Remunerations to Directors in 2023 approved by the Board of Directors have been listed.

Note 3: Refers to the expenses incurred by Directors in 2023 to perform relevant duties (including transportation, attendance fees, special disbursements and various allowances).

Note 4: Refers to the salaries, additional pay, severance pay, various rewards, incentives, treasury stock price difference, transportation subsidies, special allowance, various allowances and salary expenses listed in accordance with IFRS 2 "share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth, received by Directors who are also employees (including as President, vice president, managers and employees) in 2023. In addition, the Company's remuneration to chauffeurs totaled NT\$2,470,821/year.

Note 5: Refers to Directors also working as an employee (including as President, vice president, managers and employees) and receiving employee bonus (including stocks and cash) in 2023; employee bonus for 2023 was approved by the Board of Directors.

Note 6: Refers to the total pay to the Company's Directors from all companies in the consolidated statements (including the Company).

Note 7: After-tax net income refers to the after-tax net income of the stand-alone financial statements in 2023, which amounts to NT\$5,134,316,000.

Note 8: a. This field shows the amount of related remunerations a Director of the Company receives from investees other than subsidiaries of the Company.

b. The remuneration refers to remuneration, bonus (including bonuses to employees, Directors and Supervisors) and related remunerations for the performance of duties received by a Director of the Company serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

Note 9: Ms. Wei-Shin Ma was relieved of her duties on May 19, 2023.

Note 10: Chin-Xin Investment Corporation changed its representative to Mr. Li-Chin Ku on May 19, 2023.

Note 11: Mr. Yu-Chi Chiao was newly appointed on May 19, 2023.

Note 12: Mr. King-Ling Du was relieved of his duties on May 19, 2023.

Note 13: Mr. Shiang-Chung Chen was relieved of his duties on May 19, 2023.

Note 14: Mr. Tyzz-Jiun Duh was newly appointed on May 19, 2023.

Note 15: Mr. Wei-Chuan Gau was newly appointed on May 19, 2023.

* The remuneration content disclosed in this Table differs from the income concept of the Income Tax Act; therefore, this Table acts as a form of information disclosure and does not serve for the purpose of taxation



(2) Remunerations to President and Vice Presidents

Title	Name	Remuneration (A) (Note 1)		Pension (B)		Bonus and Special Allowances (C) (Note 2)	
		Company	All Companies In Financial Statements (Note 4)	Company	All Companies In Financial Statements (Note 4)	Company	All Companies In Financial Statements (Note 4)
President & President of Commerce & Real Estate BG	Fred Pan	26,936,783	26,936,783	1,301,208	1,301,208	29,440,800	29,464,800
Executive Vice President	C.C. Chen						
President of Stainless Steel BG	Kevin Niu						
President of Insulated Wire & Cable BG	Jin-Renn Leu						
President of Commodity BG	Josh Chia						

Table of Remuneration Ranges

Range of Remuneration Paid to President and Vice Presidents	Names of President and Vice Presidents	
	The Company	All Companies Listed in the Financial Statements
<NT\$1,000,000		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	C.C. Chen, Jin-Renn Leu, and Kevin Niu	C.C. Chen and Jin-Renn Leu,
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Josh Chia	Josh Chia and Kevin Niu
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Fred Pan	Fred Pan
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)		
> NT\$100,000,000		
Total	5	5

- Note 1: The most recent annual salary, managerial bonus, and severance pay of the presidents and vice presidents are presented above.
- Note 2: Refers to various bonuses, incentives, company car rental fees, vehicle subsidies, special allowance and salary expenses listed in accordance with IFRS 2 "share-based payment", including shares acquired under employee stock options, restricted new shares to employees and shares acquired from participation in cash capital increase options and so forth, received by managers ranked vice president or above in 2023. In addition, the Company's remuneration to chauffeurs totaled NT\$1,032,874/year.
- Note 3: Refers to employee bonuses (including stock and cash bonuses) approved by the Board of Directors for distribution to managers ranked vice president or above in 2023.
- Note 4: Discloses the total payment to manager's ranked vice president or above from all companies in the consolidated statements (including the Company).
- Note 5:
 - a. This field shows the amount of related remuneration managers ranked vice president or above received from investees other than subsidiaries of the Company.
 - b. The remuneration refers to pay, bonus (including bonuses to employees, Directors and Supervisors) and related remunerations for the performance of duties received by the Company's managers ranked vice president or above while serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.
- Note 6: After-tax net income refers to the after-tax net income of the standalone financial statement in 2023, which amounts to NT\$5,134,316,000.

* The remuneration content disclosed in this Table differs from the income concept of the Income Tax Act; therefore, this Table acts as a form of information disclosure and does not serve for the purpose of taxation.

Unit: NT\$

	Employee Bonus (D) (Note 3)				Total of (A), (B), (C) and (D) and Its Ratio to After-tax Income (%) (Note 6)		Remuneration from Re-investments or Parent Company other than Subsidiaries (Note 5)
	Company		All Companies In Financial Statements (Note 4)		Company	All Companies In Financial Statements (Note 4)	
	Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus			
	2,062,500	0	3,419,300	0	59,741,291 1.1636	61,122,091 1.1905	702,000

(3) Distribution of Employee Bonus to Managers

March 10, 2023

	Title	Name	Stock bonus	Cash Bonus	Total	Percentage of the Total to After-tax Net Income (%)
Managers	President & President of Commerce & Real Estate BG	Fred Pan	0	NT\$2,342,100	NT\$2,342,100	0.0456
	Executive Vice President & Head of Finance Dept.	C.C. Chen				
	President of Stainless Steel BG	Kevin Niu				
	President of Insulated Wire & Cable BG	Jin-Renn Leu				
	President of Commodity BG	Josh Chia				
	Vice President & Head of Corporate Governance	Hueiping Lo				
	Head of Accounting Dept.	Kelly Liu				

※ This Table lists managers in active duty as of the end of 2023 and their summarized 2023 employee bonus for managers approved by the Board of Directors.

※ After-tax net income refers to the after-tax net income of the stand-alone financial statements in 2023.

(4) Analysis of total remunerations to Directors, President, vice presidents etc. as a percentage of the stand-alone after-tax net income in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

1. Analysis of total remunerations to Directors, President, vice presidents etc. as a percentage of the stand-alone after-tax net income in the last two years:

Title	Total Remunerations as Percentage (%) of After-tax Net Income (Losses)			
	2023		2022	
	Company	Companies in Consolidated Financial Statements	Company	Companies in Consolidated Financial Statements
Director	1.54	1.59	0.99	0.99
President and Vice President	1.16	1.19	0.46	0.46

2. Description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

(1) The Company's policy for remunerating its directors is formulated based on the Company Act and the Company's Articles of Incorporation. The remuneration of directors for the current year shall be limited to an



amount not exceeding 1% of the current year's earnings and shall be paid in accordance with the Rules Governing the Compensation of Directors and Functional Members of the Company. The Company's operating strategy, profitability, future development and industry condition, as well as each director's participation in and contribution to the Company's operation (such as serving on functional committees or being invited to important business meetings), have also been taken into account in order to give them reasonable remuneration. The Compensation Committee then submits a proposal, which is passed at a board meeting before the policy takes effect.

- (2) In order to ensure that the performance of managers is closely linked to the Company's strategy and that their overall compensation is competitive, the Company has established the Regulations for the Evaluation of Managerial Performance and Compensation as the basis for performance evaluation and compensation of managers. The aforementioned regulations include policies, systems, standards and structures for performance evaluation and compensation of managers, which shall be reviewed by the Compensation Committee and submitted to the Board of Directors for approval. Manager's remuneration includes salary and bonus: their salary is based on the Company's business strategy and profitability by taking into account the manager's professional ability, scope of responsibility and market competitiveness; for the bonus, the Company will take into account the results of individual performance evaluation, the reasonableness of the link between its operating performance and future risks. However, if there is a significant risk event that affects the Company's reputation, internal mismanagement, personnel malpractice and other risk events attributable to any manager, the bonus payable to him/her will be reduced or cancelled. The manager's performance evaluation structure consists of "results evaluation" and "function evaluation". After setting targets at the beginning of the year, the management performance review is conducted quarterly and the performance evaluation is conducted semi-annually. Such evaluation is based on, among others, the achievement of profit targets, the improvement of organizational decision-making and execution capabilities, the training of key leaders, and the implementation of CSR and corporate governance. The Compensation Committee will make a proposal for such bonus and the Board of Directors will approve the same.

The said principles may be adjusted based on economic conditions, the Company's future development, and profitability and operating risks.

4. Corporate Governance Status

(1) Overview of Board of Directors Operation

The Board of Directors totally held 9 meetings in 2023.

1. The attendance records for Directors are as follows:

Title	Name	Attended in Person	Attended by Proxy	Attendance Percentage (%)	Remarks
Chairman	Yu-Lon Chiao	9	0	100%	None
Vice Chairman	Patricia Chiao	9	0	100%	None
Director	Yu-Cheng Chiao	9	0	100%	None
Director	Yu-Heng Chiao	5	4	55%	None
Director	Yu-Chi Chiao	4	1	80%	Note 2
Director	Andrew Hsia	9	0	100%	None
Director	Wei-Shin Ma	4	0	100%	Note 1
Director	Representative of Chin-Xin Investment Co., Ltd.: Pei-Ming Chen	4	0	100%	Note 1
Director	Representative of Chin-Xin Investment Co., Ltd.: Li-Chin Ku	5	0	100%	Note 2
Independent Director	Ming-Ling Hsueh	9	0	100%	None
Independent Director	King-Ling Du	4	0	100%	Note 1
Independent Director	Shiang-Chung Chen	4	0	100%	Note 1
Independent Director	Fu-Hsiung Hu	9	0	100%	None
Independent Director	Tyzz-Jiun Duh	5	0	100%	Note 2

Independent Director	Wei-Chuan Gau	5	0	100%	Note 2
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Note 1: Director Wei-Shin Ma, Director Chen, Pei-Ming, Independent Director King-Ling Du, and Independent Director Shiang-Chung Chen were discharged from their positions on May 19, 2023.

Note 2: Director Yu-Chi Chiao, Director Li-Chin Ku, Independent Director Tyzz-Jiun Duh, and Independent Director Wei-Chuan Gau were newly elected for the 20th term.

2. The attendance records for Independent Directors are as follows:

✓: Attended in Person; ◎: Attended by Proxy; x: Applied for leave of absence

19 th Term	22 nd Meeting January 10, 2023	23 th Meeting February 24, 2023	24 th Meeting March 24, 2023	25 th Meeting May 5, 2023
Ming-Ling Hsueh	✓	✓	✓	✓
King-Ling Du	✓	✓	✓	✓
Shiang-Chung Chen	✓	✓	✓	✓
Fu-Hsiung Hu	✓	✓	✓	✓

20 th Term	1 st Meeting May 19, 2023	2 nd Meeting May 29, 2023	3 rd Meeting August 11, 2023	4 th Meeting November 3, 2023	5 th Meeting December 13, 2023
Ming-Ling Hsueh	✓	✓	✓	✓	✓
Fu-Hsiung Hu	✓	✓	✓	✓	✓
Tyzz-Jiun Duh	✓		✓	✓	✓
Wei-Chuan Gau	✓	✓	✓	✓	✓

Other details that need to be recorded in meeting minutes:

1. In the event of the occurrence of any of the following scenarios with the operation of the Board of Directors, the dates of meetings, session number, resolution, opinions of all Independent Directors and the Company's subsequent action in response to these opinions shall be clearly stated:

(1) Matters and items stipulated in Article 14-3 of the Securities and Exchange Act.

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	December 31, 2023
				Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
19 th Term 22 nd Meeting January 10, 2023	Proposal: Ratification of the Company's endorsement and guarantee for its subsidiary, Borrego Energy, LLC. Resolution: Ratification passed.	None	None	None
	Proposal: Approval for the Company's 2023 annual business plan. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal for an evaluation of the independence and qualification of the Company's CPAs and the quality of the CPA firm's audit for each case, as well as the annual compensation payable to the CPA firm. Resolution: Proposal passed.	None	None	None
	Proposal: Yantai Walsin Stainless Steel Co., Ltd. proposes to update its investment plan and amount for its hot rolling plant and cold finished bar plant due to its investment in automated equipment. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to amend the Company's Derivatives Trading Procedures. Resolution: Proposal passed.	None	None	None



December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	<p>Proposal: Proposal to amend the Company's Procedures for Lending Funds to Other Parties.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Proposal to approve the loan of funds by Walsin International Investment Co., Ltd. to the Company and those between the subsidiaries in mainland China, in a total amount of US\$1 billion and RMB1.48 billion respectively.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Proposal to review manager's performance as well as 2022 bonuses and compensation.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Advice on Chairman's and Vice Chairman's 2022 performance bonus.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Yu-Lon Chiao and Patricia Chiao</p>	None	None	None
	<p>Proposal: Advice on Company's distributions for 2022 director and employee (including officers) remunerations.</p> <p>Resolution: Proposal passed.</p>	None	None	None
19 th Term 23 th Meeting February 24, 2023	<p>Proposal: Proposal to draft the Company's reports on the internal control system for 2022.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Proposal to amend certain provisions of the Company's Article of Incorporation.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: The Company and its subsidiary, Walsin Energy Cable System Co., Ltd., intends to enter into a joint venture agreement, a technical service agreement, and a technology license agreement with NKT HV Cables AB (based in Sweden), a wholly-owned subsidiary of NKT Cables Group A/S (based in Denmark). Please review and approve the same.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Proposal to participate in the capital injection into its subsidiary, Walsin Energy Cable System Co., Ltd., in the amount of NT\$2,699 million.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: PT. Sunny Metal Industry proposes to upgrade its cold nickel production lines at PT. Indonesia Weda Bay Industrial Park, with a proposed investment amount of USD 93 million.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Yantai Walsin Stainless Steel Co., Ltd. proposes to invest RMB178 million in the purchase of housing for experts and talents to meet operational needs.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Proposal to issue domestic straight corporate bonds within the amount of NT\$10 billion.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Walsin Singapore Pte. proposes to lend US\$175,750,000 to PT. Sunny Metal</p>	None	None	None

December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	Industry under a non-revolving line of credit. Resolution: Proposal passed.			
	Proposal: Walsin Singapore Pte. proposes to lend US\$27,500,000 to PT Westrong Metal Industry under a non-revolving line of credit. Resolution: Proposal passed.	None	None	None
	Proposal: Borrego Energy, LLC, a U.S. subsidiary of the Company, proposes to sell the business of its solar energy and its energy storage, procurement, and trading platform departments. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to amend certain articles of the Company's internal control system. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to lift the non-compete ban under Article 209 of the Company Act for the Company's Directors. Resolution: Proposal passed. Recusal: Yu-Lon Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, Andrew Hsia, and Ming-Ling Hsueh	None	None	None
19 th Term 24 th Meeting March 24, 2023	Proposal: Proposal for a capital injection through an offering of global depository receipts (GDRs) by issuing new common shares and/or a capital injection by issuing new common shares. Resolution: The proposal has been amended to "Proposal for a capital injection through an offering of global depository receipts (GDRs) by issuing new common shares and/or a capital injection by issuing new common shares through book-building." The amended proposal was passed after the Chairman consulted all directors present on whether to approve the same.	None	None	None
	Proposal: Proposal to carry out a capital injection into a wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., for an amount of USD 45 million. Resolution: Proposal passed.	None	None	None
	Proposal: Walsin Singapore Pte. proposes to lend USD 90 million to PT Westrong Metal Industry under a non-revolving line of credit. Resolution: Proposal passed.	None	None	None
	Proposal: Walsin International Investments Limited proposes to lend USD 75 million to PT. Sunny Metal Industry under a non-revolving line of credit. Resolution: Proposal passed.	None	None	None
	Proposal: In order to develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes to acquire the joint right of use for the Kaohsiung Port A6-A land from the Company. Resolution: Proposal passed.	None	None	None



December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	<p>Proposal: For the purpose of developing its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes an investment of NT\$10.7 billion in the establishment of a submarine cable production plant and equipment.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., in which the Company indirectly holds a 70% equity, proposes to acquire 100% equity of Special Melted Products Limited (based in the UK) for the needs of business development.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: In response to the business development capital requirements of Cogne Acciai Speciali S.p.A. ("CAS"), in which the Company indirectly holds a 70% equity, the Company proposes to invest in CAS up to EUR 140 million according to its shareholding ratio, and under the shareholding structure, to first inject capital into the subsidiary Walsin Lihwa Europe S.a r.l., and then through its subsidiary MEG S.A., to inject capital into CAS in cash.</p> <p>Resolution: Proposal passed.</p>	None	None	None
20 th Term 1 st Meeting May 19, 2023	<p>Proposal: Proposal for the appointment of members to the Nomination Committee of the Company of the second term.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Yu-Lon Chiao, Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau</p>	None	None	None
	<p>Proposal: Request for the Board of Directors to recommend a Convener for the Audit Committee of the third term.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Hu, Fu-Hsiung</p>	None	None	None
	<p>Proposal: Proposal for the appointment of members and the recommendation of a Convener for the Compensation Committee of the Company of the fifth term.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau</p>	None	None	None
	<p>Proposal: Proposal for the appointment of members and the recommendation of a Convener for the Sustainable Development Committee of the Company of the third term.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Yu-Lon Chiao, Patricia Chiao, Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau</p>	None	None	None
20 th Term 2 nd Meeting May 29, 2023	<p>Proposal: Proposal for a capital injection through an offering of global depositary receipts (GDRs) by issuing new common shares.</p> <p>Resolution: Proposal passed.</p>	None	None	None

December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	<p>Proposal: PT. Sunny Metal Industry (Indonesia) and Walsin Singapore Pte. Ltd. (Singapore) propose to extend a non-revolving loan facility totaling USD 75 million to PT. Walhsu Metal Industry (Indonesia).</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: Walsin Singapore Pte. Ltd. proposes to extend a non-revolving loan facility totaling USD 20.5 million to Innovation West Mantewe Pte. Ltd. (Singapore).</p> <p>Resolution: Proposal passed.</p>	None	None	None
20 th Term 3 rd Meeting August 11, 2023	<p>Proposal: For the development of its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, obtained the joint use right of the land at Kaohsiung Port A62 from the Company on October 26, 2023, due to the need for plant operation. Please ratify the same.</p> <p>Resolution: Ratification passed.</p>	None	None	None
	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance its Swedish subsidiary, Degerfors Long Products AB, with a non-revolving credit facility of EUR 10 million.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance Special Melted Products Limited (based in the United Kingdom) with a non-revolving credit facility of ERU 12 million.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: The Singapore subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to dispose of its entire shares in PT. Westrong Metal Industry (Indonesia).</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: The Singapore subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to acquire seventy-five percent equity of Berg Holding Limited (Hong Kong).</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: In response to its capital expenditure needs, Yantai Walsin Stainless Steel Co., Ltd., a subsidiary of the Company in mainland China, proposes to apply for a mid-term loan from financial institutions, for which the Company will provide an endorsement and guarantee.</p> <p>Resolution: Proposal passed.</p>	None	None	None
	<p>Proposal: In response to the Company's increase in equity of the Indonesian subsidiary PT. Sunny Metal Industry ("Sunny"), it is proposed to finance Sunny with a loan of USD 70 million from Walsin Singapore Pte. Ltd. ("WLS") and to cancel the limits of loans totaling USD 61.09 million provided by WLS to PT. Walhsu Metal Industry (Indonesia) and</p>	None	None	None



December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	PT. Westrong Metal Industry (Indonesia). Resolution: Proposal passed.			
	Proposal: Proposal to amend the Company's internal control system. Resolution: Proposal passed.	None	None	None
	Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to finance Hangzhou Walsin Power Cable Co., Ltd. with a non-revolving credit facility of RMB 80 million. Resolution: Proposal passed.	None	None	None
20 th Term 4 th Meeting November 3, 2023	Proposal: For the development of its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, obtained the joint use right of the land at Kaohsiung Port A62 from the Company on October 26, 2023, due to the need for plant operation. Please ratify the same. Resolution: Ratification passed.	None	None	None
	Proposal: To develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes that the Company enter into a lease and port facility operation agreement with Taiwan International Ports Corporation, Ltd., Kaohsiung Branch for the A6 Port and its rear space at Kaohsiung Port. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to change the position of Chief Accounting Officer and Manager. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to participate in the subscription for new shares issued through a cash capital increase in 2023 by Winbond Electronics Corporation. Resolution: Proposal passed.	None	None	None
	Recusal: Yu-Lon Chiao, Patricia Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, and Yu-Chi Chiao			
	Proposal: Proposal for Jiangyin Walsin Steel Cable Co., Ltd., a subsidiary of the Company, to sell its factories and office premises to another subsidiary of the Company, Jiangyin Walsin Specialty Alloy Materials Co., Ltd., for a transaction price of RMB 62,190,000. Resolution: Proposal passed.	None	None	None
	Proposal: Proposal to extend a non-revolving credit facility totaling US\$50,000,000 to a U.S. subsidiary of the Company, Borrego Energy Holdings, LLC, and its subsidiary, Borrego Energy, LLC. Resolution: Proposal passed.	None	None	None
	Proposal: Walsin Info-Electric Corp., a subsidiary of the Company, proposes to extend a non-revolving credit facility of NT\$100,000,000 to the Company. Resolution: The proposal was passed.	None	None	None
	Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to extend a non-revolving credit facility of	None	None	None

December 31, 2023

Board of Directors Meeting	Content of Proposal and Resolution	Independent Directors' Opinion(s)	Company's Handling of Independent Directors' Opinion(s)	Independent Directors with Recorded or Written Opposing or Reserved Opinion(s)
	Resolution: RMB 190,000,000 to XiAn Walsin Metal Product Co., Ltd. The proposal was passed.			
	Proposal: Walsin Singapore Pte. Ltd., a subsidiary of the Company, proposes to extend a non-revolving credit facility of USD 75,000,000 to its Indonesian subsidiary, PT. Sunny Metal Industry. Resolution: Proposal passed.	None	None	None
	Proposal: Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to provide an endorsement and guarantee for its Swedish subsidiary, Degerfors Long Products AB. Resolution: Proposal passed.	None	None	None
	Proposal: Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to extend a non-revolving credit facility of GBP 1,920,000 to its UK subsidiary, Special Melted Products Limited. Resolution: Proposal passed.	None	None	None
20 th Term 5 th Meeting December 13, 2023	Proposal: Dongguan Walsin Wire & Cable Co., Ltd., a subsidiary of the Company, proposes to acquire a 60% equity interest in Hangzhou Walsin Power Cable Co., Ltd. Resolution: Proposal passed.	None	None	None
	Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to extend a revolving credit facility of RMB 80,000,000 to Hangzhou Walsin Power Cable Co., Ltd. Resolution: Proposal passed.	None	None	None

(2) In addition to the foregoing, there were other matters to be resolved by directors board meetings about which an independent director expressed objections or reservations that had been included in records or stated in writing: Not applicable

2. Director recusals due to conflicts of interests totaled 7 times.

December 31, 2023

No.	Term/Meeting Date	Name(s) of Directors	Proposal	Reason for Recusal	Participated in Vote or Not
1	19 th Term 22 nd Meeting January 10, 2023	Yu-Lon Chiao and Patricia Chiao	Advice on Chairman's and Vice Chairman's 2022 performance bonus	Personally interested	Recused as provided by law
2	19 th Term 23 th Meeting February 24, 2023	Yu-Lon Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, Andrew Hsia, and Ming-Ling Hsueh	Proposal to lift the non-compete ban for the Company's Directors under Article 209 of the Company Act	Personally interested	Recused as provided by law
3	20 th Term 1 st Meeting May 19, 2023	Yu-Lon Chiao, Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau	Proposal for the appointment of members to the Nomination Committee of the Company of the second term.	Personally interested	Recused as provided by law
4		Hu, Fu-Hsiung	Request for the Board of Directors to recommend a	Personally interested	Recused as provided by law



No.	Term/Meeting Date	Name(s) of Directors	Proposal	Reason for Recusal	Participated in Vote or Not
			Convener for the Audit Committee of the third term.		
5		Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau	Proposal for the appointment of members and the recommendation of a Convener for the Compensation Committee of the Company of the fifth term.	Personally interested	Recused as provided by law
6		Yu-Lon Chiao, Patricia Chiao, Ming-Ling Hsueh, Hu, Fu-Hsiung, Tyzz-Jiun Duh, and Wei-Chuan Gau	Proposal for the recommendation of a Convener for the Sustainability Development Committee of the Company of the third term.	Personally interested	Recused as provided by law
7	20 th Term 4 th Meeting November 3, 2023	Yu-Lon Chiao, Patricia Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, and Yu-Chi Chiao	Proposal to participate in the subscription for new shares issued through a cash capital increase in 2023 by Winbond Electronics Corporation.	Personally interested	Recused as provided by law

Note after Period-End: Ms. Patricia Chiao, Vice Chairman, resigned from her post on March 11, 2024.

3. Frequency, period, scope, method, and items of self-evaluation of the Board of Directors:

Frequency	Period	Scope	Method	Item
Once every year	2023/01/01 ~ 2023/12/31	Board of Directors	Internal self-evaluation of the Board of Directors	1. Involvement in the operation of the Company. 2. Improve the quality of Board decisions. 3. Composition and structure of the board of directors. 4. Selection and Continuing Education of Directors. 5. Internal control.
Once every year	2023/01/01 ~ 2023/12/31	Functional Committees (including Compensation Committee, Audit Committee, Sustainable Development Committee, and Nomination Committee)	Internal self-evaluation of the functional committees	1. Involvement in the operation of the Company. 2. Awareness of responsibilities of the functional committees. 3. Improve the quality of decision making in the functional committees. 4. Composition and selection of functional committee members. 5. Internal control.
Once every year	2023/01/01 ~ 2023/12/31	Each director	Self or peer performance evaluation of board members	1. Understanding of the company's objectives and tasks. 2. Awareness of directors' responsibilities. 3. Involvement in the operation of the Company. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.
Once every 3 years	2020/10/01 ~ 2021/09/30	Board of Directors and each functional committee	Evaluation by an external organization	Eight aspect of evaluation of the Board of Directors: composition, guidance, authorization, supervision, communication, internal control and risk management, self-regulation, among others.

4. Evaluation of achievement of enhancing the Board's performance (e.g. establishing an Audit Committee and increasing information transparency):

- (1) Formulation of regulations related to the corporate governance: In addition to explicitly stating the powers and duties of the Board of Directors in the company's articles of incorporation, the Company also follows rules and regulations including the "Board of Directors Procedural Regulations", "Guidelines for the Ethical Conduct of Directors and Managerial Officers", "Procedures for the Processing of Critical Internal Information", "Corporate Governance Principles and Practice", "Corporate Management Integrity Principles", "Behavioral Guidelines and Operation Procedures for Honest Practices", "Guidelines for the Ethical Conduct of Employees", "Rules for Suggestions and Complaints from Related Parties", and "Practical Guidelines for Corporate Social Responsibility" in order to strengthen operations of the Board of Directors as well as corporate governance.
- (2) Evaluation of the Performance of the Board of Directors: To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, the Rules of Performance Evaluation of the Board of Directors (these "Rules") were established pursuant to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and shall apply to the Board of Directors, functional committee and individual directors. These Rules were established on October 28, 2015, and the most recent amendment to them was approved by the Board of Directors on January 11, 2022. Each agenda working group shall provide a questionnaire for the board members to complete in each December and provide the completed attachments and information related to performance evaluation for the board members' reference.

The overall performance self-evaluation of our Board of Directors should cover at least the following five major aspects:

A. Regarding external evaluations:

In 2018 and 2021, the Company appointed Taiwan Corporate Governance Association ("TCGA"), an independent third party with which the Company has no business dealings, to evaluate the effectiveness of its Board of Directors. The evaluation was conducted by means of questionnaires and on-site interviews on eight major aspects of the board of directors, including composition, guidance, authorization, supervision, communication and self-regulation, as well as internal control and risk management. Through the review by a professional organization and with the guidance of and communications with the evaluation members, the Company obtained professional and objective evaluation results and recommendations. The results of the evaluation serve as the reference for the Board to continue to improve its functions by continually enhancing and optimizing the quality of its meetings.

The measures in response to the recommendations of the external evaluation institution in 2021 are as follows:

Recommendations of External Evaluation Institution		Measures
Strengthen the whistleblower mechanism	Set up a reporting channel that Independent Directors can receive the complaints simultaneously, or engage an external agency to serve as a complaint acceptance window.	The Independent Directors have simultaneously received complaints from the complaint mailbox set up by the audit unit, to facilitate direct reporting by complainants or whistle blowers, and to enhance and ensure the effective operation of the whistleblower mechanism.
Continue to improve the internal control system	A comprehensive review of the Company's overall internal control mechanism shall be conducted every five years.	The Company's Internal Control System has specified that the design and implementation of the internal control system will be adjusted in a timely manner in response to changes in the environment, and that the system will be adopted annually. Starting from 2023, it has been added in the Directors' self-assessment questionnaire that the Company will annually review the effectiveness of the design and implementation of the internal control system and issue a statement on the internal control system after the approval of the Board of Directors.



Recommendations of External Evaluation Institution		Measures
Improve the quality of financial reporting audits	The Company should obtain AQI information from the certified public accountants in advance when selecting them for evaluation purposes, so as to evaluate their ability and commitment objectively to enhance the quality of the audit.	<p>The Company evaluates the independence and suitability of the certified public accountants on an annual basis. Starting from 2023, the Company has further referred to the AQI disclosure framework released by the FSC on August 19, 2021 as a reference for the evaluation. The evaluation results are reported to the Audit Committee and the Board of Directors as the reference for future appointment of CPAs.</p> <p>The latest revision of Corporate Governance Best Practice Principles of the Company was approved on February 24, 2023, incorporating Audit Quality Indicators (AQI) into the criteria for assessing the independence and competence of CPAs to be engaged.</p>

B. Annual internal evaluation for 2023:

The 2023 Board of Directors' performance self-evaluation results go as follows:


- (a) Board of Directors' overall average score 4.83 points (full score: 5 points)
- (b) Board members' overall average score 4.85 points (full score: 5 points).

In December 2023, the Company conducted an internal annual board performance evaluation of the board of directors, individual board members and functional committees in accordance with the evaluation indicators and evaluation procedures specified in these Rules, and compiled and scored the data after the questionnaires were collected, and made recommendations for improvement. This year, the Company has made recommendations for improvement in the level of Directors' participation in the Company's operations, as well as the follow-ups on the recommendations made by an external evaluation institution in 2021, both of which were consolidated and reported to the Nomination Committee on January 19, 2024 and the Board of Directors' meeting on January 26, 2024, the details of which were disclosed on the Company's website.

- (3) Implementing the performance evaluation of the functional committees: In accordance with the "Regulations for the Evaluation of the Performance of the Board of Directors (including Functional Committees) and their Remunerations" formulated by the Compensation Committee based on the latest version published by the Competent Authority, our functional committees' members in December every year evaluate themselves by the assessment indicators to measure the corporate leadership strategic directions and oversee the corporate operational performance in an effort to improve shareholders' long-term value.
- (4) Actively participating in corporate governance: In recent years, the Company has actively participated in the promotion of the corporate governance and the transparency in information disclosure. Walsin Lihwa was listed as the top 5% outstanding companies by five consecutive times of Corporate Governance Evaluation from 2017 to 2022. The Company also received four outstanding recognitions: Taiwan's Top 100 Sustainable Model Business Award, Information Security Leadership Award, Platinum Sustainability Report Award (Traditional Manufacturing Industry), and Bronze Prize for English Sustainability Report. The Company will continue making efforts to maintain among the top with respect to the Corporate Governance Evaluation Results. The Company not only will continue to strive to actively participate in the corporate governance evaluation, but also has formed a project to improve corporate governance matters and enhance corporate governance capabilities.

The Company is committed to enhancing the transparency of information. In addition to announcing financial information in accordance with laws and regulations, the Company also holds regular investor conferences four times a year. In 2023, the Company was granted a long-term credit rating of 'twA-' and a short-term credit rating of 'twA-2' with a 'stable' outlook by Taiwan Ratings. In addition, it was our first time to volunteer to fill in the DJSI and scored 57 points (ranked 7/188 in ELQ Electrical Components & Equipment for the same industry). The Company's financial structure was certified by an external organization, and the disclosure of information to stakeholders was also enhanced through the external release of credit ratings.

- (5) Enhancing the board's functions and decision-making quality: In order to bring into play the functions and decision-making quality of the Board of Directors, our company regularly holds strategic meetings on a quarterly basis to enable the directors to understand our financial and business conditions and the formulation of major business strategies and the implementation of related plans. In addition, quarterly operational meetings are also held to help directors understand the operational content through reporting



by operating units, so as to improve the performance of the Board of Directors. In the meantime, the directors may provide their effective guidance out of their expertise and experience to the operating units during such meetings.

- (6) Heavy reliance on the independent directors' functions: Authorizing independent directors to utilize their own expertise and regularly participate in our company's investment assessment projects and matters relevant to corporate governance. The Audit Committee was formally established by all independent directors after the shareholders' meeting on May 26, 2017, and the Audit Committee of the third term was formed by all independent directors on May 19, 2023; the Compensation Committee of the fifth term was established on May 19, 2023, with all independent directors acting as its members. On May 19, 2023, Chairman, Vice Chairman and all independent directors were appointed as members of the Sustainable Development Committee of the third term of the Company. On May 19, 2023, Chairman and all Independent Directors were appointed as the members of the Nomination Committee of the second term of the Company. These four functional committees continue to assist the Board of Directors in its oversight responsibilities.
- (7) Raising the transparency of corporate data: On the MOPS and our official website, we voluntarily disclose the related law and regulations which we follow, the important resolutions adopted at Board meetings and the relevant information to help shareholders understand our activities and to raise transparency in our corporate information.

(II) Operation of the Audit Committee

1. The major matters reviewed by the Audit Committee include:

- (1) Adoption of or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption of or amendment to procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of loans to others, or endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) Matters bearing on the personal interest of a director.
- (5) Material asset or derivatives transactions.
- (6) Material loans, endorsements, or provision of guarantees.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The engagement or dismissal of a CPA, or the compensation given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (10) Annual financial reports signed or sealed by the Chairman, manager and accounting officer.
- (11) Any other material matter so required by the Company or the Competent Authority.

2. Audit Committee's Annual Work Summary:

- (1) Agenda arrangement (for Audit Committee meetings and communication meetings)
- (2) Handling matters related to the meeting of the Audit Committee in accordance with the law (meeting notice, proceedings)
- (3) Follow-ups and execution of improvements requested by the Audit Committee
- (4) Providing company information required by independent directors to assist them in fully exercising their powers
- (5) Annual self-assessment of the Audit Committee
- (6) Establishing and revising the organizational regulations and relevant operating procedures
- (7) Announcement of relevant matters concerning the Audit Committee pursuant to law (organizational regulations and operational status)
- (8) Whether any employee, manager and director has entered into related-party transactions and possible conflicts of interest in such transactions
- (9) Suggestions and complaints from interested parties
- (10) Management of exchange rate risks
- (11) Information Security
- (12) Work safety/environmental protection and legal compliance



3. The Audit Committee of the second term started on May 29, 2020 and ended on May 28, 2023. The meetings were held 5 times in 2023, and the attendance of the independent directors in 2023 is as follows:

Title	Name	Personally Attended	Attended by Proxy	Attendance rate (%)	Remarks
Convener	Ming-Ling Hsueh	5	0	100%	None
Member	King-Ling Du	5	0	100%	None
Member	Shiang-Chung Chen	5	0	100%	None
Member	Fu-Hsiung Hu	5	0	100%	None

The Audit Committee of the third term started on May 19, 2023 and will be ending on May 18, 2026. The meetings were held 5 times in 2023, and the attendance of the independent directors in 2023 is as follows:

Title	Name	Personally Attended	Attended by Proxy	Attendance rate (%)	Remarks
Convener	Ming-Ling Hsueh	5	0	100%	None
Member	King-Ling Du	5	0	100%	None
Member	Shiang-Chung Chen	5	0	100%	None
Member	Fu-Hsiung Hu	5	0	100%	None

4. Other matters that need to be recorded in meeting minutes:

(1) If any of the following circumstances occurs during the operation of the Audit Committee, the Board meeting date, meeting number, the proposal contents, the resolution of the Audit Committee and our company's handling of the Audit Committee's opinions shall be clearly described.

A. Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	December 31, 2023	
			Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
2 nd Term 25 th Meeting January 6, 2023	19 th Term 22 nd Meeting January 10, 2023	Proposal: Approval for the Company's 2023 annual business plan. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal for an evaluation of the independence and qualification of the Company's CPAs and the quality of the CPA firm's audit for each case, as well as the annual compensation payable to the CPA firm. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Yantai Walsin Stainless Steel Co., Ltd. proposes to update its investment plan and amount for its hot rolling plant and cold finished bar plant due to its investment in automated equipment. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to amend the Company's Derivatives Trading Procedures. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to amend the Company's Procedures for Lending Funds to Other Parties. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to approve the loan of funds by Walsin International Investment Co., Ltd. to the Company and those between the subsidiaries in mainland China, in a total amount of US\$1 billion and RMB1.48 billion respectively. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
2 nd Term 26 th Meeting February 20, 2023	19 th Term 23 th Meeting February 24, 2023	Proposal: The Company's 2022 business reports and financial statements. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: The 2022 consolidated business reports and consolidated financial statements of affiliated enterprises. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: The Company's 2022 profit distribution plan. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: The Company's 2022 internal control system statement. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Amendments to the Articles of Incorporation of the Company. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: The Company and its subsidiary Walsin Energy Cable System Co., Ltd. intend to sign joint venture agreement, technology consultancy agreement and technology license agreement with NKT Cables Group A/S's wholly-owned subsidiary NKT HV Cables AB. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to participate in the capital injection into its subsidiary, Walsin Energy Cable System Co., Ltd., in the amount of NT\$2,699 million. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: PT. Sunny Metal Industry proposes to upgrade its cold nickel production lines at PT. Indonesia Weda Bay Industrial Park, with a proposed investment amount of USD 93 million. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Yantai Walsin Stainless Steel Co., Ltd. proposes to invest RMB178 million in the purchase of housing for experts and talents to meet operational needs. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to issue domestic straight corporate bonds within the amount of NT\$10 billion. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Walsin Singapore Pte. proposes to lend US\$175,750,000 to PT. Sunny Metal Industry under a non-revolving line of credit. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Walsin Singapore Pte. proposes to lend US\$27,500,000 to PT Westrong Metal Industry under a non-revolving line of credit. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: To enhance the efficiency of capital utilization, it is proposed to carry out capital reductions for Walsin International Investments Limited and Walsin Lihwa Holdings Limited. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Borrego Energy, LLC, a U.S. subsidiary of the Company, proposes to sell the business of its solar energy and its	None	All of the Directors present approved the proposal unanimously.



Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
		<p>energy storage, procurement, and trading platform departments.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Proposal to amend certain articles of the Company's internal control system.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Proposal to lift the non-compete ban for the Company's Directors under Article 209 of the Company Act.</p> <p>Resolution: Proposal passed.</p> <p>Recusal: Ming-Ling Hsueh</p>	None	<p>All of the Directors present approved the proposal unanimously.</p> <p>Except for Ming-Ling Hsueh, Independent Director, who recused himself due to personal conflict of interests, all of the Directors present approved the proposal unanimously.</p>
<p>2nd Term 27th Meeting March 24, 2023</p>	<p>19th Term 24th Meeting March 24, 2023</p>	<p>Proposal: Proposal for a capital injection through an offering of global depository receipts (GDRs) by issuing new common shares and/or a capital injection by issuing new common shares.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Proposal to carry out a capital injection into a wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., for an amount of USD 45 million.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Walsin Singapore Pte. proposes to lend USD 90 million to PT Westrong Metal Industry under a non-revolving line of credit.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Walsin International Investments Limited proposes to lend USD 75 million to PT. Sunny Metal Industry under a non-revolving line of credit.</p> <p>Resolution: Proposal passed.</p>	None	<p>All of the Directors present approved the proposal unanimously.</p> <p>All of the Directors present approved the proposal unanimously.</p> <p>All of the Directors present approved the proposal unanimously.</p> <p>All of the Directors present approved the proposal unanimously.</p>
<p>2nd Term 28th Meeting April 28, 2023</p>	<p>19th Term 25th Meeting May 5, 2023</p>	<p>Proposal: In order to develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes to acquire the joint right of use for the Kaohsiung Port A6-A land from the Company.</p> <p>Resolution: After the Chairman consulted with the members, all members resolved that the revision to the proposal be postponed to the next Audit Committee meeting for discussion.</p> <p>Proposal: For the purpose of developing its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes an investment of NT\$10.7 billion in the establishment of a submarine cable production plant and equipment.</p> <p>Resolution: Proposal passed.</p>	None	<p>All of the Directors present approved the proposal unanimously.</p> <p>All of the Directors present approved the proposal unanimously.</p>
<p>2nd Term 29th Meeting May 5, 2023</p>	<p>19th Term 25th Meeting May 5, 2023</p>	<p>Proposal: In order to develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes to acquire the joint right of use for the Kaohsiung Port A6-A land from the Company.</p> <p>Resolution: Proposal passed.</p>	None	<p>All of the Directors present approved the proposal unanimously.</p>

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
		<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., in which the Company indirectly holds a 70% equity, proposes to acquire 100% equity of Special Melted Products Limited (based in the UK) for the needs of business development.</p> <p>Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
		<p>Proposal: In response to the business development capital requirements of Cogne Acciai Speciali S.p.A. ("CAS"), in which the Company indirectly holds a 70% equity, the Company proposes to invest in CAS up to EUR 140 million according to its shareholding ratio, and under the shareholding structure, to first inject capital into the subsidiary Walsin Lihwa Europe S.a r.l., and then through its subsidiary MEG S.A., to inject capital into CAS in cash.</p> <p>Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
3 rd Term 1 st Meeting May 29, 2023	20 th Term 2 nd Meeting May 29, 2023	<p>Proposal: Proposal for a capital injection through an offering of global depositary receipts (GDRs) by issuing new common shares.</p> <p>Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
		<p>Proposal: PT. Sunny Metal Industry (Indonesia) and Walsin Singapore Pte. Ltd. (Singapore) propose to extend a non-revolving loan facility totaling USD 75 million to PT. Walhsu Metal Industry (Indonesia).</p> <p>Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
		<p>Proposal: Walsin Singapore Pte. Ltd. proposes to extend a non-revolving loan facility totaling USD 20.5 million to Innovation West Mantewe Pte. Ltd. (Singapore).</p> <p>Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
		<p>Proposal: Proposal for Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, to provide an endorsement and guarantee for its Swedish subsidiary, Degerfors Long Products AB.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance its Swedish subsidiary, Degerfors Long Products AB, with a non-revolving credit facility of EUR 10 million.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance Special Melted Products Limited (based in the United Kingdom) with a non-revolving credit facility of ERU 12 million.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: Proposal to amend the Company's internal control system.</p> <p>Resolution: Proposal passed.</p> <p>Proposal: In response to its capital expenditure needs, Yantai Walsin Stainless Steel Co., Ltd., a subsidiary of the Company</p>	None	All of the Directors present approved the proposal unanimously.
20 th Term 3 rd Meeting August 11, 2023	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance its Swedish subsidiary, Degerfors Long Products AB, with a non-revolving credit facility of EUR 10 million.</p> <p>Resolution: Proposal passed.</p>		None	All of the Directors present approved the proposal unanimously.
	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance Special Melted Products Limited (based in the United Kingdom) with a non-revolving credit facility of ERU 12 million.</p> <p>Resolution: Proposal passed.</p>		None	All of the Directors present approved the proposal unanimously.
	<p>Proposal: Proposal to amend the Company's internal control system.</p> <p>Resolution: Proposal passed.</p>		None	All of the Directors present approved the proposal unanimously.
	<p>Proposal: In response to its capital expenditure needs, Yantai Walsin Stainless Steel Co., Ltd., a subsidiary of the Company</p>		None	All of the Directors present approved the proposal unanimously.



Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
		<p>in mainland China, proposes to apply for a mid-term loan from financial institutions, for which the Company will provide an endorsement and guarantee. Resolution: Proposal passed.</p> <p>Proposal: The Singapore subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to dispose of its entire shares in PT. Westrong Metal Industry (Indonesia). Resolution: Proposal passed.</p> <p>Proposal: The Singapore subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to acquire seventy-five percent equity of Berg Holding Limited (Hong Kong). Resolution: Proposal passed.</p> <p>Proposal: In response to the Company's increase in equity of the Indonesian subsidiary PT. Sunny Metal Industry ("Sunny"), it is proposed to finance Sunny with a loan of USD 70 million from Walsin Singapore Pte. Ltd. ("WLS") and to cancel the limits of loans totaling USD 61.09 million provided by WLS to PT. Walhsu Metal Industry (Indonesia) and PT. Westrong Metal Industry (Indonesia). Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
3 rd Term 3 rd Meeting August 11, 2023	20 th Term 3 rd Meeting August 11, 2023	<p>Proposal: The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance Special Melted Products Limited (based in the United Kingdom) with a non-revolving credit facility of ERU 12 million. Resolution: Proposal passed.</p> <p>Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to finance Hangzhou Walsin Power Cable Co., Ltd. with a non-revolving credit facility of RMB 80 million. Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.
3 rd Term 4 th Meeting October 27, 2023	20 th Term 4 th Meeting November 3, 2023	<p>Proposal: For the development of its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, obtained the joint use right of the land at Kaohsiung Port A62 from the Company on October 26, 2023, due to the need for plant operation. Please ratify the same. Resolution: Ratification passed.</p> <p>Proposal: To develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes that the Company enter into a lease and port facility operation agreement with Taiwan International Ports Corporation, Ltd., Kaohsiung Branch for the A6 Port and its rear space at Kaohsiung Port. Resolution: Proposal passed.</p> <p>Proposal: Proposal to draft the Company's 2024 Audit Plan. Resolution: Proposal passed.</p>	None	All of the Directors present approved the proposal unanimously.

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Independent Directors' Dissenting Opinions, Reservations or Significant Recommendations	Company's Handling of Audit Committee Member's Opinion
		Proposal: Proposal to change the position of Chief Accounting Officer and Manager. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to participate in the subscription for new shares issued through a cash capital increase in 2023 by Winbond Electronics Corporation. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal for Jiangyin Walsin Steel Cable Co., Ltd., a subsidiary of the Company, to sell its factories and office premises to another subsidiary of the Company, Jiangyin Walsin Specialty Alloy Materials Co., Ltd., for a transaction price of RMB 62,190,000. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Proposal to extend a non-revolving credit facility totaling US\$50,000,000 to a U.S. subsidiary of the Company, Borrego Energy Holdings, LLC, and its subsidiary, Borrego Energy, LLC. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Walsin Info-Electric Corp., a subsidiary of the Company, proposes to extend a non-revolving credit facility of NT\$100,000,000 to the Company. Resolution: The proposal was passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to extend a non-revolving credit facility of RMB 190,000,000 to XiAn Walsin Metal Product Co., Ltd. Resolution: The proposal was passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Walsin Singapore Pte. Ltd., a subsidiary of the Company, proposes to extend a non-revolving credit facility of USD 75,000,000 to its Indonesian subsidiary, PT. Sunny Metal Industry. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to provide an endorsement and guarantee for its Swedish subsidiary, Degerfors Long Products AB. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		Proposal: Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to extend a non-revolving credit facility of GBP 1,920,000 to its UK subsidiary, Special Melted Products Limited. Resolution: Proposal passed.	None	All of the Directors present approved the proposal unanimously.
		3 rd Term 5 th Meeting December 13, 2023	20 th Term 5 th Meeting December 13, 2023	Proposal: Dongguan Walsin Wire & Cable Co., Ltd., a subsidiary of the Company, proposes to acquire a 60% equity interest in Hangzhou Walsin Power Cable Co., Ltd. Resolution: Proposal passed.
Proposal: Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to extend a revolving credit facility of RMB 80,000,000 to Hangzhou Walsin Power Cable Co., Ltd. Resolution: Proposal passed.	None			All of the Directors present approved the proposal unanimously.



B. Except for the foregoing items, the items that were not approved by the Audit Committee but were resolved by more than two-thirds of all directors: No such situation.

(2) Independent directors recusing themselves from conflicts of interest:

December 31, 2023

Item	Term Date	Name of Director	Content of Proposal	Reason for Recusal Due to Conflict of Interests	Participation in Voting
1	2nd Term 26 th Meeting February 20, 2023	Ming-Ling Hsueh	Proposal to lift the non-competition ban for the Company's Directors under Article 209 of the Company Act.	Personal conflict of interests	Recusal from voting required by law

(3) Communication between independent directors, the chief internal auditor and CPAs:

A. Communication policy between independent directors, chief internal auditor and CPAs:

- (A) The CPAs are invited to attend Audit Committee meetings at least twice a year and to report to the Audit Committee on the review or audit results of our Company's and its affiliates' financial statements and the internal control audit status. The CPA shall fully communicate any material adjustments to entries or any amendments to laws and regulations.
- (B) If necessary, a communication meeting may be called at any time with the CPAs.
- (C) The chief internal auditor shall meet with the independent directors regularly in Audit Committee meetings at least once a quarter to report on the internal audit implementation of our Company and the internal control operations. In case of major irregularities, the meeting may be called at any time.
- (D) The convener of the Audit Committee shall discuss the internal audit operation with the chief internal auditor every quarter non-periodically aside from the above regular meetings.

B. Summary of communications between independent directors and CPAs for 2023:

Independent directors have good communication with CPAs individually.

Date	Communication Highlights	Directors' Recommendation	Execution Result
2023/2/20 Audit Committee Meeting	The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the year 2022 and the results of the audit.	None.	The stand-alone and consolidated financial statements for the year 2022 were approved by the Audit Committee and submitted for discussion at the 23 th meeting of the Board of Directors of 19 th term on February 24, 2023.
2023/8/4 Audit Committee Meeting	The CPAs provide an explanation of the audit results of the consolidated financial statements for the second quarter of 2023.	None.	The consolidated financial statements for the second quarter of 2023 were approved by the Audit Committee and reported to the 3 th Meeting of the Board of Directors of 20 th term on August 11, 2023.
2023/12/22 Individual Communication Meeting	The CPAs explained the scope, method and discovery of the annual audit for 2023 and discussed with the Audit Committee members on the key audit matters.	None.	1. Key audit matters for the 2023 financial statements were confirmed. 2. The engagement and assessment of the CPAs was submitted to the 6 th meeting of the Audit Committee of third term on January 19, 2024 for discussion.

C. Summary of communications between independent directors and the chief internal auditor for 2023:

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
2023/2/20 Audit Committee Meeting	Report on audit implementation in the 4th quarter of 2022.	None.	The report on audit implementation for the fourth quarter of 2022 has been passed by the Audit Committee and reported to the Board of Directors.
2023/4/28 Audit Committee Meeting	Report on audit implementation in the 1st quarter of 2023.	None.	The report on audit implementation for the first quarter of 2023 has been passed by the Audit Committee and reported to the Board of Directors.
2023/8/4 Audit Committee Meeting	Report on audit implementation in the 2nd quarter of 2023.	None.	The report on audit implementation for the second quarter of 2023 has been passed by the Audit Committee and reported to the Board of Directors.
2023/10/27 Audit Committee Meeting	1. Report on audit implementation in the 3rd quarter of 2023. 2. Discussion of 2024 annual audit plan.	1. None. 2. None.	1. Report on audit implementation in the 3rd quarter of 2023 has been passed by the Audit Committee and reported to 2. the Board of Directors. 2. 2024 annual audit plan has been passed by the Audit Committee and submitted to the Board of Directors for discussion.
2023/12/22 Individual Communication Meeting Between Independent Directors and Chief Internal Auditor	1. Major work results in 2023. 2. Work objectives and key points for 2024. 3. Report on the implementation of the computer audit project	1. None. 2. None. 3. It merits praise that the implementation of this project showed a great progress compared with the previous year. The use of computerized audit tools shall be strengthened in the future in order to enhance the audit value.	1. None. 2. None. 3. Continue to execute the project according to the planned schedule and deepen the implementation of computer audit tools. auditors with computer skills..



(3) Differences between our corporate governance and the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies and reason(s):

Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
1. Has the company set and disclosed the principles for practicing corporate governance according to the Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies?	Yes		The Company has formulated the Corporate Governance Principles and Practice according to the "Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies", which were amended as approved by the Board of Directors in 2022 and were disclosed on the Company's website. https://www.walsin.com/wp-content/uploads/2023/03/rule13_20230224TC.pdf	In line with the Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies
2. The Company's ownership structure and shareholders' equity				In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.
(1) Has the company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	Yes		(1) Our Shareholders Service & Contact Office is in charge of handling various shareholder recommendations, queries and disputes. The Company also provides related contact details on the Company's website and in the annual report and has set up a stakeholder mailbox to collect stakeholders' questions and suggestions.	
(2) Has the company had a list of major shareholders who actually control the company or a list of ultimate controller of such shareholders?	Yes		(2) The Company periodically discloses the list of ultimate controllers of its principal shareholders pursuant to the laws and regulations.	
(3) Has the company established and implemented risk control/management and firewall mechanisms between the company and its affiliated firms?	Yes		(3) 1. The Company has drafted rules governing the supervision of its subsidiaries, which have been approved by the Board. 2. All of the Company's affiliates are subsidiaries; the Company directly or indirectly retains at least 50% of their shares. Business dealings with affiliates are treated as transactions with third parties. 3. The Company has drawn up rigorous rules governing the lending, the endorsement/ guarantees as well as the management of disposal/acquisition of assets and derivatives transactions to/for/with its affiliates.	
(4) Has the company set internal regulations that prohibit the company's personnel from taking advantage of information that has not been disclosed to the public to purchase or sell securities?	Yes		(4) In order to establish an effective handling and disclosure mechanism for major internal information processing operations, so that unauthorized information leakage can be avoided, consistency and accuracy of information disclosed by the Company to the public can be maintained and insider trading can be prevented, the Company has established the "Procedures for Major Internal Information Processing Operations." Such procedures were last revised on November 4, 2022 and renamed as "Procedures for Handling Internal Material Information and Prevention of Insider Trading" to strengthen the corporate culture of prevention of insider trading and the control measures against insider stock trading. The Company's Directors' and Managerial Officers' Code of Ethical Conduct was amended on August 4, 2020. Such code contains regulations pertaining to the prohibition of insider trading pursuant to the Company's internal regulations and the Securities and	

Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
			<p>Exchange Act. Relevant regulations are uploaded as an electronic copy to the Company's electronic bulletin board of its internal regulations for the perusal by relevant personnel.</p> <p>The Company periodically conducts internal training on ethical management (anti-corruption) and prevention of insider trading (among others) and educates its directors and employees on relevant policies and the importance of delivering integrity and compliance. In addition, some educational and awareness-raising articles on compliance with the regulations prohibiting insider trading have been published on the Company's internal education and training platform "Walsin Liwha College", so that all managers may read and understand information related to ethical management. The details thereof have been disclosed on the Company's website (in the Risk Management_ Prevention of Insider Trading Section): https://www.walsin.com/investors/corporate-governance/#pills-information-security</p>	
<p>3. The composition and duties of the Board</p> <p>(1) Has the Board of Directors devised a policy and concrete management objectives for a more diverse composition of the Board? If so, has the plan been implemented?</p>	Yes		<p>(1) In accordance with Article 20 of the Company's Corporate Governance Best Practice Principles and the "Principles of Election of Board Members and Managers and Guidelines for Continuing Education and Succession Planning" established by the Company, the Board of Directors will implement the objectives of diversity and independence in terms of expertise, experience and gender required for Board members, and will continue to invite appropriate candidates to join the Board of Directors in accordance with the above objectives in order to strengthen the balance of the Board of Directors in response to the Company's development strategies and changes in the internal and external environment. In order to achieve the desired objectives of corporate governance, the Board of Directors of the Company is composed of members from the management team, managers of relevant industries and professionals with financial, business and accounting backgrounds, who effectively perform the duties of Board members with different fields and work backgrounds. These duties include establishing and maintaining the Company's vision and values, assisting in promoting corporate governance and strengthening management, overseeing and evaluating the implementation of management policies and operational plans, and being responsible for the Company's overall economic, social, and environmental operations to enhance corporate governance and corporate value from the perspective of stakeholders.</p> <p>The Company focuses on its board diversity and therefore has a total of 11 directors on the Board of Directors of the 20th term, including one female Director. The Company also values corporate governance and thus has four Independent Directors (one in excess of the number required by its articles of incorporation, which is three), accounting for 36% of</p>	In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.



Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
			<p>all directors of the Company. Independent Directors were re-elected for fewer than 3 terms. Among the Directors, 5 are aged 65 years and older, 5 are aged 55 to 64, and 1 are under 55 years old. There are 1, 4, and 6 director(s) in the age group of above 70, 65-69, and 60-64.</p> <p>The Company has built its strength by being focused on the wire and cable, stainless steel, commodity, and commercial real estate fields and become a model of business excellence moving towards the manufacturing service industry. If we look at the list of the Board of Directors of the 20th term, Yu-Lon Chiao, Chairman, has been working in the business field of the Company for a long time and has a good understanding of the operation and development of the industry, with an open-minded leadership style that encourages adoption of suggestions; Director Yu-Cheng Chiao, Director Yu-Heng Chiao, and Director Yu-Chi Chiao have joined the management team of the Company and therefore are familiar with the organization and business operation of the Company and are good at operation management and investment judgment; Andrew Hsia, Director, comes from a diplomatic background with an international perspective and therefore has a good grasp of the conditions of the Southeast Asian market and can fully assist the Company in making relevant investment decisions; Director Li-Chin Ku is familiar with the industry, manufacturing, and sale of passive components and therefore has operational management experience and expertise; and the female Director, Patricia Chiao, specializes in operational management, investment judgment and human resources. The Company's Independent Directors have industry knowledge and an international market perspective: Independent Director Ming-Ling Hsueh specializes in finance, accounting and corporate governance; Independent Director Fu-Hsiung Hu has expertise and experience in business administration, finance and securities, and credit information; Independent Director Tyzz-Jiun Duh is familiar with the general situation of the industry and commerce sector and the trends of economic development; and Independent Director Wei-Chuan Gau possesses professional capabilities in accounting, auditing, and information technology.</p> <p>The elite directors of the Company were selected from the industry to participate in major investment projects related to the Company's business, assist the Company's financial, accounting and corporate governance businesses according to their expertise, and assist the Company in making favorable decisions through their diverse experience, which gives rise to extensive and professional advice.</p> <p>Diversification of the Board of Directors' members has been implemented as shown in Note 2.</p> <p>Board of Directors of Diversification Policy were</p>	

Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
(2) In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, is the company willing to also voluntarily establish other types of functional committees?	Yes		<p>disclosed on the Company's website:(https://www.walsin.com/investors/corporate-governance/#pills-board-of-directors) °</p> <p>(2) In addition to the committee established according to the laws, the Company further set up the Sustainable Development Committee and the Nomination Committee.</p> <p>1. On November 1, 2019, the 17th meeting of the Board of Directors of the 18th term resolved to establish the Sustainable Development Committee. On May 19, 2023, the Board of Directors appointed six members to the Sustainable Development Committee of the third term, in which Independent Director Tyzz-Jiun Duh acts as the Convener, and under which ethical management, environmental safety and health management, green operations, customer service and suppliers management and promotion and employee relations and social care promotion centers were established. The Sustainable Development Committee reviews the annual plans of each promotion center, monitors and tracks the implementation results of each promotion center, and revises its charter.</p> <p>2. The Nomination Committee was established on August 6, 2021, with Independent Director Fu-Hsiung Hu as the Convener. On May 19, 2023, the Board of Directors appointed five members to the Nomination Committee of the second term, with Wei-Chuan Gau, Independent Director, serving as the Convener. The duties of the Nomination Committee include setting standards for the diversity of expertise, experience, gender and independence required of Board members, and identifying, reviewing and nominating candidates for election as directors.</p>	
(3) Has the company established methods for appraising the performance of the Board of Directors as well as actual procedures for executing the appraisals? If so, has the company executed appraisals of the performance of the Board annually? Are the results of the performance evaluations reported to the Board of Directors and used as a reference for individual directors' remuneration and nomination for reappointment?	Yes		<p>(3) In order to improve our corporate governance, the Company's Regulations for the Board of Directors' Performance Appraisal stipulates that the Board of Directors of the Company shall conduct a performance evaluation at least once a year using questionnaires for self-evaluation, that the evaluation of the Board of Directors shall be evaluated at least once every three years by an external professional and independent organization or a team of external experts and scholars, and that the performance evaluation of the current year shall be conducted at the end of the year, so as to measure the directors' strategic direction in leading the Company and to oversee the operation of the Company's management in order to provide board performance and increase long-term shareholder value.</p> <p>The Company engaged the Taiwan Corporate Governance Association in September 2021 for the second time to evaluate the effectiveness of the Company's Board of Directors, and the Company obtained professional, objective evaluation results and suggestions through the guidance of, and idea exchanges with, the evaluation members. Such results and suggestions were used as a reference in the</p>	



Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
(4) Has the company periodically evaluated the level of independence of the CPA?	Yes		<p>compensation of individual directors and nominations for reappointment. The Company conducted its own internal evaluation for 2023 in December 2023 and reported to the Board of Directors on January 26, 2024. The result has been published on the Company's website, and the results of these evaluations will be used as a reference in individual directors' compensation and nominations for reappointment, for the purpose of continuous refinement and optimization of the functions of the Board of Directors.(Note 3)</p> <p>(4) Before we appoint a new CPA annually, its independence and competency shall be examined by the Audit Committee and Board of Directors for approval by resolution. In addition, we request the CPA to provide an "Impartiality and Independence Statement" and "Audit Quality Indicators (AQIs)" each year. We have to confirm that except for the expenses paid to the CPA for certifying our financial statements and for handling certain financial, tax affairs, we have no other business dealings with the CPA and that their family members have not violated the independence requirements. In addition, by referencing the AQI information, we confirmed that both the CPAs and the CPA firm have audit experience and training hours that are superior to the industry average before proceeding with the appointment of the CPAs and the review of their fees. The evaluation results for the most recent fiscal year were discussed and approved by the Audit Committee on January 19, 2024, and were subsequently reported and resolved by the Board of Directors on January 26, 2024. For the assessment of the CPAs' independence and suitability, please refer to Note 4.</p>	
4. Has the TWSE- or TPEX-listed company designated a proper number of competent staff in charge of the corporate governance-related affairs (including but not limited to providing information for the Directors and Supervisors to execute their duties, assisting the Directors and Supervisors with legal compliance, handling the affairs related to the Board meetings and the Shareholders Meeting as prescribed by law, preparing the minutes of the Board meetings and the Shareholders Meeting, etc.)?	Yes		<ol style="list-style-type: none"> 1. The Company appointed a Head of Corporate Governance as resolved by the Board of Directors on June 12, 2019. The key responsibilities of the Head of Corporate Governance include the meeting affairs in connection with board meetings, preparation of such meetings' minutes, assistance for Directors with the onboarding and continuing education, provision of information required for the business execution by Directors, assistance for Directors with legal compliance and other matters set out in the Articles of Incorporation of the Company or contracts. 2. Vice President of the Company, Hueiping Lo, is currently the Head of Corporate Governance. She has more than three years of experience as a financial officer of a public company and meets the statutory qualifications as the head of corporate governance. 3. On June 12, 2019, the Company's Board of Directors also resolved to approve the "Standard Operating Procedures for Handling Directors' Requests" (which was lastly updated on April 9, 2021) pursuant to the rules, through the establishment of which the Directors have 	In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.

Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
			<p>appropriate operating procedures for handling information necessary for the performance of their business.</p> <p>4. The business execution for the year 2023 are explained as follows:</p> <ul style="list-style-type: none"> i. To manage the meetings of the Board of Directors and related committees, and to strengthen the procedures of meetings and recusal of interests. ii. To provide the directors with the information necessary for the execution of their business within the statutory period, to remind the directors of the relevant laws and regulations that they should comply with in the execution of their business or after the resolution of the board of directors, and to follow up on the situation and progress of the recommendations or opinions of the directors after the meeting. iii. To revise and amend the important regulations of the Company by adapting to the latest laws and regulations related to the Company's business field and corporate governance. iv. Based on the characteristics of the industry where the Company is operating, to handle matters related to directors' further education and regularly forward information on relevant external further education programs to assist directors in implementing the diversified education mechanism. v. To provide directors with the necessary corporate information, maintain smooth communication between directors and business executives, and assist in arranging communication meetings between independent directors and the chief audit executive and accountants to facilitate the execution of business by independent directors. vi. To conduct performance evaluations of the Board of Directors and functional committees. vii. To evaluate the purchase of appropriate directors and officers (D&O) liability insurance. viii. To regularly present to the Board of Directors the international trends in corporate governance and the latest developments in corporate governance laws and regulations. ix. To conduct orientation sessions for new directors, introducing them to the industry, operational status, job responsibilities, and other important matters through interviews with the heads of various departments within the Company. 	
5. Has the company established channels for communicating with interested parties (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a dedicated interested parties area on the company's website, as well as appropriately responded to important CSR issues that	Yes		<p>The Company has been maintaining open communication channels with interested parties that include customers, shareholders, banks it has business dealings with, employees, suppliers, communities, competent authorities, or persons so connected with the Company. Communication channels can be found on the Company's internal and external websites as well as in its annual reports, to facilitate understanding of the Company's CSR issues that interested parties are concerned about, so that appropriate responses can be made.</p> <p>The Company has amended in 2020 the "Procedures for Interested Parties to Submit Complaints and</p>	In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.



Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
interested parties are concerned about?			Recommendations", through which interested parties can communicate with the Company's supervisory unit directly, propose constructive advice and file complaints. The Company has a contact channel on its website designated to stakeholders; a mailbox also exists on the employee portal site, thus providing internal and external personnel with a means to make suggestions and file complaints to the Company. Information received shall be handled by the Auditing Office. The Company regularly reports to the Board of Directors on its communications with various interested parties on an annual basis starting from 2019. The communications in 2023 have been reported to the Board of Directors at the board meeting on May 5, 2023. Details of both communications were disclosed on the Company's website: https://www.walsin.com/wp-content/uploads/2023/09/Communication_with_Stakeholders_TC2023v2.pdf	
6. Has the company appointed a professional shareholders service agency to handle affairs related to the Shareholders Meeting?		No	The Company has handled such affairs by itself since March 1993.	Such matters are handled by the Company's shareholder service. Matters related to shareholders' meetings are conducted in accordance with the Company's Articles of Incorporation and laws and regulations, so that shareholders' meetings are convened in a legal, valid and safe fashion.
7. Information disclosure (1) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance statuses? (2) Has the company adopted other ways to disclose information (e.g., maintaining an English-language website, appointing responsible people to handle corporate information collection and disclosure, appointing spokespersons, webcasting investor's conferences, etc.)?	Yes Yes		(1) Please visit Walsin Lihwa Corporation's Chinese/English website: https://www.walsin.com (2) The Company has a dedicated department for collecting its information and periodically updating its website. The Company has implemented one-spokesperson policy. It has also established the "Procedures for Handling Internal Material Information and Prevention of Insider Trading " that requires management as well as employees to properly keep financial as well as business secrets. We also require that personnel follow the "Corporate Governance Principles and Practices". Any change of our spokesperson or deputy spokespersons shall immediately be made public.	In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.

Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
(3) Does the Company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial report and operations for each month well in advance of the required deadline?	Yes		<p>The Company's website regularly discloses major announcements, transactions with key stakeholders and investors conferences at: https://www.walsin.com/investors/shareholder/#pills-important-announcement</p> <p>(3) 1. In order for investors to obtain adequate and accurate financial information in a timely manner, the Company's annual financial report is submitted to the Audit Committee and the Board of Directors for approval within two months after the end of the year, and the financial report is announced on the Market Observation Post System on the date of approval by the Board of Directors; the financial report for the first, second and third quarter is submitted to the Audit Committee and the Board of Directors for approval one week before the statutory announcement deadline, and the financial report is announced on the Market Observation Post System on the date of report to the Board of Directors.</p> <p>2. The Company's operations for each month are also fully disclosed on the Company's website and the Market Observation Post System before the statutory deadline.</p>	
8. Has the company had other information that is helpful for understanding the status of corporate governance (including but not limited to employee rights and interests, investor relations, supplier relations, rights of interested parties, further education sought by Directors and Supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the taking out of liability insurance for Directors and Supervisors)?	Yes		<p>1. Please refer to "(5) Our Fulfillment of Sustainable Development and differences between Our Fulfillment of Sustainable Development and the Development Best Practice Principles for TWSE/TPEX Listed Companies and reason(s) therefor" and "(6) Performance of ethical operations and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor" under 4. Corporate Governance Status in III. Corporate Governance Report of this Annual Report for information concerning employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, and the implementation of the customer policies.</p> <p>2. Please refer to "(8) Other important information helpful for improving understanding of the governance of the company" under 4. Corporate Governance Status in III. Corporate Governance Report and "6. Risk Analysis and Assessment for the Following Items as of the Latest Year and up to the Date of Printing of the Annual Report" under VII. Review of Financial Conditions, Financial Performance, and Risk Management of this Annual Report for the information regarding the implementation of directors' and supervisors' continuing education, risk management policies and risk measurement standards.</p> <p>3. The Company's purchase of D&O liability insurance has been disclosed to the Market Observation Post System.</p>	In line with the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies.
9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved.			<p>1. With respect to the 2022 Corporate Governance Evaluation results, our improvements in 2023 are as follows: We promoted ISO 27001 Information Security Management System (ISMS) and completed SGS third party validation to implement our commitment to information security by way of PDCA.</p> <p>2. Improvement Priorities and Measures: The revision of the "Risk Management Policy and Procedures" clearly</p>	



Appraisal Items	Actual Governance (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE-/ TPEX-listed Companies and Reason(s)
	Yes	No	Summary Description	
specifies the objectives of risk management, management procedures, and control mechanisms. At the same time, emerging risks are incorporated into the risk management system, focusing on global environmental changes and development trends. A comprehensive consideration of the business development and future outlook of the Company is undertaken, with emerging risks being identified regularly every year.				

Note 1: The Company shall provide explanations in the summary description box, regardless of whether actual governance is ticked "Yes" or "No."

Note 2: Diversification of the Board of Directors' members has been implemented as follows.

Title	Name	Gender	Diversification items											
			Administrative management	Leadership and Decision-Making	Industry knowledge	Finance / accounting and law	Industrial technology	Marketing	Procurement	International Commerce and Trade	Information technology	Renewable energy and environmental protection	Risk Management	
Chairman	Yu-Lon Chiao	M	V	V	V	V	V	V						
Vice Chairman	Patricia Chiao	F	V	V	V			V	V					
Director	Yu-Cheng Chiao	M	V	V	V	V	V				V	V		
Director	Yu-Heng Chiao	M	V	V	V	V	V				V			
Director	Yu-Chi Chiao	M	V	V	V		V	V		V				
Director	Andrew Hsia	M	V	V	V	V				V				
Director	Li-Chin Ku	M	V	V	V	V	V	V		V	V			
Independent Director	Ming-Ling Hsueh	M	V	V	V	V				V	V			
Independent Director	Fu-Hsiung Hu	M	V	V	V	V				V	V			
Independent Director	Tyzz-Jiun Duh	M	V	V	V		V			V	V	V	V	
Independent Director	Wei-Chuan Gau	M	V	V	V	V				V	V			V

Note 3: No more than 1% of the earnings of the Company for a given year may be distributed to its directors and managers as their remuneration for such year in accordance with Paragraph 1, Article 25 of the Company's Articles of Incorporation. In order to regularly assess the remuneration of directors and managers, directors and managers are remunerated according to their degree of participation in the Company's operations and personal performance, and in accordance with the Company's "Rules Governing the Compensation of Directors and Functional Members" and "Rules Governing the Evaluation of Manager's Performance and Management of Compensation". Such remuneration will be further calculated and reasonably paid in a proportion of such earnings by taking into consideration the evaluation items specified therein, such as the directors' individual professional input and performance, the manager's business strategy and medium- and long-term strategic plans, and how the policy plans and performance indicators at all levels are carried out in accordance with the current year's operating objectives. In addition, the director and manager remuneration system will be reviewed from time to time based on the actual operating status and relevant laws and regulations.

Note 4: Items for assessment of the CPA's independence

Appraisal Items	Results	Compliant with Independence?
1. The CPA and/or any of his/her family members has/have no direct or indirect significant financial interest in the Company.	True	Yes
2. The CPA and/or any of his/her family members has/have no financing or guarantee relations with the Company or its directors.	True	Yes
3. The CPA and/or any of his/her family members has/have no commercial relations with the Company, or any of its directors or managers.	True	Yes
4. Currently or in the most recent two years, the CPA does/did not hold any posts in the Company, such as the director, manager or any post which significantly influences the auditing work, neither did company promise its CPA any foregoing post.	True	Yes
5. At the time of the audit, no family member of the CPA held any position as a director or manager of the Company or that which had any direct and material influence on the audit.	True	Yes
6. During the audit period, no family member of the CPA held the posts in the Company, such as the director, managers or any post which directly and significantly influences the audit work.	True	Yes
7. The CPA did not receive from the Company or its directors, managers, or major shareholders any offer or gift, the value of which exceeds the usual social etiquette standards.	True	Yes
8. The CPA's audit team has implemented the necessary procedures regarding independence/conflicts of interests without any violation of the independence or any unsettled conflict of interests.	True	Yes

Note: Family members: They mean the CPA's spouse (or cohabitant), minors or other dependents.
 Audit period: It usually begins from the date on which the members of the audit team start auditing and ends on the date when the audit report is issued. If the audit case is cyclical, the cycle period belongs to the audit period.

Items Evaluated under Audit Quality Indicators (AQIs)

Five major facets	AQIs	Focus of measurement	Whether CPAs meet the suitability or independence requirement
Professionalism	Audit Experience	Whether CPAs and senior auditors have sufficient audit experience to carry out the audit work	Yes
	Training hours	Whether CPAs and senior auditors have received sufficient education and training every year to continuously acquire professional knowledge and skills	Yes
	Attrition rate	Whether the CPA firm maintains sufficient senior human resources	Yes
	Professional support	Whether the CPA firm has sufficient professionals to support the audit team.	Yes
Quality control	CPA workloads	Whether the workloads of CPA are too heavy	Yes
	Audit input	Whether audit team members have made inputs appropriately at each stage of the audit	Yes
	Engagement Quality Control Review	Engagement Quality Control Review (EQCR) is a review of whether CPAs have devoted sufficient hours to the audit case	Yes
	Quality control support capabilities	Whether the CPA firm has sufficient quality control manpower to support the audit team	Yes
Independence	Non-audit services	The impact of the proportion of annual fees for non-audit services on the independence of the CPA firm and its affiliates	Yes
	Familiarity with customer	The impact of the cumulative number of years of audit of the customer's annual financial reports on the independence of the CPA firm	Yes
Supervision	External inspection deficiencies and sanctions	Whether the CPA firm carries out its quality control and audit of the customer in accordance with relevant laws and regulations	Yes
	The competent authority issues a letter demanding improvement		Yes
Innovation capabilities	Innovative planning or initiatives	The CPA firm commits to improving audit quality, including the firm's innovation capability and planning	Yes

Note 5: The further education received by Independent Directors and other Directors is disclosed in " (8) Other important information helpful for improving understanding of the governance of the company" in this annual report.

Post-Period Note: Ms. Patricia Chiao, Vice Chairman, resigned on March 11, 2024.



(4) Composition, duties and operation of the Compensation Committee and the Nomination Committee:

1. Compensation Committee

On September 27, 2011, the Company established the Compensation Committee and drew up the "Regulations Governing the Organization of the Compensation Committee". The Compensation Committee of the fourth term has four members and is comprised of four independent directors. The Committee is aimed at helping the Board establish and periodically review the performance appraisal of Directors and managers and the remuneration policy, system, standards and structure, as well as periodically review and determine the remunerations for Directors and managers.

(1) Information of the members of the Compensation Committee

Title	Criteria Name	Qualifications and Experience	Independence	Number of Other Public Companies in which the Member also Serves as an on the Compensation Committee
Independent Director (Convener)	Ming-Ling Hsueh	Please refer to the "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" form on pages 16 to 18		3
Independent Director	Fu-Hsiung Hu			1
Independent Director	Tyzz-Jiun Duh			3
Independent Director	Wei-Chuan Gao			1

(2) Information on Operation of the Compensation Committee

- A. The Company's Compensation Committee operates in accordance with the Company's Compensation Committee Charter and holds at least two regular meetings each year.
- B. There are 4 members of the Compensation Committee of the Company.
- C. Term of office of the members of the 4th term: It started on August 4, 2020 and ended on May 18, 2023. Term of office of the members of the 5th term: It started on May 19, 2023 and will end on May 18, 2026. The Compensation Committee met three times in 2023. The attendance records of the committee members in 2023 are as follows:

	Title	Name	Attended in Person	Attended by Proxy	Attendance Rate (%)
4 th Term	Convener	King-Ling Du	2	0	100%
	Member	Ming-Ling Hsueh	2	0	100%
	Member	Shiang-Chung Chen	2	0	100%
	Member	Fu-Hsiung Hu	2	0	100%
5 th Term	Convener	Ming-Ling Hsueh	1	0	100%
	Member	Fu-Hsiung Hu	1	0	100%
	Member	Tyzz-Jiun Duh	1	0	100%
	Member	Wei-Chuan Gao	1	0	100%

- D. The matters for discussion and resolution by the Compensation Committee and the Company's handling of the opinions of the members of the Compensation Committee:

Compensation Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Company's Handling of Compensation Committee Member's Opinion
4 th Term 9 th Meeting January 6, 2023	19 th Term 22 nd Meeting January 10, 2023	Proposal for 2022's managerial performance evaluation and bonus compensation	Compensation Committee: The relevant proposals were passed with the consent of all members present and
		Proposal for performance bonuses for the Chairman and Vice Chairman of the Company for 2022	
		Setting of the Company's managers' objectives for 2023	

Compensation Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions	Company's Handling of Compensation Committee Member's Opinion
4 th Term 10 th Meeting February 20, 2023	19 th Term 23 th Meeting February 24, 2023	Proposal for distribution of the Company's directors' and managers' remuneration for 2022	submitted to the Board of Directors for resolution.
5 th Term 1 st Meeting May 29, 2023	20 th Term 3 rd Meeting August 11, 2023	Nomination and election of the Convener of the Compensation Committee of the fifth term	Board of Directors: All of the Directors present approved the proposals unanimously.

(3) Other details that need to be recorded:

Decisions made by the Compensation Committee for which certain committee members were against or had reservations that were recorded or expressed via written statements: None

(4) Scope of Duties of the Compensation Committee

A. The Compensation Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion.

- (A) Periodically reviewing the Compensation Committee Charter and making recommendations for amendments.
- (B) Establishing and periodically reviewing the annual and performance goals for the directors and managers of the Company and the policies, systems, standards, and structure for their compensation, as well as disclosing the standards for evaluating their performance in the annual report.
- (C) Periodically assessing the degree to which performance goals for the directors and managers of the Company have been achieved, and setting the types and amounts of their individual compensation, as well as disclosing the director and manager compensation in the annual report.

B. The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

- (A) Ensuring that the compensation arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talents.
- (B) Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, as well as the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure.
- (C) There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the risk appetite of the Company.
- (D) For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.
- (E) Reasonableness shall be taken into account when the contents and amounts of the compensation of the directors, supervisors, and managerial officers are set. It is not advisable for decisions on the compensation of the directors, supervisors, and managerial officers to run counter to financial performance to a material extent. It is not advisable for said compensation to be higher than that in the preceding year in the event of a material decline in profits or of long-term losses. If it is still higher than that in the preceding year, the reasonableness shall be explained in the annual report and reported at a shareholders' meeting.
- (F) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.



(G) The Committee shall explain at the meeting the remuneration of any of its members that is to be discussed at such meeting. Such members shall not join the discussion and vote if it may do harm to the interests of the Company, and shall recuse themselves from the discussion and voting, and shall not exercise their voting rights on behalf of other members.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors and managerial officers as set out in the Regulations Governing Information to be published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the Company, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

2. Nomination Committee

- (1) The Committee shall be composed of at least three directors elected by the Board of Directors, in which a majority of the independent directors shall participate.
- (2) The Committee, under the authority of the Board of Directors, shall faithfully perform the following duties and responsibilities with the due care as a good administrator and shall submit its recommendations to the Board of Directors for discussion:
 - A. To establish the criteria of diversity and independence in terms of professional knowledge, technology, experience and gender required for board members and managers, and to identify, review and nominate candidates for directors and managers accordingly.
 - B. To establish the organizational structure of each functional committee and to review the establishment and amendment of the organizational rules and regulations of each functional committee.
 - C. To establish and regularly review the directors' continuing education program and succession plans for directors and managers.
 - D. To review the establishment and amendment of the Company's corporate governance and board of directors' operating rules and regulations.
 - E. Other matters to be dealt with by the Committee as resolved by the Board of Directors.
- (3) Professional qualifications and experience of the members of the Nomination Committee and its operations:

There are 5 members in the Nomination Committee of the Company of this term.

The term of office of the members: May 19, 2023 to May 18, 2026. For the professional qualifications and experience of the members of the current term, please refer to the table entitled "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" on pages 13 to 15. The Nomination Committee met five times in 2023, and the attendance of and the matters discussed by the members are as follows:

Title	Name	Personally Attended	Attended by Proxy	Attendance rate (%)	Remark 1
Convener	Wei-Chuan Gao	2	0	100%	Remark 1
Member	Yu-Lon Chiao	5	0	100%	Re-elected
Member	Ming-Ling Hsueh	5	0	100%	Re-elected
Member	Fu-Hsiung Hu	5	0	100%	Re-elected
Member	Tyzz-Jiun Duh	2	0	100%	Remark 1
Member	King-Ling Du	3	0	100%	Remark 2
Member	Shiang-Chung Chen	3	0	100%	Remark 2

Remark 1: Independent Director Tyzz-Jiun Duh, and Independent Director Wei-Chuan Gau were newly elected for the 20th term.

Remark 2: Independent Directors whose terms expired and were discharged on May 19, 2023: Mr. King-Ling Du and Mr. Shiang-Chung Chen

(4) Other matters that should be specified:

The results of the discussions and resolutions of the Nominating Committee and the Company's handling of the opinions of the members in 2023:

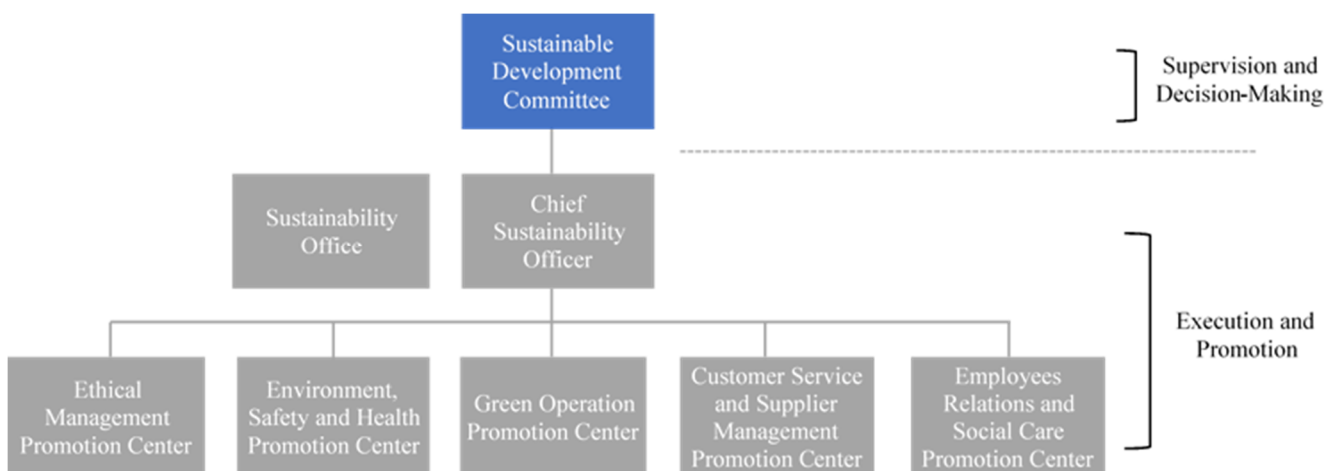
Term of the Nomination Committee Meeting Date	Term of the Board of Directors Meeting Date	Content of the Proposals and Resolutions	Company's Handling of Opinions of the Nominating Committee
1st Term 6th Meeting 2023/01/06	19th Term 22nd Meeting 2023/01/10	Matters to be reported Proposal: Please review the Company's 2022 annual report on the self-evaluation of the performance of the Board of Directors and Functional Committees. (All directors present were informed.)	All directors present were informed.
		Proposal: Proposal to amend some provisions of the Company's Board of Directors Meeting Regulations. Please review and approve the same. Resolution: The proposal was passed and sent to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
1st Term 7th Meeting 2023/02/20	19th 23rd Meeting 2023/02/24	Proposal: Proposal to elect the Directors of the Company of the 20th term. Resolution: The proposal was passed and sent to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
		Proposal: Proposal to nominate the candidates for the Directors of the Company of the 20th term. Resolution: The proposal was passed and sent to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
		Proposal: Proposal to amend the Company's Corporate Governance Best Practice Principles. Resolution: The proposal was passed and sent to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
1st Term 8th Meeting 2023/05/05	19th Term 24th Meeting 2023/05/05	Matters to be reported Proposal: Please review the results of the Company's 2022 annual corporate governance evaluation and the report on its 2023 annual improvement plan. (All directors present were informed.)	All directors present were informed.
2nd Term 1st Meeting 2023/05/19	20th Term 1st Meeting 2023/05/19	Proposal: Proposal to elect the Convener of the Nomination Committee of the second term. Resolution: Mr. Wei-Chuan Gao was elected as the Convener of the Nomination Committee of the second term.	All directors present agreed to pass the proposal.
		Proposal: Proposal to recommend the Convener of the Company's Audit Committee of the third term. Resolution: It is recommended that Mr. Fu-Hsiung Hu serve as the Convener of the Audit Committee of the third term. This proposal was submitted to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
		Proposal: Proposal to recommend the members and Convener of the Compensation Committee of the fifth term of the Company. Resolution: It is proposed that Mr. Ming-Ling Hsueh, Mr. Fu-Hsiung Hu, Mr. Tyzz-Jiun Duh and Mr. Wei-Chuan Gao, Independent Directors, be members of the Compensation Committee of	All directors present agreed to pass the proposal.



Term of the Nomination Committee Meeting Date	Term of the Board of Directors Meeting Date	Content of the Proposals and Resolutions	Company's Handling of Opinions of the Nominating Committee
		the fifth term of the Company, and that Mr. Ming-Ling Hsueh serve as the Convener of the Compensation Committee of the fifth term. This proposal was submitted to the Board of Directors for resolution.	
		Proposal: Proposal to recommend the members and Convener of the Sustainable Development Committee of the third term of the Company. Resolution: It is proposed that Mr. Yu-Lon Chiao, Director, Ms. Patricia Chiao, Director, and Mr. Ming-Ling Hsueh, Mr. Fu-Hsiung Hu, Mr. Tyzz-Jiun Duh and Mr. Wei-Chuan Gao, Independent Directors, be members of the Sustainable Development Committee of the third term of the Company, and that Mr. Tyzz-Jiun Duh serve as the Convener of the Sustainable Development Committee of the third term. This proposal was submitted to the Board of Directors for resolution.	All directors present agreed to pass the proposal.
2nd Term 2nd Meeting 2023/11/03	20th Term 4th Meeting 2023/11/03	Proposal: Proposal to revise the relevant schedules of the Company's Regulations Governing Board Performance Evaluation. Resolution: The proposal was passed and sent to the Board of Directors for resolution.	All directors present agreed to pass the proposal.

(5) Our fulfillment of sustainable development:

On November 1, 2019, during the 17th meeting of the Board of Directors of the 18th term, the Company resolved to establish the Sustainable Development Committee and on the same day formulated the Sustainable Development Committee Charter. The committee is composed of four to seven members, at least half of whom must be Independent Directors, with one member being elected by their peers to serve as the Convener. The current term of the committee has six members, and on June 1, 2023, a new position of Chief Sustainability Officer was created to lead the operations of the Sustainability Office and various promotion centers. The details regarding the management matters and organizational structure are as follows:



Duties of the Committees

Department	Responsibility and function
Sustainable Development Committee	As the highest level of the sustainability organization within Walsin, it is a functional committee led by an Independent Director serving as the Convener. This committee is responsible for formulating policies, strategies, objectives, or management guidelines related to corporate sustainability. It also reviews the annual plans of various promotion centers, supervises and tracks the execution progress, outcomes, and related matters of these centers, and reports regularly to the Board of Directors. At the same time, it focuses on major issues of concern to interested parties, oversees communication plans, and approves the content of the sustainability report. In addition, in accordance with the corporate risk management framework, it identifies risks and opportunities related to sustainability and regularly monitor and control various significant risks.
Ethical Management Promotion Center	It is responsible for formulating and promoting policies and systems related to ethical management, integrating integrity and ethical values into the Company's business strategies, supervising and reporting the execution results, and evaluating the effectiveness of the preventive measures established to implement ethical management.
Environment, Safety and Health Promotion Center	It is responsible for formulating our environmental protection (including green energy and sustainable ecology and environment), safety, health, energy and carbon management policies and action plans, collaborating with the Human Resources Department to implement measures to protect mothers from illegal abuse, and overseeing and reporting on the implementation performance. It carries out the interdepartmental integration and implementation promotion on related issues above.
Green Operation Promotion Center	It is responsible for formulating the green operation strategy, promoting circular economy, optimizing green manufacturing processes, exploring green produces and services with future value, and overseeing and reporting on the implementation performance. It carries out the interdepartmental integration and implementation promotion on related issues above.
Customer Service and Supplier Management Promotion Center	It is responsible for formulating policies and implementation plans for the improvement of customer service quality and supplier management, overseeing and reporting on the implementation performance. It carries out the interdepartmental integration and implementation promotion on related issues.
Employees Relations and Social Care Promotion Center	It is responsible for promoting and building a safe and healthy working environment for employees to fully utilize their talents for reasonable compensation and benefits. It also promotes and deepen the Company's influence in the field of public welfare by actively participating in four major aspects, i.e., corporate citizens, caring for minorities, environmental protection and cultivation, and strengthening community relationships, so as to pay back to society with concrete, continuous action.
Sustainability Office	The committee is tasked with managing meeting affairs, formulating and compiling the structure of the annual sustainability report, identifying sustainability issues that require attention, and developing corresponding action plans. It also assists in the planning and execution of sustainability development strategies, liaises, coordinates, and integrates operations related to various promotion centers, and manages and tracks the performance of sustainability issues across all aspects, while establishing continuous improvement plans, and reporting execution results and work plans to the committee.

The Differences between Our Fulfillment of Sustainable Development and the Development Best Practice Principles for TWSE/TPEX Listed Companies and reason(s) therefor:

Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development, which unit is handled by senior management as authorized by the Board of Directors? And	Yes		1. The Company's 7 th meeting of the Board of Directors of the 17 th term approved the establishment of the "Corporate Social Responsibility Committee" in April 29, 2015, and the 17 th meeting of the Board of Directors of the 18 th term in November 1, 2019 approved the establishment and organizational charter of the "Sustainable Development Committee" by merging the existing "Corporate Social Responsibility Committee" and "Ethical Management Committee". The establishment and	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



Promotion items	Actual Implementation		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	
how does the board of directors supervise the same?			<p>the appointment of its members have been approved by the Board of Directors, and the Sustainable Development Committee is responsible for developing corporate sustainability strategies and visions to promote CSR-related work and management.</p> <p>2. The Committee is composed of six members, with an Independent Director acting as the Convener. The Committee has five promotion centers, including the Ethical Management Promotion Center, the Environment, Safety and Health Management Promotion Center, the Green Operation Promotion Center, the Customer Service and Supplier Management Promotion Center, and the Employee Relations and Social Care Promotion Center.</p> <p>3. The Board of Directors receives regular reports on operations, finance, corporate governance, sustainability issues, etc. every year. Through the diverse experience of its members, the Board offers broad and professional opinions to assist the Company in making appropriate decisions and guiding the Company in a clear strategic direction. In 2023, three meetings of the Sustainable Development Committee were held: the progress for the first half of 2023 was reported on August 4, 2023, and the execution results for 2023 and 2024 implementation plan were approved by resolution on December 22, 2023.</p>
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies in accordance with the principle of materiality? (Note 1)	Yes		<p>1. The Company refers to the five major principles of the AA1000 SES Stakeholder Engagement Standard, including accountability, influence, tension, diversity of perspectives, and dependency, to identify and prioritize the relationship levels of stakeholders. For significant topics, it considers international sustainability standards and norms, international sustainability ratings, United Nations Sustainable Development Goals, and industry trends. Through interaction and communication with stakeholders, senior management draws up a matrix of significant concern issues based on the "degree of positive and negative impacts on the economy, environment, and people" and "the likelihood of impact events" following the principle of double materiality. These issues, after being validated by the Sustainable Development Committee, are incorporated as references for the Company's operations and the promotion of a sustainable development blueprint, and appropriate measures are taken in a timely manner to strengthen risk assessment and information disclosure on various issues, while also integrating into the Company's overall risk management.</p> <p>2. In order to ensure the sound operation and sustainable development of the Company, it has formulated the Rules for Risk Management Policies and Procedures to establish an overall risk management system. The Board of Directors, the</p>

Promotion items	Actual Implementation		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	
			<p>Audit Committee, the Auditing Office, the President and the President's Office, each risk management unit, and each unit and subsidiary of the Company are collectively involved in promoting the implementation of relevant risk management measures.</p> <p>3. On January 26, 2024, the Board of Directors resolved to amend the Risk Management Policy and Procedures, clearly defining risk management objectives, management procedures, and control mechanisms; at the same time, emerging risks are incorporated into the risk management system, with a focus on global environmental changes and development trends, by comprehensively considering the business development and future prospects of the Company and annually identifying emerging risks.</p> <p>4. For the purpose of reducing the impact and influence of internal and external risks, the Company's governance units and other risk management units have identified risks related to environmental, social and corporate governance issues and planned relevant management and control measures in accordance with the principle of materiality, the business and operational characteristics of the Company. The results of risk assessments (including management policies, strategies or mechanisms for each risk category) are summarized in Note 3.</p> <p>5. Risk identification is regularly carried out in a systematic manner, and the identified risks are measured and monitored by each risk management unit. The above operation in 2023 has been reported to the Board of Directors on November 3, 2023 (for the report, please refer to https://www.walsin.com/wp-content/uploads/2023/12/2023RiskManagement.pdf).</p>
<p>III. Environmental Issues</p> <p>(1) Has the Company established a proper environmental management system based on the characteristics of its industry?</p>	Yes		<p>In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>1. The Company's Environmental, Health and Safety Promotion Center under the Sustainable Development Committee has set targets for energy saving and carbon reduction, water management and waste reuse in accordance with Walsin Lihwa Environmental, Health and Safety Policy, including a 10% carbon reduction by 2025 compared to 2014, a 15% reduction in water use in 2030 compared to 2014, and capital expenditures to replace production equipment, develop green processes, and promote source improvement. Please refer to Chapter 1 (Climate Actions and Environment Management) of the 2023 Annual Sustainability Report or the "Climate Actions and Environment Management" page of the Corporate Sustainability Section on the Company's website (https://esg.walsin.com/zh_TW/focus/saving) for related specific results.</p> <p>2. The environmental management of the</p>



Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>Company's domestic and overseas plants has been carried out in accordance with government regulations and international environmental protection conventions. The plants in Taiwan (Hsinchuang Plant 1, Hsinchuang Plant 2, Yangmei Plant, Taichung Plant and Yenshui Plant) and China (Shanghai Plant, Jiangyin Plant, Yantai Plant and Changshu Plant) have all received the "Environmental Management System" certification (ISO 14001:2015). The Company will also continue to improve and refine our environmental management performance. Please refer to the Company's website - Document Center - Environmental Safety and Health Policy and Related Certificates (https://www.walsin.com/about-us/newsroom/#pills-reports-document) for relevant verification standards.</p>	
(2) Has the company made efforts to improve the efficiency of resources utilization and use recycled materials which have a low impact on the environment?	Yes		<ol style="list-style-type: none"> 1. Walsin strives to be an environmentally sustainable enterprise, and increases its investment in energy saving, carbon reduction, and resource recycling software and hardware year by year, such as "control of reasonable energy consumption per unit of the product", "equipment energy efficiency management and improvement", "reduction of smelting process energy consumption and carbon emission", waste heat recovery and process technology improvement (such as pure oxygen combustion technology and yield improvement), and green power installation (such as solar energy). 2. The Company mainly produces wire and cable and stainless steel. After these two types of products have gone through the stages of production, use and disposal, they can be recycled and reused to return to their life cycle, which is in line with the concept of recycling for new products in a circular economy. Regarding the use of raw materials and materials used for packaging, in addition to continuously raising the rate of using recycled stainless steel and carbon steel as raw materials, Walsin also considerably uses recycled pallets, iron frames, iron (wood) shafts, wooden plates, and iron plates as packaging materials for copper wire and cable. In 2023, approximately 92.09% of the products produced by Cable & Wire Business Group used recycled raw materials and approximately 54.69% of those products used recycled packaging materials; approximately 39.92% of the products produced by Stainless Steel Business Group used recycled raw materials for scrap steel and approximately 60.08% of those products used recycled raw materials. For specific results, please refer to Section 4 "Transition to High Value and Smart Manufacturing" of the 2023 Annual Sustainability Report or the "Transition to High Value and Smart Manufacturing" page in the Corporate Sustainability section of the Company's 	In line with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Promotion items	Actual Implementation		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	
			website (https://esg.walsin.com/zh_TW/focus/creative/green).
(3) Has the company assessed the current and future potential risks and opportunities of climate change for the business and taken measures to address climate related issues?	Yes		<p>The Company has formulated its risk management policies and procedures to incorporate climate change and environmental risks into its management in accordance with its business operations and operating characteristics. The Company also introduced the Climate Related Financial Disclosures (TCFD) to set up the framework for managing risks and opportunities relating to climate change.</p> <p>In accordance with the recommendations of the Climate Related Financial Disclosures (TCFD), in 2023, we set up different climate scenarios, evaluated possible climate-related risks and opportunities, studied international climate change trends and industry-related trends, and assessed internal and external stakeholder attitudes, thereby identifying the climate-related risks and opportunities for Walsin Lihua.</p> <p>Please refer to Chapter 1 (Climate Actions and Environment Management) of the 2023 Annual Sustainability Report or the "Climate Actions and Environment Management" page of the Corporate Sustainability Section on the Company's website (https://esg.walsin.com/zh_TW/focus/saving) for related contents.</p>
(4) Has the Company compiled statistics on greenhouse gas (GHG) emissions, water consumption and total weight of waste in the past two years, and formulated policies on energy conservation, carbon reduction, GHG reduction, water consumption reduction or other waste management?	Yes		<ol style="list-style-type: none"> The Company's energy-saving and carbon-reduction strategy is to "implement lean production management", "control reasonable energy consumption per unit of the product", "manage and improve equipment energy efficiency", and "reduce energy consumption and carbon emissions in the smelting process". In addition, the Company will increase the investment in software and hardware for energy saving, carbon reduction and resource recycling year by year, such as green raw materials, waste recycling/regeneration (such as recycling waste metals to replace natural mineral mining, waste plastic recycling plastic pellets, and waste acid regeneration), water resources recycling (such as process cooling water recycling and reuse of reclaimed water), energy recycling (such as waste heat recovery) and process technology improvement (such as pure oxygen combustion technology and yield improvement), end-of-line reuse and disposal (such as furnace slag), and investment in green power constructions (such as solar energy). etc. Our annual statistics on greenhouse gas emissions, water consumption and total waste volume indicate total greenhouse gas emissions of 530,610.58metric tons of CO₂e, total water consumption of 14,125 million liters and total waste of 248,175.66metric tons in 2023, a drop by 14.67%, an increase by 0.7%, and an increase by 6%, respectively, compared to 2022.



Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor																																							
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			<p>(1) Greenhouse gas emissions for the last 2 years (by the plants of the Company based in Taiwan, Mainland China, and Malaysia) Unit: CO₂e(metric tons)/Product(metric tons)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Emissions per Copper Wire Product</th> <th>Emissions per Wire and Cable Product</th> <th>Emissions per Stainless Steel Product</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>194,649.63</td> <td>427,116.80</td> <td>0.13</td> <td>0.35</td> <td>0.58</td> </tr> <tr> <td>2023</td> <td>203,986.19</td> <td>326,624.40</td> <td>0.13</td> <td>0.35</td> <td>0.58</td> </tr> </tbody> </table> <p>(2) Water consumption for the last 2 years (by the plants of the Company based in Taiwan, Mainland China, and Malaysia) Unit: Million liters / product (metric tons)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Water Consumption</th> <th>Water Consumption per Product</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>14,027</td> <td>11.01</td> </tr> <tr> <td>2023</td> <td>14,125</td> <td>13.76</td> </tr> </tbody> </table> <p>(3) Waste output for the last 2 years (by all plants of the Company in Taiwan, China, and Malaysia) Unit: metric tons/product (metric tons)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous Wastes</th> <th>Non-Hazardous Wastes</th> <th>Output per Product</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>73,718</td> <td>160,539</td> <td>0.18</td> </tr> <tr> <td>2023</td> <td>72,668</td> <td>175,507</td> <td>0.24</td> </tr> </tbody> </table> <p>3. Our Taiwan plants have obtained ISO14064-1:2018, ISO50001 certification and ISO 14067:2018 (Hsinchuang Plant), and our overseas plants have obtained ISO50001 certification (Yantai ,Shanghai and CAS (Italy) Plants).Please refer to the Company's website - Document Center - Environmental Safety and Health Policy and related certificates (https://www.walsin.com/about-us/newsroom/#pills-reports-document) for relevant verification standards.</p>	Year	Scope 1	Scope 2	Emissions per Copper Wire Product	Emissions per Wire and Cable Product	Emissions per Stainless Steel Product	2022	194,649.63	427,116.80	0.13	0.35	0.58	2023	203,986.19	326,624.40	0.13	0.35	0.58	Year	Total Water Consumption	Water Consumption per Product	2022	14,027	11.01	2023	14,125	13.76	Year	Hazardous Wastes	Non-Hazardous Wastes	Output per Product	2022	73,718	160,539	0.18	2023	72,668	175,507	0.24	
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IV. Social Issues (1) Has the Company established its management policies and procedures in accordance with relevant laws, regulations, as well as international conventions regarding human rights?	Yes		<p>1. Implementation of gender work equality: We comply with the Act of Gender Equality in Employment to protect the gender equality in work rights. The Company does not discriminate on the basis of gender in recruitment, screening, hiring, position determination, performance appraisal, promotion, educational training, and welfare and benefits, except when certain positions are only suitable for a specific gender.</p> <p>2. Employment of people with physical and mental disabilities: We protect the employment opportunities of people with physical and mental disabilities, and the number of our employees with physical and mental disabilities are more than that required by the People with Disabilities Rights Protection Act and the Indigenous Peoples Employment Rights Protection Act.</p> <p>3. Creating a diverse and inclusive culture: We respect basic human rights that are internationally recognized, do not discriminate our employees</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																																							

Promotion items	Actual Implementation		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	
			<p>on the basis of gender, race, age, marital status, political stance, religious beliefs, nationality, etc., encourage the exchange of ideas, value team members by making them feel kindness and respect, and actively create a diverse and inclusive workplace.</p> <p>4. Establishing a complaint channel: The Company's Auditing Office has set up an email address for complaints and a dedicated person to receive them. For sexual harassment prevention and control, we have formulated the "Workplace Sexual Harassment Prevention and Control Measures for Complaints and Discipline" to protect gender equality at work and to provide a working environment where employees and visitors to our office are free from sexual harassment. In the event of any sexual harassment, the victim or his or her agent may file a complaint with the Sexual Harassment Complaint Committee either verbally or in writing. In addition, the Company has established relevant regulations in its internal documents to protect the human rights of employees and set up a complaint channel for employees in the event that their legal rights are violated or improperly handled, and that such issue cannot be resolved in a reasonable manner.</p>
(2) Has the company established and implemented reasonable employee benefit measures (including compensation, vacation and other benefits) and properly reflected operating performance or results in employee compensation?	Yes		<p>1. The Company attaches importance to the physical and mental health and welfare of our employees by organizing book clubs, seminars and competitions from time to time, in order to increase exchanges among colleagues and to achieve work-life balance. The Company also provides comprehensive and diversified welfare measures. The Employee Welfare Committee was established to handle various welfare matters, including wedding and funeral celebrations; maternity; company travel; club subsidies; bonuses for three festivals, Labor Day and birthday; children's scholarships; interest-free loans; and hospitalization grants. To improve the overall operational performance of the Company, it has work rules and management regulations, which cover basic wages, working hours, annual leaves more than what is provided in the Labor Standards Act, meal/transportation/communication subsidies, group insurance and health check-ups, and the provision of staff restaurants, dormitories, transportation vehicles, parking spaces, etc. The Company's main business is wire and cable and stainless steel manufacturing, which is a labor-intensive industry. The operational work at factories is mainly done by male employees, so the proportion of male employees is higher than that of female employees. In 2023, the percentage of our female employees was 13.6% and the percentage of our female management positions was 16.1%.</p>



Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			2. The Company conducts regular market salary surveys to ensure that its overall compensation structure is competitive; it also provides performance bonuses and production bonuses based on the Company's operational performance, the achievement of team goals and individual employees' performance. We also pay our employees at a rate of not less than 1% of our current year's profit to motivate those who have performed well.	
(3) Has the company provided a safe and healthy work environment for employees and provided education on safety and health for employees on a regular basis?	Yes		<p>1. In order to protect the health and safety of employees, in addition to the necessary training required by law and regulations, our annual safety training plan has been conducted according to the operation of each department, each job type on site, and each business unit. In 2023, we offered training to 1,840 participating new recruits, 26,535 participating in-service employees/2,430 employees (internal/external), and 11,349 participating contractors (before entering factories)/545 sessions, mainly for in-service employees. We also have regular training plans for dedicated ESH personnel, special hazardous operators, and first aid personnel. In addition, a complete certification system has been set up for the management of ESH training and certification, to keep track of the movement and demand for certification at each site.</p> <p>2. Our occupational safety and health management system (ISO 45001) applies and covers all workers (employees, contractors and visitors) in Taiwan (Hsinchuang, Yangmei, Taichung, Yenshui), China (Shanghai Walsin, Dongguan Walsin, Jiangyin Walsin, Jiangyin Alloy, Changshu Walsin, Yantai Walsin), PT. Walsin Nickel Industrial Indonesia, and CAS (Italy), with an overall coverage rate of 89.63% and 97.59% for employees and non-employees (i.e., contractors) respectively (Taipei Head Office, Nanjing Walsin (Real Estate), and Walsin Precision (Malaysia) have not yet been verified by third parties). Please refer to the Company's website - Document Center - Environmental Safety and Health Policy and related certificates (https://www.walsin.com/about-us/newsroom/#pills-reports-document).</p> <p>3. In 2023, there were a total of 84 workplace injury accidents within the factory (including minor injuries, but excluding 19 CAS-19 injuries and 31 minor injuries), with a recordable disaster ratio of 0.55% (the number of injury accidents as a percentage of the total number of employees), with the highest incidence among first-line technical operators (91.18%), mainly entanglement injuries (26.32%). The related disaster risks and deficiencies were immediately improved through hardware protection and management measures. In addition, plans are in place for 2024 to identify high-risk operations through equipment safety and operational safety,</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			enhance the hazard awareness of first-line employees through the KYT (Hazard Prediction Training) method, and improve with Total Productive Maintenance (TPM) involving all staff, in order to reduce the occurrence of injuries. 4. In 2023, there were zero fire accidents, no chemical leaks, and no fatal workplace injuries.	
(4) Has the company established an effective career development and capability training program for its employees?	Yes		The Company has developed a training system according to each profession and level, and promoted three types of training methods: On-Job Training (OJT), Off-Job Training (OJT), and Self Development (SD) to support the development of the Company's talent, so that employees can follow in the capacity enhancement and cross-discipline learning, in order to maintain the competitiveness of the market. We develop knowledge/skill areas and learning blueprints each year according to the needs of our employees at each stage of their work and career development, and provide diversified training resources such as new recruit education and training, basic/advanced internal knowledge sharing, application of scientific tools (data analysis, image recognition, etc.), work skills, leadership training, and industry trends. According to the application level of knowledge and skills, we have planned online knowledge courses, offline learning communities, and mixed-level classroom courses/workshops. In 2023, the employee training expenses were NT\$21,109,000, and there were 72,202 training participants trained for 232,358.45 hours in total. On average, 43.79 hours of training were received per employee. At the same time, in the first and second half of each year, during the implementation of performance appraisal, in addition to conducting the annual work review in conjunction with colleagues, supervisors understand the potentials of colleagues, professions and areas to be improved based on their implementation of their work, and jointly formulate development plans for training, rotation and participation in projects.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of its products and services, and has it formulated relevant policies and complaint procedures to protect consumer rights?	Yes		1. Our products and services are marketed and clearly labeled in accordance with local and international regulations and standards or pursuant to the requirements of our customers. In order to protect business information and customer privacy, the Company establishes a code of ethical conduct for employees and information security policies and relevant regulations (Note 3) to prevent any unauthorized access to, alteration to, or improper disclosure of any information that may infringe on customer privacy and rights. In addition to providing its latest information, product information, and the telephone numbers and e-mail addresses of the persons-in-charge of each business on its website, the Company has established channels through which interested parties can make complaints or communicate with the Company. Upon receipt of any information from an interested party, the Company will	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.



Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>transfer the case to a dedicated person for him/her to confirm or handle, in order to reply to the stakeholders within the time limit.</p> <p>2. We have not violated any product- or service-related laws or regulations regarding customer health and safety, customer privacy, marketing and labeling of our products and services in 2023.</p> <p>3. For the latest information, product information, contact phone numbers and emails, please refer to the Company's website. https://www.walsin.com/our-business/ https://www.walsin.com/about-us/contact-us/</p>	
(6) Does the company have a supplier management policy requiring suppliers to comply with relevant regulations governing environmental protection, occupational safety and health, or human rights in the workplace, and how is it implemented?	Yes		<p>1. In order to strengthen and implement the sustainable management of its suppliers, the Company has established the regulations for sustainability procurement and the principles for evaluating the suppliers' performance of corporate social responsibility, and requires suppliers to comply with environmental protection, occupational safety and health or labor human rights regulations in purchase orders and contracts. Key suppliers and new suppliers, in addition to signing the "Supplier Management Commitment Letter", also need to conduct self-assessments through the Key Supplier Sustainability Assessment Questionnaire, with evaluation items including environmental (i.e., management system, greenhouse gas, air pollution, water resources management, and waste management), social (i.e., human rights, health, and safety), and governance (i.e., sustainable government, supplier management, and trade secret protection) aspects for the purpose of identifying the degree of sustainability risk of each key supplier, in order to comply with CSR-related regulations along with the partnering suppliers and ensure that the supply chain fulfills its CSR commitments and implements the Principles for Supplier CSR Performance Assessment.</p> <p>2. In 2023, there were 156 key suppliers in the Wire and Cable, Stainless Steel and Commercial, Real Estate Business Groups, and Walsin Precision Technology, among which 153 have been evaluated for their risks. Of them, 18 were high-risk suppliers, 59 were medium-risk suppliers, and 76 were low-risk suppliers. In 2023, we kept conducting on-site audits, interviews and guidance with regard to high-risk key suppliers to prevent and reduce the occurrence of risks, and will continue to conduct on-site audits and guidance with regard to high-risk key suppliers.</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion items	Actual Implementation		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	
V. Did the Company make reference to international standards or guidelines for the preparation of reports in preparing its sustainability reports and other reports that disclose non-financial information about the Company? Did the Company obtain a third-party certification agency's confirmation or assurance opinion on said reports?	Yes		<p>1. Since 2014, we have been compiling sustainability reports (Note 4) by reference to the Global Reporting Initiative's (GRI) G4 Standards, and since 2017, the report structure has followed the latest GRI Standards. In 2020, we introduced the Sustainability Accounting Standards Board (SASB) Industry Standard and the Task Force on the Climate-related Financial Disclosures (TCFD) framework to provide stakeholders with more complete and transparent ESG information.</p> <p>2. Since 2015, we have engaged Deloitte Taiwan to perform third-party assurance checks on our reports and have obtained the CPA Statement of Limited Assurance. The third-party assurance checks are performed every year in accordance with the standards set forth in Statement of Standard on Assurance No. 3000, "Assurance Cases Other Than Audits or Reviews of Historical Financial Information" and "Rules for the Preparation and Reporting of Sustainability Reports by Public Companies." As of the date of publication, the 2023 Annual Sustainability Report is being under assurance checks by Deloitte Taiwan, which is expected to issue a statement of assurance in April 2024.</p>
VI. If your company has established sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe differences between the principles and their implementation:			<p>In December 2014, the Company has established, based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" (Note 4), its Corporate Governance Best Practice Principles, which has also been approved by the Board of Directors. In line with the amendments to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Board of Directors amended the Corporate Governance Best Practice Principles in January 2018, April 2020, January 2022, and February 2023. The Corporate Governance Best Practice Principles serve as the guidelines for the Company to establish and to execute related policies related to corporate governance, ESH management, customer service and supplier management, green operation, employee relations and social care. There are no discrepancies between the principles and actual practice.</p>
VII. Other key information useful for explaining the promotion and execution of sustainable development:			<p>(1) With regard to developing a sustainable environment, please refer to "V. Operating Status, IV. Environmental Protection Expenditure Status" in the annual report.</p> <p>(2) With regard to the Company's observing relevant labor regulations by safeguarding the lawful rights and interests of its employees and providing a safe and healthy work environment for its employees, please refer to "Operating Status, Labor-Management Relations" in the annual report.</p> <p>(3) "Growth and integration with the local communities" is the philosophy in the social care of Walsin. It is a continuous implementation focused in four directions: "Corporate Citizen", "Minority Support", "Environment Conservation", and "Community Development". The results in 2023 are summarized as below:</p> <p>1. Supporting Taiwanese Original Arts and Cultural Groups</p> <p>(1) Walsin Lihwa Family Day 2023: A Spectacular Artistic Display Walsin Lihwa supports Taiwanese performing arts, promoting the sustainable development of arts and culture-related groups. To encourage colleagues to engage with cultural and artistic activities, our 2023 Family Day was designed to combine family day with artistic performances, holding four "Walsin Fantasy Circus Party" art carnivals in Taoyuan and Yunlin. Invitations were extended to colleagues and their families from the Taipei Head Office, Hsinchuang Plant, Yangmei Plant, Taichung Plant, and Yenshui Plant, along with approximately 120 children from the Tainan Fund for Children and Families, with over 4,500 people participating in the event. Through the combination of Family Day and artistic performances, we hope to provide substantial encouragement to artistic groups and support the social value of Taiwanese arts and culture. #Sponsoring Team - FOCA Formosa Circus Art #Performance Location - Taoyuan Exhibition Center and YunTay Hall</p> <p>(2) Movie Watching Event (the movie is entitled "BIG") Walsin Lihwa supports outstanding Taiwanese cultural and artistic works. In November 2023, a special screening of Director Wei Te-Sheng's latest film, <i>BIG</i>, was organized, with more than 130 colleagues and friends from the</p>



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			<p>Yenshui Plant attending the screening. #Sponsoring - Storyage Pictures Co., Ltd., Director Wei Te-Sheng # Screening Location - Chiayi Showtime Cinema</p> <p>(3) Traditional Peking Opera "<i>On the Edge of the Plum - Heaven and Earth</i>" Traditional Chinese opera, a performing art that is not easily preserved in its entirety, serves as a bridge between contemporary and ancient times. To support the culture heritage, we sponsored the Wei-Hai-Min Foundation for the Arts of Peking Opera in the production of Peking opera, <i>On the Edge of the Plum - Heaven and Earth</i>, to support the preservation of Peking opera traditional culture, so that more people can appreciate the beauty of the art of traditional Chinese opera. #Sponsoring Team - Wei-Hai-Min Foundation for the Arts of Peking Opera #Performance Location/Date – Big Performance Hall, Taiwan Traditional Theatre Center/March 2024</p> <p>2. "Illuminating the Corners of Taiwan": The Company has initiated the sponsorship project "Illuminating the Corners of Taiwan" in the end of 2016 to give back to society by offering 5 elementary and junior high schools in rural Taiwan with relatively low resources more comprehensive faculty, environment and equipment and to develop characteristic physical and musical education. We continued to cooperate with five existing schools in 2023 to continue to deepen the various incubation programs.</p> <p>3. Long-Term Care for Children's Education: The Company and its employees regularly sponsor 12 child welfare organizations, including World Vision Taiwan, Taiwan Funds for Children and Families , the Lotus Heart Garden Nursery School in Houbi District, and Chinese Childrenhome & Shelter Association.</p> <p>4. Taiwan Native Plant Resources Conservation Project: To promote cultivation of talents for conservation, collection and management of aboriginal Taiwan plant resources, Walsin Lihwa cooperated with College of Agriculture and Natural Resources, National Chung Hsing University to install a screen-house and an outdoors nursery, cultivate seedlings for afforestation applications and, environmental education and promotion for conservation, and protect Taiwan's diverse protected animal and plant resources. Starting from 2018, the Company and Winbond Electronics Corporation cooperated to incorporate Huabao Seed Breeding Co., Ltd., responsible for promoting Taiwan's forest germplasm conservation and indigenous plants revegetation projects. We completed the first phase of the collection of 24 Taiwanese tea varieties in 2023, and continued to implement the related programs for hardware and software installation and training on cultivation techniques.</p> <p>5. Support Local Agriculture (1) Organic Kiwifruit Contract Farming: In order to support environmental ecological conservation and the development of organic agriculture, starting from 2021, we cooperated with "Jianghao Farm Young Farmers", contracted with them for organically planted Taiwanese native kiwi fruit that is conducive to soil and water conservation. In 2023, the Company produced and released the video documentary and digital feature "The Kiwi Dilemma," which documents the journey of kiwi-friendly cultivation. It explores how local production can enhance sustainable production, reduce waste, and lower carbon emissions. Through exposure in media features, it aims to raise more awareness and understanding of agriculture on this land. "The Kiwi Dilemma" video: https://esg.walsin.com/zh_TW/event/180 "Encounters with Kiwi" feature news report: https://esg.walsin.com/kiwi</p> <p>(2) Support Taiwan's Local Fishers and Social Enterprises: Walsin's Employee Welfare Committee adopts the concept of "buying directly from small farmers" as annual festival gifts for employees every year, and purchases products from local Taiwanese lotus root farmers, tea farmers, and Children Are Us Bakery for the Dragon Boat Festival and the Mid-Autumn Festival in Taiwan as festival gifts for employees in 2023 to support local enterprises.</p> <p>6. "Elementary and Junior High School Newspaper Reading Project": (1) Starting from 2014, this partnership between Mandarin Daily News sponsors newspapers for primary/junior high schools in the counties and cities in Taiwan where our plants located. The school teachers led students to understand the subjects of newspaper reports, and through interactive discussions, expanded their horizons and laid the foundation for their language skills. In 2023, we sponsored 78 classes in 17 schools in New Taipei City, Taoyuan City, Taichung City, Tainan City and Kaohsiung City, benefiting 1,218 students. Since 2019, Walsin, together with the Walsin Technology Foundation and Mandarin Daily News, has launched a bilingual reading education program. In 2023, we promoted this program in 540 classes in a total of 36 junior high schools in Taoyuan City and Kaohsiung City, benefiting a total of 14,090 students. With the advantage of the English and Chinese bilingual texts in "Junior High School Student Daily" offered by Mandarin Daily News, students' listening, speaking, reading and writing skills in both Chinese and English improved and their interests in the world and reading were opened. (2) In April and December 2023, we also cooperated with Wuqi Elementary School in Taichung City and Huanya Elementary School in Tainan City to organize newspaper reading games and activities, where colleagues</p>	

Promotion items	Actual Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>volunteered to interact with schoolchildren and make them understand various useful knowledge in their daily life through the game, with the view to inspiring children's interest in learning through educational entertainment and visualization of knowledge.</p> <p>7. Community Development and Promotion by Plants: Each plant continues to care about and evaluate the social and environmental risks or opportunities faced by its local community through supporting local cultural and activities, cares for the disadvantaged in the community, and effectively uses plant resources to promote neighborhood development. In 2023, we continued to sponsor five elementary schools in the Yenshui area of Tainan in the academic mentoring program, and participated in 111 local civil defense, cultural, folklore, respect for the elderly, care for women and children, and environmental cleanup activities, as well as our long-term care for 12 roads and parks surrounding the plants for cleaning and making them greener.</p> <p>(4) In 2023, Walsin Lihwa was listed as the top 5% outstanding companies as published by the Taiwan Stock Exchange in the 10th "Corporate Governance Evaluation." The Company was also awarded the "Model Donation for Education" by the Yilan County Government for the "Light Up the Corners of Taiwan" project. In 2023, the Company also received Taiwan's Top 100 Sustainable Model Business Award, Information Security Award, and Platinum Corporate Sustainability Report Award for its ESG performance and Sustainability Report, as well as Bronze Prize for English Sustainability Report.</p> <p>(5) For details on the Company's execution of sustainable development, please go to the Walsin Lihwa website Corporate Sustainability section (https://esg.walsin.com/zh_TW) and read our 2023 Sustainability Report.</p>	

Note 1: "Principle of Materiality" refers to environmental, social and corporate governance issues that have a material impact on the Company's investors and other stakeholders.

Note 2: Management Policies, Strategies or Mechanisms of Risk

Issues	Risk Category	Management Policies, Strategies or Mechanisms
Corporate Governance and Economic Issue	<ul style="list-style-type: none"> Strategy and Operations Legal Capital Expenditure Information Security Changes in Interest Rates Changes in Exchange Rates Raw Material Prices and Supply Chains Technology Risks 	<ul style="list-style-type: none"> Business units regularly report strategic issues to the Directors and therefore reduce strategic risks through the participation, advice and supervision of board members. The Company's culture of "Ethical Management" emphasizes that all business activities must be conducted in accordance with local laws and regulations. We also require our employees to comply with laws and regulations, corporate rules and procedures, and guide them to conduct themselves in accordance with laws and regulations and ethical standards through education, internal audit, internal control and other management measures. Major capital expenditures shall be reported to the Audit Committee and the Board of Directors for review and approval. The Company continuously introduces advanced information security solutions, establishes data protection mechanisms, organizes education and training, promotes new information security knowledge and raises staff awareness of information security. The Company monitors changes in the interest rate markets, controls existing long and short term borrowing positions and uses market instruments to lock in interest rate costs in a timely manner. The Company develops a hedging strategy and carries out exchange rate hedging in conjunction with relevant hedging instruments such as spot rate trading and forward rate trading. Control of risks associated with foreign currency exchange rates and related hedging operations are performed with respect to major capital expenditures and capital transfers that may cause changes in foreign currency positions. The Company carries out market risk management of its raw materials-related operations. It also prudently evaluates and actively develops new material sources to avoid monopoly by a few suppliers. In addition, we establish a safe inventory of raw materials and purchase some raw materials in stock to allow for flexibility. We deeply understand the needs of customers and end-use applications, and accelerate the technical development of product materials manufacturing processes and applications, in order to strengthen our technical capabilities to respond to rapid changes in the external environment.



Issues	Risk Category	Management Policies, Strategies or Mechanisms
Environmental Issues	<ul style="list-style-type: none"> Climate Change and Environmental Risks Emerging Risks 	<ul style="list-style-type: none"> The Company's environment, safety and health and energy policy is "Green Manufacturing, Happy Enterprise and Sustainable Development" and is committed to "Compliance with Regulations, Risk Control, Pollution Prevention, Energy Saving and Waste Reduction and Performance Enhancement." We promote energy management systems to establish energy management performance indicators, so as to facilitate long-term energy efficiency control. We also Invest in green electricity and gradually build up a product carbon footprint, in order to improve carbon reduction performance and prepare for carbon rights operations in advance. Besides, we continuously identify and develop waste reuse technologies to improve resource recycling efficiency. Every year, we reference the global environmental changes and development trends and the Global Risk Report published by the World Economic Forum (WEF) to identify emerging risks that we should pay attention to in the long term, by taking into account the Company's business development and future prospect planning.
Social Issues	<ul style="list-style-type: none"> Human Resources Management Risks Occupational Safety Risks Corporate Image Risks 	<ul style="list-style-type: none"> Employees are Walsin's most important asset and major driving force. Walsin cares about its employees, their families and their lives, listens to their voices and strengthens the communication channels between employees and employers to promote harmonious relationships. We also ensure that the existing human resources management procedures and related administrative practices comply with the laws and regulations. We maintain the consistency of the environment, safety and health management systems in all plants through ESH education and training, and implement operational risk factor checks and regulations to reduce the incidence of occupational safety incidents. We also require contractors to sign an Environment, Safety and Health Policy Commitment to jointly comply with the requirements of the environment, safety and health law and to reduce occupational safety hazards. The Company has established in normal times a good crisis management response mechanism for any operational risks that may affect its image, as well as simulated possible events, so that it can immediately initiate the response mechanism promptly. The spokesman will act as the external speaker, or clarify false information through the material information reporting platform, to protect the Company's image, and to make communications with various stakeholders.

Note 3: The Ethical Conduct Guidelines for Employees and the rules relating thereto include: the Ethical Conduct Guidelines for Employees and the Guidelines for Suggestions and Complaints by Stakeholders. Information security policies and the rules relating thereto include: the Information Security Policy, the Internal Audit Operation for Information Security Management, the Information Security Risk Management Rules, the Information Security Incident Management Rules, the Information Security Organization Management Rules, the Service Information Security Policy Formulation Standards, the Information Outsourcing Management Rules, the Compliance Management Rules, the Personnel Safety Management Rules, the Network Equipment Maintenance and Operation Standards, the Communication Operation Management Rules, the Access Control Management Rules, the Account Access Management Standards, the Information Asset Management Rules, the Computer Room Maintenance and Operation Management Standards, the System Administrator Password Management Standards, the Entity and Environmental Security Management Rules, the Business Continuity Management Rules, and the Information System Acquisition, Development and Maintenance Management Standards.

Note 4: The title of the Corporal Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies was amended to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" on December 7, 2021; the title of the Corporate Social Responsibility Report was amended to the "Sustainability Report."

Climate-Related Information

1. Information on Implementation of Climate-Related Initiatives

Item	Execution
1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	Walsin Lihwa's climate change governance and management structure is ultimately overseen by the Board of Directors, who are responsible for overseeing the major climate-related risks and the achievement of relevant targets, and guiding management strategies and key action plans. The Sustainable Development Committee, which is a functional committee responsible for formulating corporate sustainability strategies and visions to promote sustainable development related work and management and regularly reporting to the Board of Directors on the implementation of sustainable development (such as climate change issues), has six members, with an Independent Director acting as the Convener.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finances (in the short, medium and long term).	<p>Climate Risk</p> <p>(1) Extreme climate change affects upstream and downstream supply chains and transportation (short- and medium-term risks) Extreme climate change increases transportation costs. Extreme weather has led to delayed product delivery or broken supply chains, resulting in reduced revenues.</p> <p>(2) The cost of low-carbon technology transition (medium-term risk) Stepping into a low-carbon market and increasing capital expenditure. In order to develop and produce green products that meet customer needs, it is necessary to invest in R&D and increase operating expenses.</p> <p>(3) Policies and regulations increase the cost of greenhouse gas emissions (medium-term risk) The cost of greenhouse gas emissions will increase, thereby increasing the operating costs and expenses.</p> <p>Climate Opportunities</p> <p>(1) Use of higher-performance production and distribution/sale processes (short-term opportunity) Establish an efficient plant and set up automation equipment to reduce operating costs. Energy efficiency improvement will reduce operating costs.</p> <p>(2) Entering new markets (short-term opportunities) Enter clean energy technology markets such as wind power, solar energy, and electric vehicle charging cables to increase revenue.</p> <p>(3) Use of new energy technologies (medium-term opportunity) Use renewable and low-carbon energy to reduce the risk of greenhouse gas emissions, reduce the carbon footprint of products, and improve the competitiveness of products in the market, so as to increase revenue.</p>
3. Describe the financial impact of extreme weather events and transition actions.	For financial impacts, please refer to Section 1 of the 2023 Annual Sustainability Report, Climate Action and Environmental Management, or the Corporate Sustainability Zone of the Company's website (the Climate Action and Environmental Management webpage) (https://esg.walsin.com/zh_TW/focus/saving).
4. Describe how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	The Company integrates climate change and environmental risks into enterprise risk management, led by the Sustainability Office, continuously monitors the impact on operations, such as international regulations and extreme weather, assesses the financial impact, adjusts the management mechanism, and proposes response strategies to enhance operational resilience. All departments work together to assess the impact of climate risks on business processes, and we aim to improve employees' awareness of climate change through training to identify risks and opportunities. Senior management participates in strategy meetings to make management decisions and response strategies for major risks.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors and key financial impacts used.	Simulation of physical and transition risks and opportunities in four scenarios: (1) Nationally Determined Contributions (NDCs): NDCs proposed by the Republic of China (2) IEA NZE 2050: 1.5°C pathway in the World Energy Outlook (WEO)



Item	Execution
	<p>proposed by the International Energy Agency (IEA)</p> <p>(3) Global Warming Scenarios SSP 3 - 7.0 in IPCC Sixth Scientific Assessment Report</p> <p>(4) Global Warming Scenarios SSP 5 - 8.5 in IPCC Sixth Scientific Assessment Report</p> <p>For major financial impacts, please refer to Section 1 of the 2023 Annual Sustainability Report, Climate Action and Environmental Management, or the Corporate Sustainability Zone of the Company's website (the Climate Action and Environmental Management webpage) (https://esg.walsin.com/zh_TW/focus/saving).</p>
<p>6. If there is a transition plan to address and manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.</p>	<p>Transition Plan for Climate-Related Risks</p> <p>(1) Green products and clean technology Walsin Lihwa is committed to the development of green products and clean technology, and to high-value products and the establishment of a resource-based industrial chain. We will continue to increase the proportion of clean technology products, create shared value with customers, and establish a sustainable business model.</p> <p>(2) Intelligent manufacturing In the manufacturing process, we use intelligent technology to implement green manufacturing and achieve multiple benefits, such as real-time monitoring, efficiency improvement, quality assurance and material conservation, through intelligent manufacturing, so as to further improve our operational efficiency.</p> <p>(3) Energy and greenhouse gas management:</p> <ul style="list-style-type: none"> ● Implement energy-saving measures to reduce electricity consumption. ● Plan to use renewable energy to reduce dependence on traditional energy sources. ● Implement greenhouse gas management processes to effectively monitor and reduce emissions. <p>Climate-Related Management Indicators and Targets</p> <ul style="list-style-type: none"> ● Disruption of operations due to weather disasters (in days): 0 days ● 1.5% annual reduction in the use and generation of electricity and carbon from 2022 (Base year: 2021) ● Renewable energy and green power will be purchased in 2030.
<p>7. If internal carbon pricing is used as a planning tool, describe the basis for setting carbon prices.</p>	<p>We continue to develop internal carbon pricing.</p>
<p>8. If climate-related targets are set, describe information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress made in achieving them each year; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, describe the source and quantity of carbon offset credits or renewable energy certificates (RECs) to be offset.</p>	<p>Activities Related to Climate-Related Targets Increase sales of clean technology and green products. Use smart manufacturing to improve energy efficiency.</p> <p>Net-Zero Pathways Apply scientific methods to set carbon reduction targets and take relevant measures. Cooperate with external supply chains to promote energy management and carbon management. Please refer to Table 2 below and Section 1 of the 2023 Annual Sustainability Report, Climate Action and Environmental Management, or the Corporate Sustainability Zone of the Company's website (the Climate Action and Environmental Management webpage) (https://esg.walsin.com/zh_TW/focus/saving).</p>
<p>9. Please refer to Table 1 below for GHG inventory and assurance and reduction targets, strategies and specific action plans.</p>	<p>Please refer to Tables 1 and 2 below.</p>

1. GHG Inventory and Assurance Information for the Last Two Years

Category	Year	2022				2023				
	Contains stand-alone subsidiaries	Total emissions (MTCO ₂ e)	Intensity (MTCO ₂ e/NT\$ millions of Sales)	Assurance agency	Description of assurance	Contains stand-alone subsidiaries ^{Note 2}	Total emissions (MTCO ₂ e)	Intensity (MTCO ₂ e/NT\$ millions of Sales)	Assurance agency	Description of assurance
Scope 1 ^{Note 1}	Walsin Lihwa Corporation	142,129.42	1.44	TÜV Rheinland Taiwan Ltd.	The third-party verification has been completed. Please refer to the official website (File Center) for details. https://www.walsin.com/about-us/newsroom/#pills-reports-document	Walsin Lihwa Corporation	135,284.04	1.66	TÜV Rheinland Taiwan Ltd.	The third-party verification is completed on 2024/3/31, and the complete assurance information will be disclosed in the Sustainability Report.
	Subsidiaries on a consolidated basis (Including Dongguan Walsin, Shanghai Walsin, Jiangyin Walsin, Jiangyin Alloy, Yantai Walsin, Changshu Walsin, and Walsin Precision)	56,109.63	1.29	-	-	Subsidiaries on a consolidated basis (Including Shanghai Walsin, Jiangyin Alloy, Yantai Walsin, Changshu Walsin, and Walsin Precision)	68,702.15	2.84	Shanghai Walsin: Beijing CQE Testing and Certification Co., Ltd. Jiangyin Alloy: Beijing Ouya Puxin International Certification Center Yantai Walsin: Shandong LAJ International Certification Co., Ltd. Changshu Walsin: Shandong LAJ International Certification Co., Ltd. Walsin Precision: BSI (British Standards Institution)	The third-party verification is completed on 2024/4/10, and the complete assurance information will be disclosed in the Sustainability Report.
	Total	198,239.05	1.40			Total	203,986.19	1.93		
Scope 2 ^{Note 1}	Walsin Lihwa Corporation	206,358.99	2.10	TÜV Rheinland Taiwan Ltd.	The third-party verification has been completed. Please refer to the official website (File Center) for details. https://www.walsin.com/about-us/newsroom/#pills-reports-document	Walsin Lihwa Corporation	191,192.18	2.35	TÜV Rheinland Taiwan Ltd.	The third-party verification is completed on 2024/3/31, and the complete assurance information will be disclosed in the Sustainability Report..
	Subsidiaries on a consolidated basis (Including Dongguan Walsin, Shanghai Walsin, Jiangyin Walsin, Jiangyin Alloy, Yantai Walsin, Changshu Walsin, and Walsin Precision)	214,969.79	4.94	-	-	Subsidiaries on a consolidated basis (Including Shanghai Walsin, Jiangyin Alloy, Yantai Walsin, Changshu Walsin, and Walsin Precision)	135,432.21	5.59	Shanghai Walsin: Beijing CQE Testing and Certification Co., Ltd. Jiangyin Alloy: Beijing Ouya Puxin International Certification Center Yantai Walsin: Shandong LAJ International Certification Co., Ltd. Changshu Walsin:	The third-party verification is completed on 2024/4/10, and the complete assurance information will be disclosed in the Sustainability Report.



Category	Year	2022				2023				
	Contains stand-alone subsidiaries	Total emissions (MTCO ₂ e)	Intensity (MTCO ₂ e/NT\$ millions of Sales)	Assurance agency	Description of assurance	Contains stand-alone subsidiaries ^{Note 2}	Total emissions (MTCO ₂ e)	Intensity (MTCO ₂ e/NT\$ millions of Sales)	Assurance agency	Description of assurance
									Shandong LAJ International Certification Co., Ltd. Walsin Precision: BSI (British Standards Institution)	
	Total	427,116.80	3.01			Total	326,625.01	3.10		
Scope 3 ^{Note 1}	(N/A)					Walsin Lihwa Corporation	2,212,164.16	27.23	TÜV Rheinland Taiwan Ltd.	The third-party verification is completed on 2024/3/31, and the complete assurance information will be disclosed in the Sustainability Report.
	(N/A)					Subsidiaries on a consolidated basis (Including Shanghai Walsin, Jiangyin Alloy, Yantai Walsin, Changshu Walsin, and Walsin Precision)	2,110,482.66	87.13	Shanghai Walsin: Beijing CQE Testing and Certification Co., Ltd. Jiangyin Alloy: Beijing Ouya Puxin International Certification Center Yantai Walsin: Shandong LAJ International Certification Co., Ltd. Changshu Walsin: Shandong LAJ International Certification Co., Ltd. Walsin Precision: BSI (British Standards Institution)	The third-party verification is completed on 2024/4/10, and the complete assurance information will be disclosed in the Sustainability Report.
						Total	4,322,646.82	40.98		

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (Scope 2, indirect greenhouse gas emissions from the input of electricity, heat, or vapor), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities, not indirect emissions from energy, but from sources owned or controlled by other companies). Scope 3 data has been disclosed since 2023.

Note 2: In 2023, Dongguan Walsin and Jiangyin Walsin adjusted their operations and were not included in the calculation.

2. GHG Reduction Targets, Strategies and Specific Action Plans

Reduction targets	<p>Short term: Effectively manage energy efficiency, and set a target of continuous power saving and carbon reduction of 1.5% every year from 2022 onwards. (GHG reduction base year: 2021)</p> <p>Medium to long term: Achieve the goal of net-zero carbon emissions by 2050 through carbon inventory and energy conservation, energy creation, green energy trading, low-carbon production of new technologies, and externalization of low-carbon technologies.</p>
Strategy	<p>1.Introduce a Task Force on Climate-related Financial Disclosure (TCFD) to identify climate-related risks and opportunities by reference to more than two climate change scenarios.</p> <p>2.Introduce an energy management system and carbon inventory.</p> <p>3.Promote carbon reduction management, including the implementation of lean production management, management and control of reasonable energy consumption per unit of product, management and improvement of equipment energy efficiency, and reduction of energy consumption and carbon emissions in the smelting process.</p>
Specific action plans	<p>1.From 2022 onwards, the Task Force on Climate-related Financial Disclosure (TCFD) has been introduced, and climate-related risks and opportunities have been regularly reviewed annually to identify and respond to them.</p> <p>2.Introduce an energy management system and carbon inventory: In 2018, the ISO 50001 energy management system was introduced, and from 2019 to 2020, the ISO 50001 energy management E-system was planned and built by the Company to improve the real-time energy management. In 2023, all of our Taiwan and mainland China plants have passed ISO 50001:2018 certification. In 2020, our Taiwan plants carried out the inventory of energy consumption and carbon emission per unit of main products, and in 2022, the energy consumption and carbon emission per unit product of the main products of our Taiwan plants (14067 carbon footprint inventory (B2B)) was obtained. Since 2014, the carbon inventory and third-party verification of each plant have been initiated, and in 2023, the carbon inventory and third-party verification have been completed in our plants in Taiwan and mainland China.</p> <p>3.Every year, we will continue to improve energy efficiency and reduce carbon emissions through project control and administrative management through the implementation of lean production management, management and control of reasonable energy consumption per unit of product, management and improvement of equipment energy efficiency, and reduction of energy consumption and carbon emissions in the smelting process.</p> <p>4.Since 2015, each plant has set up an energy conservation and carbon reduction management body, set annual goals and various energy conservation and carbon reduction measures, and held regular meetings to review and build an energy management E system for real-time management. In 2023, a total of 133 carbon reduction plans were proposed in our Taiwan and overseas plants, with a total power saving rate of 1.64% and a total carbon reduction of 10,089.7 metric tons of CO₂e/year.</p> <p>5.In 2021, we planned to build 5.5 MWp of renewable energy (solar energy) for self-consumption; 4.9 MWp has been built in 2023, and 1,054,868 kWh of electricity has been connected to the grid.</p>

(6) Fulfillment of ethical management and differences between our ethical management and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason(s)

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
<p>I. Establishment of ethical management policies and solutions</p> <p>(I) Has the Company formulated its ethical management policies approved by the Board of Directors and stated its ethical management policies and practices in its internal rules and external documents? Do the Board of Directors and senior management actively fulfill their commitment to ethical management polices?</p>	Yes		<p>(I) The Company has always insisted on honest business practices. We abide by the laws set forth by the government, implement our corporate governance principles and make our utmost effort to fulfill our corporate responsibilities. Our Board passed our "Ethical Corporate Management Best Practice Principles" and our "Procedures for Ethical Management and Guidelines for Conduct" as the Company's policies for ethical management practices. The full texts are also disclosed in electronic form on the Company's website to</p>	<p>In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>



Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate business activities with a higher risk of unethical conduct in its scope of business, and formulated a plan based on such analysis and evaluation to prevent unethical conduct, which should cover at least the preventive measures under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	Yes		<p>showcase our commitment to implementing and overseeing ethical management policies.</p> <p>The directors and senior executives signed a Statement of Ethical Management to demonstrate their determination to operate with integrity. At the same time, information related to ethical management was published on the corporate website and internal website for the directors' reference to convey the importance of operating with integrity and to actively implement and monitor the implementation of the ethical management policy.</p> <p>(II) 1. The Company's prevention plan and scope of Article 6 of the Ethical Corporate Management Best Practice Principles have specifically covered the business activities with higher risk of dishonest behavior or other activities specified in each paragraph of Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Company has strengthened the relevant preventive measures through the establishment of internal rules and regulations and practices, education and training, daily promotion, contractual agreements and inclusion in the employee performance evaluation.</p> <p>2. The Company established a risk assessment mechanism for dishonest acts and used the seven major types of dishonest acts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies as the scope of assessment to promote the assessment of dishonest acts.</p> <p>3. In order to implement the concept of sustainable management and promote corporate governance, we have established the Sustainable Development Committee, under which the "Ethical Management Promotion Center" is responsible for the management of the Company's ethical management and the implementation of corporate social responsibility, while assisting in integrating integrity management into the Company's business strategy, formulating relevant measures to ensure ethical management in accordance with laws and regulations, supervising the implementation of ethical management, and evaluating its effectiveness. The Sustainable Development Committee held two meetings in 2023 to review the annual plan and implementation results of the Ethical Management Promotion Center and reported the implement result in 2023 to the board of directors</p>	

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(III) Has the Company defined and implemented the operating procedures, conduct guidelines, disciplinary and complaint systems for non-compliance in its unethical conduct prevention program, and regularly reviewed and revised the foregoing program?	Yes		<p>meeting on January 26, 2024.</p> <p>4. On February 27, 2020, the Board of Directors approved the establishment of the "Risk Management Policies and Procedures" as the highest guiding principle for the Company's risk management. The Company will regularly assess the risks on an annual basis and formulate and implement management policies for each risk, which cover management objectives, organizational structure, attribution of authority and responsibility and risk management procedures, so as to effectively identify, measure and control the Company's risks and control the risks arising from business activities within an acceptable range.</p> <p>5. In respect of the Company's risk management, each risk management unit and audit unit will carry out the Company's risk environment management and countermeasures, and President will organize and oversee the implementation and coordination of risk management. The risk control measures and risk management operations will be reported to the Board of Directors in case of material risk events. The risk management operations for 2023 were reported to the Board of Directors on November 3, 2023</p> <p>(III) 1. The Company has formulated its Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct setting forth the operational procedures, codes of conduct, and training for the prevention of unethical behavior. In so doing, we cause our staff to behave honestly and uprightly to our stakeholders in compliance with the ethical management policies. We also have established reporting system, punishment policies and a complaint filing system for employees who violate relevant regulations, which is linked to the employee performance evaluation.</p> <p>2. The Company implements the prevention measures through internal education and training, daily promotion, contractual agreements and linkage to employee performance assessment. It also aims to strengthen the implementation of such measures by making periodic review and revisions thereof.</p> <p>3. In 2023, we continued to steadily implement the risk assessment of dishonest behavior, which is data-driven and penetrates from the management level to the entry level of the Company, with a view to identifying gaps or weaknesses in internal control of business</p>	



Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
			processes and formulating countermeasures and improving operational processes accordingly.	
2. Ensuring ethical business practice				
(I) Has the Company evaluated the ethical management practices records of the companies it does business with as well as explicitly included ethical management practices clauses in the contracts?	Yes		(I) 1. The Company prevents transacting with companies with unethical management practice records by adopting the following approaches: (1)When selecting a business partner, the Company reviews the partner's past trading history and credit record. When inviting bids, suppliers shall be informed of the principle of a fair, open and transparent supplier selection policy. (2)Entities we are selling to: Except for procurement projects from the government, the Company shall track the long-term credit information of distributors, with the reputation of new distributors obtained through credit reference agencies and other companies in the industry. 2. Including honest practice provisions in contracts: (1)Procurement contracts: We have either had honest business practices clauses added to the contracts or have our suppliers make a undertaking to comply with the ethical management policy. (2)Sales contracts: Honest business practices clauses have been added to all such contracts. 3. The Company also non-periodically holds supplier conventions for suppliers of different plants to advocate for the integrity management of suppliers. In 2023, a total of 186 companies attended the meetings held by Taipei Head Office, Wire and Cable Business Group (Dongguan, Shanghai, Hsinchuang, and Yangmei Plants), Stainless Steel Business Group (Yantai Plant, Yantai Plant, Jiangyin Alloy Plant, Changshu Plant, Taichung Plant, and Yenshui Plant).	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the company established a dedicated or non-dedicated department under the Board of Directors to ensure honest business practices? Does this department periodically report their status of implementation to the Board of Directors?	Yes		(II) The Company's 7 th meeting of the Board of Directors of the 17 th term approved the establishment of the "Corporate Social Responsibility Committee" in April 29, 2015, and the 17 th meeting of the Board of Directors of the 18 th term in November 1, 2019 approved the establishment and organizational charter of the "Sustainable Development Committee" by merging the existing "Corporate Social Responsibility Committee" and "Ethical Management Committee". The Sustainable Development Committee is responsible for developing corporate sustainability strategies and visions to promote sustainability management-related work and management.	

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(III) Has the company established policies to prevent conflicts of interest, implemented such policies and provided adequate channels of communication?	Yes		<p>The Committee is composed of an independent director as the Convener, and the Chairman, the Vice Chairman, and all other independent directors as members. The Committee has five promotion centers, including the Ethical Management Promotion Center, the Environment, Safety and Health Management Promotion Center, the Green Operation Promotion Center, the Customer Service and Supplier Management Promotion Center, and the Employee Relations and Social Care Promotion Center. The Company's Ethical Management Promotion Center is the responsible unit for formulating and overseeing the implementation of the Company's ethical management policies and preventive measures. It reported to the Board on the implementation in 2023 and the implementation plan for 2024 on January 26, 2024.</p> <p>(III) The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct to regulate Directors, managers and employees in terms of obligations to the Company, external business activities, pecuniary transactions, avoidance of conflicts of interest and the management of classified information. The Company has set up a complaint mailbox on its website that provides a means for filing complaints about violations of honest business practice and sexual harassments, which the Independent Director may receive in real time. A corporate mailbox also exists on the employee portal site, thus providing internal and external personnel with a means to make suggestions and complaints to the Company. Information received shall be handled by the Auditing Office.</p>	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and has its internal audit unit drawn up an audit plan based on the results of the assessment of the risk of unethical conduct, in order to verify compliance with such plan for prevention of unethical conduct, or has it engaged a CPA firm to perform the audit?	Yes		<p>(IV) The Company actively works to ensure ethical business practices. The Auditing Office (or hired CPA, when necessary) shall regularly audit relevant compliance statuses according to accounting policies, internal control policies, as well as other relevant regulations. The Auditing Office will periodically report its auditing results during Board meetings.</p>	
(V) Does the Company regularly conduct internal and external educational training on ethical management?	Yes		<p>(V) During new-employee training, the Company periodically states its principles towards ethical management practices. It also periodically holds courses on corporate governance as well as ethical management practices and asks</p>	



Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
			<p>employees to participate. The Company's Procurement Department also informs suppliers of our ethical management practices principles in order to prevent unethical business practices.</p> <ol style="list-style-type: none"> 1. The Company regularly conducts annual training on ethical management (including anti-corruption) and legal compliance (among others), which is disclosed in the annual sustainability report and annual report. 2. Through public commitment, information dissemination and education, the Company deepens its management philosophy of integrity and creates a corporate culture of integrity from top to bottom. In 2023, we offered directors courses related to ethical management to sharpen their professional knowledge and skills, and through the implementation of ethical management (including anti-corruption) and legal compliance training, we have established a good ethical management culture and strengthened our commitment to ethical practices. 3. In 2023, we conducted internal training courses on topics such as ethical management, patent education and the TIPS system. The total number of participants who completed the training on ethical management (including anti-corruption), trade secret, and intellectual property rights (including TIPS) reached 1,353, 1,146, and 1,083 respectively. For external promotion, we invited 186 major suppliers to participate in the training. 	
<p>3. Status of the Company's reporting mechanism</p> <p>(I) Has the Company established concrete reporting and rewards systems, set up convenient reporting channels and appointed any appropriate, dedicated staffer to deal with the person who has been reported?</p> <p>(II) Has the Company established standard operating procedures for investigation of, the follow-up steps after the investigation of, and related information confidentiality mechanisms for, complaints?</p>	<p>Yes</p> <p>Yes</p>		<p>(I) The Company's website provides a "Reporting Violations of Ethical Management Practices and Sexual Harassment" area, which allows people to file complaints about violations against ethical management practices, which the Independent Director may receive in real time. There is also a "company mailbox" on the employee portal website, providing internal and external personnel with a means to file complaints. The Auditing Office is responsible for handling related recommendations and violations. If the violations are verified, disciplinary action shall be taken in accordance with the Company's regulations.</p> <p>(II) The Company has formulated the Measures for Stakeholder Recommendations and Complaints and Operational Rules for Event Investigations. Therefore, we have formulated the operational procedure for investigation and the handling system, whereby the identity as well as data of</p>	<p>In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(III) Has the company adopted any measure to protect the informers lest they be inappropriately treated?	Yes		those complainants, whistleblowers, or other relevant parties will be protected. (III) All reported cases are filed under the classified category, with a case opened to handle the issue. In addition, dedicated personnel are appointed to handling related tasks and issues in order to ensure the privacy of reporter and avoid unfair revenge or treatment.	
4. Improved Information Disclosure Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles as well as related implementation results on its website and the MOPS?	Yes		The Company has established a Corporate Governance page on its website to disclose its ethical management-related information; it also discloses the implementation status and execution results of its ethical management practice in the annual sustainability report and also the Company's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Ethical Conduct Guidelines for Directors of the Board and Managerial Officers on the MOPS.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
5. If the company has established its ethical corporate management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE- and TPEX-listed Companies", please state the difference between such principles and implementation: In line with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."				
6. Other key information useful for explaining the status of the implementation of honest business practices: (Such as the status of the Company's efforts to review and correct its Ethical Corporate Management Best Practice Principles): In order to encourage R&D, protect technology and R&D achievements, optimize processes, promote product innovation, upgrade and smart manufacturing through the intellectual property rights system, thereby achieving a high-value transformation strategy for the Company's growth, we introduced the Taiwan Intellectual Property Management System (TIPS) and passed the certification in 2020. Later in 2021, we passed and received the Taiwan Intellectual Property Management System (TIPS Class A) recertification. In 2023, we passed TIPS Level A recertification for the third time. This certificate will be valid until December 31, 2025. In 2023, in response to organizational adjustments, the Procurement Management Center will be incorporated into the scope of execution of the TIPS intellectual property management system. Additionally, we have formulated plans in place for the management system and system design of trade secrets, integrating the systematic electronic document confidentiality labeling introduced in 2022 to gradually enhance the strength of confidential information protection. Following the TIPS standards, the intellectual property management policy and its objectives for the year are established, and the implementation status and annual plan were reported to the Board of Directors on November 3, 2023. (Note 1)				

Note 1: The operation of the Company's intellectual property rights management:

<https://www.walsin.com/investors/corporate-governance/#pills-information-security>

- (7) If the company has formulated corporate governance principles as well as other related regulations, it should disclose how they can be looked up: For the Company's corporate governance principles as well as relative regulations, please visit on our Company website:

<https://www.walsin.com/investors/corporate-governance/#pills-major-internal-policies>.



(8) Other important information helpful for improving understanding of the governance of the company:

1. Further education on themes encompassing corporate governance the Company's Directors have received in 2023:

As of December 31, 2023

Title	Name	Training Date		Organizer	Course Title	Training Hours	
		From	To			On this date	Total in 2023
Chairman	Yu-Lon Chiao	2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	6
		2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	
Vice Chairman	Patricia Chiao	2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	6
		2023/10/13	2023/10/13	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	
Director	Yu-Cheng Chiao	2023/02/23	2023/02/23	Taiwan Corporate Governance Association	Lesson Learned in Amazon; AI Smart Operation Management and Its Application	3	13.5
		2023/07/13	2023/07/13	Taiwan Corporate Governance Association	(2050 carbon neutrality) Starting from the Baoshan Plan; The Political and Economic Situation and Finance under the Development of Global Multipolarization	3	
		2023/07/13	2023/07/13	Taiwan Corporate Governance Association	Using Policy Resources to Connect with Local Communities to Achieve CSR; International Net-Zero New Technology Development and Challenges	3	
		2023/10/26	2023/10/26	Taiwan Corporate Governance Association	Geopolitical Risks, Regional Economic Resilience and the Wrestling of Various Strategic Policies	1.5	
		2023/10/26	2023/10/26	Taiwan Corporate Governance Association	Cultural Inclusion and Social Innovation in Contemporary Architecture; The Development and Implications of the International Carbon Border Adjustment Mechanism	3	
Director	Yu-Heng Chiao	2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	12
		2023/11/03	2023/11/03	Securities and Futures Institute	TWSE/TPEX Listed Companies - Insight into the Derivatives Market and Towards Corporate Sustainability Seminar	3	
		2023/11/06	2023/11/06	Securities and Futures Institute	The Understanding of the Directors and Senior Executives of the TWSE/TPEX Listed Companies on the Current Supervision of the Competent Authorities	3	
		2023/11/06	2023/11/06	Securities and Futures Institute	The Technological Development and Application Opportunities of the Chatbot, ChatGPT	1.5	
		2023/11/06	2023/11/06	Securities and Futures Institute	Responding to the New Situations in the World	1.5	
Director	Yu-Chi Chiao	2023/06/17	2023/06/17	Taipei Foundation of Finance	Corporate Governance - ESG Sustainability Project Workshop - Supply Chain Integration	6	12
		2023/09/04	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	
Director	Andrew Hsia	2023/10/13	2023/10/13	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	6
		2023/11/22	2023/11/22	Securities and Futures Institute	2023 Annual Insider Trading Compliance and Education Seminar	3	
Representative of Corporate Director	Li-Chin Ku	2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	9
		2023/11/06	2023/11/06	Securities and Futures Institute	The Technological Development and Application Opportunities of the Chatbot, ChatGPT	1.5	
		2023/11/06	2023/11/06	Securities and Futures Institute	Responding to the New Situations in the World	1.5	
		2023/11/06	2023/11/06	Securities and Futures Institute	The Understanding of the Directors and Senior Executives of the TWSE/TPEX Listed Companies on the Current Supervision of the Competent Authorities	3	
Independent Director	Ming-Ling Hsueh	2023/03/10	2023/03/10	Taiwan Corporate Governance Association	The Bizarre Global Economic Situations in 2023	1	17
		2023/03/16	2023/03/16	Center for Financial Law and Crime Prevention	Promotion of Anti-Money Laundering and Counter-Terrorism Financing Practices and Directors' Legal Obligations and Responsibilities	3	
		2023/05/18	2023/05/18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Treatment	3	
		2023/05/25	2023/05/25	Taiwan Corporate Governance Association	Driving ESG from Strengthening the Board of Directors - Case Study of the Connection between Senior Executive Compensation and ESG Performance	1	
		2023/07/27	2023/07/27	Taiwan Corporate Governance Association	The Role Financial Decision-Making Plays in Business Operations	1	
		2023/09/01	2023/09/01	Taiwan Corporate Governance Association	Performing the Professional Functions of Independent Directors with Profit-Seeking Thinking	1	
		2023/09/07	2023/09/07	Taiwan Securities Association	Assistance and Impact of Emerging Information Security Technologies for/on Financial Digital Innovation	3	
		2023/10/13	2023/10/13	Taiwan Corporate Governance Association	Trends in and Risk Management of Digital Technologies and Artificial Intelligence	3	
		2023/12/28	2023/12/28	Taiwan Corporate Governance Association	Wangdao Management Accounting and Corporate Governance	1	

Title	Name	Training Date		Organizer	Course Title	Training Hours	
		From	To			On this date	Total in 2023
Independent Director	Fu-Hsiung Hu	2023/05/03	2023/05/03	Taiwan Corporate Governance Association	Corporate Governance Countermeasures from the Perspective of Technology Trends and Information Security Incidents	1	14
		2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	
		2023/08/21	2023/08/21	Taiwan Corporate Governance Association	Anti-Money Laundering and Enterprise Risk Management	2	
		2023/09/28	2023/09/28	Securities and Futures Institute	Opportunities and Challenges for the Transformation of Taiwan's Industry under the Geopolitics - Exclusive Analysis of PMI/NMI	3	
		2023/10/13	2023/10/13	Securities and Futures Institute	Carbon Trading Mechanism and Enterprise Management Applications	3	
		2023/11/01	2023/11/01	Taiwan Corporate Governance Association	Ethical Management and Fair Treatment	2	
Independent Director	Tyzz-Jiun Duh	2023/10/13	2023/10/13	Securities and Futures Institute	How Can Directors Supervise the Company's Enterprise Risk Management and Crisis MANAGEMENT	3	9
		2023/10/17	2023/10/17	Foundation of the Taipei Foundation of Finance	Corporate Governance - Principle of Fair Treatment in the Financial Services Industry	3	
		2023/10/24	2023/10/24	Taiwan Corporate Governance Association	Information Security Governance and Strategy, Geopolitics, and Information Security Risks	3	
Independent Director	Wei-Chuan Gao	2023/06/02	2023/06/02	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	18
		112/07/14	112/07/14	Chines National Association of Industry and Commerce, Taiwan	Trade Secret Litigation Practice, Non-Compete Clauses and Cases	3	
		2023/07/18	2023/07/18	Chines National Association of Industry and Commerce, Taiwan	Mission under the Craze: Generative AI and Responsible Innovation	3	
		2023/08/07	2023/08/07	Taipei Foundation of Finance	Corporate Governance - Sustainable Governance - Sustainable Development and Sustainable Governance Trends	3	
		2023/09/04	2023/09/04	Taipei Foundation of Finance	Corporate Governance - Sustainable Environment Carbon Management - Low-Carbon Transformation Path Planning - Carbon Inventory	3	
		2023/09/18	2023/09/18	Taipei Foundation of Finance	Corporate Governance - Low-carbon Transition Path Planning - Carbon Credits and Carbon Pricing	3	
	Wei-Chuan Gao	2023/07/11	2023/07/11	[CPA Training] Seminar approved by CPA Associations R.O.C. (Taiwan)	Climate-Related Implications for Financial Reports	3	21
		2023/08/02	2023/08/02	[CPA Training] Seminar approved by CPA Associations R.O.C. (Taiwan)	How to Response to Money Laundering Risk Associated with Emerging Technologies	3	
		2023/10/11	2023/10/11	[CPA Training] Seminar of CPA Associations R.O.C. (Taiwan)	Improving Information Security Literacy	3	
		2023/10/23	2023/10/23	[CPA Training] Seminar of CPA Associations R.O.C. (Taiwan)	Latest Anti-Money Laundering Trends	3	
		2023/10/23	2023/10/23	[CPA Training] Seminar of CPA Associations R.O.C. (Taiwan)	Income Taxes on Housing Property Transactions and House and Land Transactions 2.0	3	
		2023/11/16	2023/11/16	[CPA Training] Seminar approved by CPA Associations R.O.C. (Taiwan)	Amendments to the Accounting Standards for Enterprises	3	
		2023/11/21	2023/11/21	[CPA Training] Seminar of CPA Associations R.O.C. (Taiwan)	Current ESG Reporting	3	

Post-Period Note: Ms. Patricia Chiao, Vice Chairman, resigned on March 11, 2024.

2. For the attendance of Board meetings by Directors, please refer to "Corporate Governance Report 4. Status of Corporate Governance."



3. Further education in corporate governance participated by the Company's managers (including President, Vice President, Managers of BUs, Accounting head, Finance head, etc.) in 2023:

As of December 31, 2023

Title	Name	Training Date		Organizer	Course Title	Training Hours	
		From	To			On this date	Total in 2023
President & President of Commercial and Real Estate BG	Fred Pan	2023/02/23	2023/02/23	Taiwan Corporate Governance Association	Lesson Learned in Amazon; AI Smart Operation Management and Its Application	3	6
		2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	
Head of Corporate Governance	Hueiping Lo	2023/04/20	2023/04/20	Taiwan Institute for Sustainable Energy	The 29th TCCS Board Meeting and CEO Lecture Hall	2	21
		2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economics: China-US Rivalry and Cross-Strait Relations	3	
		2023/07/04	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance & Climate Change Summit	6	
		2023/07/13	2023/07/13	Taiwan Corporate Governance Association	The 29th TCCS Board Meeting and CEO Lecture Hall	2	
		2023/10/20	2023/10/20	Securities and Futures Institute	2023 Insider Trading Prevention Seminar	3	
		2023/10/26	2023/10/26	Taiwan Corporate Governance Association	The 34th TCCS Board Meeting and CEO Lecture Hall	2	
2023/11/22	2023/11/22	Securities and Futures Institute	2023 Annual Insider Trading Compliance and Education Seminar	3			
Head of Accounting Department	Kelly Liu	2023/11/20	2023/11/21	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuers, Securities Firms, and Taiwan Stock Exchange	12	12



(10) Implementation Status of Internal Control System

1. Statement on Internal Control

Walsin Lihwa Corporation
Statement on Internal Control System

Date: February 23, 2024

In 2023, the Company conducted an internal examination in accordance with its Internal Control Regulations and hereby declares as follows:

1. The Company is aware that it is the Board's and managers' responsibility to establish, implement and maintain an internal control system, and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance and protection of assets) of the Company's operations, compliance with relevant laws and regulations and that its financial statements are reliable, up to date and easily accessible.
2. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. The internal control system of the Company features a self-monitoring mechanism. Once identified, the Company will take actions to rectify any deficiency.
3. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system, as specified in the Regulations, which are broken down based on the management-control process, namely: (1) control environment, (2) risk evaluation and responses, (3) control operation, (4) information and communication and (5) monitoring. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
4. The Company uses the above criteria to determine whether the design and implementation of its internal control system is effective.
5. After an evaluation of the Company's internal control system based on the above criteria, the Company is of the opinion that, as of December 31, 2023, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, compliance with the law and that its financial reporting is reliable, up to date and easily accessible.
6. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been approved on February 23, 2024 by the Board, with none of the 11 Directors present opposing it.

Walsin Lihwa Corporation

Chairman: Yu-Lon Chiao

President: Fred Pan



2. If CPAs are engaged to review the internal control system, their report shall be disclosed: None.

(10) Where the Company and its personnel have been penalized according to the law, or the Company has penalized its personnel for having violated its internal control system (and if the result of the penalty is likely to have a material impact on shareholders' interests or the price of securities) as of the day when the annual report was prepared in the most recent year, the contents of such penalty, major deficiencies and corrective actions shall be specified: None.

(11) In the most recent year, resolutions passed at the AGM and board meetings, as of the day the annual report was prepared.

The Company hosted its 2023 AGM on May 19, 2023 at the 1st Floor Multimedia Conference Room, No.15, Alley 168, Xingshan Road, Neihu District, Taipei City. The following decisions, with implementation details, were made during the meeting:

Matters to Be Ratified, Discussed and Elected

Proposal 1

Subject: Acknowledgement of the Company's 2022 Business Report and financial statements.
Resolution: According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution: This important resolution was announced as material information on the day of the shareholders' meeting.

Proposal 2

Subject: Acknowledgement of the Company's 2022 Profit Distribution Table.
Resolution: According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution: June 12, 2023 was the ex-dividend record date and the dividends were paid out on July 6, 2023. (Cash dividend of \$1.8 per share was paid out)

Proposal 3

Subject: Discussion of the issuance of new common shares for cash to sponsor issuance of global depositary receipts (GDRs) and/or issuance of new common shares for cash via book building.
Resolution: According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution: The issuance of 300,000,000 common shares for cash capital increase to sponsor the issuance of GDRs has been approved for effective registration by the Financial Supervisory Commission dated June 26, 2023 (Ref. No.: Jin-Guan-Zheng-Fa-Zi-1120345884), with the issuance price of GDRs equivalent to NT\$40.22 per share and the issue date being June 30, 2023.

Proposal 4

Subject: Proposal to amend the Articles of Incorporation of the Company.
Resolution: According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution: Changes to the corporate registration card were made in accordance with the law and have been approved by the Ministry of the Economic Affairs on May 31, 2023 via a letter (Ref. No.: Jin-So-Shang-Zi-11230094560), and the revised articles were disclosed on our official website.

Proposal 5

Subject: Amendments to the Company's Procedures for Lending Funds to Other Parties.

Resolution:	According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution:	Relevant operations were handled in accordance with the amended procedures and the revised articles were disclosed on the Market Observation Post System (MOPS) website and our official website.

Proposal 6

Subject:	Amendments to the Company's Derivatives Trading Procedures.
Resolution:	According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution:	Relevant operations were handled in accordance with the amended procedures and the revised articles were disclosed on our official website.

Proposal 7

Subject:	Election of the Board of Directors of the 20th term of the Company
Election Results:	Directors: Yu-Lon Chiao, Patricia Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, Yu-Chi Chiao, Andrew Hsia, and Chin-Xin Investment Co., Ltd., a total of 7 persons. Independent Directors: Ming-Ling Hsueh, Fu-Hsiung Hu, Tyzz-Jiun Duh, and Wei-Chuan Gao, a total of 4 persons.
Execution:	The election results were announced as material information on the day of the shareholders' meeting, and the registration of the change of directors was approved by the Ministry of Economic Affairs on May 31, 2023 by the letter (Ref. No.: Jin-So-Shang-Zi-11230094560).

Proposal 8

Subject:	Proposal to lift the non-compete ban on directors imposed by Article 209 of the Company Act.
Resolution:	According to the voting result, the number of affirmative votes exceeded the legal threshold, so the proposal was passed.
Execution:	The announcement of material information was completed on the day of the shareholders' meeting.

Important resolutions adopted by 2023 Board meetings as of the day of this annual report 2023/01/10 (22nd meeting of the 19th term)

Important Resolution:	Acknowledgement of the Company's endorsement and guarantee for its subsidiary, Borrego Energy, LLC.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the Company's 2023 annual business plan.
Result:	Proposal passed.
Important Resolution:	Evaluation of the independence and qualification of the Company's CPAs and the quality of the CPA firm's audit for each case, as well as the annual compensation payable to the CPA firm.
Result:	Proposal passed.
Important Resolution:	Yantai Walsin Stainless Steel Co., Ltd. intends to update its investment plan and amount for its hot rolling plant and cold finished bar plant due to its investment in automated equipment.
Result:	Proposal passed.
Important Resolution:	Amendments to certain articles of the Company's Board of Directors Meeting Regulations.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Derivatives Trading Procedures.
Result:	Proposal passed.



Important Resolution:	Proposal to Amendments to the Company's Procedures for Lending Funds to Other Parties.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the loan of funds by Walsin International Investment Co., Ltd. to the Company and those between the subsidiaries in China, in a total amount of US\$1 billion and RMB1.48 billion respectively.
Result:	Proposal passed.
Important Resolution:	Proposal to lift the non-compete ban on the Company's managerial officers.
Result:	Proposal passed.
Important Resolution:	Proposal to review managers' performance evaluation as well as bonuses and compensation for 2022.
Result:	Proposal passed.
Important Resolution:	Proposal for the distribution of the performance bonus for Chairman and Vice Chairman for 2022.
Result:	Proposal passed.
Recusal:	Yu-Lon Chiao and Patricia Chiao.
<u>2023/02/24 (23rd meeting of the 19th term)</u>	
Important Resolution:	Distribution of remuneration to directors and employees (including managerial officers) for 2022.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the 2022 Profit Distribution Table.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the 2022 Internal Control System Statement.
Result:	Proposal passed.
Important Resolution:	Amendments to certain provisions of the Company's Article of Incorporation.
Result:	Proposal passed.
Important Resolution:	The Company and its subsidiary, Walsin Energy Cable System Co., Ltd., intends to enter into a joint venture agreement, a technical service agreement, and a technology license agreement with NKT HV Cables AB (based in Sweden), a wholly-owned subsidiary of NKT Cables Group A/S (based in Denmark).
Result:	Proposal passed.
Important Resolution:	The Company intends to participate in the capital injection into its subsidiary, Walsin Energy Cable System Co., Ltd., in the amount of NT\$2,699 million.
Result:	Proposal passed.
Important Resolution:	PT. Sunny Metal Industry intends to upgrade its cold nickel production lines at PT. Indonesia Weda Bay Industrial Park, with a proposed investment amount of USD 93 million.
Result:	Proposal passed.
Important Resolution:	Yantai Walsin Stainless Steel Co., Ltd. intends to invest RMB178 million in the purchase of housing for experts and talents to meet operational needs.
Result:	Proposal passed.
Important Resolution:	Proposal to issue domestic straight corporate bonds within the amount of NT\$10 billion.
Result:	Proposal passed.
Important Resolution:	Walsin Singapore Pte. Ltd. proposes to lend US\$175,750,000 to PT. Sunny Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.
Important Resolution:	Walsin Singapore Pte. Ltd. proposes to lend US\$27,500,000 to PT. Westrong Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.

Important Resolution:	Borrego Energy, LLC, a U.S. subsidiary of the Company, intends to sell the business of its solar energy and its energy storage, procurement, and trading platform departments.
Result:	Proposal passed.
Important Resolution:	Amendments to certain provisions of the Company's internal control system.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Sustainable Development Practice Principles.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Corporate Governance Best Practice Principles.
Result:	Proposal passed.
Important Resolution:	Proposal to nominate the candidates for the Directors of the Company of the 20th term.
Result:	Proposal passed.
Important Resolution:	Proposal to lift the non-compete ban on directors imposed by Article 209 of the Company Act.
Result:	Proposal passed.
Recusal:	The parties have recused themselves according to their conflicts of interest.
Important Resolution:	Proposal to hold the Company's 2023 Annual General Meeting of Shareholders through video conferencing.
Result:	Proposal passed.
Important Resolution:	Proposal to lift the non-compete ban on the Company's managerial officers.
Result:	Proposal passed.

2023/03/24 (24th meeting of the 19th term)

Important Resolution:	Proposal for a capital injection through an offering of global depositary receipts (GDRs) by issuing new common shares and/or a capital injection by issuing new common shares.
Result:	The proposal has been amended to "Proposal for a capital injection through an offering of global depositary receipts (GDRs) by issuing new common shares and/or a capital injection by issuing new common shares through book-building." The amended proposal was passed after the Chairman consulted all directors present on whether to approve the same.
Important Resolution:	Proposal to add items to the agenda of the Company's 2023 Annual General Meeting of Shareholders.
Result:	Proposal passed.
Important Resolution:	Proposal to carry out a capital injection into a wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., for an amount of USD 45 million.
Result:	Proposal passed.
Important Resolution:	Walsin Singapore Pte. Ltd. proposes to lend US\$90,000,000 to PT. Westrong Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.
Important Resolution:	Walsin International Investments Limited proposes to lend USD 75 million to PT. Sunny Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.

2023/05/05 (25th meeting of the 19th term)

Important Resolution:	In order to develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes to acquire the joint right of use for the Kaohsiung Port A6-A land from the Company.
Result:	Proposal passed.



Important Resolution:	For the purpose of developing its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes an investment of NT\$10.7 billion in the establishment of a submarine cable production plant and equipment.
Result:	Proposal passed.
Important Resolution:	The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., in which the Company indirectly holds a 70% equity, proposes to acquire 100% equity of Special Melted Products Limited (based in the UK) for the needs of business development.
Result:	Proposal passed.
Important Resolution:	In response to the business development capital requirements of Cogne Acciai Speciali S.p.A. ("CAS"), in which the Company indirectly holds a 70% equity, the Company proposes to invest in CAS up to EUR 140 million according to its shareholding ratio, and under the shareholding structure, to first inject capital into the subsidiary Walsin Lihwa Europe S.a r.l., and then through its subsidiary MEG S.A., to inject capital into CAS in cash.
Result:	Proposal passed.

2023/05/19 (1st meeting of the 20th term)

Important Resolution:	Request for the Board of Directors to elect the Chairman and Vice Chairman of the Board of Directors of the Company.
Result:	Proposal passed.
Important Resolution:	Proposal for the appointment of members to the Nomination Committee of the Company of the second term.
Result:	Proposal passed.
Recusal:	Yu-Lon Chiao, Ming-Ling Hsueh, Fu-Hsiung Hu, Tyzz-Jiun Duh, and Wei-Chuan Gao
Important Resolution:	Request for the Board of Directors to recommend a Convener for the Audit Committee of the third term.
Result:	Proposal passed.
Recusal:	Fu-Hsiung Hu
Important Resolution:	Proposal for the appointment of members and the recommendation of a Convener for the Compensation Committee of the Company of the fifth term.
Result:	Proposal passed.
Recusal:	Ming-Ling Hsueh, Fu-Hsiung Hu, Tyzz-Jiun Duh, and Wei-Chuan Gao
Important Resolution:	Proposal for the appointment of members and the recommendation of a Convener for the Sustainable Development Committee of the Company of the third term.
Result:	Proposal passed.
Recusal:	Yu-Lon Chiao, Patricia Chiao, Ming-Ling Hsueh, Fu-Hsiung Hu, Tyzz-Jiun Duh, and Wei-Chuan Gao

2023/05/29 (2nd meeting of the 20th term)

Important Resolution:	Proposal for a capital injection through an offering of global depositary receipts (GDRs) by issuing new common shares.
Result:	Proposal passed.
Important Resolution:	PT. Sunny Metal Industry in Indonesia and Walsin Singapore Pte. Ltd. propose to lend US\$75,000,000 to PT. Westrong Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.
Important Resolution:	Walsin Singapore Pte. Ltd. proposes to extend a non-revolving loan facility totaling USD 20.5 million to Innovation West Mantewe Pte. Ltd.
Result:	Proposal passed.

2023/08/11 (3rd meeting of the 20th term)

Important Resolution:	For the development of its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, obtained the joint use right of the land at Kaohsiung Port A62 from the Company on October 26, 2023, due to the need for plant operation. Please ratify the same.
Result:	Ratification passed.
Important Resolution:	The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance its Swedish subsidiary, Degerfors Long Products AB, with a non-revolving credit facility of EUR 10 million.
Result:	Proposal passed.

Important Resolution:	The Italian subsidiary of the Company, Cogne Acciai Speciali S.p.A., proposes to finance Special Melted Products Limited (based in the United Kingdom) with a non-revolving credit facility of ERU 12 million.
Result:	Proposal passed.
Important Resolution:	A wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to dispose of its equity of Indonesian PT. Westrong Metal Industry.
Result:	Proposal passed.
Important Resolution:	A wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to acquire 75% of the shares of Berg Holding Limited (Hong Kong).
Result:	Proposal passed.
Important Resolution:	Proposal to lift the non-compete ban on the Company's managerial officers.
Result:	Proposal passed.
Important Resolution:	In response to its capital expenditure needs, Yantai Walsin Stainless Steel Co., Ltd., a subsidiary of the Company in mainland China, proposes to apply for a mid-term loan from financial institutions, for which the Company will provide an endorsement and guarantee.
Result:	Proposal passed.
Important Resolution:	In response to the Company's increase in equity of the Indonesian subsidiary PT. Sunny Metal Industry ("Sunny"), it is proposed to finance Sunny with a loan of USD 70 million from Walsin Singapore Pte. Ltd. ("WLS") and to cancel the limits of loans totaling USD 61.09 million provided by WLS to PT. Walhsu Metal Industry (Indonesia) and PT. Westrong Metal Industry (Indonesia).
Result:	Proposal passed.
Important Resolution:	Proposal to amend the Company's internal control system.
Result:	Proposal passed.
Important Resolution:	Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to finance Hangzhou Walsin Power Cable Co., Ltd. with a non-revolving credit facility of RMB 80 million.
Result:	Proposal passed.
2023/11/03 (4th meeting of the 20th term)	
Important Resolution:	For the development of its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, obtained the joint use right of the land at Kaohsiung Port A62 from the Company on October 26, 2023, due to the need for plant operation. Please ratify the same.
Result:	Ratification passed.
Important Resolution:	To develop its submarine cable business, Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, proposes that the Company enter into a lease and port facility operation agreement with Taiwan International Ports Corporation, Ltd., Kaohsiung Branch for the A6 Port and its rear space at Kaohsiung Port.
Result:	Proposal passed.
Important Resolution:	Formulation of the Company's Procedures for Governing Financial and Business Matters Between this Corporation and its Related Parties.
Result:	Proposal passed.
Important Resolution:	Proposal to change the position of Chief Accounting Officer and Manager.
Result:	Proposal passed.
Important Resolution:	Proposal to participate in the subscription for new shares issued through a cash capital increase in 2023 by Winbond Electronics Corporation.
Result:	Proposal passed.
Recusal:	Yu-Lon Chiao, Patricia Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, and Yu-Chi Chiao
Important Resolution:	Proposal for Jiangyin Walsin Steel Cable Co., Ltd., a subsidiary of the Company, to sell its factories and office premises to another subsidiary of the Company, Jiangyin Walsin Specialty Alloy Materials Co., Ltd., for a transaction price of RMB 62,190,000.
Result:	Proposal passed.
Important Resolution:	Proposal to extend a non-revolving credit facility totaling US\$50,000,000 to a U.S. subsidiary of the Company, Borrego Energy Holdings, LLC, and its subsidiary, Borrego Energy, LLC.



Result:	Proposal passed.
Important Resolution:	Walsin Info-Electric Corp., a subsidiary of the Company, proposes to extend a non-revolving credit facility of NT\$100,000,000 to the Company.
Result:	Proposal passed.
Important Resolution:	Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to extend a non-revolving credit facility of RMB 190,000,000 to XiAn Walsin Metal Product Co., Ltd.
Result:	Proposal passed.
Important Resolution:	A wholly-owned subsidiary of the Company, Walsin Singapore Pte. Ltd., proposes to lend funds to its Indonesian subsidiary, PT. Sunny Metal Industry, under a non-revolving line of US\$75 million.
Result:	Proposal passed.
Important Resolution:	Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to provide an endorsement and guarantee for its Swedish subsidiary, Degerfors Long Products AB.
Result:	Proposal passed.
Important Resolution:	Cogne Acciai Speciali S.p.A., an Italian subsidiary of the Company, proposes to extend a non-revolving credit facility of GBP 1,920,000 to its UK subsidiary, Special Melted Products Limited.
Result:	Proposal passed.

2023/12/13 (5th meeting of the 20th term)

Important Resolution:	Dongguan Walsin Wire & Cable Co., Ltd., a subsidiary of the Company, proposes to acquire a 60% equity interest in Hangzhou Walsin Power Cable Co., Ltd.
Result:	Proposal passed.
Important Resolution:	Walsin (China) Investment Co., Ltd., a subsidiary of the Company, proposes to finance Hangzhou Walsin Power Cable Co., Ltd. with a revolving credit facility of RMB 80 million.
Result:	Proposal passed.

2024/01/26 (6th meeting of the 20th term)

Important Resolution:	Proposal to approve the Company's 2024 annual business plan.
Result:	Proposal passed.
Important Resolution:	Evaluation of the independence and qualification of the Company's CPAs and the quality of the CPA firm's audit for each case, as well as the annual compensation payable to the CPA firm.
Result:	Proposal passed.
Important Resolution:	In order to expand the production capacity of high-voltage cables in Hsinchuang Plant, improve the voltage level of testing equipment, and expand business, the Company's Wire and Cable Business Group plans to add testing and production equipment.
Result:	Proposal passed.
Important Resolution:	Proposal to update the investment plan and investment amount of submarine cable production plant and equipment set up by Walsin Energy Cable System Co., Ltd., a subsidiary of the Company.
Result:	Proposal passed.
Important Resolution:	Cogne Acciai Speciali S.p.A., the Company's Italian subsidiary, intends to acquire 65% of the shares of Com. Steel Inox S.p.A. (Italy).
Result:	Proposal passed.
Important Resolution:	PT. Walsin Nickel Industrial Indonesia intends to lend the funds to the Company and its Singapore subsidiary, Walsin Singapore Pte. Ltd. in the total amount of US\$100 million.
Result:	Proposal passed.
Important Resolution:	Walsin International Investments Limited, a subsidiary of the Company in Hong Kong, intends to lend the Company US\$200 million, and lend Walsin (China) Investment Co., Ltd., the Company's subsidiary in China, US\$320 million (or the equivalent of RMB2.22 billion) and RMB1.78 billion.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Risk Management Policy and Procedures.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Board of Directors Meeting Regulations.
Result:	Proposal passed.

Important Resolution:	Proposal to review managers' performance evaluation as well as bonuses and compensation for 2023.
Result:	Proposal passed.
Important Resolution:	Proposal for the distribution of the performance bonus for Chairman and Vice Chairman for 2023.
Result:	Proposal passed.
Recusal:	Yu-Lon Chiao and Patricia Chiao
2024/02/19 (7th meeting of the 20th term)	
Important Resolution:	Cogne Acciai Speciali S.p.A., the Company's Italian subsidiary, intends to acquire 100% equity interest in Mannesmann Stainless Tubes GmbH (based in Germany).
Result:	Proposal passed.
2024/02/23 (8th meeting of the 20th term)	
Important Resolution:	Distribution of remuneration to directors and employees (including managerial officers) for 2023.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the 2023 Profit Distribution Table.
Result:	Proposal passed.
Important Resolution:	Proposal to approve the 2023 Internal Control System Statement.
Result:	Proposal passed.
Important Resolution:	Amendments to certain provisions of the Company's internal control system.
Result:	Proposal passed.
Important Resolution:	PT. Sunny Metal Industry and PT. Walsin Nickel Industrial Indonesia, the Indonesian subsidiaries of the Company, intend to inject capital into their Indonesian subsidiaries, PT. Walhsu Metal Industry, to support the construction of their high-grade nickel matte production line.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Article of Incorporation.
Result:	Proposal passed.
Important Resolution:	Proposal to issue domestic straight corporate bonds.
Result:	Proposal passed.
Important Resolution:	Walsin Energy Cable System Co., Ltd., a subsidiary of the Company, intends to request the Company to provide endorsement and guarantee to the financial institutions for loans in response to the capital needs for the construction of the plant.
Result:	Proposal passed.
Important Resolution:	Walsin Singapore Pte. Ltd. proposes to lend US\$175,750,000 to PT. Sunny Metal Industry under a non-revolving line of credit.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Audit Committee Charter.
Result:	Proposal passed.
Important Resolution:	Amendments to the Company's Sustainable Development Committee Charter.
Result:	Proposal passed.
Important Resolution:	Proposal to lift the non-compete ban on directors imposed by Article 209 of the Company Act.
Result:	Proposal passed.
Recusal:	Wei-Chuan Gao.



Important Resolution: Proposal to hold the Company's 2024 Annual General Meeting of Shareholders through video conferencing.
Result: Proposal passed.

Important Resolution: Proposal to lift the non-compete ban on the Company's managerial officers.
Result: Proposal passed.

2024/03/11(9th meeting of the 20th term)

Important Resolution: Proposal to elect one director of the Company and to add items to the agenda of the Company's 2024 Annual General Meeting of Shareholders.
Result: Proposal passed.

- (12) In the most recent year, as of the day the annual report was prepared, directors held different opinions (on record or with written statement) about important resolutions passed at Board meetings and the major contents are: None.
- (13) In the most recent year, as of the day the annual report was prepared, any of Chairman, President, accounting manager, financial manager, internal audit manager, corporate governance manager and R&D manager resigned or was discharged:

March 20, 2024

Title	Name	Onboarding Date	Dismissal Date	Reasons for Resignation or Dismissal
Accounting Manager	Richard Wu	2018/03/01	2023/11/03	Position transfer
Vice Chairman	Patricia Chiao	1981/06/01	2024/03/11	Resignation

5. Information on CPAs' fees

CPA Firm	CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte Taiwan	Wen-Yea Shyu and Ko-Chang Wu	2023/01/01~2023/12/31	NT\$20,410	NT\$25,412	NT\$45,822	The non-audit fees were mainly for taxation compliance, advice on, tax analysis and due diligence of investment projects, consultation and assurance of sustainability reports, and issuance of GDRs.

- (I) Change of CPA firm and the audit fees paid in the year of the change are less than those paid in the previous year: Not applicable.
- (II) Audit fees paid in the current year are at least 10% less than those paid in the previous year: Not applicable.

6. Information on the replacement of CPAs: None.

7. Chairman, President, or managers responsible for financial or accounting affairs who worked for the firm to which the certifying CPA belongs or its affiliate in the most recent year: None.

8. Transfer and pledge of shares of the directors, managers and shareholders holding more than 10% of the company's shares

(I) Changes to the shares of the directors, managers and shareholders holding more than 10% of the company's shares:

Title	Name	2023		Current fiscal year up to March 19, 2024	
		No. of shares held Increase (decrease)	Shares pledged Increase (decrease)	No. of shares held Increase (decrease)	Shares pledged Increase (decrease)
Chairman	Yu-Lon Chiao	0	0	0	0
Vice Chairman	Patricia Chiao (Note 5)	0	0	0	0
Director	Yu-Cheng Chiao	0	0	0	0
Director	Yu-Heng Chiao	0	0	0	0
Director	Yu-Chi Chiao (Note 1)	650,000	0	0	0
Director	Andrew Hsia	0	0	0	0
Director	Wei-Shin Ma (Note 2)	0	0	0	0
Director	Chin-Xin Investment Co., Ltd.	603,000	(33,000,000)	0	33,000,000
	Representative: Li-Chin Ku (Note 1)	0	0	0	0
	Representative: Pei-Ming Chen (Note 2)	0	0	0	0
Independent Director	Ming-Ling Hsueh	0	0	0	0
Independent Director	Fu-Hsiung Hu	0	0	0	0
Independent Director	Tyzz-Jiun Duh (Note 1)	0	0	0	0
Independent Director	Wei-Chuan Gau (Note 1)	0	0	0	0
Independent Director	King-Ling Du (Note 2)	0	0	0	0
Independent Director	Shiang-Chung Chen (Note 2)	0	0	0	0
President and Senior General Manager of Real Estate BG	Fred Pan	(114,804)	0	0	0
Executive Vice President & Vice President of Finance	C.C. Chen	(216,000)	(500,000)	0	0
President of Insulated Wire & Cable BG	Jin-Renn Leu	0	0	0	0
President of Stainless Steel BG	Kevin Niu	(100,000)	(100,000)	0	0
President of Commodity BG	Josh Chia	(151,000)	0	0	0
Head of Corporate Governance	Hueiping Lo	(140,000)	0	0	0
Head of Accounting Dept.	Richard Wu (Note 3)	(324,000)	0	0	0
Head of Accounting Dept.	Kelly Liu (Note 4)	0	0	0	0
Shareholders holding over 10% of outstanding shares	None	-	-	-	-

Note 1: From May 19, 2023, new directors were re-elected, with equity changes calculated from that date.
Note 2: They were dismissed upon the expiration of their term on May 19, 2023, with equity changes calculated up to that date.
Note 3: From November 3, 2023, adjustments were made to his position, with equity changes calculated up to that date.
Note 4: From November 3, 2023, she was newly appointed, with equity changes calculated from that date.
Note 5: She resigned on March 11, 2024, with equity changes calculated up to that date.



(2) Information on change in the number of shares retained:

March 19, 2024

Name	Reason for Share Transfer	Transaction Date	Counterparty	Relationship between the Counterparty and the Company, its Directors, Managerial Officers and Shareholders Holding More Than 10% of the Shares	No. of Shares	Transaction Price
Yu-Chi Chiao	Acquisition: Gift	2023/6/8	Tzu-Han Chiao	Son	650,000	NT\$45

(3) Information on Share Pledges: None.

9. Information on relationships amongst the top ten shareholders and their relationships with spouses or relatives within the second degree of kinship

March 19, 2024

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remark
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	Name	Relationship	
Chin-Xin Investment Co., Ltd.	248,002,375	6.15%	-	-	-	-	Winbond Electronics Corporation	Its chairman is the same as the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
							Yu-Heng Chiao	He is a second-degree relative of the chairman of said institutional shareholder	
Chin-Xin Investment Co., Ltd. Representative: Yu-Cheng Chiao	41,001,551	1.02%	19,502,428	0.48%	-	-	Winbond Electronics Corporation	Its chairman is the same as the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
							Yu-Heng Chiao	He is a second-degree relative of the chairman of said institutional shareholder	

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remark
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	Name	Relationship	
Winbond Electronics Corporation	247,527,493	6.14%	-	-	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is the same as the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	-
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Yu-Heng Chiao	She is a second-degree relative of the chairman of said institutional shareholder	-
Winbond Electronics Corporation Representative: Yu-Cheng Chiao	41,001,551	1.02%	19,502,428	0.48%	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is the same as the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	-
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Yu-Heng Chiao	He is a second-degree relative of the chairman of said institutional shareholder	-
TECO Electric and Machinery Co., Ltd.	210,332,690	5.22%	-	-	-	-	-	-	-
Investment account of LGT Bank (Singapore) under the custody of Business Department of Standard Chartered Bank	183,213,000	4.54%	-	-	-	-	-	-	Note 2
Rong Chiang International Ltd.	171,993,651	4.27%	-	-	-	-	-	-	-
Fund Account of Yuanta Taiwan High Dividend ETF	133,328,512	3.31%	-	-	-	-	-	-	-



Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remark
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	Name	Relationship	
Patricia Chiao	109,085,587	2.71%	-	-	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is a second-degree relative of said shareholder	-
							Winbond Electronics Corporation	Its chairman is a second-degree relative of said shareholder	-
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of said shareholder	-
							Yu-Heng Chiao	He is a second-degree relative of said shareholder	-
Huali Investment Co., Ltd.	106,994,366	2.65%	-	-	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Winbond Electronics Corporation	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	-
							Yu-Heng Chiao	He is a second-degree relative of the chairman of said institutional shareholder	-
Huali Investment Co., Ltd. Representative: Yu-Chi Chiao	52,285,470	1.30%	244,033	0.01%	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Winbond Electronics Corporation	Its chairman is a second-degree relative of the chairman of said institutional shareholder	-
							Patricia Chiao	She is a second-degree relative of the chairman of said institutional shareholder	-
							Yu-Heng Chiao	He is a second-degree relative of the chairman of said institutional shareholder	-
Chunghwa Post Co., Ltd.	76,000,981	1.89%	-	-	-	-	-	-	-

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remark
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	Name	Relationship	
Yu-Heng Chiao	65,343,810	1.62%	4,324,192	0.11%	-	-	Chin-Xin Investment Co., Ltd.	Its chairman is a second-degree relative of said shareholder	-
							Winbond Electronics Corporation	Its chairman is a second-degree relative of said shareholder	-
							Patricia Chiao	She is a second-degree relative of said shareholder	-
							Huali Investment Co., Ltd.	Its chairman is a second-degree relative of said shareholder	-

Note 1: Disclosure of relationship pursuant to rules indicated on the issuer's financial statement.

Note 2: The shareholder was a foreign fund account and inquiries have been made of its representative with relevant information requested: None.

Note 3: The shareholding ratios are rounded to the nearest hundredth percent.



10. The number of shares of the same investee held by the Company, its directors, managers and which the Company controls directly or indirectly, with the aggregate shareholding percentages

As of December 31, 2023; Units: Shares; %

Re-Investment Companies (Note 1)	Investment by the Company		Investment of directors, managers or businesses under their direct or indirect control		Combined Investment	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Walsin Lihwa Holdings Limited	2,730,393	100.00	-	-	2,730,393	100.00
Concord Industries Ltd.	297,498,375	100.00	-	-	297,498,375	100.00
Ace Result Global Limited	44,739,988	100.00	-	-	44,739,988	100.00
Min Maw Precision Industry Corp.	34,837,100	100.00	-	-	34,837,100	100.00
Hua Tuo Green Resources Co., Ltd.	1,828,287	100.00	-	-	1,828,287	100.00
Chin-Cherng Construction Co.	529,955,805	99.22	-	-	529,955,805	99.22
Walsin Info-Electric Corp.	29,854,246	99.51	-	-	29,854,246	99.51
PT. Walsin Lippo Industries	10,500	70.00	-	-	10,500	70.00
PT. Walsin Lippo Kabel	2,999,500	70.00	-	-	2,999,500	70.00
Joint Success Enterprises Limited	21,344,562	49.05	22,175,438	50.95	43,520,000	100.00
Chin-Xin Investment Co., Ltd	179,468,270	37.00	64,579,708	13.31	244,047,978	50.31
Tsai Yi Corporation	49,831,505	33.97	12,070,677	8.23	61,902,182	42.20
Han-You Venture Capital Co., Ltd.	26,670,699	26.67	1,934,486	1.94	28,605,185	28.61
Winbond Electronics Corporation	919,380,016	21.99	403,096,476	9.65	1,322,476,492	31.64
Walton Advanced Engineering, Inc.	109,628,376	21.17	16,047,253	3.10	125,675,629	24.27
Walsin Technology Corporation	88,902,325	18.30	135,818,629	27.96	224,720,954	46.26
PT. Walsin Nickel Industrial Indonesia	500,000	50.00	420,000	42.00	920,000	92.00
Walsin Precision Technology Sdn. Bhd.	32,178,385	100.00	-	-	32,178,385	100.00
Walsin Singapore Pte. Ltd.	733,000,000	100.00	-	-	733,000,000	100.00
Walsin Energy Cable System Co., Ltd.	270,000,000	90.00	-	-	270,000,000	90.00
Walsin Europe S.a r.l.	12,000	100.00	-	-	12,000	100.00
PT Walsin Research Innovation Indonesia	13,930	99.50	70	0.50	14,000	100.00
Walsin America, LLC	(Note 2)	100.00	-	-	(Note 2)	100.00
PT CNGR Walsin New Energy and Technology Indonesia	140,651	29.17	-	-	140,651	29.17
Innovation West Mantewe Pte. Ltd.	40	40.00	-	-	40	40.00
PT CNGR Walsin New Mining Industry Investment Indonesia	22,257	29.17	-	-	22,257	29.17

Note 1: These are investments by the Company that adopt the equity method of accounting.

Note 2: Walsin America, LLC is a non-stock corporation, with a paid-in capital of USD 81,302,107, which is wholly contributed by the Company.

IV Fundraising Overview

1. The Company's Capital and Shares

(1) Sources of Share Capital

1. Historical Sources of Share Capital

MM/YY	Issuance Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
11/02	10	6,500,000,000	65,000,000,000	3,512,976,276	35,129,762,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 1
06/03	10	6,500,000,000	65,000,000,000	3,412,976,276	34,129,762,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 2
11/03	10	6,500,000,000	65,000,000,000	3,366,067,276	33,660,672,760	Treasury stock capital decreased by 46,909,000 shares	No	Note 3
01/04	10	6,500,000,000	65,000,000,000	3,266,067,276	32,660,672,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 4
04/04	10	6,500,000,000	65,000,000,000	3,174,491,276	31,744,912,760	Treasury stock capital decreased by 91,576,000 shares	No	Note 5
07/04	10	6,500,000,000	65,000,000,000	3,078,236,276	30,782,362,760	Treasury stock capital decreased by 96,255,000 shares	No	Note 6
08/04	10	6,500,000,000	65,000,000,000	3,079,012,601	30,790,126,010	Bond conversion entitlement certificates converted to common shares	No	None
05/05	10	6,500,000,000	65,000,000,000	3,006,294,601	30,062,946,010	Treasury stock capital decreased by 72,718,000 shares	No	Note 7
08/05	10	6,500,000,000	65,000,000,000	3,310,913,261	33,109,132,610	Capital increased by earnings recapitalization by 304,618,660 shares	No	Note 8
04/06	10	6,500,000,000	65,000,000,000	3,244,314,261	32,443,142,610	Treasury stock capital decreased by 66,599,000 shares	No	Note 9
11/08	10	6,500,000,000	65,000,000,000	3,194,314,261	31,943,142,610	Treasury stock capital decreased by 50,000,000 shares	No	Note 10
02/09	10	6,500,000,000	65,000,000,000	3,179,200,422	31,792,004,220	Treasury stock capital decreased by 27,124,000 shares and overseas convertible bonds converted to 12,010,161 common shares	No	Note 11
09/09	10	6,500,000,000	65,000,000,000	3,119,200,422	31,192,004,220	Treasury stock capital decreased by 60,000,000 shares	No	Note 12
11/09	10	6,500,000,000	65,000,000,000	3,069,200,422	30,692,004,220	Treasury stock capital decreased by 50,000,000 shares	No	Note 13
12/10	10	6,500,000,000	65,000,000,000	3,609,200,422	36,092,004,220	Cash capital increased by 540,000,000 shares	No	Note 14
01/11	10	6,500,000,000	65,000,000,000	3,614,890,804	36,148,908,040	Overseas convertible bonds converted to 5,690,382 shares	No	None
04/11	10	6,500,000,000	65,000,000,000	3,616,000,258	36,160,002,580	Overseas convertible bonds converted to 1,109,454 shares	No	None
06/13	10	6,500,000,000	65,000,000,000	3,576,000,258	35,760,002,580	Treasury stock capital decreased by 40,000,000 shares	No	Note 15
05/15	10	6,500,000,000	65,000,000,000	3,516,000,258	35,160,002,580	Treasury stock capital decreased by 60,000,000 shares	No	Note 16
10/16	10	6,500,000,000	65,000,000,000	3,396,000,258	33,960,002,580	Treasury stock capital decreased by 120,000,000 shares	None	Note 17
06/17	10	6,500,000,000	65,000,000,000	3,366,000,258	33,660,002,580	Treasury stock capital decreased by 30,000,000 shares	None	Note 18
08/18	10	6,500,000,000	65,000,000,000	3,326,000,258	33,260,002,580	Treasury stock capital decreased by 40,000,000 shares	None	Note 19
09/20	10	6,500,000,000	65,000,000,000	3,286,000,258	32,860,002,580	Treasury stock capital decreased by 40,000,000 shares	None	Note 20
12/20	10	6,500,000,000	65,000,000,000	3,226,000,258	32,260,002,580	Treasury stock capital decreased by 60,000,000 shares	None	Note 21
01/21	10	6,500,000,000	65,000,000,000	3,431,332,948	34,313,329,480	Share swap of 205,332,690 shares	None	Note 22
09/22	10	6,500,000,000	65,000,000,000	3,731,332,948	37,313,329,480	Cash capital increased by 300,000,000 shares	None	Note 23
07/23	10	6,500,000,000	65,000,000,000	4,031,332,948	40,313,329,480	Cash capital increased by 300,000,000 shares	None	Note 24

Note 1: Approval letter Tai-Cai-Zheng (3) No. 0910155823, dated 2002.10.16

Note 2: Approval letter Tai-Cai-Zheng (3) No. 0920110106, dated 2003.03.25

Note 13: Letter Jin-Guan-Zheng (Jiao) No. 0980050862, dated 2009.09.21

Note 14: Letter Jin-Guan-Zheng (Fa) No. 0990051578, dated 2010.09.28



- Note 3: Approval letter (2001) Tai-Cai-Zheng (3) No. 101196, dated 2001.02.08
- Note 4: Approval letter Tai-Cai-Zheng (3) No. 0920159026, dated 2003.12.15
- Note 5: Approval letter Tai-Cai-Zheng (3) No. 0930110000, dated 2004.03.24
- Note 6: Approval letter Tai-Cai-Zheng (3) No. 0930125152, dated 2004.06.03
- Note 7: Approval letter Jin-Guan-Zheng (3) No. 0940110778, dated 2005.03.30
- Note 8: Approval letter Jin-Guan-Zheng (1) No. 0940124111, dated 2005.06.16
- Note 9: Approval letter Jin-Guan-Zheng (3) No. 0950105881, dated 2006.02.20
- Note 10: Letter Jin-Guan-Zheng (3) No. 09700511511, dated 2008.09.24
- Note 11: Letter Jin-Guan-Zheng (3) No. 0970065169, dated 2008.11.28
- Note 12: Letter Jin-Guan-Zheng (Jiao) No. 0980027679, dated 2009.06.06
- Note 15: Letter Jin-Guan-Zheng (Jiao) No. 0990025440, dated 2010.05.12
- Note 16: Letter Jin-Guan-Zheng (Jiao) No. 1050021717, dated 2016.05.27
- Note 17: Letter Jin-Guan-Zheng (Jiao) No. 1050040371, dated 2016.10.03
- Note 18: Letter Jin-Guan-Zheng (Jiao) No. 1030014322, dated 2014.04.17
- Note 19: Letter Jin-Guan-Zheng (Jiao) No. 1040026231, dated 2015.07.08
- Note 20: Letter Jin-Guan-Zheng (Jiao) No. 1090341078, dated 2020.05.05
- Note 21: Letter Jin-Guan-Zheng (Jiao) No. 1090359858, dated 2020.09.29
- Note 22: Letter Jin-Guan-Zheng (Fa) No. 1090377120, dated 2020.12.16
- Note 23: Letter Jin-Guan-Zheng (Fa) No. 1090377120, dated 2022.03.11
- Note 24: Letter Jin-Guan-Zheng (Fa) No. 1120345884, dated 2023.06.26

2. Types of Shares

As of March 19, 2024

Types of Shares	Authorized Capital			Remarks
	Shares Issued and Outstanding (Note 1)	Unissued Shares	Total	
Common Shares	4,031,332,948	2,468,667,052	6,500,000,000	(Note 2)

Note 1: Publicly-traded shares.

Note 2: The Company’s capital includes NT\$8,000,000,000 for the issuance of share warrants, corporate bonds with share warrants or preferred shares with share warrants, up to eight hundred million shares at a par value of NT\$10 per share, which may be issued in separate tranches.

3. Information on Shelf Registration: None.

(2) Shareholder Structure

As of March 19, 2024

Shareholders Numbers	Government Institutions	Financial Institutions	Other Legal Persons	Individuals	Foreign Institutions and Individuals	Total
Number	7	37	458	237,075	630	238,207
No. of Shares Held	117,056,795	43,782,424	1,427,247,828	1,733,713,554	709,532,347	4,031,332,948
Shareholding	2.90%	1.09%	35.40%	43.01%	17.60%	100%

Note 1: Ratio of shares held by investors in China: 0%.

Note 2: The shareholding ratios are rounded to the nearest hundredth percent.

(3) Distribution of Shareholders

1. Distribution of Common Shares:

As of March 19, 2024

Shareholding	Number of shareholders	Shares Held (Note)	Shareholding
1 to 999	75,458	14,855,704	0.37%
1,000 to 5,000	117,888	258,842,710	6.42%
5,001 to 10,000	23,335	181,640,699	4.51%
10,001 to 15,000	7,378	93,722,619	2.33%
15,001 to 20,000	4,593	84,718,476	2.10%
20,001 to 30,000	3,730	94,966,647	2.36%
30,001 to 40,000	1,594	57,027,724	1.41%
40,001 to 50,000	1,027	47,514,949	1.18%
50,001 to 100,000	1,817	128,191,747	3.18%
100,001 to 200,000	687	96,121,170	2.38%
200,001 to 400,000	329	91,696,388	2.27%
400,001 to 600,000	103	50,796,351	1.26%
600,001 to 800,000	41	28,890,554	0.72%
800,001 to 1,000,000	31	27,900,377	0.69%
1,000,001 and more	196	2,774,446,833	68.82%
Total	238,207	4,031,332,948	100%

Note 1: The shareholding ratios are rounded to the nearest hundredth percent.

2. Distribution of Preferred Shares: None.

(4) List of Major Shareholders

As of March 19, 2024

Major Shareholders	Shares	Number of Shares Held	Shareholding (Note)
Chin-Xin Investment Co., Ltd		248,002,375	6.15%
Winbond Electronics Corporation		247,527,493	6.14%
TECO Electric and Machinery Co., Ltd.		210,332,690	5.22%
LGT Bank (Singapore) Investment Fund under the custody of Business Department, Standard Chartered Bank (Taiwan) Ltd.		183,213,000	4.54%
Rong Jiang Co., Ltd.		171,993,651	4.27%
Fund Account of Yuanta Taiwan High Dividend ETF		133,328,512	3.31%
Patricia Chiao		109,085,587	2.71%
Huali Investment Corp.		106,994,366	2.65%
Chunghwa Post Co., Ltd.		76,000,981	1.89%
Yu-Heng Chiao		65,343,810	1.62%

Note: The shareholding ratios are rounded to the nearest hundredth percent.



(5) Stock Price, Net Value, Earnings, Dividends and Related Information for the Past Two Years

Item		Year	2022	2023	Current Year up to March 20, 2024
Share Price (Note 1)	High		49.85	59.40	36.95
	Low		25.10	33.80	36.15
	Average		40.91	45.97	36.55
Net Value per Share (Note 2)	Basic		33.12	34.93	-
	Diluted		31.32	33.83	-
Earnings per Share	Weighted average shares		3,549,689,000	3,883,388,000	-
	Earnings per share (Note 3)		5.45	1.32	-
Dividend per Share	Cash dividend		1.80	1.10	-
	Stock dividend	Distribution from earnings	-	-	
		Distribution from additional paid in capital	-	-	
	Accumulated unpaid dividend (Note 4)		-	-	-
Return Analysis	Price-earnings ratio (Note 5)		6.77	32.78	-
	Price-dividend ratio (Note 6)		20.48	39.34	-
	Cash dividend yield (Note 7)		0.05	0.03	-

* If shares are distributed in connection with a capital increase out of earnings or capital reserves, information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1: The highest and lowest share prices for each year are provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2: Use the number of the outstanding issued shares at year's end and the distribution passed at the following year's shareholders' meeting to fill in.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 4: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 5: Price-earnings ratio = Average per share closing price for the year / earnings per share.

Note 6: Price-dividend ratio = Average per share closing price for the year / cash dividend per share.


Note 7: Cash dividend yield = Cash dividend per share / average per share closing price for the year.

(6) Dividend Policy and Implementation Status

1. Dividends Policy Specified in the Company's Articles of Incorporation

Article 28 of the Company's Articles of Incorporation:

After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total paid-in capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends. If the aforementioned distribution of earnings is made in cash, the Board of Directors shall be authorized to distribute the earnings with the presence of at least two-thirds of the Directors and the resolution of a majority of the Directors present, and to report the distribution to the shareholders' meeting.



The setting aside of the legal reserve set forth in Paragraph 1 of this Article should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period."

Article 28-1 of the Company's Articles of Incorporation:

The share dividend policy of the Company should be stable for the purpose of sustainable operation and development. In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof, as well as deducting the share of the affiliates' interests recognized by equity method and adding the cash dividends paid out by the affiliates to the Company recognized by equity method. Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, if the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company may distribute all or part of the reserves or the undistributed earnings in the previous period. If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.

2. Dividends Distribution to be proposed to the Shareholders' Meeting

According to the decision of the Company's 8th board meeting of the 20th term, it is proposed to distribute cash dividends from the earnings in 2023 to shareholders shall be NT\$4,434,466,243, with NT\$1.1 per share (which is calculated based on the Company's 4,031,332,948 issued and outstanding common shares). After this dividend distribution has been resolved and approved by the Board of Directors, the Chairman of the Board is authorized to determine the distribution record date and the distribution date. In the future, if the Company issues or repurchases shares, thereby influencing the amount of outstanding shares and changing the distributable cash dividend per share, it is proposed that the shareholders meeting authorize the chairman of the board to adjust the number of outstanding stocks on the ex-dividend date.

The smallest unit of the cash dividend is NT\$1. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.

3. Explanation regarding expected major changes to dividend policy: None.

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share: Not applicable.

(8) Compensation for employees and directors:

1. The Company's Articles of Incorporation includes the amount and coverage of compensation for employees and directors

Article 25-1:

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.

Employee bonuses may be distributed by way of stock or cash dividends and the Company may issue bonuses to employees of parents or subsidiaries of the Company that meets the conditions set by the board of directors. The board of directors shall be authorized to determine the method of distribution.

The qualification requirements of or the distribution rules for the employees who are entitled to the treasury stock transferred, the employee warrants issued, subscription for new shares issued, and the restricted stock awards issued by the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, shall be formulated by the board of directors as authorized.



2. Basis for estimates of compensations for employees and directors for this term, basis for calculating employee stock compensation and accounting procedures for when there is a discrepancy between the estimated and actual amount
 - (1) Basis for estimates of compensations for employees and directors for this term: Estimated by ratio of the pre-tax income as determined by the Articles of Incorporation.
 - (2) Basis for calculating employee stock compensation: Not applicable.
 - (3) Accounting procedures for when there is a discrepancy between the estimated and actual amount: Please find relevant accounting procedures in “6. Financial Overview: 4. Financial report of the most recent year 22 Net Profit (Loss) From Continuing Operations” of this annual report for further explanation.
 3. Information regarding board of directors' approval of employee compensation
 - (1) Amount to be paid in the form of cash and stocks to employees and directors: The board has approved NT\$70,700,000 to be paid in cash to employees and NT\$30,000,000 to directors for 2023.
 - (2) Difference from estimated amount, reason and actions required: No difference.
 - (3) The amount of employee compensation in the form of stock and its percentage of the Company's after-tax income (as reported in the financial statement of this term) and total employee compensation: Not applicable.
 4. Actual payment status (including stocks, cash and stock price) for employee and director compensation from the previous year; discrepancies (if any) between the actual payment and estimated amount, as well as the reasons for and actions required by the discrepancies
 - (1) Cash and stock compensation for employees; compensation amount for directors: for 2022, the Company issued NT\$252,000,000 to employees and NT\$100,050,000 to directors.
 - (2) Differences between the estimated amount of compensation for employees and directors, as well as the reasons for and actions required by the discrepancies: No differences.
 - (3) Please find relevant accounting procedures in “VI. Financial Overview: 4. Financial report of the most recent year: 23 Profits from Continuing Operating Units” of this annual report for further explanation.
- (9) Share Repurchases:
1. Those having been executed: None.
 2. Those being executed: None.

2. Issuance of Corporate Bonds:

Type of Corporate Bonds	2021 1 st Unsecured Straight Corporate Bonds	2023 1 st Unsecured Straight Corporate Bonds
Issuance (Processing) Date	October 8, 2021	April 11, 2023
Denomination	NT\$10,000,000	NT\$10,000,000
Issue Price	Issued at denomiatiion	Issued at denomiatiion
Lump Sum	NT\$7,500,000,000	NT\$5,300,000,000
Interest Rate (p.a.)	A fixed rate of 0.70% per annum	Tranche A: 1.70% Tranche B: 2.10%
Tenor	5 years; Maturity Date: 2026/10/8	Tranche A: 5 years; Maturity Date: 2028/04/11 Tranche B: 10 years; Maturity Date: 2033/04/11
Guarantor	None	None
Trustee	Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
Underwriter (Lead Underwriter)	KGI Securities	KGI Securities
Certifying Attorney	Yicheng United Law Firm	Yicheng United Law Firm
Certifying CPA	Deloitte Taiwan	Deloitte Taiwan
Repayment Method	Principal shall be repaid upon due in one installment	Principal shall be repaid upon due in one installment
Outstanding Principal	NT\$7,500,000,000	NT\$5,300,000,000
Terms of Redemption or Prepayment	None	None
Restrictive Clauses	None	None
Credit Rating Agency Name, Rating Date, Rating of Corporate Bonds	Rating agency: Taiwan Ratings Corporation Rating: TWA- Rating Date: 2021/08/06	Rating agency: Taiwan Ratings Corporation Rating: TWA- Rating Date: 2022/08/09
Additional Rights	Amt. of Converted Common Shares, Global Depository Receipts or other Securities	Not applicable
	Rules for Issuance and Conversion	None
Possible Dilution of Shareholding due to, and Effect on the Current Shareholders' Rights and Interests of, Issuance and Conversion, Rules for Share Swap or Subscription, or the Issuance Terms	None	None
Name of the Custodian Engaged by the Counterparty of Share Swap	None	None

3. Issuance of Preferred Shares: None.



4. Issuance of Global Depositary Receipts (GDRs)

Date of Issuance		October 3, 1995	November 9, 2010	June 30, 2023
		Item		
Place of issue and trading		Issued globally and traded on the Luxembourg Stock Exchange		
Total amount		US\$121,800,000	US\$290,313,085	US\$389,100,000
Offer price per unit		US\$12.18	US\$5.38	US\$12.97
Total units issued		10,000,000 units	53,961,540 units	30,000,000 units
Source of underlying security		Issuance of new common shares for cash capital increase	Issuance of new common shares for cash capital increase	Issuance of new common shares for cash capital increase
Underlying security		Common stocks: 100,000,000 shares	Common stocks: 539,615,400 shares	Common stocks: 300,000,000 shares
Rights and obligations of depositary receipt holder		Conducted in accordance with the laws of the Republic of China and with the provisions of the Depositary Agreement. Refer to the Covenants of Depositary Agreement for the key terms and conditions.		
Trustee		None	None	None
Depositary institution:		Deutsche Bank	Citibank	Citibank
Custodial bank		Mega International Commercial Bank	Citibank (Taiwan)	Citibank (Taiwan)
Balance outstanding		21,224 units of global depositary receipts and 212,248 shares of securities represented.		
Distribution of fees incurred from issuance and the outstanding period of the GDRs		1. Issuance fees: The issuing company will be responsible for the entirety of this fee. 2. Fees during outstanding period: The issuing company will be responsible for this fee.		
Covenants of Depositary Agreement and Custodial Agreement		Omitted		
Market price per unit (Unit: US\$)	2023	High	19.00	
		Low	10.50	
		Average	14.02	
	Current year as of March 20, 2024	High	12.43	
		Low	10.98	
		Average	11.46	

5. Exercise of Employee Stock Option Plan (ESOP) and Restricted Stock: None.

6. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: None.

7. Implementation of capital allocation plan:

The program for the use of funds from previous issues has not been completed, or has been completed in the last three years but the benefits of the program have not yet been realized: None.

V Business Overview

1. Business activities

(1) Scope of Business

1. Primary business content, primary products and revenue ratio.

Business unit	Business activities	Products	Revenue Ratio	
			The Company and its merged subsidiaries	
			Amount (NT\$ million)	%
Wire and cables	Manufacture and sale of bare copper wire, various electrical wires, cables and related connection materials and accessories, as well as the contracting and execution of high-voltage cable engineering.	Bare copper strips, copper stranded wires, copper cables, power cables, high-voltage connectors and their accessories and telecommunication copper/optical fiber cables and industry power cables.	45,293	23.9
Stainless steel	Forging, processing and selling of stainless steel.	Billets, slabs, hot-rolled coils, cold-rolled coils, wire rods, hot-rolled bars, cold-finished bars, steel ingot, forged bars, seamless pipes and tubes, pierced billets, steel strands, reinforcing steel, and valve steel, machined shaft semi-finished products, and customized engineering components	94,543	49.8
Commodity	Production and sales of stainless steel upstream raw material, nickel pig iron, production and sales of nickel matte (the nickel raw materials for batteries), agency sales of stainless steel semi-finished products, procurement	Nickel pig iron, nickel matte, billets, slabs, and HR coils	41,556	21.9
Commercial real estate business	Real estate	Housing and parking space sales; commercial and office buildings sales	2,130	1.1
Others	Solar power engineering etc.		6,318	3.3

2. New products under development

Business unit	New products under development
Wire and cables	<ol style="list-style-type: none"> (1) Cables for Industrial 4.0 applications (2) High voltage cables used within large offshore wind turbines (3) Submarine cables for offshore wind sites (4) Rapid power supplement systems for new energy vehicles
Stainless steel	<ol style="list-style-type: none"> (1) Stainless steel and nickel-based alloys of various types, grades, sizes, conditions and product types. (2) Stainless steel and nickel-based alloys with high intensity, heat resistance, free-machining, soft magnetic property, and value-added. (3) Developing stainless steel and nickel-based alloys for various industrial applications, such as aerospace, oil and gas, nuclear energy, automotive, marine, machinery and equipment, chemical and petrochemical industries, construction, energy, consumer electronics, and medical applications.



(2) Industry overview

1. The current status and development of the industry

(1) Wire and Cable Business

According to the statistical forecast report by the International Copper Study Group (ICSG), the refined copper production in 2023 is expected to increase by 5.5% year-over-year, with primary production (ore electrolysis) increasing by 5% and secondary production (scrap copper) growing by 7%; it estimates that the annual output to reach 26.78 million metric tons. The consumption of refined copper in 2023, mainly benefiting from the growth of the Chinese market, is expected to increase by 4.0% year-over-year, with an estimated annual consumption of 26.87 million metric tons, resulting in a supply-demand gap of 90,000 metric tons. China continues to expand its copper smelting capacity, with refined copper production continuing to grow. Official estimates predict a 13% increase in refined copper production in 2023, with net imports of refined copper decreasing by about 5%.

According to the statistical analysis report published by the International Wrought Copper Council (IWCC), China is the world's largest copper consumer, with copper rod sales in China reaching 9.43 million metric tons in 2023, an annual increase of 2.2%. Taiwan's copper rod annual sales have shown a downward trend for two consecutive years, with sales in the first half of 2023 decreasing by 11.6% year-over-year; the annual sales is estimated to be about 310,000 metric tons.


The cable market is dominated by the procurement volume of enterprises in the electric power sector. China's power cable industry has benefited from the continuous advancement of new infrastructure investments, accelerated energy transformation, and steady progress in ultra-high voltage construction, supporting the stable development of the cable industry. According to public data released by the Ministry of Economic Affairs, Taiwan's domestic sales volume of power cables in 2023 increased by about 6.6% year-over-year, showing a continuous growth trend over the past six years. The growth momentum of Taiwan's power cable market in 2023 mainly comes from the government's green energy policy and Taiwan Power Company's resilient power grid plan, which is expected to maintain cautious optimism in the operation of the power cable industry. This motivates us to remain prudently optimistic about the power cable industry.

(2) Stainless Steel Business

According to market research firm, SMR, the global crude stainless steel production in 2023 is estimated to be 58.35 million metric tons, with China being the largest production region and producing 35.2 million metric tons of crude stainless steel, an increase of 8.8% from 2022 (32.35 million metric tons). Indonesia's crude stainless steel production was 4.025 million metric tons, a decrease of 21.0% from 2022, and other countries produced 19.125 million metric tons of crude stainless steel, a decrease of 1.3% from 2022. In terms of stainless steel product structure, plate products accounted for 85% of the total production in 2023, with hot-rolled coils accounting for 18% and cold-rolled coils for 82%; long products accounted for 15%, with hot-rolled bars accounting for 42%, wire rods for 34%, and billets for 25%.

About 48% of the end-use applications of long steel products are used for industrial production (such as machined parts), 25% for industrial production (e.g. machined parts), 17% for consumer durable goods and 10% for transportation. The top five long-strip stainless steel companies around the world by output are Jiangsu Delong, Tsingshan, Walsin Lihwa, Viraj and Yongxing Materials. (The above output figures are based on the data from the statistical report for 2023 published by SMR, a marketing agency.)

The steel industry faces overcapacity and severe price competition. Some steel mills have chosen to exit, while others have improved operational efficiency through consolidation, restructuring, and eliminating outdated capacity. In recent years, several stainless steel groups have formed internationally (e.g., Tsingshan, Baosteel/Wuhan Iron and Steel/Taiyuan Iron, and Outokumpu), with each group developing distinct business models. Larger players, such as those in China and Indonesia, who focus on general



materials sales, choose to control upstream raw materials to reduce costs; smaller players, on the other hand, opt for the development of high-profit products and application industry.

(3) Resources Business

Global nickel pig iron production capacity is mainly concentrated in Mainland China and Indonesia. In 2020, due to Indonesia's ban on ore exports, the movement of the nickel pig iron industry chains from Mainland China to Indonesia accelerated, and Indonesia has become the world's largest nickel pig iron producer. In 2023, high nickel pig iron production capacity in China and Indonesia reached 2.73 million metric tons of nickel and the production reached 1.68 million metric tons of nickel, with the production capacity and the production up by 16% and 14%, respectively, compared with 2022. Among them, total high nickel pig iron production in Mainland China was 310,000 metric tons of nickel, down by 7% from 2022, mainly because the raw material supply restrictions and high products costs continued to weaken China's overall competitiveness in high nickel pig iron, while the total high nickel pig iron production in Indonesia was 1,370,000 metric tons of nickel, up by 19% from 2021. We expect that, in 2024, China's nickel pig iron production will continue to be constrained by the uneconomic production caused by the decline in imported nickel ore grade, changes in Philippines' export policies, and other supplementary materials. Although there are still new production lines planned in Indonesia, as the number of production lines has decreased and high-grade ore is becoming scarce, it is expected that the new production capacity will continue to be injected, but the growth rate will continue to slow down.

In response to the green energy transformation and the booming development of the downstream of the new energy industry chain, a large amount of capital has been injected into Indonesia since 2020, and the production capacity of intermediate nickel products for batteries, such as nickel matte and mixed nickel-cobalt hydroxide precipitate (MHP), has been released since 2021 and grew at an accelerated speed from 2022 to 2023. Indonesia's MHP production reached 160,000 metric tons of nickel in 2023, up by 86% compared with 2022; the production of high nickel matte reached 240,000 metric tons of nickel, up by 18% compared with 2022. A large amount of intermediate production capacity was still being planned in Indonesia in the following years. It is expected that the new production capacity will continue to be developed in 2024 and the overall industrial chain will gradually expand downstream. At the end of 2023, the U.S. Treasury Department provided industry guidance on the Foreign Entity of Concern (FEOC) clause in the Inflation Reduction Act. Starting from 2024, the upstream battery industry chains for electric vehicles sold in the United States will actively seek raw materials produced by non-FEOC companies to enjoy the tax credit benefits stipulated by the aforementioned Act.

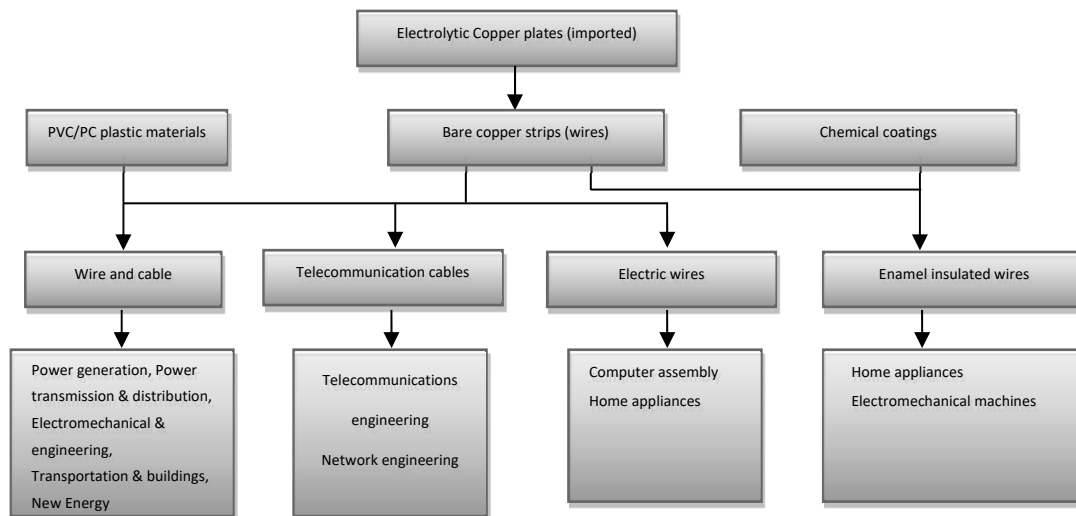
(4) Commercial Real Estate Business

In 2023, the Nanjing office market leasing demand gradually released, with the net leasing volume in the fourth quarter increasing by 21.4% quarter-over-quarter, and the citywide vacancy rate decreasing by 0.4% quarter-over-quarter. High-quality buildings in the city's core areas hold a competitive advantage, with the financial industry and professional services industry being the main forces in the leasing market, showing robust performance and maintaining a stable leasing speed. In 2023, the Nanjing retail property market steadily recovered, with the vacancy rate of shopping centers decreasing by 0.3% quarter-over-quarter. The catering industry became the main driving force, ranking first among all industries, with strong demand for hedging products and stable consumption of daily necessities. Nanjing is committed to creating distinctive consumption scenarios, thereby effectively stimulating market vitality.

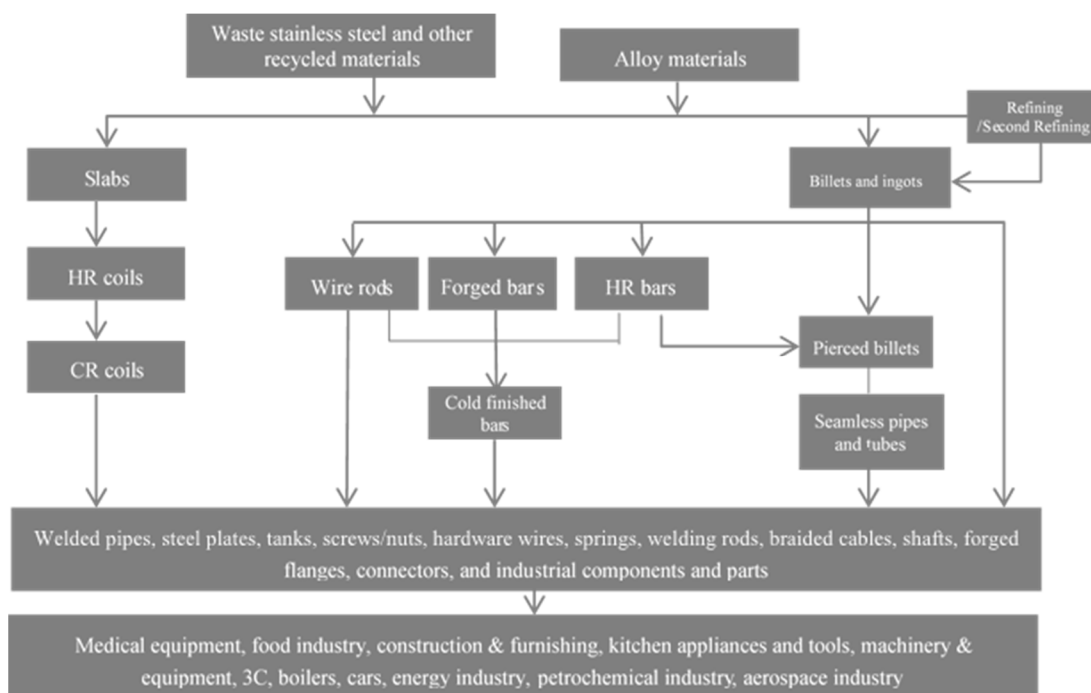


2. Relationships with suppliers in the industry's supply chain:

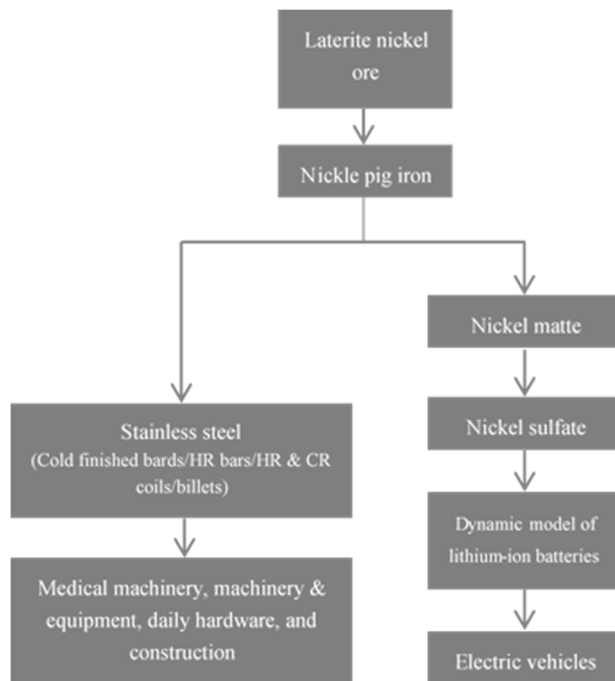
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



3. Product development trends and competition

(1) Wire and Cable Business

Development trend: In addition to the traditional construction and infrastructure cables, there are many green energy related cable applications and products that have emerged in response to the global developing trend of net zero transition. For example, in the field of energy creation and transmission, solar power cables that need to prevent UV degradation, wind turbine cables that can withstand harsh environments, and submarine cables that transmit power from offshore wind turbines back to land or transfer power across borders between countries, are all products that are actively developed by major cable manufacturers around the world. In addition, in the area of energy storage and use, the electrification of transport equipment and smart power allocation, cable sets for power replenishment systems, and cables for energy storage equipment are all new products that the wire and cable industry is competing for development.

Competition: From the historical output of Taiwan's power cable market, there is still an oversupply of capacity in the overall cable market and competition is relatively fierce. However, benefiting from the regional supply chain integration of Taiwan businessmen back to Taiwan to drive the demand for plant expansion, coupled with the government's active promotion of green energy policy and Taipower's grid reinforcement plan to accelerate the deployment and construction of regional grids, demand for various products will emerge in a new type of competitive landscape.

(2) Stainless Steel Business

Development trend: In terms of product development, apart from actively developing nickel-free steel grades, major stainless steel makers are also developing functional stainless steel for specific applications. For example, in response to the demand for automation, the demand for wear-resistant, high-precision and zero-defect materials has increased. In the past, key technologies were held in Japan, Europe and other countries, but Asian steel makers have also continued to invest in research and development in recent years, and to refine their own technological capabilities. With the rising awareness of environmental protection, stainless steel is more widely used in various fields, and there are many cases of replacing carbon steel with stainless steel in the construction, transportation and other industries. In the renewable energy industry, stainless steel components can also be found in solar panels, wind turbines and renewable energy vehicles.



Competition: Indonesian steel mills will dominate the Asian market with the advantage of low-cost raw materials. With the promotion of capability control policy in Mainland China, the steel industry has shifted from volume to value-added, and large-scale steel makers have started to consolidate with the strategy of eliminating the weak and leaving the strong. The rest of the steel makers in Europe, America, Japan, and Korea have focused on niche industrial applications with high certification thresholds to add value to their products through end-use differentiation, specializing in the development of specialty steel applications. In addition, in response to the trend towards net-zero carbon emissions, major European steel makers have begun to focus on providing products with low carbon emissions or more sustainable significance.

(3) Resources Business

Development trend: Stainless steel plants in Mainland China and Indonesia are expanding their production capacity, and the demand for nickel pig iron and scrap steel will continue to rise, while nickel pig iron in Indonesia has a cost advantage and is economical for downstream steel plants. In the following years, there will still be new manufacturers entering Indonesia to invest in RKEF production line. In addition, in response to the continuous growth of the new energy industry chain, some of the RKEF production lines have started to change their processes in 2022 to make their output more flexible to switch between nickel pig iron and nickel matte; therefore, the "nickel matte - nickel sulfate - pure nickel" process has emerged. Price differentials between different nickel products will make their sales portfolios be more diversified, and the overall nickel market will reach a dynamic balance between supply and demand.

Competition: Indonesia's RKEF production lines have grown significantly since 2021 and will continue to open up significant capacity. In addition to continuing to provide additional stainless steel production capacity in Indonesia, the production lines will also make up for the possible decline in nickel pig iron supply in China. In addition, in response to the continuous growth of the new energy industry chain, some of the RKEF production lines have started to change their processes to make their output more flexible since 2022, so that they can flexibly switch between iron pig nickel and nickel matte.

(4) Commercial Real Estate Business

Development trend: As one of the three major cities in the Yangtze River Delta urban agglomeration, Nanjing's gross regional product reached RMB1.75 trillion in 2023, consistently ranking among the top ten nationwide. Due to its continuous population inflow and solid economic foundation, Nanjing is one of the core cities in China's real estate development focus. The market for Grade A office buildings in Nanjing has seen abundant new supply, continuously conducive to tenant upgrades and expansions. With the recovery of the non-banking financial and Internet industries, a foundation for the expansion of office market leasing demand has been laid, with the city's core business districts remaining the most resilient development areas. The leasing demand in Nanjing's retail market has gradually increased under a series of policies promoting the "flagship store economy" and "holiday economy," further improving consumer confidence. Sports, outdoor activities, and dining continue to lead the leasing demand in shopping centers, with brick-and-mortar stores becoming an important scene for immersive consumption.

Competition: With the increase in Grade A office space supply, multiple high-quality projects are expected to enter the market in the future, making premium clients a core competitive resource. The retail market's demand for shopping centers in terms of brand personalization and thematization has increased, while non-standard properties in the region have also become a strong source of competition.

(3) Overview of Technology and R&D

1. R&D Expenses and Results

R&D Expenses	From Jan. 1, 2023 to March 20, 2024, the R&D expenses were around NT\$400 million.
<p>(A) Technology Research & Development</p> <ol style="list-style-type: none"> (1) Develop CCS1/CCS2 80A-300A full-series charging gun cable set (2) Develop 14MW offshore wind turbine high-voltage cables (3) Develop spreader basket cables with fiber optic cables (4) Expand the development of stainless steel material types, sizes, conditions and product types. (5) Innovative research and development of functional stainless steel with high strength, high heat resistance, and easy turning characteristics to increase added value. (6) Continue to invest in the development of stainless steel for automotive components, aiming at energy conservation, environmental protection and high efficiency to meet market demand. (7) Deepen research on stainless steel for welding, and increase the service life of materials in harsh environments such as high temperature resistance, corrosion resistance and high temperature resistance. (8) Cooperate with domestic universities and research institutions to jointly promote various industry-university cooperation and outsourcing research projects, and expand the depth and breadth of process technology through the combination of theoretical knowledge and practical experience, thereby increasing the capacity of research and development. (9) Laboratory equipment for aerospace materials applications. (10) Special quality inspection techniques. <p>(B) Intelligent Manufacturing</p> <ol style="list-style-type: none"> (1) Smart Power Consumption: Collect and analyze equipment power consumption data, improve the accuracy of power consumption estimation, and reduce wasted power consumption. (2) Development of Intelligent Crane Automatic Storage System: New intelligent cranes are adopted to establish an automatic transportation and storage system for steel billets, which improves the space utilization rate, assists in optimizing the inventory management of incoming materials in the factories, automatically dispatches shipments and loads materials without interruption, improves production efficiency, avoids human operations, and improves work safety. (3) Establishment of Automated Guided Vehicles (AGV) System: A composite automated guided system is adopted to overcome the outdoor climate, realize outdoor unmanned automatic cross-factory transportation, improve transportation efficiency, and reduce forklift operations and operating manpower. (4) Establishment of an automated cable collecting/cutting system and the setup of an unmanned sorting and picking system. <p>(C) Energy and Environmental Protection</p> <ol style="list-style-type: none"> (1) Replacing Traditional Preheaters: Replace traditional preheaters with pure oxygen preheaters to reduce fuel consumption, improve combustion efficiency, and reduce greenhouse gas emissions. (2) Slag Recycling: The by-product slag produced by the steelmaking electric furnace can be converted into a variety of high-value recycled products after classification and screening, such as low-carbon concrete, red bricks as building materials, and pervious asphalt. (3) New heat treatment technology: Operating heat treatment furnaces at lower temperatures to reduce greenhouse gas emissions. (4) Installation of a cast iron section - baghouse dust collection system: Collecting smoke and dust generated during the casting process with baghouse dust collectors to reduce the emission of gases and hazardous substances. (5) Improvement of flue gas emission systems: Increasing the height of chimneys to facilitate the dispersion of flue gases in the atmosphere. (6) Installation of a wet ore shed - car wash station: Transport vehicle tires tend to carry mud. By adding a car wash station to clean the tires, it improves the road environment and prevents road surface pollution. (7) Installation of a vertical coal shed and wet ore shed - sedimentation pond: To prevent the loss of some raw materials, sedimentation ponds are installed for the coal and ore sheds to enhance the efficiency of recovery and production use. 	



2. Present and future R&D projects, as well as the estimated R&D investment expenditure

Plan for the most recent year	Current progress	Mass production completion time	Main reasons that future development will succeed
We plan to invest NT\$213,000,000 for R&D.			
Wire harness for renewable energy vehicles and power replenishment system	(1) The development of the full series of CCS1/CCS2 charging gun cable assemblies has been completed, obtaining VPC/UL/CE certification. (2) The design and development of liquid-cooled cables have been completed.	2024	(1) We are the only player in Taiwan with complete dynamic cable development and testing capabilities (2) We have completed UL/IEC full range of charging cable certification (3) We have the ability to independently develop and certify materials
Development of high-voltage cables within wind turbines	(1) The development of offshore 14MW wind turbine internal cables has been completed. (2) Passed the low-temperature torsion test for offshore wind turbine cables.	2024	(1) We are the only player in Taiwan with complete dynamic cable development and testing capabilities (2) We have the ability to independently evaluate and certify materials
Low carbon footprint, environmentally friendly eco-packaging materials	We have confirmed the source of technical cooperation and verified that waste plastic can be applied to the regeneration of packaging materials.	2025	(1) We are the only player in Taiwan with complete power cable testing and certification capabilities and equipment (2) We have the ability to independently develop and certify materials (3) We have the ability to develop business service models and customized information systems
Free-cutting soft magnetic stainless steel	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
High heat-resistant stainless steel for automotive components	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
High heat-resistant stainless steel for automotive components	Trial manufacturing phase	2024	Setting of hot rolling process parameters and heat treatment parameters
Stainless steel and nickel-based alloy vacuum melting and re-melting technology	Trial manufacturing phase	Second half of 2024 to 2025	Setting of alloy element composition, re-melting, hot rolling, and heat treatment parameters
Stainless steel for improved machinability quality of seamless pipes and tubes	Concept verification	2025	Setting of alloy element composition, hot rolling, and heat treatment parameters



(4) Business Plan – Long-term and Short-term

1. Wire and Cable Business

Short-Term: In response to the end-customer demand for building construction, we will be able to precisely supply goods with the help of smart manufacturing, enhance customer satisfaction with delicate services, change our operating models, and expand our market share, in order to promote sustainable management. We also aim to respond to the government's policy for domestic production of core components for offshore wind power plants, with the goal of exclusively researching and manufacturing cables for offshore wind turbines for 14 MW capacity or above in Taiwan, as well as developing the ability to produce and manufacture submarine cables. Following the global trend of popularizing electric vehicles and speeding up the construction of supporting infrastructure, we are developing wire harnesses for new energy vehicles and power replenishment systems that meet global standards.

Long-Term: We will seize the business opportunities brought by the global smart grid and new energy industries by marching into high-voltage markets both home and abroad and expanding our business scope of Energy Solution.

2. Stainless Steel Business

Short-Term: Taiwan: In response to the trend of small amount but diversified products in the high-value market, Walsin has adjusted its direction and gradually built up its product and service capabilities to meet the needs of different customer segments. For the wire rod, we will actively expand niche steel sales portfolio in line with market conditions to expand the volume of orders of favorable steel grades, while continuing the research and development and the capital expenditure to increase the application of new steel types and new industries and stabilize product quality. For cold finished bars, we will focus on the development of direct customer channels in the industry and the expansion of available specifications in order to expand our market share; for plate products, we will use digital analysis to assist in material preparation and production scheduling, so that the delivery time can be close to customer expectations. We will also implement the e-companion system to satisfy our customers' demand for monitoring orders and to enhance our customer retention.

Mainland China: The new intelligent production lines for hot rolled bars/wire rods will be commissioned, which utilize advanced manufacturing process and intelligent production to supply high precision and quality stainless steel products. In this way, we will effectively achieve import substitution, increase our market share, and reach the goal of selling all of the products we produce. We will continue to develop high-value steel grades for hot rolled bars and seamless steel pipes in the hope of increasing value added to our products. For the cold refined rods, we will increase the volume of orders from direct customers and strengthen the collaboration between marketing/technology/business for serving customers, to ensure the completion of the integrated material application supply chain, so that the upstream and downstream can work more closely together.

Europe: Our Italian subsidiary, Cogne Acciai Speciali, acquired a Swedish rolling mill, Degerfors Long Products, and a British stainless steel and nickel-based alloy leader, Special Melted Products, in 2023. These two acquisitions are expected to enhance CAS's steelmaking capacity utilization and expand Walsin's share in high-end industries, such as aerospace, oil and gas, and new energy, while also broadening our sales network.

Long-term: Taiwan: We will grasp upstream raw materials to enhance the competitiveness of Walsin's stainless steel products. For bar materials, in addition to maintaining the major customers with high demand, the Company will actively develop new customer bases and expand suitable markets for export. For cold finished bars, in addition to continuing to strengthen the advantages in our integrated production lines, we will increase the quality and output of deep-processed products. For wire rods, the long-term goal is to increase the proportion of niche steel grades in our sales mix. In terms of operations, we are strengthening our competitiveness by accelerating internal process improvement and Industry 4.0 automation projects.

Mainland China: We will focus on certification application markets, such as transportation, petrochemical, boiler, nuclear power, and food, as key development industries, in cooperation with China's nationalization



policy and industry development potentials. We will also expand our technical service capacity and market management, hoping to enhance the added value of our products and brands. We will set up distribution centers in major markets to enhance our market penetration in each region through rapid logistics and distribution.

Europe: By establishing a vertically integrated supplier in Europe with a sustainable product portfolio and a stable market share in high-end products, the Company aims to achieve cost excellence through lean manufacturing and agile management. Moreover, it is committed to driving sustainable growth in the European region through a balanced strategy of organic growth and acquisitions.

3. Resources Business

Short-term: PT. Walsin Nickel Industrial Indonesia's nickel pig iron production lines were fully commissioned. We will continue to ensure that those production lines have stable capacity utilization rates and are fully in operation for production, and to strengthen the stability of upstream raw materials for stainless steel, so as to enhance our competitiveness. The nickel matte production lines acquired from PT. Sunny Metal Industry in the second half of 2022 were commissioned for trial production at the end of the same year. In the first quarter of 2023, the company commenced full production operations, entering the battery nickel supply chain through the nickel matte production line, thereby opening opportunities in the power battery materials market and initiating expansions for new energy.

Regarding our agency services, considering the uncertainty of competing global markets and international political and economic conditions, we continue to negotiate with Indonesian suppliers in order to source competitive raw materials in terms of costs, stable supply, and accurate delivery, to meet the needs of our customers and to strengthen the cooperative relationship between the Taiwanese industry and upstream suppliers, thereby enhancing the competitiveness of Taiwan stainless steel players in the international markets and further increasing the volume of orders received by our agency services. Additionally, with the Indonesian subsidiary's production lines entering mass production in 2023, the focus is not only on securing raw materials for stainless steel production but also on extending to the new energy industry supply chain, aiming for stable development in nickel pig iron and high-grade nickel matte business.


Long-term: In response to the trend of climate change and sustainable development, we will continue to pay attention to the development of environmental protection policies and the trend of the industry. In addition to continuing to promote the production of nickel resources products, we will also develop green cycle projects by ensuring the effective use of resources, to create a win-win situation for both the economy and the environment.

Regarding our agency service, we will leverage our agency advantage to ensure stable supplies for the demand in the Taiwan stainless steel market, provide a stable source of materials with competitive costs, avoid the risk of price fluctuations and reduce the pressure on inventory capital (i.e., value-added services) to promote the overall effectiveness of the value chain of the stainless steel industry in Taiwan, and strive to achieve the long-term goal of simultaneous growth in the volume of orders received by the agency and the price of the stainless steel industry in Taiwan. We also aim to stabilize sales channels of ferro-nickel and nickel matte to increase product diversification of our business.

4. Commercial Real Estate Business

Short-Term: For the second phase of the Company's real estate business, Phase II Lot AB, Building No. 6, the office spaces have been almost fully leased and operating, while the leasing for high-end restaurants on the 1st to 4th floors continues to operate, generating stable rental income. Building No. 1, which meets the International Grade A Office Standards, has entered into leasing contracts for 26,000 square meters of the offices, continuously generating effective rental income flows.

Long-term: Walsin Centro integrates various residential, commercial and office properties with a complementary relationships and we will increase overall brand value and create economies of scale through



integrated marketing. High-end residential will bring brand reputation and market influence to the commercial, while high-quality commercial will bring support and services to the office. The landmark Grade A office will further enhance the brand status of the commercial and residential sectors, bringing abundant traffic and consumption to the commercial sector. The maturation of each new industry is consolidating the competitive advantage of the existing industry and enhancing the value of the existing industry. After more than ten years of continuous development, Walsin Centro has become an urban landmark in Nanjing and the Walsin Centro project has become a successful model for commercial development in Nanjing, with its market influence and brand reputation continuing to expand and its commercial and business value continuing to rise.

2. Market Analysis and Sales Overview

(1) Market Analysis

1. Sales region(s) and market share of main products

(1) Wire and Cable Business

The Company is focused on the development of the wire and cable business and offers a one-stop comprehensive production series from the upstream bare copper wire, copper rod production, to the research and production of all types of cables such as power cables, communication copper cables, fiber optic cables, industry cables, and submarine cables. The main sales regions include Taiwan and Mainland China. In 2023, the sales of the Company's power cable products was approximately NT\$18.2 billion, and that of bare copper wire was about NT\$26.3 billion. The Company maintains leadership in Taiwan's power cable and copper bar markets.

(2) Stainless Steel Business

The Company is a major global stainless steel material company, with stainless steel products such as stainless steel billet, cold- and hot-rolled steel coils, wire rods, cold finished bars, seamless steel pipe and precision roll bonding steel. The main sales regions include Taiwan, Mainland China, Japan, Korea, Southeast Asia, Australia, Europe and North and South America, etc. Our stainless steel wire rod and cold finished bars occupy a significant position on the global market and we offer customers optimal lead times and services with sales offices distributed across the Taiwan Strait, a vertically integrated supply chain and a standardized production process.

For the sales of stainless steel products made by the Company in 2023, its domestic market shares reach 70% (wire rods), 30% (hot-rolled steel coils), 20% (cold-rolled steel coils) and 30% (cold finished bars); its market shares in China are 9% (hot-rolled steel bars) and 9% (cold finished bars); the Company's global market shares are 7% (wire rods), 7% (hot-rolled steel coils) and 2% (cold finished bars). Market share in Europe: 20% in automotive industry, and 22% in oil & gas industry.

Note: The above market shares are estimated only in respect of the territories to which we sell products and our available specifications.

(3) Resources Business

Nickel pig iron produced by PT. Walsin Nickel Industrial Indonesia is the upstream raw material for stainless steel manufacturing, which is mainly supplied to local steel mills in Indonesia for smelting stainless steel. The sales of nickel pig iron in 2023 were 380,000 metric tons, with full production and sales. PT. Sunny Metal Industry primarily produces nickel matte for downstream battery material manufacturers, with the flexibility to produce nickel pig iron depending on market conditions. In 2023, nickel matte sales amounted to 33,000 metric tons of nickel, and nickel pig iron sales reached 17,000 metric tons, achieving full production and sales. The Company's 2023 nickel pig iron production accounted for approximately 4% of Indonesia's total production. In 2023, high-grade nickel matte production in Indonesia was 240,000 metric tons of nickel, with the use of the Company's nickel matte accounting for approximately 12.7%.



In terms of agency service, the Company has been acting as an agent for the sales of Indonesia Tsingshan since May 2020. We sell as an agent mainly stainless steel products, such as stainless steel billets, slabs and hot rolled steel coils, to mainly Taiwan enterprises, with the aim of maintaining the international competitiveness of Taiwan's stainless steel plate products and promoting the overall efficiency of the value chain of the stainless steel industry. The Company received orders of about 680,000 metric tons in 2020, about 980,000 metric tons in 2021, and over 800,000 metric tons in both 2022 and 2023, stably accounting for more than 80% of Taiwan's 300 series hot rolled stainless steel imports.

(4) Real Estate Business

In 2023, the area of business land transactions in Nanjing totaled 4.101 million square meters, down by 18% year-on-year, with the total transaction amount of RMB104.73 billion, down by 36% year-on-year, which signals a continued reduction in and the bottoming out of supply and sales. The development scale of Walsin Centro in Nanjing Hexi exceeds 1 million square meters, and the finished residential units have been sold out. The commercial shopping center has been successfully opened and operated. Currently, the main products are the leasing and operation of Office Building No. 1 and the design and planning of plots in Phase 3.


2. Overview of supply and demand and projected growth

(1) Wire and Cable Business

According to the global copper production forecast by the International Copper Study Group (ICSG), global copper supply will grow by about 3.7% in 2024. In terms of refined copper production, ICSG expects refined copper production to grow by 4.6% in 2024. In terms of the refined copper consumption, despite a challenging global economic outlook, the anticipated improvement in manufacturing activities, ongoing energy transition, and the development of new semiconductor capacities globally are expected to support the growth in refined copper consumption, with a projected increase of 2.7% in 2024. Infrastructure development in major countries and the global trend towards clean energy and electric vehicle development are expected to continue to support the long-term growth of copper demand.

Mainland China continues to promote infrastructure construction, with investments in power supply and grid projects expected to rise. The State Grid announced at its annual work conference that it would continue to enhance the construction of a smart and strong power grid, promote green and low-carbon energy transformation, and initiate ultra-high voltage project constructions, with the total investment in 2024 expected to exceed RMB 500 billion. Additionally, with the continuous expansion of the automotive industry, both domestic and export sales of new energy vehicles are expected to maintain double-digit growth, with a positive growth outlook for 2024. In the real estate sector, Mainland China's continued relaxation of related policies is expected to stabilize the industry gradually. Overall, the development of the aforementioned industries should drive copper consumption demand, support copper prices, and stabilize and potentially promote the production and sales of cable-related products.

In view of the shift of global supply chains and the change of regionalization in Taiwan, the number of Taiwanese businesses returning to Taiwan to build factories continues to increase. The Executive Yuan has approved to extend the period of acceptance of the Action Plan for Welcoming Taiwan Businesses to Invest in Taiwan to 2024, in order to maintain the strength of private investment. In addition, the Ministry of Economic Affairs (MOEA) estimates that Taiwan's electricity consumption will grow at an average annual rate of 2.5% from 2021 to 2050, and the national electricity consumption will reach 573.1 billion kWh by 2050, which is expected to increase the demand for electricity from the public. Following significant power outages across Taiwan (such as 303 and 517 Outages), public concern over power outage crises prompted the MOEA to announce the "Strengthening Power Grid Resilience Construction Plan," aiming to invest NT\$564.5 billion over ten years, focusing on distributing, strengthening, and protecting against power grids. Taiwan Power Company, tasked with great responsibility of energy transformation and stable power supply, has significantly invested in power plant renewal, hydropower, offshore wind power, solar power, and



constructions of power transmission and transformation projects, with capital expenditures reaching NT\$85.3 billion in 2023 and increasing to NT\$130.9 billion NTD in 2024, a 54% annual increase, boosting orders and revenues for related businesses, with the wire and cable industry being one of the biggest beneficiaries. With the demand generated by various projects promoted by the government, future orders for the cable will be highly predictable for us.

(2) Stainless Steel Business

The expansion of global stainless steel and crude steel production capacity has reached a plateau. Under the carbon emission control policy in mainland China, factories are replacing old instead of creating new capacity, while European and American steel mills, after years of consolidation, have ceased increasing capacity and shifted their focus to high-end industry applications and nickel-based alloy production. In Indonesia, the pace of capacity investments has slowed down, while stainless steel makers in the rest of the countries around the world will operate only through the development of steelmaking technology, so that the existing capacity may be slightly increased; therefore, we will not see the previous annual growth of capacity in double-digits any longer. On the demand side, the International Stainless Steel Forum (Worldstainless) estimates that global stainless steel consumption will grow by 3.4% in 2024, maintaining a positive growth rate. However, considering the impact of the current global economic uncertainty, such growth may be very limited. Although the increase or decrease in stainless steel consumption is susceptible to fluctuations due to changes in the current year's economy, the compound annual growth rate of stainless steel consumption during the past 10 years is about 2% to 3%, and we expect this trend to be maintained in the coming years.

The growth of demand also varies depending on the product type. Flat panel products account for more than 80% of the total stainless steel usage and are widely used in various end-use applications, with a high correlation between the increase or decrease in demand and the economic conditions. The application of long strip products are industry-specific; it is expected that the robust development of infrastructure, machinery and equipment, transportation, new energy, and semiconductor in recent years will drive the demand for long strip products, which will increase at a rate faster than the flat panel products in the next few years.

(3) Resources Business

According to SMM's research report, Indonesia's nickel pig iron production increased by 231,300 metric tons of nickel in 2023. The production of nickel pig iron by smelters in mainland China reduced by 5.12% in 2023 due to profitability factors and replenishments from Indonesia, and is expected to slightly reduce or remain flat in 2024. As far as the demand side is concerned, it is more economic for stainless steel mills to use nickel pig iron than scrap steel; therefore, we expect that the proportion of China's use of nickel pig iron to produce stainless steel will continue to increase, while Japan, South Korea, India and other countries are also likely to increase the use of nickel pig iron from Indonesia, coupled with the possible smooth transition of nickel pig iron to nickel matte production lines, it is expected that nickel pig iron supply and demand will be in a dynamic balance. In response to the green energy transition and the booming development of the downstream new energy industry chain, the capacity for battery nickel intermediates, including nickel matte, has been released since 2021, with rapid growth from 2022 to 2023. In 2023, Indonesia's high-grade nickel matte production reached 240,000 metric tons of nickel, an 18% increase from 2022. Indonesia plans to continue expanding intermediate product capacity in the coming years, with new capacity expected to be commissioned in 2024, and the overall industry chains gradually extending downstream.

In terms of our agency services, in 2022, the supply chain anomalies normalized, and the total quantity of 300 series hot rolled stainless steel imported into Taiwan was about 900,000 to 950,000 metric tons in 2023, which is almost the same as the import quantity in 2022. This level of import volume is equivalent to the rigid demand for the Taiwan market. However, considering recent trade barriers and anti-circumvention



investigations on Indonesian stainless steel semi-finished materials, the import volume of stainless steel from Indonesia to Taiwan is expected to remain flat in 2024.

(4) Real Estate Business

Nanjing Jiangyou District is building a Yuantong shopping district centered on the Yuantong subway station to create a "demonstration area of international consumer center city." Yuantong is becoming the business office center with the highest standard of construction and the largest number of new projects in Nanjing, and the position of the Jiangyou District and the business center of Hexi in the urban structure of Nanjing has become more solid. After becoming a financial center, the core area of Yuantong will also become the center of business offices and commercial consumption in Nanjing.

Looking ahead to the development of Walsin Centro, Nos. One and Six Office Buildings continue to operate and have established Walsin's position as the first tier and leading brand in Nanjing's quality business office industry. The arrival of many headquarters-type office enterprises in the future will provide stable rental income and bring sufficient customer flow and stable consumption to the shopping center of One Mall, thus promoting the steady development of the real estate sector.

3. Competitive niche, favorable and unfavorable factors for long-term growth and response measures

Wire and Cable Business	
Competitive Niche	<ul style="list-style-type: none"> (1) We have the advantage of stable internal supply of important raw materials of copper metal and can give full play to the benefits from the upstream and downstream integration. (2) Long-term supply of products and services related to demand for project engineering, accumulating rich supplier experience and having brand advantages. (3) Advantages such as local supply and branding will help to enter the industrial cable field such as solar energy, offshore wind power and port infrastructure.
Favorable Factors	<ul style="list-style-type: none"> (1) The performance of quality, service and delivery is highly satisfactory to customers and we have brand power in the Taiwanese engineering market. (2) The high-voltage cable demand in the public sector may grow steadily, driven by Taipower's construction initiative to reinforce the resilience of its power grids. (3) The increase in investment from Taiwanese business back in Taiwan is driving cable demand for factory expansion, commercial offices and housing.
Unfavorable Factors	<ul style="list-style-type: none"> (1) Real estate is susceptible to recessions, inflation, interest rate hikes, stock market volatility, high material prices and labor shortages, as well as the government's implementation of policies to combat property speculation. Therefore, in a strong wait-and-see atmosphere, the recovery of property purchases is delayed in the market, and the fluctuations in demand have intensified and are hard to predict. (2) The private sector faces oversupply and price competition.
Response Measures	<ul style="list-style-type: none"> (1) We will make focused research on technology applications and change the nature of our services by being service-oriented. Through Industry 4.0 and production and sales intelligence, we expect to improve our efficiency and service capacity. (2) We will actively cooperate with the government's policy for net zero and carbon reduction by being technology-oriented, and grasp the infrastructure business opportunities such as renewable energy, new energy vehicles and grid renewal and expansion.

Stainless Steel Business	
Competitive Niche	<ol style="list-style-type: none"> (1) We have production sites in Taiwan, China, Italy, the UK, and Sweden for the long strips, with a stable quality and delivery period, so that we can supply to each market nearby and support each other for any shortage of products. (2) Plate materials have the advantage of short delivery period. We can cooperate with players in ASEAN countries to develop OEM to expand the available specifications. (3) We invest in upstream raw materials by building a nickel pig iron plant in Indonesia to improve the international competitiveness of stainless steel products and increase the hedging capacity for raw materials. (4) Possessing vacuum melting and re-melting technologies and holding a robust market share in high-end markets.
Favorable Factors	<ol style="list-style-type: none"> (1) Taiwan's cold-rolled steel coils are protected by anti-dumping duties. (2) China's policies have restricted the expansion of crude steel capacity. (3) Trade wars, regional economies, and geopolitics have led to de-globalization/short supply chains, so the industry is paying more attention to local supply sources. (4) The growth potential in high-end markets such as aerospace, oil and gas, and new energy.
Unfavorable Factors	<ol style="list-style-type: none"> (1) China-based steel manufacturers have set up integrated production lines from nickel raw materials to products in China and Indonesia, significantly cutting production costs and reducing the general supplies market to pure price competition. (2) Global trade protectionism, frequent anti-dumping cases, EU steel defense measures and China's and Indonesia's increase in exports affect global steel liquidity and reduce the Company's export volume. (3) Increasing awareness of environmental protection and the initiatives of many countries to impose or propose carbon fees and carbon tariffs will increase the operating costs of, and weaken profit margins of, the steel industry.
Response Measures	<ol style="list-style-type: none"> (1) In addition to continuing to strengthen the advantages in our integrated production lines, we will gradually develop product specifications and high value-added steel grades, as well as actively expand the sales volume of niche steel and increase the quality of processed products. (2) Maintaining major customers, actively developing new customer bases and expanding suitable markets for export (3) Continuing to improve internal processes and carrying out industrial 4.0 automation projects to improve the efficiency and reducing costs. (4) Utilizing the synergy of horizontal integration among plants, increasing the scale and efficiency of our sales, and positioning ourselves for high-value products, so as to enhance our overall competitiveness. (5) Actively investing in energy-saving and environmental protection equipment and deploying green power industry to enhance our competitiveness in environmental protection costs. (6) Operational vertical integration to control the value chain and cost competitiveness. (7) Through meticulous integration plans, clear communication, diligent work, and seamless team collaboration, maximizing sales and operational synergies. (8) Focusing on ESG sustainable development, actively investing in energy-saving, environmental protection equipment, and expansion into green power, enhancing environmental cost competitiveness. Additionally, actively monitoring the work environment to ensure employee safety and health.

Resources Business	
Competitive Niche	<ol style="list-style-type: none"> (1) Nickel pig iron and nickel matte production line are located in Indonesia, which is a major producer of nickel ore in the world and has advantages in raw material prices and production costs. (2) The production lines are equipped with its own power plant, which can supply electricity for full production without any issue.
Favorable Factors	<ol style="list-style-type: none"> (1) With Mainland China's continued shrinking in the nickel pig iron production due to unfavorable production costs, Indonesia nickel pig iron is expected to make up for the



Resources Business	
	<p>possible production reduction gap in Mainland China. China's abolition of export tax has increased the cost of exports, and our agency service has a cost advantage over the the steel coils produced by Tsingshan Indonesia.</p> <p>(2) The Indonesian government continues to ban the export of nickel ore, and the local raw material has a cost advantage. The Indonesian government may subsequently restrict the issuance of licenses for smelting, which will raise the barrier of entry for later competitors.</p>
Unfavorable Factors	As environmental awareness is increasing, carbon reduction has become a common issue worldwide. Governments and economies around the world continue to adopt policies to strengthen environmental controls and carbon reduction efforts. We expect that related taxes, charges and other expenses will be unavoidable.
Response Measures	In addition to stabilizing capacity utilization and refining production plans, in response to international carbon reduction policy trends and requirements from the United States and the European Union, the Company has begun conducting a comprehensive carbon footprint inventory and source classification, discussing various carbon reduction measures, and preparing for the assessment and execution of carbon reduction benefits in advance.

Real Estate Business	
Competitive Niche	<p>(1) Walsin Centro is located in the core area of Nanjing Hexi New City, including office buildings, commercial centers, quality houses and other types of products, with the floors under development reaching more than 1 million square meters; thus, Walsin Centro has become a landmark project in Nanjing, with location, business and scale advantages.</p> <p>(2) Office Building No. 1, in line with the new trend of market demand, widely uses energy-saving and environmentally-friendly new materials and new technologies. We've also paid attention to the humanization of our design and the durability and maintainability of our products from the details. Our products have a competitive edge in that they have passed LEED & WELL double gold international certification.</p> <p>(3) Office Building No.1 has established a leading position for Walsin Centro in Nanjing's high-quality business office industry within two years of entering the market, with its high-quality building image, high-standard operational services, and excellent leasing performance becoming the industry benchmark for the high-end office industry in Nanjing.</p>
Favorable Factors	<p>(1) The economy promoted by the Chinese government has continued to develop for many years. The central city has great ability to promote and control the economy, which makes the high-end office building market stable for a long time, and demand growth can be expected.</p> <p>(2) With the delivery of residential housing in the project, the resident population is growing rapidly; transportation facilities and public ancillary services have been completed, the market is fully mature, and business demand continues to grow steadily.</p> <p>(3) The development of CBD is close to completion, and the further concentrated demand for high-end office buildings in the central area of Hexi will lead that in Nanjing.</p>
Unfavorable Factors	The supply of Grade A office buildings has increased, with government self-built projects being forcefully prioritized for introduction, leading to more severe competition for customer resources and further expanding competition among buildings.
Response Measures	Tracking and responding in advance the policy trends of government departments governing relevant industries in a timely manner, and timely seizing the best timing for lease and sales according to market changes, in order to expand our client base.

(2) Key applications and production processes of main products

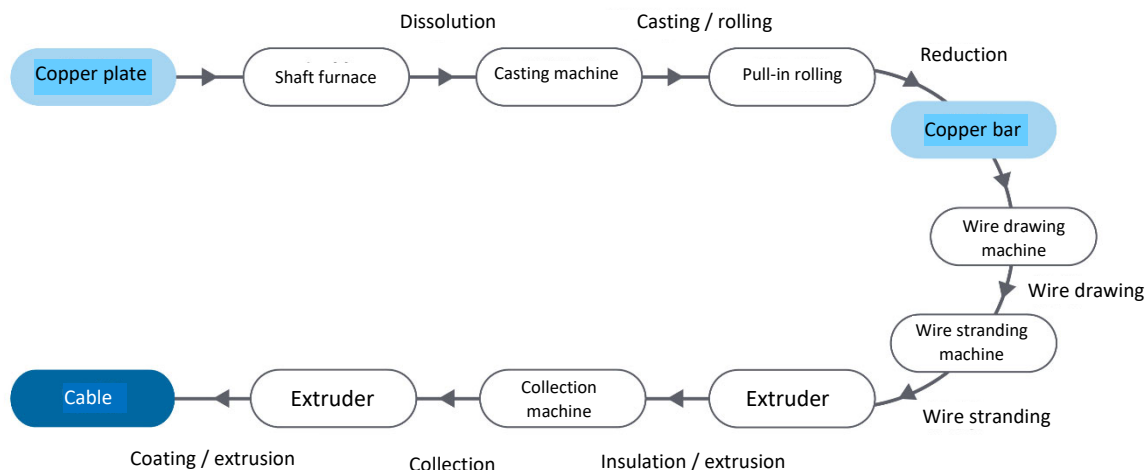
1. Key Applications of Main Products

Main Products	Key Applications
Copper material	Wire and cable conductor, home appliances, electrical and electronic devices, transformers, etc.
Power cables	Primarily used for power plants, power transmission and distribution, plant facilities, transportation construction, construction of power transmission lines, etc.
Steel billets	Hot-rolled wire rods, hot-rolled straight rods, flanges, seamless steel pipes, etc.
Flat billet	Hot-rolled steel coils, hot-rolled plates, heavy forgings, etc.
Wire rods	Screws and nuts, springs, welding rods, steel wires, braids and hardware wires, etc.
Hot-rolled coil (flat panel category)	Chemical tanks, pipes for industry and building and pipes for petrochemical industry
Cold rolled coil (flat panel category)	Building decoration, kitchen utensils, appliances, medical equipment, electronic communications, chemical tanks and steel tubes
Peeled straight rods	Forging materials, turning parts, electric machine accessories, etc.
Cold finish straight rods	Shafts, medical equipment, furniture decoration items, turning parts, electric machine accessories, etc.
Stainless steel seamless pipe	Petrochemical heat exchanger; fluid pipe and instrument pipe boiler station pipe; nuclear power station pipe; shipboard fluid pipe and instrument pipe; turning pipe.
Mechanical processing shaft semi-finished products	Aircraft engines, oil and gas mud engines, drill bits, etc.
Engineering components	Customized products
Nickle pig iron	Our products are mainly supplied to and used by steel mills to smelt stainless steel, and processed into semi-finished stainless steel products such as billets, slabs, HR coils and HR straight bars.
Nickel matte	We supply the product to mainly nickel sulfate factories for processing into nickel sulfate, which can continue to go downstream for the production of electrolytic nickel or ternary cathode materials for batteries.
Real estate	Housing, office buildings and shopping malls

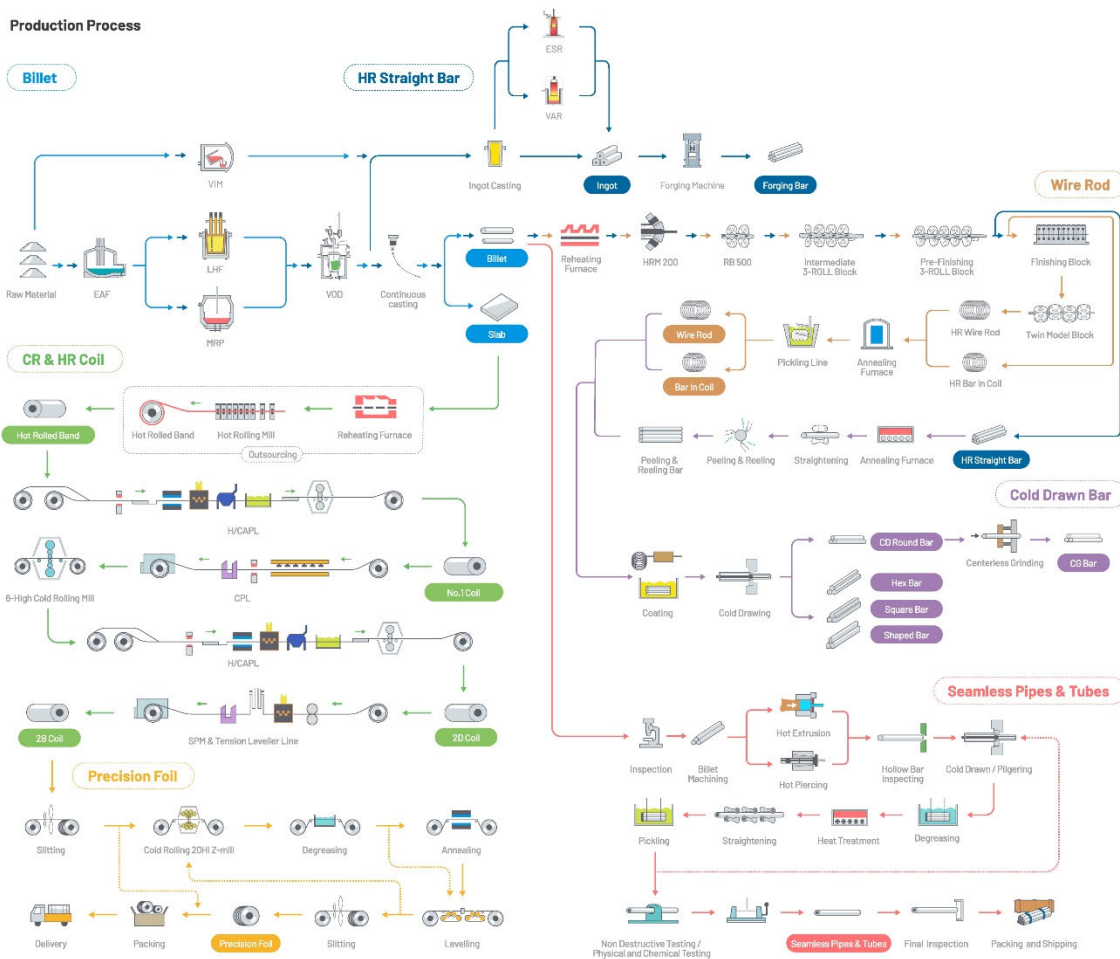


2. Production Process

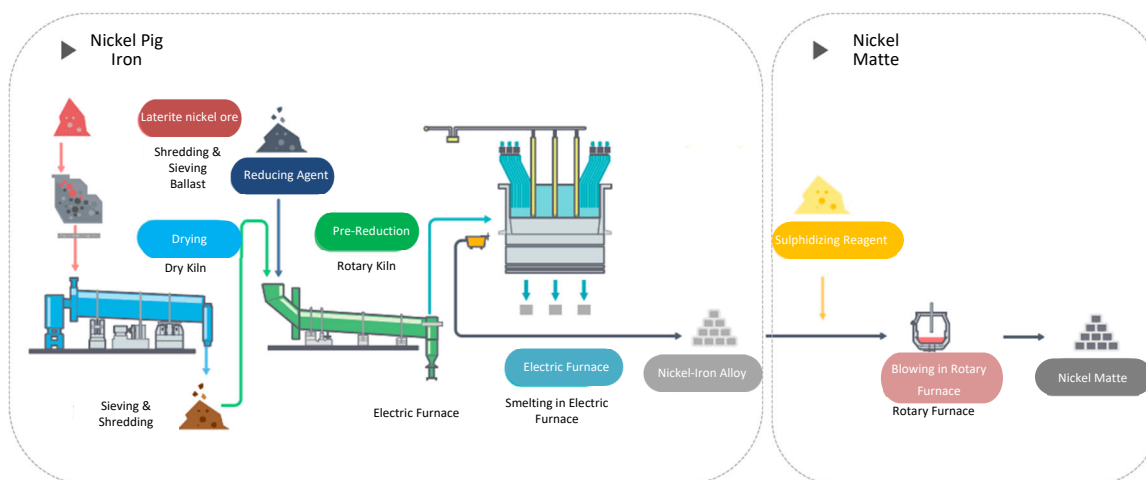
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



(3) Supply Status of Main Raw Materials

Business Unit	Main Raw Materials	Description of Supply Status
Wire and cables	Copper plates	The main sources are Japan, Australia, Chile and Southeast Asia by signing long-term annual contracts, which sources are supplemented by spot purchases. Therefore, the supply is stable.
	Polyethylene	Purchased by quarterly quantity bargaining, mainly imported from Middle East, Europe and Japan.
	Other chemical materials	Adopts monthly/quarterly quantity bargaining method and raw materials should mainly be locally sourced.
Stainless Steel	Pure nickel, high carbon nickel iron, high carbon ferrochrome, stainless steel scraps, grade 1 steel scraps, molybdenum iron, etc.	We seek long-term partnerships with well-established, reputable suppliers and allocate the appropriate proportion of supply sources to diversify risks and enhance the resilience of the supply chain. In addition to being sourced from Taiwan, raw materials are also from Indonesia, Japan, Australia, New Caledonia, South Africa, Europe, United States and China.
Commodity	Laterite nickel ore	All laterite nickel ore used for nickel pig iron and nickel matte is sourced from local suppliers in Indonesia, and the supply is stable.
Commercial Real Estate	Land	Implement land reserves pursuant to the Company's real estate development strategy and participate in government land auction tenders.
	Construction Projects and Materials	The Company further reduces costs and enhances effectiveness by selecting good quality construction companies and as well as material and equipment suppliers through tenders.
	Retailers	Integrating resources and doing a good job of gathering office demand for high-end enterprises, quality customers and signing contract with merchants according to the Company's project positioning, business objectives and development ideas for the phase 2 of the Office Building No.1, by further leveraging the advantage of high-quality, premium services.



(4) The names, procurement (sales) amounts and ratio of our clients whose total procurement (sales) for any year in the last two years reached 10% or more.

1. Major supplier information for the last two years

Unit: NT\$ thousands

Year	2022				2023			
Item	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer
	Supplier A	20,022,193	12.4	-				-
	Other (Note)	141,099,498	87.6	-	Other (Note)	156,291,794	100	-
	Net Purchases	161,121,691	100	-	Net Purchases	156,291,794	100	-
Reason for the change: 10% of purchases were from a single vendor in 2022, due to the advantages offered by the vendor.								

Note: There is no supplier accounting for more than 10% of total amount of purchases.

2. Major customer information for the last two years

Unit: NT\$ thousands

Year	2022				2023			
Item	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer
	Net Sales	180,400,719	100	-	Net Sales	189,839,626	100	-

Note: There is no customer accounting for more than 10% of the total sales amount.

(5) Output volume and value for the last two years

Volume Unit: Tonne
Currency Unit: NT\$1,000

Year	2022			2023		
Production value/main product	Production capacity	Production volume	Value	Production capacity	Production volume	Value
Bare copper wire	252,000	165,794	43,760,292	252,000	119,047	26,672,388
Wire and cables	58,920	45,537	14,640,970	52,920	36,848	12,099,505
Steel strands	81,200	66,806	1,836,131	76,800	41,456	1,174,289
Stainless steel strips and bars	615,742	532,241	44,569,930	881,643	631,142	63,783,575
Stainless steel coils	300,000	287,058	24,837,187	300,000	303,817	23,659,505
Seamless steel pipes	14,400	14,093	3,193,241	16,130	15,838	4,218,551
Nickle pig iron	40,956	40,956	12,118,333	89,406	89,406	31,759,542
Total			144,956,084			163,367,355

Note1: Product capacity means the quantity that can be produced under normal operation with the existing production equipment while taking into account factors such as work stoppage and holidays.

(6) Sales volume and value for the last two years

Volume Unit: Tonne
 Currency Unit: NT\$ 1,000

Year	2022				2023			
	Domestic Sales		Exports		Domestic Sales		Exports	
Value of Main Products/ Sales volume and value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Main Products								
Bare copper wire	96,909	19,904,276	64,331	17,370,198	63,131	11,823,845	52,347	14,275,532
Wire and cables	48,167	18,671,101	2,643	753,425	38,459	15,548,660	1,844	569,334
Steel strands	64,299	1,939,353	2,956	80,766	36,549	1,068,625	3,470	88,666
Stainless steel strips and bars	350,619	30,734,171	116,776	14,527,314	461,470	47,225,699	144,823	17,843,316
Stainless steel coils	213,100	18,563,523	100,498	9,259,867	238,684	18,360,341	66,046	5,148,862
Seamless steel pipes	7,120	1,877,398	7,263	1,748,933	7,675	2,084,293	8,928	2,341,972
Nickel pig iron	40,956	22,086,992			65,996	27,945,666	23,410	11,133,380
Others (Note)	-	22,134,155	-	749,247	-	12,443,612	-	1,937,823
Total		135,910,969		44,489,750		136,500,741		53,338,885

Note 1: "Others" include sales of non-core business products as well as real estate business, rental and product income revenues.



3. Employee Data

(1) Employees of Walsin Lihwa Holdings Limited:

As of March 20, 2024

Year		2022	2023	Current Year as of March 20, 2023
Number of employees		9,691	10,508	10,476
Average age		37.1	36.8	29.1
Average years of service		6.9	7.3	6.7
Education background (%)	Ph.D.	0.3	0.3	0.3
	Master's	6.3	6.9	6.8
	University/College	37.6	31.9	31.9
	High school	39.8	43.5	43.6
	Below high school	16.0	17.4	17.4

Note: Walsin Lihwa Group includes all of Walsin Lihwa's business divisions and subsidiaries.

(2) Employees of Walsin Lihwa Corp.:

As of March 20, 2024

Year		2022	2023	Current Year as of March 20, 2024
Number of employees		2,981	2992	2960
Average age		39.0	39.4	39.5
Average years of service		9.6	9.9	10.1
Education background (%)	Ph.D.	1.0	1.0	0.9
	Master's	18.7	19.8	19.5
	University/College	42.8	42.5	42.8
	High school	23.6	22.5	22.5
	Below high school	14.0	14.2	14.3

4. Environmental Protection Expenditure Information

- (1) For the most recent year and up to the date of publication of the annual report, the losses suffered by the Company as a result of environmental pollution (including compensations and violations of environmental protection laws and regulations found in environmental protection inspections; the punishment date, the letter number, the legal basis for the punishment, the legal provision and the content of the punishment shall be specified), and the estimated amount of such losses that may occur now and in the future and the countermeasures against them; if they are not reasonably possible to estimate, the facts that they cannot be reasonably estimated should be stated: The Company did not have any major environmental fines in 2023(Note).

Note: The standard for disclosure of major fines is NT\$100,000/RMB22,000

The Company will continue to enhance its environmental management around its factories. We also plan to prevent the recurrence of violation via internal control, environmental education & training, as well as our annual KPI evaluation system.

- (2) Future response measures (including improvement measures) and possible expenses:

Despite the large amount of manpower, materials and funding invested in environmental protection to comply with international benchmarks over the years, Walsin Holdings was still fined for pollution. To keep pollution under adequate control, the Company requires factories in Taiwan and overseas to step up self-regulation to avoid human errors and to implement economically feasible environmental management projects. Internal audit and environmental education & training (including regulatory identification) will also be applied to assist in reinforcing self-regulation and horizontal development at various factories. Environmental investment plans and management measures are as follows:

1. Obtained ISO-14001 certification for system management:

In line with international environmental conventions, factories in both Taiwan (Hsinchuang plant 1, Hsinchuang plant 2, Yangmei plant, Taichung plant and Yenshui plant) and mainland China (Shanghai Walsin Lihwa Power Wire & Cable plant, Nanjing plant, Jiangyin plant, Yantai plant and Changshu plant) have all obtained "Environmental Management System" certification. In order to ensure the operational effectiveness of Walsin's environmental management system, the Company hired a professional consulting team in 2017 to instruct 10 domestic and overseas factories to transition to ISO 14001:2015. Basic operation for ISO 45001 was also introduced as a pilot program, as environmental protection and vocational safety & health management system are integrated into a universal operating model across the entire group while on-site guidance is also provided. Consistency in documentation and stability in system operation are required of these factories. Through educational training at various factories, the spirit of the management system is deeply ingrained in actual factory operation after multiple training sessions focusing on topics ranging from regulatory interpretation to actual operation. Furthermore, with a proactive attitude, we will continue to improve our overall environmental protection efforts and vocational safety & health condition. We will strive to enhance environmental performance, reduce environmental loss, improve corporate image and boost our international competitiveness. Walsin has completed the integration and version conversion of its management system at all of its factories at home and abroad in 2018, with the certificates being valid for three years. The relevant certificate documents are placed in the document management section of Walsin Lihwua website

2. Air pollution management:

Comply with the air pollution control laws in Taiwan and in China and apply for permits for fixed (atmospheric) pollution source ranges that are progressively announced. The various plants in Taiwan and in China have obtained operating (emission of pollutants) permits for various manufacturing processes and facilities, reducing atmospheric emissions.

3. Greenhouse gas emission and campaign for reduction:

To counter climate change and global warming, reduction in greenhouse gas emission is a necessary measure. GHGs inventories provide compliance basis for efforts to reduce greenhouse gas emission.

Since 2015, the Company has established the "Safe Environment Information Platform--the ability to conduct GHGs inventories and to calculate carbon emission for products" to collect greenhouse gas emissions at home and abroad. Through continuous review every year and smart system management, the Company keeps



optimizing its greenhouse gas emissions. Through the electronic system, we can grasp the current year's quarterly emissions and compare them with the same period last year, and further produce the trend graph for the quarterly meeting of the Environmental, Safety and Health Management Committee to review the carbon emissions regularly, so as to effectively review and manage the Company's carbon emissions. In addition, in order to improve the company-wise operation of the greenhouse gas control system, we also plan to promote the implementation of ISO 14064-1 in each plant. In 2015, our Taichung and Yenshui plants in Taiwan have obtained ISO 14064-1 certification, and the latest certificates and expiration dates are regularly posted on our CSR website every August. Hsinchuang, Yangmei, Taichung, and Yenshui Plants have also obtained the new version of ISO 14064:2018 certification in 2021, and at the same time, we planned to promote the introduction of ISO 14064-1 in overseas plants and have executed the same and obtained a third-party certification in 2023. At the same time, we are also actively participating in overseas carbon emission trading to integrate into China's carbon trading market, which can not only ensure that the Company has sufficient carbon allowance in the future, but also promote measures such as energy conservation through advanced technology, thereby laying a good foundation for the Company's long-term operation and development.

Safety and Environmental Information Platform

Since 2015, "Safety and Environmental Information Platform - Greenhouse Gas Inventory and Calculation Product Carbon Inventory" has been established and continuously optimized to collect the greenhouse gas emissions of each plant; the Environment, Health and Safety Committee reviews and manages the greenhouse gas emissions on a quarterly basis.

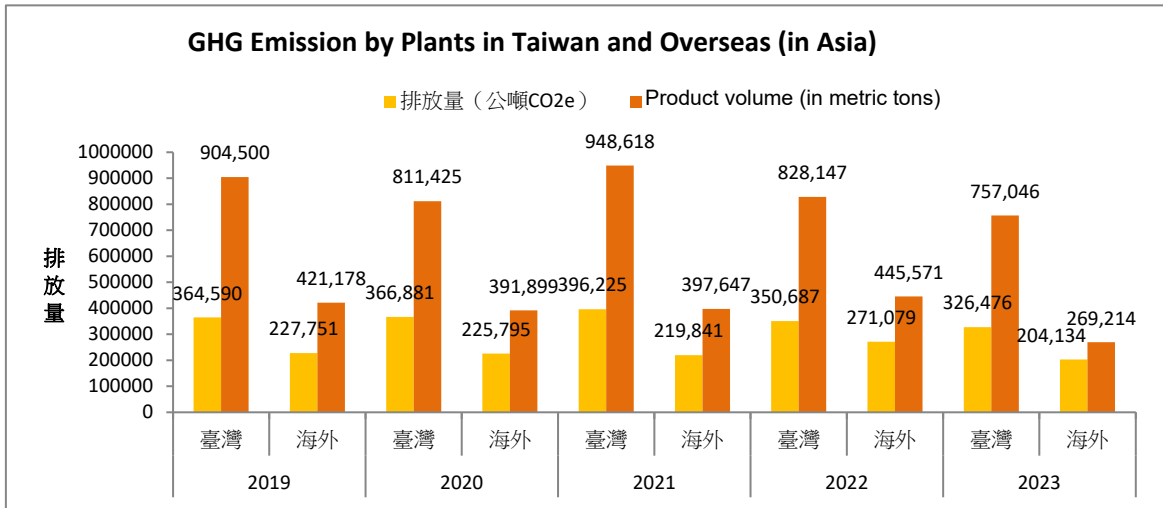
ISO 50001(Energy Management System)	ISO 14064-1 (Greenhouse Gas Verification Standards)	ISO 14067 (International Standards for Product Carbon Footprint)
Since 2018, our Taiwan's plants and China's plants have promoted the five-year energy management plan (2022-2027) based on ISO 50001, and an annual dynamic review has been conducted based on the status of each plant.	Since 2015, we have promoted the introduction of ISO 14064-1 in all plants, and our Taichung Plant and Yenshui Plant have passed ISO 14064-1 certification. In 2020, our Hsinchuang Plant and Yangmei Plant and in 2022, overseas plants introduced the ISO 14064-1:2018 standards to conduct internal greenhouse gas emission inventory; From 2022 to 2023, our four plants in Taiwan continued to pass ISO 14064-1:2018 certification. In 2023, our overseas plants passed the ISO 14064-1:2018 certification.	Our four plants in Taiwan completed the product carbon footprint inventory based on ISO 14067:2018, and our Hsinchuang Plant passed the third-party product carbon footprint verification.

In addition, Walsin continues to pay attention to the development of carbon emission trading, EU carbon border tax, Taiwan carbon fee, and internal carbon pricing, and to participate in the operation of China's carbon trading market, in order to ensure the future carbon allowance and the Company's sustainable operation and development.

Timeline and Planning for Company-Wide

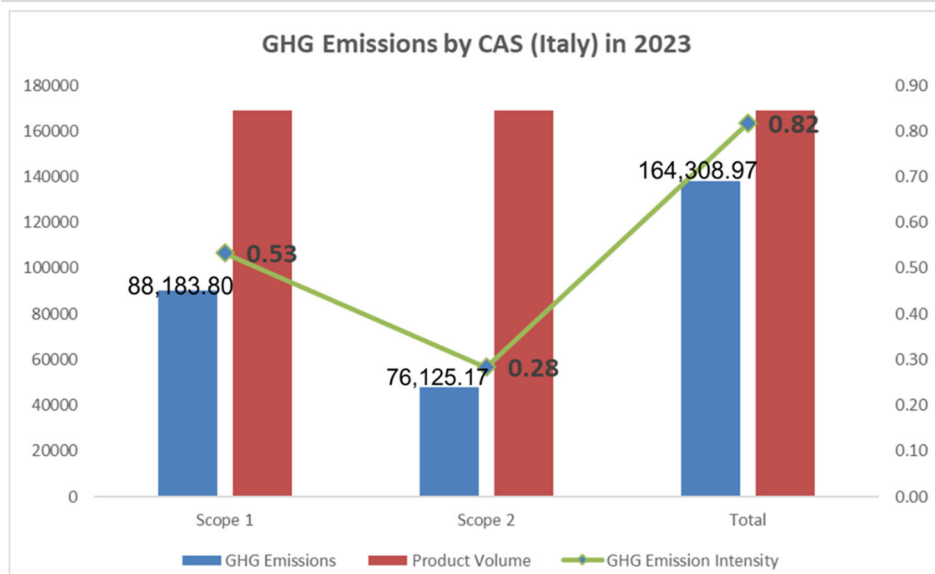
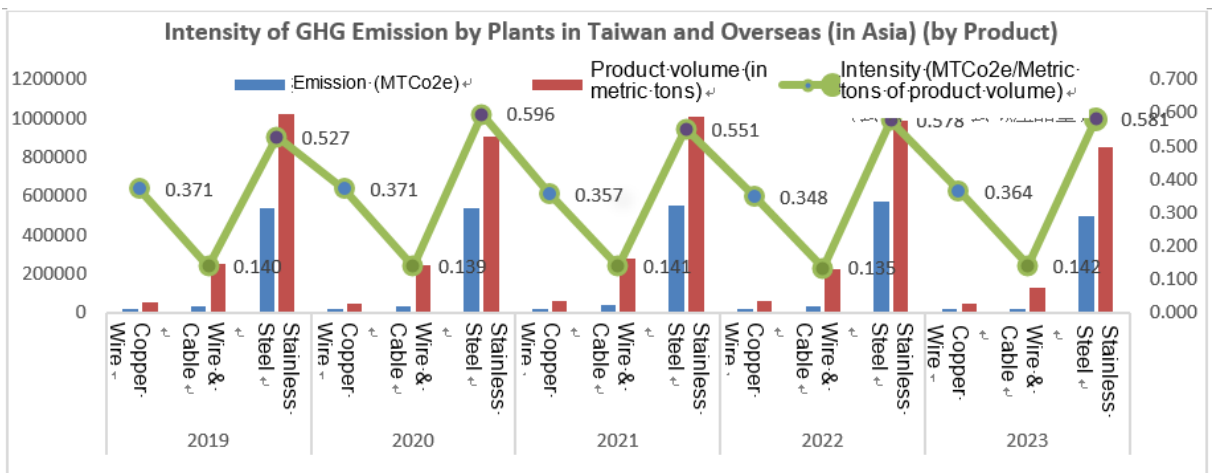


(1) Greenhouse Gas Value Chain Inventory (GHG Scope 1-2)



(2) Greenhouse Gas Value Chain Inventory (GHG Scope 3)

Walsin Lihwa, in an effort to create a greater impact on climate change and to enhance the highest value of the product value chain, extends its carbon management plan beyond its own operational greenhouse gas emissions.





Following the ISO 14064:2018 and GHG Protocol standards, and through third-party verification and disclosure, Walsin Lihwa expands its carbon management plan to include its value chain partners. This identifies the most emission-intensive activities within the value chain as a precise guide for emission reduction strategies, also uncovering more opportunities for transformation. In the action plan for 2023, we have established a low-carbon alliance and promoted a sustainable supply chain, working together with our value chain partners to create a sustainable development business model.

In our 2023 project of Scope 3 greenhouse gas inventory, we adopted materiality assessment criteria, considering factors such as emission volume, improvement potential, and quantification methods. We identified emissions from upstream raw materials of our purchased products and services, upstream emissions from fuel and energy-related activities, and disclosed a total of 12 items in Scope 3/Categories 3 to 4. Walsin Lihwa continues to collaborate with its value chain partners in developing low-carbon products through strategies such as green product design, jointly combating climate change and global warming with its value chain partners.

	GHG Protocol	ISO 14064-1:2018	Emissions from Taiwan Plants (MTCO2e)	Overseas Plants (Asia) (MTCO2e)
Scope 3	Category 4: Emissions from upstream transportation and distribution Category 7: Emissions from employee commuting Category 9: Emissions from downstream transportation and distribution	Category 3: Greenhouse gas emissions from transportation	109,684.67	74,840.48
	Category 3: Emissions from fuel- and energy-related activities (not covered in Scope 1 or Scope 2) Category 5: Emissions from waste generated in operations	Category 4: Indirect greenhouse gas emissions from products used by the organization	2,102,479.49	2,035,642.18

Note: 1. Scope 1 is direct energy, and Scope 2 and Scope 3 are indirect energy; the sources of greenhouse gas emissions include CO₂, N₂O, CH₄, HFCs, and SF₆

2. Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, and Taichung Plant

3. Overseas (Asia): Jiangyin Alloy, Shanghai Walsin, Yantai Walsin, Changshu Walsin, and Walsin Precision

4. Overseas (Europe): Italy (CAS)

5. Emission Unit: MTCO₂e; Intensity Unit: MTCO₂e/metric tons of product

6. The emission factor is based on the Environmental Protection Administration's announced greenhouse gas emission factor management table version 6.02, with the GWP (Global Warming Potential) values taken from the IPCC 6th Assessment Report (2021). The greenhouse gas compilation method is based on the operational control approach.

7. 2014 is the starting year for the Company's implementation of the energy-saving plan

8. Scope 2 emissions are calculated based on a location-based approach

4. Wastewater treatment:

The wastewater from each of Walsin Lihwa's plants has been properly treated and discharged through wastewater treatment facilities in the plant site and the wastewater quality testing has been regularly conducted to avoid the impact of wastewater discharge on the environment. Management at source is most important in water conservation. Based on water quality characteristics, the treatment procedures were designed and recycling units were installed, so the wastewater has been discharged to nearby rivers according to regulations or piped to recycling units in order to effectively use limited water resources. Each plant site has adjusted equipment and process to reduce water consumption and improve wastewater recycling system, so as to enhance the recycling ratio of the process water.

The average pollutant concentration in wastewater discharged by the factories in 2023 met the effluent criteria. The recycling ratio of Taiwan plants reached 90% and above.

5. Strict control of industrial waste:

The 4Rs (reduce, reuse, recycle and recovery) have constituted the foundation for Walsin's waste production and control. In 2023, our overall waste recycling rate of copper wire, wire and cable and stainless steel reached 95.61%, of which the non-hazardous waste recycling rate was 97.20% to 98.89%; hazardous waste was 55.9%

to 99.55%. Except for some of the waste produced by self-recycling and reuse, the rest are entrusted to qualified manufacturers for removal, treatment or reuse. The output of waste in Taiwan and overseas factories increased by 6% compared with 2022, mainly because of the addition of Yantai rolling mill; for the Taiwan plants, the overall waste recycling rate of harmful waste increased by 1.82% compared with 2022, mainly because all the waste acid from Yenshui Plant was transported to the Taichung Plant for waste acid treatment and reuse and process improvement and adjustment, thereby reducing the dust collection ash and sludge, and the landfill rate of plants in Taiwan and overseas regions stood at <1% target.

Aside from continuing to promote source reduction of waste and recycling of waste in the plant, the Company will, in conjunction with the strength of the supply chains, reduce the amount of raw materials and reduce the harm that production may bring to the environment. The Company has established strict control and auditing mechanisms for waste flow and screening of qualified vendors to ensure that waste flows are proper and legal.

Waste output and disposal by Taiwan and overseas plants in 2023 (Unit: Tonne):

Region	Taiwan			Overseas (China and Malaysia)			Overseas (Europe)		
	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total	Non-hazardous	Hazardous	Total
Recycling (for reuse)	112,956.74	57,188.39	170,145.14	58,631.75	8,509.45	67,141.20	15,343.21	4,520.58	19,863.79
Incineration	699.80	4.92	704.72	339.10	5,686.07	6,025.17	0	0.052	0.052
Burial	27.71	249.13	276.84	321.99	409.36	731.35	57,201.61	0	57,201.61
Other treatment	2,530.30	4.00	2,534.30	0	616.95	616.95	96.08	6,326.84	6,422.92
Total	116,214.55	57,446.44	173,660.99	59,292.84	15,221.83	74,514.67	72,640.90	10,847.47	83,488.38
Recycling rate	97.20%	99.55%	97.98%	98.89%	55.90%	90.10%	21.12%	41.67%	23.97%
Incineration rate	0.60%	0.01%	0.41%	0.57%	37.35%	8.09%	0.00%	0.00%	0.00%
Burial rate	0.02%	0.43%	0.16%	0.54%	2.69%	0.98%	78.75%	0.00%	68.51%
Other treatment	2.18%	0.01%	1.46%	0.00%	4.05%	0.83%	0.13%	58.33%	7.69%

Note: 1. Except for the hazardous waste from dust collection by Yenshui Plant, which was recycled in the plant, and the waste acid from Taichung Plant, which was disposed of and recycled in the plant (29,744.27 metric tons in total), all hazardous and non-hazardous waste generated by our plants in Taiwan and Asia was disposed of outside of the plants.

2. The total amount of non-hazardous waste recycled in the European plants was 10,064.82 metric tons, while the remaining hazardous and non-hazardous waste was disposed of outside of the plants.

6. Improving energy use efficiency:

Walsin Lihwa upholds the business philosophy of "Green Manufacturing, Happy Enterprise and Sustainable Management". In addition to committing to quality management, pollution prevention, environmental protection, safety and health, our company adopts "Enhancing energy efficiency and promoting clean energy" as its energy management guidelines to fulfill its social responsibility in energy conservation and carbon reduction. We aggressively incorporate energy-saving equipment, efficient technologies, environment-friendly facilities and environmental protection designs and green process into promoting improvement of energy efficiency at source. In response to the governments' energy policies and measures, we educate our employees about energy conservation and inventory the energy consumed by equipment and facilities to seek opportunities for improving our energy performance and to also effectively implement our energy saving plans.

7. Energy conservation and carbon reduction:

To reduce energy consumption and greenhouse gas emissions, since 2015, Walsin Lihwa has set up an energy saving and carbon reduction management organization in each plant, set annual targets and various energy saving and carbon reduction measures, and held regular meetings to review and set up an energy management E-system for real-time management.

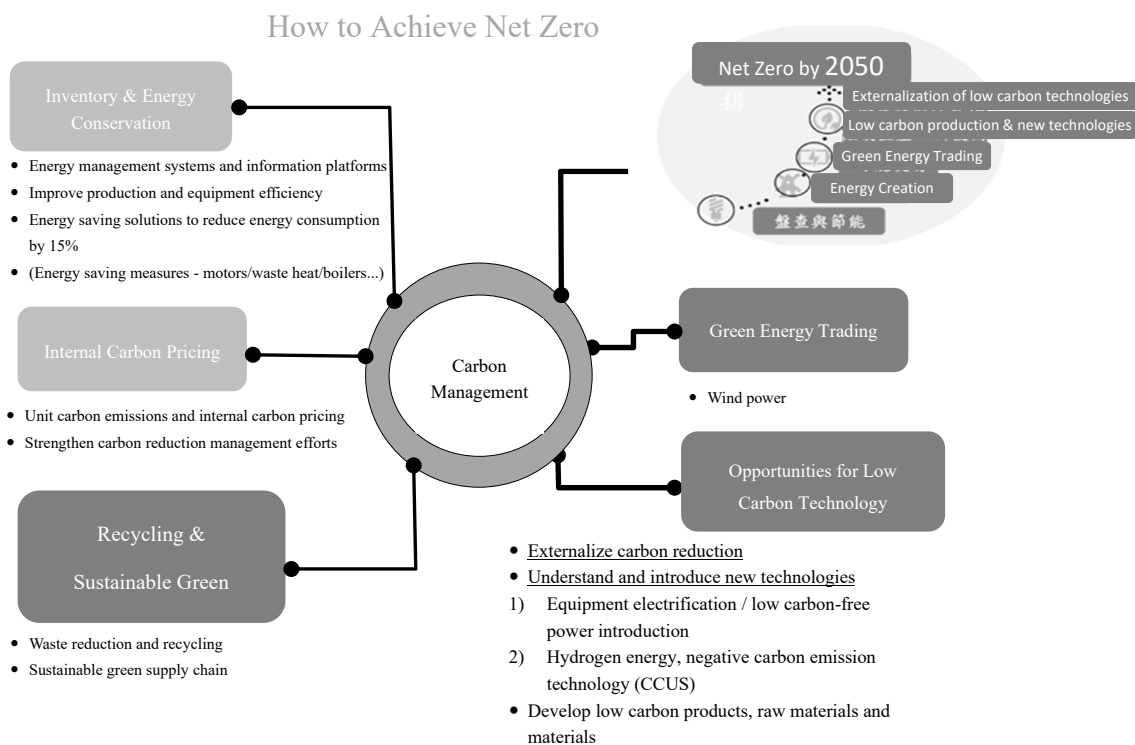
All of our four plants in Taiwan met the 1% energy conservation rate required by the Bureau of Energy, Ministry of Economic Affairs in 2023, with an average electricity saving rate of 1.54%. The total energy saving rate of our Taiwan and China plants was 1.64%, and a total of 133 carbon reduction initiatives were proposed, with a total carbon reduction of 10,089.7 metric tons of CO₂e/year. Total carbon reduction in our European plants reached 2,405 metric tons CO₂e/year (contributed by 4 carbon reduction plans).



In 2022, the Environmental, Health and Safety Committee dynamically adjusted the five-year energy management plan, setting an annual goal of reducing energy consumption and carbon emissions by 1.5%.

In 2021, the plan included the installation of renewable energy sources (solar energy) for self-consumption at 5.5 MWp. By 2023, 4.9 MWp had been successfully installed and connected to the grid, generating a total of 1,054,868 kWh of electricity. The remaining 0.6 MWp of solar energy for self-consumption is expected to be completed by 2024.

In addition, in order to effectively manage the efficiency of energy use, the Environmental Safety and Health Management Committee has formulated its five-year energy management plan from 2020, setting the goal of continuous annual energy savings and carbon reduction of 1%. In doing so, the Company expects to effectively reduce environmental pollution, reduce greenhouse gas emissions, reasonably and most efficiently use energy, to meet the challenges of climate change.



Carbon Reduction Results from 2015 to 2023 (Unit: MTCO₂e)

2023 Energy Saving Plans

Plant	Project Type	Energy-Saving Type	Project Quantity	Energy Savings	Energy Consumption Reduced (in MJ)	Carbon Reduction (MTCO ₂ e)	Carbon Reduction Amount
Taiwan	Energy saving in manufacturing processes/offices	Electricity (kWh)	93	5,884	50,978,976	2,965	NTD166,313,141
		Natural gas (in thousand cubic meters)	11	379	14,276,930	1,880	
		Others (in metric tons)	2	-	-	1,104	
	Total	106	-	65,255,906	5,949		
Overseas (China & Malaysia)	Energy saving in manufacturing processes	Electricity (kWh)	18	4,195	36,345,480	2,713	RMB 15,144,679 MYR 34,526 total equivalent to NT\$233,664,074
		Natural gas (in thousand cubic meters)	8	632	14,276,930	1,309	
		Vapor (in cubic meters)	1	488	1,344,928	118	
	Total	27	-	51,967,338	4,140		
		Electricity (kWh)	2	2,568	9,245	1,153	

Plant	Project Type	Energy-Saving Type	Project Quantity	Energy Savings	Energy Consumption Reduced (in MJ)	Carbon Reduction (MTCO ₂ e)	Carbon Reduction Amount
Overseas (Europe (CAS))	Energy saving in manufacturing processes	Natural gas (in thousand cubic meters)	2	630	22,227,030	1,252	EUR 144,318 (equivalent to NT\$4,862,073)
Total			4	-	22,236,275	2,405	
							Total Carbon Reduction NT\$238,526,147

8. 2023 Environmental Investments

Walsin actively introduces advanced recycling equipment and combines various management systems and methods to minimize the adverse impact of production activities on the environment, including reducing emissions and improving recycling rates, introducing a complete environmental monitoring system to inventory potential polluted areas, and taking preventive and improvement measures in advance. We spent a total of NT\$1,465,410,511 on environmental protection equipment and expenses in 2023.

2023 Environmental Investments by Walsin

Category of Environmental Protection Costs	Taiwan (NTD)		China (RMB)		Malaysia (MYR)	
	Amount	%	Amount	%	Amount	%
Environmental Protection Equipment Costs	82,159,000	14%	157,414,508	80%	0.0	0%
Environmental Protection-Related Management Costs	497,770,177	83%	26,134,407	13%	17,335.2	51%
Other Environmental Protection-Related Costs	17,151,988	3%	13,300,429	7%	16,462.5	49%
Total	597,081,165	100%	196,849,344	100%	33,797.7	100%

5. Employees-employer relations

(1) Worker-Management Relations and Welfare

The pursuit of excellence, innovation and learning and friendly environment form the basis of sustainable development at Walsin Lihwa. Its respect and attention to "people" is reflected in its human resources management systems and various worker-management relations mechanisms, which are described as follows:

1. Smooth worker-management communication channels

- (1) In 1976 the Company established an industry union to advocate suitable policies and the voice and proposals of workers are communicated using an employer and employee dual-channel communication method.
- (2) The union's negotiation meetings between employer and employee representatives are held each quarter. Union representative conferences are held every year to establish a good bridge of communication between employers and employees. Walsin has not entered into a group agreement with the industry union. Although the Company has established a union, the Company has not yet entered into a group agreement with it because the union has not requested a group agreement from the Company to date.
- (3) The Company publishes the "Walsin People Digital Newsletter" to share information on critical business operations and management. The company has also established an international communication platform to hold online events and opinion surveys.

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

- (1) Salary: The Company ensures that its overall remuneration is competitive in the market through regular market salary surveys every year. The Company's remuneration policy is based on the following principles:
 - A reasonable and competitive overall remuneration based on the market value of each professional function and the employee's contribution to their responsibilities.
 - 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.
 - 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.
 - The starting salary standards for fresh graduates and foreign workers comply with local laws and regulations.



- We create harmonious labor relations within the scope of the law, in accordance with the relevant local laws and regulations.

(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. We also provide a diverse welfare system that includes the following:

Insurance & Protection	Subsidies	Other Benefits
<ul style="list-style-type: none"> • Labor insurance • Health insurance • Group insurance (life insurance, accidental injury insurance, hospitalization insurance, cancer insurance, etc.) • Overseas Travel and Expatriate Insurance • Regular health checks for all staff • Monthly pension payment • Severance payments, pensions 	<ul style="list-style-type: none"> • Travel Subsidies • Subsidies for club activities • Wedding and Funeral Grant • Maternity benefit • Supervisor's Health Benefits • Hospitalization condolences • Scholarship for Staff and Children • Various interest-free loans (emergency loans, education loans for employees' children, home purchase loans) 	<ul style="list-style-type: none"> • Birthday Gift Vouchers • 3 Festival Gift Money (Voucher) • Labor's Day Souvenirs • Staff dorms (for some factories) • Commuter Bus (Factories) • Annual leave of absence on a pro rata basis upon onboarding, which is better than what is provided by law • We invite experts and scholars to give lectures on quality of life, mindfulness, financial management, and travel to colleagues • Discount for employees by signing contracts with vendors • Gold medal for senior staff • Corner of Massage

4. Under the "Walsin Lihwa Employee Learning and Development System," each employee is incorporated into the Company's operating strategies, policies and target objectives based on his/her capabilities, job performance and career development. This enables employees, job performance and the organization to be fully integrated and to achieve synergies in employee learning and development. The content of the system includes the following:

- (1) Professional talent training in all levels
- (2) Management talent training
- (3) New employee orientation
- (4) Employee general education courses
- (5) Self-motivation course
- (6) Quality and safety awareness course

In 2023, the Company spent a total of NT\$24,109,000 on employee education and training. Details are as follows:

Total training participation	Total training hours	Average training hours per employee
72,202	232,358.45	43.79

Training statistics above include data from Taiwan and the subsidiaries in China.

5. Retirement system:

To provide job security to employees, the Company has established a retirement system pursuant to regulatory requirements with specific measures as follow:

- (1) Established a "Pension Oversight Committee" in 1986, whereby workers' pension funds are deposited monthly into a pension account at the Bank of Taiwan.
- (2) The Company has commissioned external consultants to prepare a pension fund actuarial report annually since 1994 and set aside a pension reserve fund each month based on the actuarial report in order to satisfy pension applications made by employees eligible for retirement.
- (3) In line with the implementation of the new pension system in 2005, the company has continued the issuance of the pension fund to retired employees who have elected to receive the pension under the old system. As for employees adopting the new system, 6% of their salary will be monthly withdrawn as retirement pension and deposited into each employee's personal account at Labor Insurance Bureau. Employees may voluntarily contribute within the 6% to satisfy personal demand in retirement preparation based on personal needs. For the year ended December 31, 2023, the amount of NT\$114,765,000 that should have been appropriated according to the percentage specified in the defined benefit plan was recognized in the consolidated statement of income of the Company.

- (4) According to the revisions of the Labor Standards Act in 2015, the Company assesses the balance in the designated labor pension reserve funds account, calculate required labor pension funds for the laborers who meet the legal retire criteria in the follow following year and make up the difference before the end of March the following year.
- (5) In addition to compliance with the aforementioned retirement regulations and in recognition of the contributions made by retired employees, the company also issues commemorative medals and awards to retired employees. Meanwhile, the Employee Welfare Committee as well as the industry union has also issued retirement souvenirs to fully reflect the company's gratitude towards retired employees.
- (6) For employees in China, the subsidiaries enroll their employees in pension plans as required by law and make monthly contributions to the pension plans according to the local regulations in order to provide adequate retirement protection for the employees.

6. Employee Code of Conduct:

To ensure that employees comply with obligations to the Company, customers, competitors and suppliers during business operations, the Company has established an Employee Code of Conduct in order to regulate employee behavior. The highlights of this Code are as follows:

- (1) Obligation to the Company: All Company employees must be dedicated, studious, conform to all rules of the Company and ensure confidentiality.
- (2) Obligation to customers: When conducting business dealings in representation of this Company, the employee's attitude must be humble and without any arrogance or pride lest damaging the Company's image.
- (3) Obligation to competitors: The Company's employees should gather competitor information to serve as a reference for Company strategy in a legal and open manner.
- (4) Obligation to suppliers: Negotiations and transactions with suppliers by employees must uphold the principles of fairness, reasonableness and reciprocity in order to achieve a win-win result.

As a guide for employees to follow ethical standards and corporate governance, the Company has established additionally an Employee Code of Ethical Conduct. The highlights of this Code are as follows:

- (1) Prevention of conflicts of interests
 - (2) Prevention of opportunities to obtain personal gains
 - (3) Duty of confidentiality
 - (4) Fair trade
 - (5) Protection and appropriate use of Company assets
 - (6) Legal compliance
 - (7) Prohibition of gifts, bribes or any improper benefits
 - (8) Prohibition of external communication of information against the Company
 - (9) Equal employment opportunity and prohibition of discrimination
 - (10) Health and safety in workplace
 - (11) Correctly prepared documents and duty to maintain records
 - (12) Respect for intellectual property
- (2) Protective measures taken to ensure a safe working environment and maintain employees' personal safety

Walsin Lihwa's ESH and energy policy is "Green Manufacturing, Happy Enterprise and Sustainable Management". The health and safety system and administrative measures are as follows:

1. To enhance occupational safety and health management (including fire safety management) and fully implement the Occupational Safety and Health Management System (ISO 45001), the application covers all plants in Taiwan (Hsinchuang, Yangmei, Taichung, Yenshui), mainland China plants (Shanghai Walsin, Dongguan Walsin, Jiangyin Walsin, Jiangyin Alloy, Changshu Walsin, Yantai Walsin), PT. Walsin Nickel Industrial Indonesia, and CSA, encompassing all workers (employees, contractors, and visitors). The overall coverage rate is 89.63% for employees and 97.59% for non-employees (contractors), excluding Taipei headquarters, Nanjing Walsin (Real Estate), and Walsin Precision in Malaysia, which have not yet passed certification. The Company continues to use the PDCA cycle for dynamic review and improvement, management methods for prevention of recurrence, and internal audits and exercise, and to set and track annual occupational safety and health performance indicators, in a view to enhancing workplace safety for colleagues and establishing a comprehensive and friendly workplace. In terms of safety and health performance indicators, this includes proactive indicators such as key system promotion, support from senior management at each plant, and disclosure of management systems; reactive indicators such as work-related accidents and penalties from competent authorities; and indicators such as the frequency and items of general (special) health examinations. In fire safety performance management, each plant is fully staffed with fire management personnel (firefighters/security supervisors/fire equipment area autonomous management personnel), implements fire equipment maintenance management, and regularly conducts full-staff fire escape drills and fire self-defense organization drills.



2. Designated health and safety and environmental management units or staff

Each of Walsin Lihwa's domestic and overseas plants also has its own Occupational Safety and Health Committee (in Taiwan)/Safety Production Committee (in China). Those committees include certain labor representatives to participate in and discuss matters relating to occupational safety and health. The number of labor representatives in the safety and health committees set up in Taiwan factories in accordance with the law are in line with the regulatory requirements. These committees hold meetings every quarter. In addition to the passing down of practical experience and the dissemination of ethical principles in occupational safety, we provide a platform for the exclusive Environmental Safety and Health Committee meeting minutes system and an electronic signature system for quarterly meeting results, and send internal newsletters through the intranet with work-safety-related emails to share our experiences.

Plants	General Members	Labor Representatives	Meetings Times
Taiwan	97	63	34
China	79	65	14
Malaysia	22	21	1
Indonesia	13	11	2
Italy	15	4	1

Note: Cogne organizes at least one corporate safety meeting annually (according to Italian Legislative Decree No. 81/2008) to discuss and update the above issues, with the participation of workers' health and safety representatives (RLS). Investigations and specialized meetings are also conducted at the request of RLS and/or workers. RLS are also invited to participate in the visits to the workplace conducted alongside with occupational health physicians (according to Italian Legislative Decree No. 81/2008).

3. Safe Workplace and Friendly Management

In 2023, a project to strengthen hazard identification and risk assessment was initiated, with plants in Taiwan and mainland China revisiting three major aspects under the existing SJP risk management system: personnel operation safety, equipment safety, and environmental safety. A total of 11 plants (sites) reviewed 147 units, examining 1816 types of operations and identifying 381 hazard factors; among these, physical risks accounted for 84.9%, chemical risks 11.2%, human and other types 1.9%, and biological hazards 0.1%. To avoid underestimating high risks, in 2024, we will include the disaster cases of 2023 (including 84 work-related injury incidents (including minor injuries (Note 1), excluding CAS) and 205 near-miss incidents (near-miss incident rate of 238.98% (Note 2), excluding CAS)) into the calculation. Through the contractor mobile app inspection system and walk-around management methods, predictive danger identification and calling (KYT) activities, and adjusting the existing probability of accidents, severity, operation frequency, and risk level, we hope to shape the safety awareness of all employees and achieve the goal of zero work-related injuries.

Note 1: Minor injury: refers to the non-temporarily incapacitated state: unable to work on the day of injury, but can resume normal operation the next day.

Note 2: Work-related near miss frequency rate (NMFR) = number of near miss events * 200,000/total hours experienced.

4. Training on occupational safety and health for workers

In addition to legally mandated training, necessary training is conducted based on departmental operations, on-site job types, and the annual safety training plan requirements of the business unit. Regular training plans are also established for environmental and safety responsibilities, fire escape drills, special operation personnel, and emergency response drills, along with a comprehensive environmental and safety certification system in place to keep track of the certification trends and needs of each site.

Occupational Safety and Health Educational Training	New Recruit Training	In-Service Personnel Training (internal training)		In-Service Personnel Training (external training, including for license acquisition)		Pre-Site Training for Contractors	
		Number of Times	Number of Persons	Number of Times	Number of Persons	Number of Times	Number of Persons
Plants in Taiwan	616	498	8,590	176	382	243	1,836
Plants in China	764	375	7,556	206	943	110	5,220
Plants in Malaysia	31	21	309	3	3	0	0
Plants in Indonesia	338	215	3,926	24	80	184	3,664
Plants in Italy	91	804	6,154	263	1,022	8	629
Subtotal	1,840	1,913	26,535	672	2,430	545	11,349

5. Optimization of Contractor Management

In 2023, no contractor incidents of fire occurred in the Company's working environment. All factories implemented the "Walsin Lihwa Contractor Management Principles," with all contractors required to sign the "Environmental, Safety, and Health Commitment" and comply with the "Contractor Instructions" (coverage rate of 100%). Regular kickoff meetings and contractor agreement meetings are held, and all contractors must undergo relevant contractor training before they can qualify for entry to the site (or the plant). Since the

establishment of the "Contractor Management System" in 2020, Walsin has entered its fourth year in 2023, with a cumulative number of contractor entries at 27,324 and a total working hours accumulated at 1,381,069 hours. Walsin plants continue to implement the "Walsin Lihwa Contractor Safety and Health Management Blue Book," "Standardization of Contractor Safety and Health Management Regulations," "Contractor Insurance Standards," and access control, issuing a total of 724 notices for improvement and 98 penalty tickets for violations. This year, two work-related injuries occurred in Yantai Plant, with the related deficiencies immediately rectified, and the focus issues have been promoted. We continue our way towards the goal of zero work-related injuries.

Following the 2023 strategic direction of establishing a robust environmental, safety, and health intelligent management system, we promote the execution of the zero work-related injury goal, continuously execute the contractor safety and health management project (contractor management effectiveness confirmation and new plant area inclusion for control), and the make use of the PDCA method for sustainable operation. We continue tracking the operational status of each manufacturing factory system, immediate reporting any system failure, and repairing the system to restore its operation, while optimizing improvements when system defects occur. On December 1, 2023, we completed the new plant system setup and inclusion for the Yantai rolling mill, implementing contractor safety and health management in the plant area, reducing construction hazard risks, and ensuring the health and safety of all workers.

6. Compliance with Occupational Safety and Health Regulations

In 2023, there were 5 major violations of occupational safety and health regulations in Taiwan, with total fines of NT\$600,000. (No violations in our plants in China and Southeast Asia)

We will continue to review each accident and penalty event, as well as high-risk hazardous operations and equipment, high-frequency near miss events by focusing on hidden dangers based on projects, and we will, through information systems, gradually help improve personnel safety awareness, with real-time control of machinery and equipment, (raw) materials and chemicals control, and gradual construction of a regulatory cloud information system, to optimize our occupation, safety, and health management system. In 2023, the Company did not have any fire, explosion, or chemical leakage. Note: The standard for disclosure of major fines is NT\$100,000/RMB22,000.

7. Establish friendly, safe and healthy workplace through health promotion

(1) Occupational Safety and Health Activity Highlights

Employees are the most precious assets of a company, and Walsin Lihwa designs feasible employee health promotion plans every year. The Company conducts health inspections and analysis of results based on risk management, as well as on hazardous operations and special groups of hazardous operations (such as noise, free radiation, dust, high temperature, lead, manganese, nickel, and hexane operations) in the plants, and establishes health protection plans for hazardous operations, to ensure that employees have a good working environment and avoid occupational diseases.

In 2023, a total of 8 female pregnant employees received maternal health protection. At the same time, through organizing health promotion lectures and activities, we have enhanced employees' health awareness by positively and actively promoting and guiding employees to change their personal health behaviors and habits, have more correct hygiene knowledge, and embrace the concept of self-efficacy in the health belief model. In 2023, a total of 115 health education lectures were held, with a total of 4,142 participants, showing enthusiastic participation among colleagues.

(2) Results of Health Promotion Activities

Health Promotion	Number of Times	Number of Attendees
Health Promotion - Dynamic Activities	16	1,002
Health Issues - Static Lectures	30	718
Safety First Aid Education and Training	60	1,777
Blood donation for charity	9	645 (1,054 bags of blood donated)

(3) 2023 Promotion of Healthy Workplaces

Taipei Headquarters was awarded 2023 Excellent Health Workplace – Dynamic Award from the Health Promotion Administration, MOHW

Taipei Headquarters received 2023 Healthy Workplace Certification-Health Promotion Badge

Taipei Headquarters received the Excellent Lactation Room Special Excellence Certification from Health Department, Taipei City Government

Hsinchuang Plant received the 2023 Safe Place Certification

(4) From the most recent year to the date of publication of this Annual Report, any labor-management disputes and resulting losses suf



(5) fered by the Company and its countermeasures: None.

6. Information Security Management

- (1) Describe the risk management framework for information and communications security, information and communications security policies, specific management plans, and resources devoted to information and communications security management.

Walsin Lihwa's dedicated information security team is committed to strengthening the overall information security protection capability of the enterprise, to enhance the enterprise's information security rating, meet customers' information security requirements, and fulfill the commitment to information security goals for customers, shareholders, and all stakeholders. We have strengthened our information security year after year from four aspects: IT governance, personnel/device protection, network/system control, and perimeter defense, including enhancing the management of high-privilege accounts, host security monitoring and security testing, application security enhancement, external service vulnerability improvement, network security segmentation, introduction of information security monitoring mechanisms (SOC), strengthening cloud information security management, and enhancing colleagues' awareness of information security.

1. Risk management framework for information and communications security

To build a "digitally sustainable" information system architecture and promote the corporate goal of "digital transformation," Walsin Lihwa has promoted an information security strategy plan centered on "strengthening information security resilience" by establishing an overall information security protection platform, perfecting information security technical protection measures, demonstrating proactive defense capabilities, and laying the foundation for digital sustainability, in line with the government's policy goal of "information security equals national security."

Walsin has established its information security risk management framework with a dedicated information security organization, senior executive participation, and alignment with international information security standards, specifying relevant information security policies and regulations to implement information security management.

- **Dedicated Information Security Organization:** In response to the corporate transformation and enhancement of information security management, Walsin Lihwa has established a dedicated information security organization - "Information Security and System Operation & Management Division" and, in 2022, appointed a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel. The division is responsible for formulating information security policies, planning, coordinating and implementing information security protection measures, performing information security risk assessment and management, developing a complete information security plan, and promoting information security management and solutions year by year.
- **Participation of Senior Executives:** The Company has established the IT Steering Committee, which is the information security management and decision-making body for the head office and business units, and is responsible for reviewing and deciding on matters related to information security management. There are also several members on the Board of Directors with backgrounds in information security in the Audit Committee to supervise and review the promotion of information security policies.
- **Implementation of Information Security Management:** In 2022, Walsin Lihwa implemented ISO 27001 Information Security Management System (ISMS) and obtained certification from a third-party certification body to fully manage its information security through PDCA. We have built up the confidentiality, integrity, and availability of information security management system of our organizations comprehensively, and strengthened our information security management continuously through different management plans in such aspects as prevention beforehand, monitoring during the event, and response after the event.

2. Information Security Policies and Goals

The goal of information security at Walsin is to maintain the confidentiality, integrity and availability of sensitive information, such as customer data and business information. Therefore, all of our employees, internal and external information service users and third-party outsourced service providers should work together to follow and achieve the following policies and objectives:

- To protect the Company's confidential information from being accessed, altered, or damaged in an unauthorized way or improperly disclosed, in accordance with various laws and regulations. (In compliance with both internal and external regulations)
- To protect information on the Company's business activities from unauthorized access or disclosure, and to ensure the accuracy of all business information. (Protection of trade secrets)
- To establish a complete business continuity plan and information security incident management procedures, to ensure that incidents are responded to, controlled and handled properly, and by conducting regular drills, to ensure the continuous operation of information systems or services.
- To handle and protect personal information and intellectual property rights in a prudent manner in accordance with the relevant domestic and foreign regulations in respect of the Personal Information Protection Act and the intellectual property law. (Intellectual property)

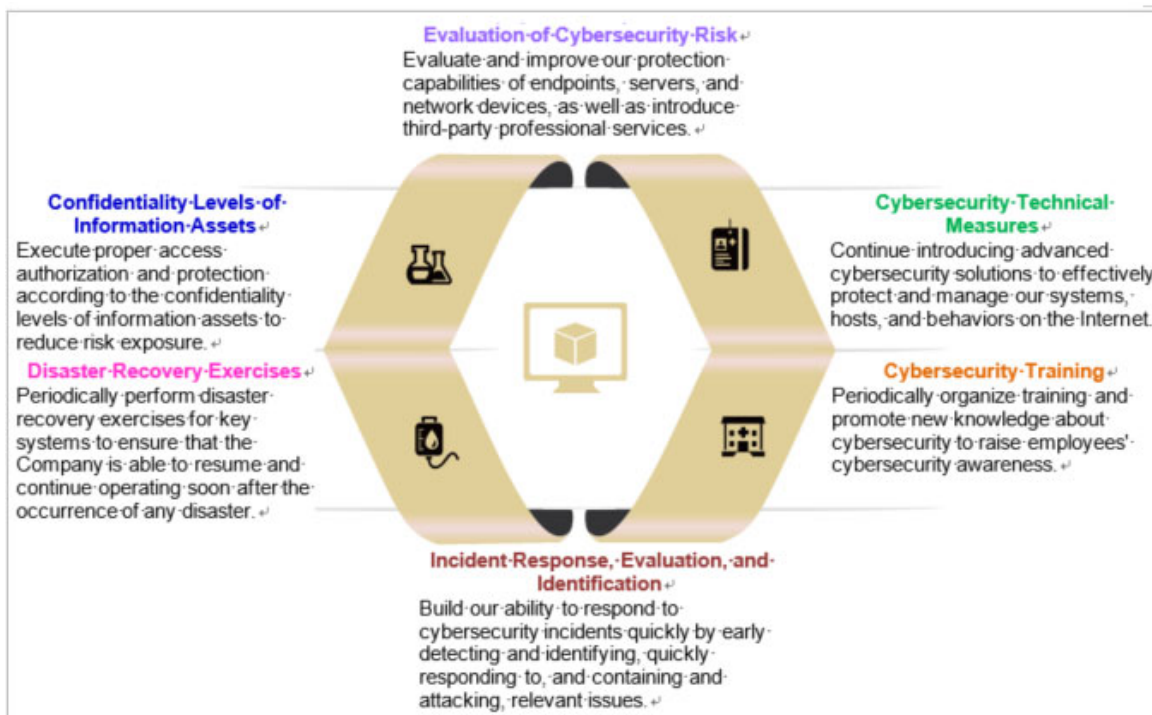
- To perform regular information security compliance audits to review the implementation of the information security management system. (PDCA)
- All employees shall maintain a high level of information security awareness at all times, and supervisors at all levels shall assume ultimate responsibility for information security supervision, management and training, to achieve the goal of reducing the risk of information use through various activities, such as management review, risk assessment, internal audit, education and training, and information security drills. (Participation of all employees)
- All staff of the Company shall follow information security policies, management practices and standard procedures, and violations of information security policies and related regulations shall be handled in accordance with relevant laws and regulations or the Company's regulations. (Participation of all employees)

3. Construction of the resilience of corporate information security and implementation of information security management

- We have drafted information security plan to promote information security policy year by year, to introduce information security system and process specification, and to continuously establish complete information security technical protection measures.
- The specific management plan will be gradually achieved in five stages, "Internal and External Segregation", "Physical Fitness", "Insight", "Smart Security", and "Behavior Analysis", with four components, "IT Governance", "Data and Device Protection", "Network and System Control", and "Boundary Defense".
- The specific management plans:
 1. Planning and establishing data protection mechanisms to reduce risk of leaking confidential information.
 2. Continuously introducing advanced information security solutions to effectively protect and manage system, host and network behavior.
 3. Strengthening external information service protection to enhance the ability to block hacker attacks.
 4. Regularly organizing educational training to promote new information security knowledge and to raise employees' awareness of information security.
 5. Regularly conducting disaster preparedness drills for important systems, so that in the event of a disaster, operations may be quickly resumed to ensure the company's operational sustainability.
 6. Improving the protection capability of endpoints, servers and network devices by introducing Endpoint Detection and Response (EDR).
 7. Introduction of information security monitoring mechanisms (SOC) to establish effective real-time incident handling and response capabilities.
 8. Walsin Lihwa introduced the ISO 27001 Information Security Management System (ISMS) in 2022 and obtained certification from a third-party verification institution, thereby implementing information security management with PDCA. We have comprehensively built the confidentiality, integrity, and availability of the organization's information security management system, and according to different management planning in the aspects of prevention, monitoring, and response, in order to assist the enterprise in continuously strengthening information security management.



9. Strengthening cloud information security management and achieving ESG digital sustainability purposes through ZeroTrust.



4. Investment in cyber security management resources

- The corresponding information security management issues and the resources to be invested are summarized as follows:
 1. Major issue: "Information Security Management" was included as one of the "Major Issues" in the Company's sustainability report for 2023.
 2. Dedicated organization: A dedicated information security organization, "Information Security and System Operation & Maintenance Division," was established and a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel were appointed, responsible for drafting and amending information security policies, as well as planning, coordinating, and executing information security protection measures.
 3. Management review: The IT Steering Committee holds at least one management review meeting annually to audit the information security policy and its implementation and execution, in order to ensure the effectiveness and appropriateness of the standardized information security policy in compliance with relevant laws and the requirements of competent authorities.
 4. Information security certification: We pass the ISO27001 Information Security Management System (ISMS) certification annually, while there are no significant deficiencies in our related information security audits.
 5. Stakeholder issues: In 2023, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.
 6. Advocacy and training: The Company continues promoting a month-long information security awareness campaign annually, as well as implementing mandatory information security education training courses for all employees. In 2023, the number of participants exceeded 2500. In 2023, two email social engineering drills were conducted, with more than 5000 participants, and colleagues who failed the social engineering drills were required to participate in online information security courses and complete the test.
 7. Information security regulations: In addition to revising all information security regulations in 2022, three information security regulations were revised in 2023 to comply with domestic and international legal requirements and respond to changes in the external environment.
 8. Information security testing: Three third-party information security risk testing operations were conducted in 2023.

- (2) In 2023, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.

7. Material Contracts

(1) Walsin Lihwa Corporation

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Loan Agreement	DBS Bank	The agreement was signed on March 23, 2020, with the maturity of the loan falling on April 15, 2025	The loan is a five-year facility in a total amount of USD 300 million.	1. Current ratio \geq 100% 2. Debt ratio \leq 120% (Net liabilities/Tangible net worth) 3. Interest coverage ratio \geq 150% 4. Tangible net worth \geq NT\$55 billion
Guarantee Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	1. Current ratio \geq 100% 2. Debt ratio \leq 120% (Net liabilities/Tangible net worth) 3. Interest coverage ratio \geq 300% 4. Tangible net worth \geq NT\$80 billion
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from March 21, 2022; 20 years after the commencement of operation	1. Lease of approximately 18.38 hectares of land in A6 of the first phase of the Kaohsiung Port Intercontinental Container Center; 2. The annual rent is NT\$13,971,738, and the annual fixed management fee is NT\$13,971,738.	No rights under the agreement may be transferred without the consent of the Lessor.
Construction Agreement	Chung-Lu Construction Co., Ltd.	2021/7/5-2023/5/15	NT\$3,249,750,000	None
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from November 3, 2023; 20 years from the date of delivery	1. Lease of A6 Port for the first phase of the Kaohsiung Port Intercontinental Container Center and the right to use the rear land of approximately 376 hectares; 2. The annual rent is NT\$8,150, and the annual fixed management fee is NT\$8.5 million.	No rights under the agreement may be transferred without the consent of the Lessor.



(2) Walsin (Nanjing) Development Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Agreement	38 companies, including Nanjing Construction Design Research Institute Co., Ltd.	2022/01/06-2028/06/30	1. Design, consultancy, and construction for Walsin Centro Plot AB, Phases II & III. 2. Cumulative Amount: RMB50,250,000.	None

(3) Yantai Walsin Stainless Steel Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Sale and Purchase of Real Property	China Merchants Real Estate (Yantai) Co., Ltd.	April 17, 2023	1. Acquisition of real property 2. Amount: Approximately RMB129,765,000	None
Construction Agreement	25 companies, including China Construction Eighth Engineering Division. Corp. Ltd.	2022/01/12-2023/12/31	1. Civil construction for Yantai Plant 2. Cumulative Amount: RMB689,879,000.	None
Loan Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	The total amount of shareholders' equity and the amount borrowed by shareholders or affiliates shall not be less than RMB1.8 billion.

(4) Dongguan Walsin Wire & Cable Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	Hangzhou Futong Group Co., Ltd.	Obtaining control on February , 2024	1. Dongguan Walsin Wire & Cable Co., Ltd. acquired 60% equity of Hangzhou Walsin Power Cable Co., Ltd. 2. Acquisition Price: Approximately RMB301,864,000.	None

(5) Walsin Energy Cable System Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Joint Venture Agreement	Walsin Lihwa Corporation NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, Walsin Lihwa Corporation and NKT HV Cables AB jointly established Walsin Energy Cable System Co., Ltd.	None

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Technical Consulting Agreement and Technology Licensing Agreement	NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, NKT HV Cables AB provides technical consultation and licenses its technology to Walsin Energy Cable System Co., Ltd.	None
Land Sublease Agreement	Walsin Lihwa Corporation	Effective from 5 May 2023, and 20 years from the date of commencement of operation	<ol style="list-style-type: none"> In order to develop the submarine cable business, it subleased to Walsin Lihwa Corporation a total of about 18.38 hectares of the rear land of the first phase of Kaohsiung Intercontinental Container Terminal Project; The annual rent is NT\$13,971,738, and the annual fixed management fee is NT\$13,971,738. 	This sublease was carried out with the consent of the Lessor.
Construction Agreement	Chung-Lu Construction Co., Ltd.	<ol style="list-style-type: none"> From July 17, 2023 to November 12, 2023 	<ol style="list-style-type: none"> In order to develop the submarine cable business, the contractor was commissioned to construct the civil works for the plant. Cumulative amount of civil works: NT\$4,664,625,000 	None

(6) Borrego Energy, LLC

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	Anza RE Buyer, LLC	February 24, 2023	<ol style="list-style-type: none"> Borrego Energy, LLC formed a wholly owned subsidiary, Anza RE, LLC, with the business of its solar and energy storage sourcing and trading platform division and completed the disposition of the business of the solar and energy storage sourcing and trading platform division through the sale of its equity interest in Anza RE, LLC. Disposition Price: US\$26,740,000 	None



(7) Cogne Acciai Speciali S.p.A

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	MUTARES HOLDING-33 GMBH	May 5, 2023	1. Cogne Acciai Speciali S.p.A. has acquired 100% equity of Special Melted Products Limited (based in the UK). (This transaction was made through the Company's investment structure in Cogne Acciai Speciali S.p.A.; Walsin Lihwa Corporation ultimately holds a 70% consolidated shareholding in Special Melted Products Limited) 2. Acquisition Price: £142,165,394.	None
Equity Trading	Com.Steel S.p.A.	January 26, 2024	1. Cogne Acciai Speciali S.p.A. has acquired 65% of the shares of Com. Steel Inox S.p.A. (based in Italy). 2. Acquisition Price: Up to EUR 28,000,000.	None

(8) Walsin Singapore Pte. Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Equity Trading	PT. Harum Nickel Industry	October 26, 2023	1. Disposition of the its 29.5% equity interest in Indonesian PT. Westrong Metal Industry. 2. Disposition Price: US\$146,000,000	None
Equity Trading	Indigo International Investment Limited	October 26, 2023	1. Acquisition of 75% equity interest in Berg Holding Limited (based in Hong Kong). 2. Acquisition Price: US\$118,500,000	None

(9) PT. WALHSU METAL INDUSTRY

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Agreement	PT. PERINTIS MAKMUR INDONESIA	June 26, 2023 – September 19, 2024	1. Commissioning of construction on land 2. Amount: US\$37,400,000	None
Buying and Selling of Equipment	Eternal Tsingshan Group Limited	June 26, 2023	1. Procurement of high-grade nickel matte converter equipment. 2. Amount: US\$49,330,000	None

VI Financial Information

1. Brief Balance Sheets and Comprehensive Income Statements of Recent Five Years

(1) Condensed Balance Sheet – Consolidated (Based on IFRSs)

Unit : NT \$Thousands

Items		Year	Financial Summary for the Last Five Years				
			2019	2020	2021	2022	2023
Current Assets			60,789,794	56,176,808	69,320,640	92,707,385	78,751,988
Property, Plant and Equipment			27,845,109	34,294,221	41,474,488	65,656,466	78,154,936
Intangible Assets			168,134	175,000	173,430	9,339,422	12,155,696
Other Assets			49,263,365	60,917,977	72,066,340	89,194,468	97,307,411
Total Assets			138,066,402	151,564,006	183,034,898	256,897,741	266,370,031
Current Liabilities	Before Distribution		40,743,553	31,458,157	38,852,513	60,869,368	50,759,328
	After Distribution		42,406,553	34,546,357	44,342,646	67,585,767	55,193,794
Non-current Liabilities			18,756,735	32,825,019	36,236,117	61,819,250	61,161,390
Total Liabilities	Before Distribution		59,500,288	64,283,176	75,088,630	122,688,618	111,920,718
	After Distribution		61,163,288	67,371,376	80,578,763	129,405,017	116,355,184
Equity Attributable to owners of the Company			77,384,341	84,468,235	105,883,524	123,580,876	140,810,315
Capital Stock			33,260,002	32,260,002	34,313,329	37,313,329	40,313,329
Capital Surplus			16,055,238	15,690,406	18,440,875	24,672,454	33,624,917
Retained Earnings	Before Distribution		31,179,511	36,330,187	47,787,207	62,038,398	60,590,617
	After Distribution		29,516,511	33,241,987	42,297,074	55,321,999	56,156,151
Other Equity			(3,110,410)	187,640	5,342,113	(443,305)	6,281,452
Treasury Stock			0	0	0	0	0
Non-controlling Interests			1,181,773	2,812,595	2,062,744	10,628,247	13,638,998
Total Equity	Before Distribution		78,566,114	87,280,830	107,946,268	134,209,123	154,449,313
	After Distribution		76,903,114	84,192,630	102,456,135	127,492,724	150,014,847



(2) Condensed Balance Sheet - Unconsolidated (Based on IFRSs)

Unit : NT \$Thousands

Items		Year	Financial Summary for the Last Five Years				
			2019	2020	2021	2022	2023
Current Assets			16,615,466	18,421,337	28,943,268	37,348,050	20,943,624
Property, Plant and Equipment			17,621,858	17,493,296	17,411,273	18,760,190	20,828,266
Intangible Assets			0	0	0	0	0
Other Assets			86,140,209	104,556,223	118,325,438	144,973,880	161,093,192
Total Assets			120,377,533	140,470,856	164,679,979	201,082,120	202,865,082
Current Liabilities	Before Distribution		25,700,349	24,192,375	23,762,737	23,723,277	11,474,045
	After Distribution		27,363,349	27,280,575	29,252,870	30,439,676	15,908,511
Non-current Liabilities			17,292,843	31,810,246	35,033,718	53,777,967	50,580,722
Total Liabilities	Before Distribution		42,993,192	56,002,621	58,796,455	77,501,244	62,054,767
	After Distribution		44,656,192	59,090,821	64,286,588	84,217,643	66,489,233
Capital Stock			33,260,002	32,260,002	34,313,329	37,313,329	40,313,329
Capital Surplus			16,055,238	15,690,406	18,440,875	24,672,454	33,624,917
Retained Earnings	Before Distribution		31,179,511	36,330,187	47,787,207	62,038,398	60,590,617
	After Distribution		29,516,511	33,241,987	42,297,074	55,321,999	56,156,151
Other Equity			(3,110,410)	187,640	5,342,113	(443,305)	6,281,452
Treasury Stock			0	0	0	0	0
Total Equity	Before Distribution		77,384,341	84,468,235	105,883,524	123,580,876	140,810,315
	After Distribution		75,721,341	81,380,035	100,393,391	116,864,477	136,375,849

(3) Condensed Statements of Comprehensive Income - Consolidated (Based on IFRSs)

Unit : NT \$Thousands (Except EPS:NT\$)

Items \ Year	Financial Summary for the Last Five Years				
	2019	2020	2021	2022	2023
Net Sales	134,804,405	112,546,603	156,664,766	180,400,719	189,839,626
Gross Profit	9,390,566	12,468,338	19,809,465	17,346,305	14,443,612
Operating Income	4,059,474	7,385,062	13,345,552	9,498,714	6,240,766
Non-operating Revenue and Expense	680,793	1,865,603	5,776,946	13,903,299	1,197,632
Profit before Taxes	4,740,267	9,250,665	19,122,498	23,402,013	7,438,398
Gain from Continued Operations	3,783,324	7,005,801	15,257,314	19,140,076	5,941,250
Loss from Discontinued Operations	0	0	0	0	0
Profit for the year	3,783,324	7,005,801	15,257,314	19,140,076	5,941,250
Other comprehensive income, net of income tax	915,620	3,338,209	5,113,693	(2,768,002)	6,665,891
Total comprehensive income for the year	4,698,944	10,344,010	20,371,007	16,372,074	12,607,141
Profit for the year attributable to owners of the company	3,149,679	6,691,149	14,642,629	19,352,097	5,134,316
Profit for the year attributable to non-controlling interests	633,645	314,652	614,685	(212,021)	806,934
Total comprehensive income for the year attributable to owners of the company	4,082,661	10,114,207	19,791,160	16,639,046	11,993,418
Total comprehensive income for the year attributable to non-controlling interests	616,283	229,803	579,847	(266,972)	613,723
Earnings Per Share	0.95	2.04	4.27	5.45	1.32



(4) Condensed Statements of Comprehensive Income - Unconsolidated (Based on IFRSs)

Unit : NT \$Thousands (Except EPS:NT\$)

Items	Year	Financial Summary for the Last Five Years				
		2019	2020	2021	2022	2023
Net Sales		71,596,648	64,097,690	97,789,648	98,420,045	83,321,352
Gross Profit		4,155,851	4,457,566	12,894,560	11,207,400	6,758,790
Operating Income		2,445,178	2,681,141	10,197,929	7,741,047	4,041,947
Non-operating Revenue and Expense		644,517	3,982,969	8,195,530	16,915,494	2,909,936
Profit before Taxes		3,089,695	6,664,110	18,393,459	24,656,541	6,951,883
Gain from Continued Operations		3,149,679	6,691,149	14,642,629	19,352,097	5,134,316
Loss from Discontinued Operations		0	0	0	0	0
Profit for the year		3,149,679	6,691,149	14,642,629	19,352,097	5,134,316
Other comprehensive income, net of income tax		932,982	3,423,058	5,148,531	(2,713,051)	6,859,102
Total comprehensive income for the year		4,082,661	10,114,207	19,791,160	16,639,046	11,993,418
Earnings Per Share		0.95	2.04	4.27	5.45	1.32

(5) Auditors' Opinion from 2018 to 2022

Year	CPA	Audit Opinion
2019	Deloitte & Touche Wen-Yea, Shyu, Kwan-Chung, Lai	An Unmodified Opinion with an Other Matter Paragraph
2020	Deloitte & Touche Wen-Yea, Shyu, Kwan-Chung, Lai	An Unmodified Opinion with an Other Matter Paragraph
2021	Deloitte & Touche Wen-Yea, Shyu, Ker-Chang Wu	An Unmodified Opinion with an Other Matter Paragraph
2022	Deloitte & Touche Wen-Yea, Shyu, Ker-Chang Wu	An Unmodified Opinion with an Other Matter Paragraph
2023	Deloitte & Touche Wen-Yea, Shyu, Ker-Chang Wu	An Unmodified Opinion with an Other Matter Paragraph

2. Financial Analysis of Recent Five Years

(1) Financial Analysis – Consolidated (Based on IFRSs)

Analysis Items		Year	Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023	
Capital structure (%)	Debt Ratio	43.09	42.41	41.02	48.59	42.01	
	Ratio of long-term Capital to Property, Plant and Equipment	349.51	350.22	347.64	291.90	275.87	
Liquidity analysis (%)	Current Ratio	149.20	178.57	178.41	152.30	155.14	
	Quick Ratio	89.96	93.29	81.52	79.25	76.59	
	Interest Coverage Ratio (times)	947.08	1,813.14	4,675.29	2,927.30	448.28	
Operating Performance	Accounts Receivable Turnover (Times)	10.06	10.35	12.95	10.16	10.05	
	Average Collection Period	36.28	35.26	28.18	35.92	36.31	
	Inventory Turnover (Times)	5.21	4.64	5.18	4.81	5.02	
	Accounts Payable Turnover (times)	15.32	13.30	16.51	12.10	10.08	
	Average Days in Sales	70.05	78.66	70.46	75.88	72.70	
	Property, plant and equipment Turnover (Times)	5.09	3.62	4.13	3.36	2.64	
	Total Assets Turnover (Times)	0.99	0.77	0.93	0.82	0.72	
Profitability analysis	Return on Total Assets (%)	3.12	5.12	9.31	9.09	2.92	
	Return on Stockholders' equity (%)	4.79	8.44	15.63	16.09	4.11	
	Pre-tax Income to Paid-in Capital (%)	14.25	28.67	55.72	62.71	18.45	
	Profit Ratio (%)	2.80	6.22	9.73	10.60	3.12	
	Earnings (loss) Per Share (NT\$) (Note 1)	0.95	2.04	4.27	5.45	1.32	
Cash Flow(Note 2)	Cash Flow Ratio (%)	21.17	22.99	3.37	22.77	44.81	
	Cash Flow Adequacy Ratio (%)	72.07	68.21	45.50	42.45	56.72	
	Cash Reinvestment Ratio (%)	4.51	4.65	0.00	4.39	7.71	
Leverage	Operating Leverage	2.93	2.06	1.72	2.27	3.26	
	Financial Leverage	1.15	1.07	1.03	1.09	1.52	
<p>Analysis of financial ratio difference for the last two years (Not required if the difference does not exceed 20%)</p> <p>A. Compared to 2022, interest coverage ratio in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.</p> <p>B. Compared to 2022, property, plant and equipment turnover in 2023 shows a decrease. This is because that the increase in net sales was lower than the increase in the average net amount of property, plant and equipment for the year 2023.</p> <p>C. Compared to 2022, return on total assets, return on stockholders' equity, and earnings per share in 2023 show a decrease. This is because that pre-tax income for the year 2023 decreased.</p> <p>D. Compared to 2022, pre-tax Income to paid-in capital in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.</p> <p>E. Compared to 2022, cash flow ratio and cash reinvestment ratio in 2023 show an increase. This is because that net cash flow from operating activities increased for the year 2023.</p> <p>F. Compared to 2022, cash flow adequacy ratio in 2023 shows an increase. This is because that net cash flow from operating activities over the past five years increased.</p> <p>G. Compared to 2022, operating leverage in 2023 show an increase. This is because that operating Income for the year 2023 decreased.</p> <p>H. Compared to 2022, financial leverage in 2023 show an increase. This is because that interest expense for the year 2023 increased.</p>							



Note : Financial analysis formulas show as the following :

1. Financial Structure :

(1) Debt Ratio = $\frac{\text{Total liabilities}}{\text{Total assets}}$

(2) Ratio of Long-term Capital to Property, plant and equipment = $\frac{\text{Stockholders' equity} + \text{non-current liabilities}}{\text{net worth of Property, plant and equipment}}$

2. Solvency :

(1) Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

(2) Quick Ratio = $\frac{\text{Current assets} - \text{inventories} - \text{prepaid expenses}}{\text{Current liabilities}}$

(3) Interest Coverage Ratio = $\frac{\text{Income before tax and interest expenses}}{\text{Current Interest expenses}}$

3. Operating Performance :

(1) Receivable (included trade receivables and operating notes receivable) Turnover = $\frac{\text{Net sales}}{\text{Average receivables for each period (included trade receivables and operating notes receivable)}}$

(2) Average Collection Period Turnover Days = $\frac{365}{\text{Receivable turnover}}$

(3) Inventory Turnover = $\frac{\text{Cost of sales}}{\text{Average inventories}}$

(4) Payables (included trade payables and operating notes payable) Turnover = $\frac{\text{Cost of sales}}{\text{Average payables for each period (included trade payables and operating notes payable)}}$

(5) Average Days in Sales = $\frac{365}{\text{Inventory turnover}}$

(6) Property, Plant and Equipment Turnover = $\frac{\text{Net sales}}{\text{Average of property, plant and equipment, net}}$

(7) Total Assets Turnover = $\frac{\text{Net sales}}{\text{Average of total assets}}$

4. Profitability :

(1) Return on Total Assets = $\frac{[\text{Net income after tax} + \text{interest expense} \times (1 - \text{tax rate})]}{\text{Average of total assets}}$

(2) Return on Stockholders' equity = $\frac{\text{Net income after tax}}{\text{Average of stockholders' equity}}$

(3) Profit Ratio = $\frac{\text{Net income after tax}}{\text{Net sales}}$

(4) Earnings (loss) Per Share = $\frac{\text{Net income attributable to owners} - \text{stock dividend - preferred}}{\text{Weighted average of outstanding shares}}$

5. Cash Flow :

(1) Cash Flow Ratio = $\frac{\text{Net cash provided by operating activities}}{\text{Current liabilities}}$

(2) Cash Flow Adequacy Ratio = $\frac{\text{Net cash provided by operating activities in recently five years}}{\text{Recently five years of (capital expenses} + \text{increase of inventories} + \text{cash dividend)}}$

(3) Cash Reinvestment Ratio = $\frac{\text{Net cash provided by operating activities} - \text{cash dividend}}{\text{(Property, plant and equipment, gross} + \text{long-term investment} + \text{other non-current assets} + \text{working capital)}}$

6. Leverage :

(1) Operating Leverage = $\frac{\text{Net sales} - \text{variable operating cost and expense}}{\text{Operating income}}$

(2) Financial Leverage = $\frac{\text{Operating income}}{\text{Operating income} - \text{interest expense}}$

(2) Financial Analysis –Unconsolidated (Based on IFRSs)

Analysis Items		Year	Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023	
Capital structure (%)	Debt Ratio	35.71	39.86	35.70	38.54	30.58	
	Ratio of Long-term Capital to Property, plant and equipment	537.27	664.70	809.34	945.40	918.90	
Liquidity analysis (%)	Current Ratio	64.65	76.14	121.80	157.43	182.53	
	Quick Ratio	26.77	31.25	47.99	99.09	82.86	
	Interest Coverage Ratio (times)	676.50	1,571.22	4,424.13	3,488.06	962.04	
Operating Performance	Accounts Receivable Turnover (Times)	32.56	32.75	28.78	23.99	28.66	
	Average Collection Period	11.21	11.14	12.68	15.21	12.73	
	Inventory Turnover (Times)	6.53	6.67	7.05	6.36	6.67	
	Accounts Payable turnover (times)	21.25	23.75	30.51	27.83	22.27	
	Average Days in Sales	55.89	54.72	51.77	57.38	54.72	
	Property, plant and equipment Turnover (Times)	4.20	3.65	5.60	5.44	4.20	
	Total Assets Turnover (Times)	0.59	0.49	0.64	0.53	0.41	
Profitability analysis	Return on Total Assets (%)	3.08	5.47	9.81	10.89	2.83	
	Return on Stockholders' equity (%)	4.07	8.26	15.38	16.86	3.88	
	Pre-tax Income to Paid-in Capital (%)	9.28	20.65	53.60	66.07	17.24	
	Profit Ratio (%)	4.39	10.43	14.97	19.66	6.16	
	Earnings (loss) Per Share (NT\$) (Note 1)	0.95	2.04	4.27	5.45	1.32	
Cash Flow(Note 2)	Cash Flow Ratio (%)	18.90	16.56	14.67	62.53	95.69	
	Cash Flow Adequacy Ratio (%)	46.95	46.03	36.66	41.69	41.86	
	Cash Reinvestment Ratio (%)	0.89	15.61	19.14	5.39	2.32	
Leverage	Operating Leverage	2.63	2.52	1.48	1.73	2.30	
	Financial Leverage	1.28	1.20	1.04	1.10	1.24	
Analysis of financial ratio difference for the last two years (Not required if the difference does not exceed 20%)							
A. Compared to 2022, debt ratio in 2023 shows a decrease. This is because that loans decreased.							
B. Compared to 2022, interest coverage ratio in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.							
C. Compared to 2022, property, plant and equipment turnover in 2023 shows a decrease. This is because that net sales for the year 2023 decreased.							
D. Compared to 2022, return on total assets, return on stockholders' equity, and earnings per share in 2023 show a decrease. This is because that pre-tax income for the year 2023 decreased.							
E. Compared to 2022, pre-tax Income to paid-in capital in 2023 shows a decrease. This is because that pre-tax income for the year 2023 decreased.							
F. Compared to 2022, the cash flow ratio in 2023 show an increase. This is because that short-term loans decreased.							
G. Compared to 2022, the cash reinvestment ratio in 2023 show a decrease. This is because that net cash flow from operating activities decreased for the year 2023 and non-current assets increased.							
H. Compared to 2022, operating leverage in 2023 show an increase. This is because that operating Income for the year 2023 decreased.							

Note 1: Financial analysis formulas see Table (1).



3. Audit Committee's Review Report for the Recent Year

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of earnings. The Financial Statements had been audited by Deloitte & Touche Accountants, Wen-Yea, Shyu and Ker-Chang Wu and has issued an audit report.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Walsin Lihwa Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Walsin Lihwa Corporation

Chairman of the Audit Committee :

February 23, 2024

4. Financial Statements of Recent Years

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Walsin Lihwa Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Sales Revenue Recognition

In 2023, the main products of the Group's wires and cables business unit include bare copper wires, wires and cables. The fluctuation in prices of bare copper wires is often subject to the movement in prices of raw materials, and thus some of the sales prices are set according to the market prices agreed



under the contracts at the time of shipments. The Group prepares reports on point-of-sale transactions by referring to the actual shipments and market price adjustments as the basis for revenue recognition. Due to the large number of transactions and different market prices that have been agreed upon by customers, the processing, recording and maintenance of such reports are performed manually, and their amounts are significant to the consolidated financial statements. Therefore, the accuracy of revenue recognized from sales of bare copper wires was considered as a key audit matter. Refer to Notes 4 and 28 to the consolidated financial statements for related accounting policies and disclosure of information relating to revenue recognition.

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

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

Emphasis of Matter

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

Other Matter

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

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

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 23, 2024)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

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

(Continued)

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022****(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

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

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

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

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

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

(Concluded)

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

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

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

(In Thousands of U.S. Dollars, Except Earnings Per Share)

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

(Continued)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

(In Thousands of U.S. Dollars, Except Earnings Per Share)

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

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

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

(Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of WLC												
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Other Equity		Loss on Hedging Instrument	Others	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income						
BALANCE AT JANUARY 1, 2022	\$ 34,313,329	\$ 18,440,875	\$ 6,109,568	\$ 2,712,250	\$ 38,965,389	\$ (6,100,687)	\$ 11,534,267	\$ -	\$ (91,467)	\$ 105,883,524	\$ 2,062,744	\$ 107,946,268	
Appropriation of 2021 earnings (Note 27)													
Legal reserve	-	-	1,454,522	-	(1,454,522)	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(5,490,133)	-	-	-	-	(5,490,133)	-	(5,490,133)	
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,683,140)	(2,683,140)	-	(2,683,140)	
Excess of the carrying amount over the consideration received of the subsidiaries' net assets during disposal	-	(994)	-	-	-	-	-	-	-	(994)	-	(994)	
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	(3,589)	-	3,589	-	-	-	-	-	
Changes in capital surplus from investments in associates accounted for using the equity method	-	887	-	-	79,546	-	(79,546)	-	-	887	-	887	
Issuance of ordinary shares for cash	3,000,000	6,000,000	-	-	-	-	-	-	-	9,000,000	-	9,000,000	
Net profit for the year ended December 31, 2022	-	-	-	-	19,352,097	-	-	-	-	19,352,097	(212,021)	19,140,076	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	313,270	1,843,913	(4,764,433)	(105,801)	-	(2,713,051)	(54,951)	(2,768,002)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	19,665,367	1,843,913	(4,764,433)	(105,801)	-	16,639,046	(266,972)	16,372,074	
Share-based payment transaction (Note 32)	-	225,000	-	-	-	-	-	-	-	225,000	-	225,000	
Others	-	6,686	-	-	-	-	-	-	-	6,686	-	6,686	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,832,475	8,832,475	
BALANCE AT DECEMBER 31, 2022 (AS RESTATED)	37,313,329	24,672,454	7,564,090	2,712,250	51,762,058	(4,256,774)	6,693,877	(105,801)	(2,774,607)	123,580,876	10,628,247	134,209,123	
Appropriation of 2022 earnings (Note 27)													
Legal reserve	-	-	1,974,132	-	(1,974,132)	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(6,716,399)	-	-	-	-	(6,716,399)	-	(6,716,399)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	(6,932)	-	-	204,652	-	(204,652)	-	-	(6,932)	-	(6,932)	
Changes in percentage of ownership interests in subsidiaries	-	26,730	-	-	-	-	-	-	-	26,730	(26,730)	-	
Issuance of ordinary shares for cash	3,000,000	8,923,497	-	-	-	-	-	-	-	11,923,497	-	11,923,497	
Net profit for the year ended December 31, 2023	-	-	-	-	5,134,316	-	-	-	-	5,134,316	806,934	5,941,250	
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(70,350)	(690,701)	7,579,452	40,701	-	6,859,102	(193,211)	6,665,891	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,063,966	(690,701)	7,579,452	40,701	-	11,993,418	613,723	12,607,141	
Others	-	9,168	-	-	-	-	-	-	(43)	9,125	-	9,125	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,423,758	2,423,758	
BALANCE AT DECEMBER 31, 2023	\$ 40,313,329	\$ 33,624,917	\$ 9,538,222	\$ 2,712,250	\$ 48,340,145	\$ (4,947,475)	\$ 14,068,677	\$ (65,100)	\$ (2,774,650)	\$ 140,810,315	\$ 13,638,998	\$ 154,449,313	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 23, 2024)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 23, 2024)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

	2023	2022 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (173,986)	\$ (140,417)
Disposal of financial assets at fair value through other comprehensive income	-	24,004
Purchase of financial assets at amortized cost	-	(183,665)
Purchase of financial assets for hedging	(342,786)	-
Purchase of investments accounted for using the equity method	(1,077,128)	(4,980,030)
Prepayments for investments	(1,334,026)	(2,204,073)
Net cash outflow on acquisition of subsidiaries	(5,856,439)	(11,037,204)
Disposal of subsidiaries	-	9,242,576
Payments for property, plant and equipment	(16,512,380)	(15,499,282)
Proceeds from disposal of property, plant and equipment	32,361	154,162
Increase in advance receipts	1,779,516	-
Decrease (increase) in refundable deposits	126,456	(68,728)
Purchase of intangible assets	(37,277)	(141,056)
Purchase of investment properties	-	(182)
Acquisition of right-of-use assets	-	(283,745)
Other investing activities	<u>1,894,919</u>	<u>(1,228,906)</u>
Net cash used in investing activities	<u>(21,500,770)</u>	<u>(26,346,546)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(6,499,696)	7,713,149
Proceeds from issuance of bonds	5,300,000	-
Repayment of bonds	(100,066)	(46,684)
Proceeds from long-term borrowings	13,383,126	21,755,400
Repayment of long-term borrowings	(22,027,953)	(19,732,834)
Increase in long-term notes and bills payable	1,500,908	1,497,914
(Decrease) increase in other payables	(2,780,037)	5,375,736
Repayment of the principal portion of lease liabilities	(308,747)	(120,625)
Cash dividends paid	(6,716,022)	(5,489,781)
Proceeds from issuance of ordinary shares	11,923,497	9,000,000
Changes in non-controlling interests	2,355,894	359,522
Other financing activities	<u>9,168</u>	<u>6,685</u>
Net cash (used in) generated from financing activities	<u>(3,959,928)</u>	<u>20,318,482</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(378,979)</u>	<u>1,133,649</u>

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

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

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

(Concluded)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

(Continued)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

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

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

(Concluded)



WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATE

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

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

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

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;



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

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

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

Refer to Note 4 for related accounting policy information.

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

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

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

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

January 1, 2022, and restated comparative information.

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

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

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

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

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



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

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

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

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

- 3) Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

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

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

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

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

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

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

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

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

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

- 2) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic



conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

d. Presentation reclassification

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance


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

b. Basic of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;



2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

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

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount



by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the WLC.

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

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

e. Business combinations

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


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

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

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

f. Foreign currencies

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



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

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

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

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

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

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

g. Inventories

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

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



h. Investment in associates

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

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


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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and



does not remeasure the retained interest.

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

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

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

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

k Goodwill

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

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



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

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

l. Intangible assets

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

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

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

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

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

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

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



amount, with the resulting impairment loss recognized in profit or loss.

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

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

n. Financial instruments

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

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

Financial assets

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

1) Measurement categories

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

a) Financial assets at FVTPL

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

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



b) Financial assets at amortized cost

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

- i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

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

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

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

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

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

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

3) Derecognition of financial assets

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

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

Equity instruments

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



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

Financial liabilities

1) Subsequent measurement

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

a) Financial liabilities at FVTPL

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

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

b) Financial guarantee contracts

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

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


2) Derecognition of financial liabilities

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

Derivative financial instruments

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

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



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

o. Hedge accounting

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

1) Fair value hedges

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

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

2) Cash flow hedges

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

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

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

p. Levies

Levies imposed by a government are accrued as other liabilities when the transactions or activities that trigger the payment of such levies occur. If the obligating event occurs over a



period of time, the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

q. Provisions

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

r. Revenue recognition

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

1) Revenue from the sale of goods and real estate

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

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

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

2) Revenue from the others

a) Revenue from the rendering of services

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

b) Construction contract revenue

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

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



s. Leases

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

a) The Group as lessor

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

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

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

b) The Group as lessee

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

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

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

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



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

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

t. Government grants

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

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

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

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

u. Employee benefits


1) Short-term employee benefits

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

2) Retirement benefits

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

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



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

v. Share-based payment arrangements

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

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

w. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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



utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

3) Current and deferred taxes

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

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

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

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

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

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

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



7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets mandatorily classified as at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Commodity futures contracts	\$ 68,624	\$ -
Options	10,142	7,629
Interest rate swap contracts	-	2
Non-derivative financial assets		
Contingent consideration (Note 34)	\$ 2,614,285	\$ 2,567,786
Foreign unlisted shares	<u>79,541</u>	<u>71,969</u>
Financial assets at FVTPL	<u>\$ 2,772,592</u>	<u>\$ 2,647,386</u>
Current	\$ 1,508,943	\$ 7,631
Non-current	<u>1,263,649</u>	<u>2,639,755</u>
	<u>\$ 2,772,592</u>	<u>\$ 2,647,386</u>
<u>Financial liabilities held for trading</u>		
Derivative financial liabilities (not under hedge accounting)		
Commodity futures contracts	\$ -	\$ 21,189
Foreign exchange forward contracts	16,041	21,470
Exchange rate swap contracts	6,705	22,113
Non-derivative financial liabilities		
Contingent consideration	<u>484,429</u>	<u>363,192</u>
Financial liabilities at FVTPL	<u>\$ 507,175</u>	<u>\$ 427,964</u>
Current	\$ 22,746	\$ 64,772
Non-current	<u>484,429</u>	<u>363,192</u>
	<u>\$ 507,175</u>	<u>\$ 427,964</u>

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

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

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2022</u>							
Commodity futures contracts							
	Buy	5,900	2022.08.15-2022.12.30	2023.01.08-2023.06.21	US\$ 48,178	US\$ 49,332	US\$ 1,154
	Buy	555	2022.11.11-2022.12.30	2023.01.31-2023.03.31	RMB 36,816	RMB 36,797	RMB (19)
	Sell	25	2022.12.02	2023.03.02	US\$ 210	US\$ 209	US\$ 1
	Sell	4,188	2022.11.15-2022.12.30	2023.01.18-2023.03.20	US\$ 122,940	US\$ 124,780	US\$ (1,840)
	Buy	25	2022.12.05	2023.02.28	RMB 613	RMB 593	RMB (20)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Sell	EUR to USD	2024.01.02-2024.01.22	EUR7,572/USD8,242
	USD to RMB	2024.01.02-2024.03.04	USD32,000/RMB227,033
Buy	EUR to MYR	2024.02.02-2024.04.19	EUR510/MYR2,583
	USD to RMB	2024.01.02	USD5,000/RMB35,629
	USD to JPY	2024.01.29	USD3,500/JPY495,565
	USD to IDR	2024.01.02-2024.02.01	USD78,000/IDR1,205,962,000
	USD to SGD	2024.01.16-2024.02.27	USD4,000/SGD5,331
	EUR to GBP	2024.01.31-2024.03.28	EUR9,795/GBP8,500
	EUR to BRL	2024.01.19-2024.04.23	EUR3,786/BRL20,420
	EUR to KRW	2024.02.29	EUR128/KRW183,000
	EUR to RMB	2024.03.28	EUR3,674/RMB28,800
	EUR to SEK	2024.01.31-2024.04.30	EUR4,177/SEK48,100
<u>December 31, 2022</u>			
Sell	USD to RMB	2023.01.31-2023.05.05	USD2,543/RMB17,228
	EUR to MYR	2023.01.31-2023.06.30	EUR1,499/MYR7,048
	EUR to USD	2023.01.03-2023.01.10	EUR7,987/USD8,500
Buy	USD to IDR	2023.01.31	USD91,000/IDR1,429,633,100
	USD to JPY	2023.01.05	USD3,000/JPY412,605
	USD to RMB	2023.01.05	USD16,571/RMB116,504
	EUR to USD	2023.01.05	EUR15,834/USD16,571
	USD to SGD	2023.01.30-2023.02.01	USD13,127/SGD17,778
	EUR to KRW	2023.01.31-2023.02.28	EUR434/KRW592,638
	EUR to TRY	2023.01.31	EUR292/TRY6,000
	EUR to ZAR	2023.01.18-2023.02.17	EUR710/ZAR12,483
	EUR to GBP	2023.01.31-2023.03.31	EUR4,944/GBP4,340
	EUR to BRL	2023.01.17-2023.03.15	EUR5,485/BRL29,982



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

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

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

December 31, 2023

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

December 31, 2022

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

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

	Notional Amount	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2022	EUR19,934	2023.02.01	-0.433%	Note

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

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

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

period starting from the settlement date to December 31, 2023 and the gross profit in the year 2024 meet the amount agreed upon by Target Company.

- h. Financial liabilities - contingent consideration according to the agreement of acquisition, the Group is required to make additional payments to the seller if Cogne Acciai Speciali S.p.A.'s earnings before interest, income tax, depreciation and amortization from the settlement date to 2025 meet the contract requirements.

8. FINANCIAL ASSETS AT AMORTIZED COST

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

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

9. FINANCIAL INSTRUMENTS FOR HEDGING

	<u>December 31</u>	
	2023	2022
<u>Financial assets</u>		
Cash flow hedges - hedged foreign currency deposits	\$ 346,441	\$ -
Cash flow hedges - interest rate swap contracts	<u>53,439</u>	<u>165,019</u>
	<u>\$ 399,880</u>	<u>\$ 165,019</u>
Current	\$ 346,441	\$ 20,615
Non-current	<u>53,439</u>	<u>144,404</u>
	<u>\$ 399,880</u>	<u>\$ 165,019</u>

(Continued)



	December 31	
	2023	2022
<u>Financial liabilities</u>		
Cash flow hedges - foreign exchange forward contracts	\$ 4,967	\$ -
Cash flow hedges - gas and electricity swap contracts	<u>3,616</u>	<u>222,272</u>
	<u>\$ 8,583</u>	<u>\$ 222,272</u>
Current	\$ 5,878	\$ 222,272
Non-current	<u>2,705</u>	<u>-</u>
	<u>\$ 8,583</u>	<u>\$ 222,272</u>

(Concluded)

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

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

10. CONTRACT ASSETS

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

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

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

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
<u>Notes receivable</u>		
Notes receivable	<u>\$ 920,752</u>	<u>\$ 4,537,322</u>
<u>Trade receivables</u>		
Trade receivables	\$ 15,628,930	\$ 17,575,200
Less: Allowance for impairment loss	<u>(637,399)</u>	<u>(280,210)</u>
	<u>\$ 14,991,531</u>	<u>\$ 17,294,990</u>

a. Notes receivable

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



December 31, 2022

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

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

b. Trade receivable

The average credit period on the sales of goods is 30 to 65 days. In determining the collectability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. When the Group dealt with new entities, the Group reviewed the credit ratings of the entities and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. In this regard, the management believes the Group's credit risk is significantly reduced.

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

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

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

December 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%-1%	0%-2%	0%-50%	0%-100%	50%-100%	
Gross carrying amount	\$ 11,050,307	\$ 3,109,790	\$ 585,572	\$ 550,249	\$ 333,012	\$ 15,628,930
Loss allowance (lifetime ECLs)	<u>(16,320)</u>	<u>(34,607)</u>	<u>(71,766)</u>	<u>(292,380)</u>	<u>(222,326)</u>	<u>(637,399)</u>
Amortized cost	<u>\$ 11,033,987</u>	<u>\$ 3,075,183</u>	<u>\$ 513,806</u>	<u>\$ 257,869</u>	<u>\$ 110,686</u>	<u>\$ 14,991,531</u>

December 31, 2022

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

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

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

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

12. FINANCE LEASE RECEIVABLES

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



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

(Concluded)

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

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

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

The amounts of finance lease receivables pledged as collateral or for security are set out in Note 39.

13. INVENTORIES

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

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

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Domestic listed ordinary and emerging market shares		
HannStar Display Corp.	\$ 3,550,641	\$ 3,340,899
HannStar Board Corp.	3,525,594	2,017,812
TECO Electric & Machinery Corp.	10,815,701	6,348,587
K. S. Terminals Inc.	10,426	10,179
Domestic unlisted ordinary shares	812,330	564,148
Foreign unlisted ordinary shares	<u>108,480</u>	<u>60,607</u>
	<u>\$ 18,823,172</u>	<u>\$ 12,342,232</u>
Non-current	<u>\$ 18,823,172</u>	<u>\$ 12,342,232</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. For the years ended December 31, 2023 and 2022, the unrealized valuation gains (losses) resulting from these investments in equity instruments were NT\$6,307,904 thousand and NT\$(4,067,542) thousand, respectively, which were recognized in other comprehensive income (loss).



15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

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

Investor	Investee	Main Business	Percentage of Ownership (%)		
			December 31, 2023	December 31, 2022	
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited (WLHL)	Investment holding	100.00	100.00	
	Concord Industries Limited (CIL)	Investment holding	100.00	100.00	
	Ace Result Global Limited	Investment holding	100.00	100.00	
	Min Maw Precision Industry Corp. (Min Maw)	Solar power systems management, design, and installation	100.00	100.00	
	Walsin Info-Electric Corp. (Walsin Info-Electric)	Mechanical and electrical, communications, and power systems	99.51	99.51	
	Chin-Cherng Construction Co. (Chin-Cherng)	Investment in the construction of residential and sale of commercial buildings, rental design and interior decoration business	99.22	99.22	
	Joint Success Enterprises Limited	Investments	49.05	49.05	
	P.T. Walsin Lippo Industries (P.T. Walsin)	Manufacture and sale of cables and wires	70.00	70.00	
	PT. Walsin Lippo Kabel	Cables and wires	70.00	70.00	
	Waltuo Green Resources Corp.	Waste disposal, resource recovery and cement products	100.00	100.00	
	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	50.00	50.00	
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00	
	Walsin Singapore Pte. Ltd.	Investment holding	100.00	100.00	
	Walsin America, LLC	Investment holding	100.00	100.00	
	Walsin Lihwa Europe S.a r.l.	Investment holding	100.00	100.00	
	PT. Walsin Research Innovation Indonesia	Consulting and Management	99.50	99.00	
	Walsin Energy Cable System Co., Ltd.	Submarine communication cables	(Note 5) 90.00	(Note 5) -	
	Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Manufacture and sale of nickel pig iron	(Note 7) 42.00	42.00
	WLHL	PT. Sunny Metal Industry	Manufacture and sale of nickel matte	50.10	50.10
		Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00
CIL	Jiangyin Walsin Steel Cable Co., Ltd. (JHS)	Manufacture and sale of steel cables and wires	100.00	100.00	
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	95.71	95.71	
	Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	100.00	100.00	
	Walsin International Investments Limited	Investments	100.00	100.00	
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	100.00	100.00	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	18.37	18.37	
	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment holding	100.00	100.00	
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00	
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	100.00	100.00	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	81.63	81.63	
Chin-Cherng Construction Co. Joint Success Enterprises Limited	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00	
	Joint Success Enterprises Limited	Investments	50.95	50.95	
Min Maw Precision Industry Corp. (Min Maw)	Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	100.00	100.00	
	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	100.00	100.00	
Walsin America, LLC	PT. Walsin Research Innovation Indonesia	Consulting and management	0.50	1.00	
	Borrego Energy Holdings, LLC	Solar power system	(Note 5) 72.55	(Note 5) 72.55	
	Borrego Energy Holdings, LLC	Solar power system	100.00	100.00	
Walsin Lihwa Europe S.a r.l.	Cleanleaf Energy Holdings, Inc.	Investment holding	100.00	-	
	MEG S.A.	Investment holding	(Note 13) 90.21	(Note 2) 85.03	
MEG S.A.	Cogne Acciai Speciali S.p.A.	Manufacture and sale of stainless steel	(Note 2) 77.60	(Note 2) 82.32	
	Cogne Acciai Speciali S.p.A.	Sale of stainless steel	(Note 3) 100.00	(Note 3) 100.00	
Cogne Acciai Speciali S.p.A.	Cogne France Société par Actions Simplifiée	Sale of stainless steel	100.00	100.00	
	Cogne Edelstahl GmbH	Sale of stainless steel	100.00	100.00	
	Cogne SG Pte. Ltd.	Sale of stainless steel	100.00	100.00	
	Cogne Hong Kong Limited	Investment holding	100.00	100.00	

(Continued)

Investor	Investee	Main Business	Percentage of Ownership (%)	
			December 31	
			2023	2022
	Cogne U.K. Limited	Sale of stainless steel	100.00	100.00
	Cogne Stainless Bars SA	Manufacture and sale of stainless steel	100.00	100.00
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	82.53	99.00
	Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Sale of stainless steel	(Note 10)	(Note 4)
	Cogne Speciality Steel USA, Inc.	Sale of stainless steel	100.00	100.00
	Cogne Celik Sanayi ve Ticaret Limited Şirketi	Sale of stainless steel	100.00	100.00
	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	100.00	(Note 4)
	Special Melted Products Limited	Manufacture and sale of high-quality special steels and nickel-based alloys	(Note 11)	-
	Degerfors Long Products AB	Sale of special steel	100.00	-
			(Note 9)	
Cogne Edelstahl GmbH	EMB GmbH Edelstahl & Metallhandel - Beratung & Service	Sale of stainless steel	-	100.00
			(Note 12)	(Note 4)
Cogne Hong Kong Limited	Dong Guan Cogne Steel Products Co., Ltd.	Manufacture and sale of stainless steel	-	100.00
			(Note 11)	(Note 4)
Cogne Stainless Bars SA	Aosta Servizi Generali S.r.l.	Machinery and Electrical maintenance	100.00	100.00
				(Note 4)
	Cogne Mexico Sociedad Anonima de Capital Variable	Manufacture and sale of stainless steel	0.02	1.00
			(Note 10)	(Note 4)
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	0.10	-
			(Note 8)	
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Manufacture and sale of nickel matte	99.90	-
			(Note 8)	

(Concluded)

Note 1: On May 24, 2022, WLC's board of directors resolved to establish Walsin America, LLC. After the Group's organizational restructuring, Walsin America, LLC acquired 72.55% shares of Borrego Energy Holdings, LLC's shares. Borrego Energy Holdings, LLC owns 100% of Borrego Energy Holdings, LLC's shares. Due to the adjustment of the investment structure of the Group, Walsin America, LLC was transferred from WLHL to WLC in December 2022.

Note 2: On May 31, 2022, WLC's board of directors resolved to establish Walsin Lihwa Europe S.a r.l. and Walsin Lihwa Europe S.a r.l. acquired 85.03% shares of Luxembourg MEG S.A. On May 5, 2023, WLC's board of directors approved to increase capital in cash of MEG S.A., and the capital increase base date was August 30, 2023. The Group subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in an increase in the continuing interest rate from 85.03% to 90.21%.

Note 3: On May 31, 2022, WLC's board of directors resolved that Luxembourg MEG S.A. acquired 82.32% shares of Cogne Acciai Speciali S.p.A. On May 5, 2023, WLC's board of directors approved to increase capital in cash of Cogne Acciai Speciali S.p.A., and the capital increase base date was September 18, 2023. MEG S.A. subscribed for additional new shares at a percentage different from its existing ownership percentage, resulting in a decrease in the continuing interest rate from 82.32% to 77.60%.

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

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



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

Note 7: The Group established Walsin Energy Cable System Co., Ltd. on February 13, 2023. On February 24, 2023, WLC's board of directors approved to increase capital in cash of Walsin Energy Cable System Co., Ltd., and the capital increase base date was on May 23, 2023. The Group did not subscribe according to the shareholding proportion, resulting in a decrease in the shareholding percentage from 100.00% to 90.00%.

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

Note 9: Cogne Acciai Speciali S.p.A. acquired 100.00% shares of Degerfors Long Products AB and Special Melted Products Ltd. in 2023. Please refer to Note 33.

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

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

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

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

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

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

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

The financial statements of certain subsidiaries included in the consolidated financial statements, namely P.T. Walsin Lippo Industries, Walsin Precision Technology Sdn, Bhd., Cogne Acciai Speciali S.p.A. and subsidiaries, and Walsin America LLC's subsidiary Borrego Energy Holdings, LLC for the years ended December 31, 2023 and 2022 were not audited by the auditor of WLC but by other auditors. As of December 31, 2023 and 2022, the combined total assets of those subsidiaries were NT\$38,396,983 thousand and NT\$27,113,218 thousand, respectively; for the years ended December 31, 2023 and 2022, the combined net operating

revenues of these subsidiaries were NT\$34,331,965 thousand and NT\$3,409,851 thousand, respectively.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates:

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

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

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

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

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

All the associates were accounted for using the equity method.

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



a. Material associates

December 31, 2023

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

December 31, 2022

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets	\$ 68,537,523	\$ 8,080,399	\$ 42,078,074
Non-current assets	115,627,470	11,240,954	49,653,421
Current liabilities	(27,776,754)	(5,110,938)	(19,230,081)
Non-current liabilities	<u>(53,654,523)</u>	<u>(3,970,323)</u>	<u>(18,917,380)</u>
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	<u>(8,570,720)</u>	<u>(200,109)</u>	<u>(9,303,110)</u>
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>

(Continued)

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Proportion of the Group's ownership	22.21%	21.01%	18.30%
Equity attributable to the Group	\$ 20,913,601	\$ 2,109,400	\$ 8,103,409
Other adjustments	<u>39,504</u>	<u>-</u>	<u>43,671</u>
Carrying amount	<u>\$ 20,953,105</u>	<u>\$ 2,109,400</u>	<u>\$ 8,147,080</u>
Operating revenue	<u>\$ 94,529,790</u>	<u>\$ 9,506,348</u>	<u>\$ 35,297,163</u>
Net profit for the year	\$ 14,986,552	\$ 156,098	\$ 2,295,275
Other comprehensive income (loss)	<u>2,717,903</u>	<u>(1,186,315)</u>	<u>218,387</u>
Total comprehensive income for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	<u>\$ 2,513,662</u> (Concluded)

b. Associates that are not individually material

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

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

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



17. PROPERTY, PLANT AND EQUIPMENT

	December 31					
	2023		2022			
Assets used by the Group	<u>\$ 78,154,936</u>		<u>\$ 65,656,466</u>			
	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2023	\$ 3,776,670	\$ 22,865,186	\$ 50,428,862	\$ 8,607,005	\$ 23,862,639	\$ 109,540,362
Additions	207,703	205,834	1,327,378	282,805	15,148,027	17,171,747
Disposals	-	(14,619)	(297,804)	(212,726)	(6,215)	(531,364)
Acquisition through business combinations	2,169	1,112,763	664,434	35,147	88,900	1,903,413
Reclassified	12,652	6,328,748	13,345,299	3,423,208	(23,251,543)	(141,636)
Transfers to investment properties	-	-	-	(4,558)	-	(4,558)
Effects of foreign currency exchange differences	1,191	(229,104)	304,032	(127,037)	105,959	55,041
Balance at December 31, 2023	<u>\$ 4,000,385</u>	<u>\$ 30,268,808</u>	<u>\$ 65,772,201</u>	<u>\$ 12,003,844</u>	<u>\$ 15,947,767</u>	<u>\$ 127,993,005</u>
Accumulated depreciation and impairment						
Balance at January 1, 2023	\$ 8,067	\$ 9,790,075	\$ 28,172,188	\$ 5,913,566	\$ -	\$ 43,883,896
Depreciation expenses	-	1,215,719	4,262,838	724,009	-	6,202,566
Capitalized depreciation expense	-	-	123	45	-	168
Disposals	-	(10,909)	(270,836)	(205,783)	-	(487,528)
Reclassified	-	-	(328)	(19,664)	-	(19,992)
Impairment losses recognized	-	-	93	43	-	136
Effects of foreign currency exchange differences	-	(11,775)	335,293	(64,695)	-	258,823
Balance at December 31, 2023	<u>\$ 8,067</u>	<u>\$ 10,983,110</u>	<u>\$ 32,499,371</u>	<u>\$ 6,347,521</u>	<u>\$ -</u>	<u>\$ 49,838,069</u>
Carrying amount at December 31, 2023	<u>\$ 3,992,318</u>	<u>\$ 19,285,698</u>	<u>\$ 33,272,830</u>	<u>\$ 5,656,323</u>	<u>\$ 15,947,767</u>	<u>\$ 78,154,936</u>
Cost						
Balance at January 1, 2022	\$ 3,611,025	\$ 18,671,274	\$ 34,969,055	\$ 7,783,638	\$ 6,305,375	\$ 71,340,367
Additions	80,867	38,133	456,243	558,271	12,079,434	13,212,948
Disposals	(50,357)	(12,016)	(294,063)	(208,508)	(401)	(565,345)
Acquisition through business combination	27,303	2,117,040	11,468,941	126,563	8,905,089	22,644,936
Reclassified	107,209	316,857	2,574,412	429,784	(3,428,262)	-
Transfers from (to) investment properties	-	87,958	-	(100,679)	-	(12,721)
Transfers from inventories	-	1,291,378	-	-	-	1,291,378
Effects of foreign currency exchange differences	623	354,562	1,254,274	17,936	1,404	1,628,799
Balance at December 31, 2022	<u>\$ 3,776,670</u>	<u>\$ 22,865,186</u>	<u>\$ 50,428,862</u>	<u>\$ 8,607,005</u>	<u>\$ 23,862,639</u>	<u>\$ 109,540,362</u>
Accumulated depreciation and impairment						
Balance at January 1, 2022	\$ 8,067	\$ 7,102,766	\$ 17,527,744	\$ 5,227,302	\$ -	\$ 29,865,879
Depreciation expenses	-	879,711	2,423,403	589,329	-	3,892,443
Disposals	-	(9,863)	(273,116)	(196,262)	-	(479,241)
Reclassified	-	156,976	(344,870)	187,894	-	-
Impairment losses reversed	-	-	(111)	(44)	-	(155)
Transfers from (to) investment properties	-	5,223	-	(17,082)	-	(11,859)
Acquisition through business combination	-	1,566,907	8,513,323	70,907	-	10,151,137
Effects of foreign currency exchange differences	-	88,355	325,815	51,522	-	465,692
Balance at December 31, 2022	<u>\$ 8,067</u>	<u>\$ 9,790,075</u>	<u>\$ 28,172,188</u>	<u>\$ 5,913,566</u>	<u>\$ -</u>	<u>\$ 43,883,896</u>
Carrying amount at December 31, 2022	<u>\$ 3,768,603</u>	<u>\$ 13,075,111</u>	<u>\$ 22,256,674</u>	<u>\$ 2,693,439</u>	<u>\$ 23,862,639</u>	<u>\$ 65,656,466</u>

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

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

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

- b. The Group owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, WLC keeps in its possession the land titles with the annotation of the land being pledged to WLC. As of December 31, 2023 and 2022, the recorded total carrying amount of such parcels of land amounted to NT\$491,917 thousand.
- c. After appropriate evaluation, the Group recognized an impairment loss on property, plant and equipment of NT\$136 thousand for the year ended December 31, 2023, and a reversal of impairment loss on property, plant and equipment of NT\$155 thousand for the year ended December 31, 2022.

18. LEASE ARRANGEMENTS

- a. Right-of-use assets

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

(Continued)



For the Year Ended December 31

	2023	2022
Machinery equipment	60,308	3,357
Office equipment	20,217	762
Transportation equipment	<u>15,382</u>	<u>18,211</u>
	<u>\$ 349,421</u>	<u>\$ 199,188</u>

(Concluded)

b. Lease liabilities

December 31

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

Range of discount rates for lease liabilities was as follows:

December 31

	2023	2022
Land	0.83%-6.123%	0.83%-6.123%
Buildings	0.83%-8.76%	1.198%-8.00%
Machinery equipment	3.00%-3.90%	3.00%-3.90%
Office equipment	3.00%-3.90%	3.00%-3.90%
Transportation equipment	1.964%-3.44%	1.964%-5.75%

c. Other lease information

For the Year Ended December 31

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

19. INVESTMENT PROPERTIES

December 31

	2023	2022
Completed investment properties	<u>\$ 15,514,751</u>	<u>\$ 16,123,806</u>

	Completed Investment Properties
<u>Cost</u>	
Balance at January 1, 2023	\$ 19,078,843
Transfers from property, plant and equipments	4,558
Transfers to inventories	(34,586)
Effects of foreign currency exchange differences	<u>(140,232)</u>
Balance at December 31, 2023	<u>\$ 18,908,583</u>
Balance at January 1, 2022	\$ 12,991,354
Additions	182
Transfers from property, plant and equipment	12,721
Others	72,339
Transferred from inventories	5,968,587
Effects of foreign currency exchange differences	<u>33,660</u>
Balance at December 31, 2022	<u>\$ 19,078,843</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 2,955,037
Depreciation expenses	464,119
Effects of foreign currency exchange differences	<u>(25,324)</u>
Balance at December 31, 2023	<u>\$ 3,393,832</u>
Balance at January 1, 2022	\$ 2,560,291
Depreciation expenses	294,016
Transfers from property, plant and equipment	11,859
Others	76,950
Effects of foreign currency exchange differences	<u>11,921</u>
Balance at December 31, 2022	<u>\$ 2,955,037</u> (Concluded)

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

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

**20. GOODWILL**

	For the Year Ended December 31	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 286,139	\$ 152,771
Acquisition through business combination	3,900,572	295,178
Disposal of subsidiary (Note 34)	-	(157,359)
Effects of foreign currency exchange differences	<u>(28,834)</u>	<u>(4,451)</u>
Balance at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</u>
<u>Accumulated impairment</u>		
Balance at January 1	\$ -	\$ -
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>
Carrying amount at December 31	<u>\$ 4,157,877</u>	<u>\$ 286,139</u>

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

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

The adjustments to the Group's balance sheet items are as follows:

	December 31, 2022		
	Amount Before Restatement	Adjustment	Restated
Goodwill	\$ 83,393	\$ 202,746	\$ 286,139
Other intangible assets-supply contract	\$ 2,734,203	\$ 2,427,687	\$ 5,161,890
Other intangible assets-core technology	\$ 1,922,845	\$ 1,742,455	\$ 3,665,300
Deferred tax liabilities	\$ (5,797,938)	\$ 15,023	\$ (5,782,915)
Non-controlling interests	\$ (6,240,336)	\$ (4,387,911)	\$ (10,628,247)

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

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

21. OTHER INTANGIBLE ASSETS

	Supply Contract	Core Technology	Others	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 5,161,890	\$ 3,665,300	\$ 873,664	\$ 9,700,854
Additions	-	-	37,599	37,599
Acquisitions through business combination	-	-	18,820	18,820
Effect of foreign currency exchange differences	<u>(840)</u>	<u>(597)</u>	<u>28,610</u>	<u>27,173</u>
Balance at December 31, 2023	<u>\$ 5,161,050</u>	<u>\$ 3,664,703</u>	<u>\$ 958,693</u>	<u>\$ 9,784,446</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2023	\$ -	\$ -	\$ 647,571	\$ 647,571
Amortization expenses	627,287	432,015	72,521	1,131,823
Effect of foreign currency exchange differences	<u>(9,041)</u>	<u>(6,226)</u>	<u>22,500</u>	<u>7,233</u>
Balance at December 31, 2023	<u>\$ 618,246</u>	<u>\$ 425,789</u>	<u>\$ 742,592</u>	<u>\$ 1,786,627</u>
Carrying amount at December 31, 2023	<u>\$ 4,542,804</u>	<u>\$ 3,238,914</u>	<u>\$ 216,101</u>	<u>\$ 7,997,819</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 69,229	\$ 69,229
Additions	-	-	153,868	153,868
Acquisitions through business combination	5,336,699	3,789,426	630,172	9,756,297
Disposals	-	-	(1,524)	(1,524)
Effect of foreign currency exchange differences	<u>(174,809)</u>	<u>(124,126)</u>	<u>21,919</u>	<u>(277,016)</u>
Balance at December 31, 2022	<u>\$ 5,161,890</u>	<u>\$ 3,665,300</u>	<u>\$ 873,664</u>	<u>\$ 9,700,854</u>

(Continued)



	Supply Contract	Core Technology	Others	Total
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 48,570	\$ 48,570
Amortization expenses	-	-	40,708	40,708
Acquisitions through business combination	-	-	545,096	545,096
Disposals	-	-	(1,524)	(1,524)
Effect of foreign currency exchange differences	-	-	<u>14,721</u>	<u>14,721</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,571</u>	<u>\$ 647,571</u>
Carrying amount at December 31, 2022	<u>\$ 5,161,890</u>	<u>\$ 3,665,300</u>	<u>\$ 226,093</u>	<u>\$ 9,053,283</u> (Concluded)

- a. The Group acquired PT. Sunny Metal Industry on September 23, 2022. According to the finalized purchase price allocation report being issued in the third quarter of 2023, the Group restated the comparative period amount and recognized the supply contract and core technology of NT\$5,336,699 thousand and NT\$3,789,426 thousand, respectively. Please refer to Note 33.
- b. Except for the above description and the recognition of amortization expenses, there were no significant additions, disposals or impairments of other intangible assets of the Group for the nine months ended December 31, 2023 and 2022.
- c. The supply contract and core technology generated by PT. Sunny Metal Industry are amortized on an accelerated basis over 8 years and 16 years, respectively.
- d. Apart from stated above, the other intangible assets of the Group are amortized on a straight-line basis over 5-18 years.

22. OTHER ASSETS

	December 31	
	2023	2022
Prepayment for purchases	\$ 3,012,629	\$ 3,694,957
Prepaid expense	669,186	999,406
Prepaid sales tax	1,615,043	3,142,781
Prepayment for investments	1,334,026	2,204,073
Others	<u>921,291</u>	<u>756,197</u>
	<u>\$ 7,552,175</u>	<u>\$ 10,797,414</u>

(Continued)

	December 31	
	2023	2022
Current	\$ 5,377,850	\$ 7,880,887
Non-current	<u>2,174,325</u>	<u>2,916,527</u>
	<u>\$ 7,552,175</u>	<u>\$ 10,797,414</u> (Concluded)

23. BORROWINGS

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

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

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

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

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

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



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

		December 31	
		2023	2022
	Significant Covenant	Amount	Amount
<u>Long-term secured loan</u>			
Cathay United Bank	From December 15, 2011 to September 27, 2027; after the grace period, repayments are due monthly	\$ 179,177	\$ 233,439
Taipei Fubon Commercial Bank	From December 25, 2013 to October 11, 2028; after the grace period, repayments are due in stages	38,033	67,375
Other long-term secured loan	From January 12, 2019 to December 18, 2030; repayments are due according to contracts	<u>56,237</u>	<u>78,365</u>
		<u>273,447</u>	<u>379,179</u>
<u>Long-term credit loan</u>			
The Export-Import Bank of the Republic of China	Loan from December 4, 2020 to December 4, 2027; principal to be repaid evenly in seven phases; 1st repayment is due 48 months after the drawdown date, after which repayments are due once every six months	1,137,770	1,137,770
Bank of Taiwan	From September 22, 2020 to October 4, 2027; principal to be repaid in two phases: From the 5th year, repayments are due once every six months; at rates of 20% and 80%, respectively	9,000,000	9,000,000
Taiwan Cooperative Bank	From June 28, 2021 to June 28, 2026; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	2,000,000	2,000,000
DBS Bank	Principal repayment at maturity, from March 30, 2020 to April 15, 2025	-	7,552,100
Hua Nan Commercial Bank	From March 29, 2021 to March 29, 2026; principal to be repaid in two phases: From the 5th year, repayments are due once every six months	2,000,000	2,000,000
Chinatrust Commercial Bank	Principal repayment at maturity, from October 4, 2022 to October 3, 2025	-	1,500,000
Taiwan Cooperative Bank	From October 4, 2022 to October 4, 2027; principal to be repaid in two phases: 1st repayment due 48 months after the drawdown date, 2nd repayment due maturity date	3,000,000	3,000,000
Far Eastern International Bank	Loan from October 21, 2022 to October 14, 2027; principal to be repaid evenly in three phases; 1st repayment is due 48 months after the signing date, after which repayments are due once every six months	2,000,000	500,000
KGI Bank	Principal repayment at maturity, from October 24, 2022 to April 24, 2027	-	1,500,000
Standard Chartered Bank	Principal repayment at maturity, from November 16, 2022 to December 31, 2024	-	1,555,400
Hua Nan Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 28, 2027	2,500,000	2,500,000
Agricultural Bank of Taiwan	Principal repayment at maturity, from October 31, 2022 to October 31, 2025	-	1,000,000
Chang Hwa Commercial Bank	Principal repayment at maturity, from March 8, 2022 to March 8, 2027	2,000,000	3,000,000
Bank of Taiwan	Loan from June 13, 2023 to June 13, 2030; principal to be repaid evenly in forty-eight phases; 1st repayment is due 36 months after the drawdown date.	1,799,194	-
Chinatrust Commercial Bank	Principal repayment at maturity, from August 15, 2023 to September 22, 2026	134,484	-

(Continued)

		December 31	
		2023	2022
		Significant Covenant	Amount
Intesa Sanpaolo S.p.A	Principal repayment at maturity, from December 30, 2019 to June 30, 2028	\$ 2,486,656	\$ 1,007,776
Other long-term credit loans	Principal repayments are due according to contracts, from November 1, 2018 to November 15, 2033	<u>5,131,461</u>	<u>4,297,684</u>
		<u>33,189,565</u>	<u>41,550,730</u>
		33,463,012	41,929,909
Less: Current portion of long-term borrowings		<u>(1,538,480)</u>	<u>(1,109,049)</u>
		<u>\$ 31,924,532</u>	<u>\$ 40,820,860</u> (Concluded)

- 1) Under the loan agreements with DBS Bank, WLC should maintain certain financial ratios during the loan term, which are based on the annual and semi-annual consolidated financial statements audited by the independent auditors. The financial ratios are as follows:
 - a) Ratio of current assets to current liabilities not less than 100%;
 - b) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;
 - c) Ratio of Interest Coverage Ratio which included net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%; and
 - d) Tangible net worth (net worth less intangible assets) not less than NT\$55,000,000 thousand.
- 2) As of December 31, 2023 and 2022, the effective interest rate ranges of the credit borrowings were 0.10%-8.00% and 0.10%-5.56% per annum, respectively. As of December 31, 2023 and 2022, the effective interest rate ranges of the secured borrowings were 2.15%-6.20% and 0.55%-4.70% per annum, respectively.
- 3) As of December 31, 2023 and 2022, the Group's current portions of the long-term borrowings under the loan agreements were NT\$1,538,480 thousand and NT\$1,109,049 thousand, respectively. The Group's consolidated financial statements for the years ended December 31, 2023 and 2022 showed that the Group was in compliance with the aforementioned financial ratio requirements.
- 4) Refer to Note 39 for collaterals pledged on bank borrowings as of December 31, 2023 and 2022.



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

December 31, 2023

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

December 31, 2022

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

24. BONDS PAYABLE

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

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

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

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

25. OTHER PAYABLES

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

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

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

b. Defined benefit plans

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

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



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

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

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

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

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

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

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

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

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

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

	December 31	
	2023	2022
Discount rates		
0.5% increase	<u>\$ (43,458)</u>	<u>\$ (47,681)</u>
0.5% decrease	<u>\$ 46,068</u>	<u>\$ 50,683</u>

(Continued)



	December 31	
	2023	2022
Expected rates of salary increase		
0.5% increase	<u>\$ 44,682</u>	<u>\$ 49,149</u>
0.5% decrease	<u>\$ (42,588)</u>	<u>\$ (46,718)</u>
		(Concluded)

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

27. EQUITY

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

a. Share capital

Ordinary shares

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

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

On June 6, 2022, WLC's board of directors resolved to issue 300,000 thousand ordinary shares at a price of NT\$33 per share with August 10, 2022 as the base date for capital increase. On July 21, 2022, WLC chairman adjusted the new share issuing price from NT\$33 to NT\$30.

On May 29, 2023, WLC's board of directors resolved to issue ordinary shares for cash to participate in the issuance of GDRs. On June 30, 2023, the Group issued 30,000 thousand units of GDRs on the Luxembourg Stock Exchange, with each unit representing 10 ordinary shares of WLC. This amounted to a total of 300,000 thousand shares with a unit price of

US\$12.97, raising a total of US\$389,100 thousand. As of December 31, 2023, the paid-in capital was NT\$40,313,329 thousand, divided into 4,031,333 thousand ordinary shares at par value of NT\$10.

As of December 31, 2023, 30,002 thousand GDRs of WLC were traded on the Luxembourg Stock Exchange. The number of ordinary shares represented by the GDRs was 300,022 thousand shares (one GDR represents 10 ordinary shares).

b. Capital surplus

	<u>December 31</u>	
	2023	2022
<u>May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 27,787,949	\$ 18,864,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,130	2,130
Share of changes in capital surplus of associates	434,243	441,175
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	1,045,560	1,036,392
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries	<u>26,730</u>	<u>-</u>
	<u>\$ 33,624,917</u>	<u>\$ 24,672,454</u>

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

c. Retained earnings and dividend policy

Under the dividends policy where WLC made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit this requirement is not applicable when the legal reserve has reached the total capital, and then any remaining profit together with prior unappropriated earnings shall be appropriated for special reserve or appropriate reversal of special reserve in accordance with the laws and regulations, and then the balance shall be used by WLC's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends to shareholders. If appropriated earnings are distributed in cash, the cash distribution shall be resolved by WLC's board of directors and reported in the shareholders' meeting. Other than the aforementioned



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

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

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

Refer to Note 29 for the policies on the distribution of employees' compensation and remuneration of directors.

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

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

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

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

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

d. Special reserve

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

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

e. Other equity items

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

	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	<u>(690,701)</u>	<u>1,843,913</u>
Balance at December 31	<u>\$ (4,947,475)</u>	<u>\$ (4,256,774)</u>

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

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

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

3) Loss on hedging instruments

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



4) Other equity - others

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

28. OPERATING REVENUE

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

29. NET PROFIT FROM CONTINUING OPERATIONS

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

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

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

	For the Year Ended December 31	
	2023	2022
Impairment loss (recognized) reversed on property, plant and equipments	\$ (136)	\$ 155
Others	<u>12,563</u>	<u>(242)</u>
	<u>\$ 12,427</u>	<u>\$ (87)</u>

c. Non-operating income and expense - other revenue

The Group sold its subsidiary Borrego Energy, LLC's solar PV and energy storage procurement platform division for NT\$816,840 thousand in 2023, and the gain of disposal was NT\$528,226 thousand. After deducting related operating costs of NT\$406,288 thousand, the total was NT\$121,938 thousand, which was recognized as "other income".

d. Employee benefits expense, depreciation and amortization

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



For the Year Ended December 31, 2022

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

e. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the years ended December 31, 2023 and 2022, the employees' compensation amounted to NT\$70,700 thousand and NT\$252,000 thousand, respectively, and the remuneration of directors amounted to NT\$30,000 thousand and NT\$100,050 thousand, respectively. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022 were approved by the Group's board of directors on February 23, 2023 and February 24, 2023, respectively.

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

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021 resolved by WLC's board of directors on February 24, 2023 and February 22, 2022, respectively are the same as the amounts recognized in the 2022 and 2021 consolidated financial statements.

Information on the employees' compensation and remuneration of directors resolved by WLC's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

30. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

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

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

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

b. Current tax assets and liabilities

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



c. Deferred tax assets and liabilities

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

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

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

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

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

- f. WLC's income tax returns through 2020, have been assessed by the tax authorities.
- g. Pillar Two income tax legislation

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

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

31. EARNINGS PER SHARE

	For the Year Ended December 31					
	2023			2022		
	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (In Dollars)	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (In Dollars)
	After Income Tax (Attributable to Parent's Shareholders)	(In Thousands)	After Income Tax (Attributable to Parent's Shareholders)	After Income Tax (Attributable to Parent's Shareholders)	(In Thousands)	After Income Tax (Attributable to Parent's Shareholders)
Basic earnings per share						
Net income	\$ 5,134,316	3,883,388	<u>\$ 1.32</u>	\$ 19,352,097	3,549,689	<u>\$ 5.45</u>

(Continued)



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

32. SHARE-BASED PAYMENT AGREEMENTS

Employee Share Option Plan for Cash Capital Increase

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

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

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

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

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

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

33. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Degerfors Long Products AB	Manufacture and sale of stainless steel	August 1, 2023	100.00	<u>\$ 182,129</u>
Special Melted Products Ltd.	Manufacture and sale of stainless steel	September 19, 2023	100.00	<u>\$ 5,668,618</u>
PT. Sunny Metal Industry	Manufacture and sale of nickel matte	September 23, 2022	50.10	<u>\$ 6,057,005</u>
MEG S.A.	Manufacture and sale of stainless steel	November 30, 2022	85.03	<u>\$ 6,715,504</u>

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

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

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

b. Consideration transferred

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

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



estimated at \$355,089 thousand.

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

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

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Current assets				
Cash and cash equivalents	\$ -	\$ 34,513	\$ 103,771	\$ 1,373,797
Financial asset at fair value through profit - current	-	-	-	10,456
Hedging derivative financial assets - current	-	-	-	175,136
Financial assets at amortised cost - current	-	-	-	2,153
Net trade receivables	810,467	1,020,964	-	6,455,973
Other receivables	56,466	104,651	4,904	-
Inventories	837,726	644,700	29,021	9,550,240
Other current assets	106,641	72,961	1,603,712	648,923
Non-current assets				
Financial asset at fair value through profit - non-current	-	-	-	71,200
Property, plant and equipment	545,318	1,358,095	7,853,727	4,640,072
Right-of-use assets	4,254	49,568	-	933,182
Other intangible assets	-	18,820	9,126,125	85,076
Deferred tax assets	-	-	-	137,536
Other non-current assets	58	380,560	-	15,494
Current liabilities				
Short-term borrowings	-	(1,003,296)	(587,375)	(1,420,750)
Financial liabilities at fair value through profit - current	-	-	-	(4,909)
Hedging derivative financial liabilities - current	-	-	-	(42,710)
Trade payables	(442,193)	(565,658)	(232,779)	(5,244,797)
Other payables	(39,918)	-	(5,610,735)	(3,885)
Current tax liabilities	-	-	-	(617,198)
Lease liabilities - current	(2,586)	(49,493)	-	(137,417)
Other current liabilities	(458,751)	(298,338)	(2,480)	(1,761,848)

(Continued)

	Degerfors Long Products AB	Special Melted Products Ltd.	PT. Sunny Metal Industry	MEG S.A.
Non-current liabilities				
Bonds payable	-	-	-	(285,159)
Long-term payable	-	-	-	(3,347,986)
Deferred tax liabilities	(57,607)	-	(118,866)	(112,229)
Lease liabilities - non-current	(1,681)	-	-	(710,774)
Defined benefit liabilities	-	-	-	(118,977)
Other non-current liabilities	-	-	-	(14,515)
	<u>\$ 1,358,194</u>	<u>\$ 1,768,047</u>	<u>\$ 12,169,025</u>	<u>\$10,276,084</u> (Concluded)

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

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

(Gain on bargain purchase) goodwill recognized on acquisitions.

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



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

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

The non-controlling interests of MEG S.A., NT\$3,082,995 thousand, are measured by reference to the fair value of the non-controlling interest. The fair value is based on the proportion of the assets acquired and liabilities assumed at the date of acquisition.

e. Net cash outflow on the acquisition of subsidiaries

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

f. Impact of acquisitions on the results of the Group

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

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

Had Degerfors Long Products AB and Special Melted Products Ltd. concluded the acquisitions at the beginning of 2023, the Group's revenue and profit for the years ended December 31, 2023 would have been NT\$196,466,052 thousand and NT\$6,059,573 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

Had PT. Sunny Metal Industry and MEG S.A. concluded the acquisition at the beginning of 2022, the Group's revenue and profit for the years ended December 31, 2022 would have been NT\$210,605,160 thousand and NT\$20,786,576 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the

acquisition been completed at the beginning of the acquisition year 2022, nor is it intended to be a projection of future results.

34. DISPOSAL OF SUBSIDIARIES

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

a. Consideration received from disposals

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

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

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

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

c. Gain on disposal of subsidiaries

	Amount
Consideration received	\$ 10,029,371
Contingent consideration	2,195,677
Net assets disposed of	<u>(3,455,614)</u>

(Continued)



Costs of disposal	(217,679)
Non-controlling interests	905,234
Exchange difference	35,417
Employee compensation costs - disposal related	<u>(1,039,328)</u>
Gain on disposals	<u>\$ 8,453,078</u> (Concluded)

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

d. Net cash inflow on disposals of subsidiaries

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

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

35. OPERATING LEASE ARRANGEMENTS

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

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

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

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

36. CAPITAL MANAGEMENT

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

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

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

37. FINANCIAL INSTRUMENTS

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

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

December 31, 2023

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



December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Corporate bonds	\$ 588	\$ -	\$ -	\$ 588	\$ 588
Mutual funds	1,614	-	-	1,614	1,614
Government bonds	<u>189,242</u>	<u>-</u>	<u>179,709</u>	<u>-</u>	<u>179,709</u>
	<u>\$ 191,444</u>	<u>\$ -</u>	<u>\$ 179,709</u>	<u>\$ 2,202</u>	<u>\$ 181,911</u>
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	<u>\$ 7,841,115</u>	<u>\$ -</u>	<u>\$ 7,484,393</u>	<u>\$ -</u>	<u>\$ 7,484,393</u>

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

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments				
	\$ 68,624	\$ 10,142	\$ -	\$ 78,766
Foreign unlisted shares	-	-	79,541	79,541
Contingent consideration	-	-	2,614,285	2,614,285
Derivatives financial assets for hedging	<u>-</u>	<u>53,439</u>	<u>-</u>	<u>53,439</u>
	<u>\$ 68,624</u>	<u>\$ 63,581</u>	<u>\$ 2,693,826</u>	<u>\$ 2,826,031</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 17,902,362	\$ -	\$ -	\$ 17,902,362
Unlisted securities	<u>-</u>	<u>-</u>	<u>920,810</u>	<u>920,810</u>
	<u>\$ 17,902,362</u>	<u>\$ -</u>	<u>\$ 920,810</u>	<u>\$ 18,823,172</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 22,746	\$ -	\$ 22,746
Contingent consideration	-	-	484,429	484,429
Derivatives financial liabilities for hedging	<u>-</u>	<u>8,583</u>	<u>-</u>	<u>8,583</u>
	<u>\$ -</u>	<u>\$ 31,329</u>	<u>\$ 484,429</u>	<u>\$ 515,758</u> (Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ -	\$ 7,631	\$ -	\$ 7,631
Foreign unlisted shares	-	-	71,969	71,969
Contingent consideration	-	-	2,567,786	2,567,786
Derivatives financial assets for hedging	<u>-</u>	<u>165,019</u>	<u>-</u>	<u>165,019</u>
	<u>\$ -</u>	<u>\$ 172,650</u>	<u>\$ 2,639,755</u>	<u>\$ 2,812,405</u> (Continued)



	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed securities in ROC	\$ 11,717,477	\$ -	\$ -	\$ 11,717,477
Unlisted securities	<u>-</u>	<u>-</u>	<u>624,755</u>	<u>624,755</u>
	<u>\$ 11,717,477</u>	<u>\$ -</u>	<u>\$ 624,755</u>	<u>\$ 12,342,232</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives not designated as hedging instruments	\$ 21,189	\$ 43,583	\$ -	\$ 64,772
Contingent consideration	-	-	363,192	363,192
Derivatives financial liabilities for hedging	<u>-</u>	<u>222,272</u>	<u>-</u>	<u>222,272</u>
	<u>\$ 21,189</u>	<u>\$ 265,855</u>	<u>\$ 363,192</u>	<u>\$ 650,236</u> (Concluded)

- 2) There were no transfers between Levels 1, 2 and 3 for the years ended December 31, 2023 and 2022.
- 3) Reconciliation of Level 3 fair value measurements of financial instruments.

For the year ended December 31, 2023

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

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

For the year ended December 31, 2022

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

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

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

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates and discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - exchange rate swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates and discounted at a rate that reflects the credit risk of various counterparties.

(Continued)



<u>Financial Instruments</u>	<u>Valuation Technique and Inputs</u>
Derivatives - interest rate contracts	Discounted cash flow. Future cash flows are estimated based on observable floating rates at the end of the reporting period and fixed interest rates under contracts.
Derivatives - option	Black-Scholes Model. The significant unobservable input value is the market price volatility of the commodity.
Derivatives - gas swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward gas prices at the end of the reporting period and fixed gas prices under contract.
Derivatives - electricity swap contracts	Discounted cash flow. Future cash flows are estimated based on observable forward electricity prices at the end of the reporting period and fixed power prices under contract. (Concluded)

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 16,347,012	\$ 19,438,759
Contract assets - current	996,025	3,022,237
Notes receivable and trade receivables (including related parties)	15,912,283	21,832,312

(Continued)

	December 31	
	2023	2022
Finance lease receivables (current and non-current)	602,523	662,543
Other receivables	3,707,450	3,857,091
Other financial assets	788,894	505,340
Refundable deposits	158,940	288,948
Financial assets at amortized cost - (current and non-current)	185,340	191,444
Derivative financial assets for hedging (current and non-current)	399,880	165,019
Financial assets at FVTPL (current and non-current)	2,772,592	2,647,386
Financial assets at FVTOCI (current and non-current)	18,823,172	12,342,232
 <u>Financial liabilities</u>		
Financial liabilities at FVTPL (current and non-current)	\$ 507,175	\$ 427,964
Derivative financial liabilities for hedging (current and non-current)	8,583	222,272
Financial liabilities at amortized cost		
Short-term borrowings	11,508,074	17,120,571
Contract liabilities	13,828	6,014
Notes payable and trade payables	16,708,534	18,088,851
Other payables	12,069,796	15,315,705
Bonds payable	13,053,345	7,841,115
Long-term borrowings (including current portion)	33,463,012	41,929,909
Long-term notes and bills payable	2,998,822	1,497,914
Deposits received (recorded under other current and non-current liabilities)	421,207	385,210
		(Concluded)

d. Financial risk management objectives and policies

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

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

1) Market risk

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



forward contracts and interest rate swaps contracts to hedge foreign currency risk and interest rate risk.

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

a) Foreign currency risk

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

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

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

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

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

Sensitivity analysis

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

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

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

Euro Dollar Impact
For the Year Ended December 31

	2023	2022
Profit or loss	\$ (4,896)	\$ 23,330

Hedge accounting

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

December 31, 2023

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

For the year ended December 31, 2023

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



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

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

b) Interest rate risk

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

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

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

Sensitivity analysis

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

If interest rates had been 1% basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by NT\$506,015 thousand and NT\$660,201 thousand, respectively.

Hedge accounting

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

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

For the year ended December 31, 2023

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
<u>Cash flow hedges</u>									
Interest rate swap contracts	EUR	\$ 104,643	2024.12.30-2030.12.18	-0.255%-3.803%	Note	Financial assets for hedging	\$ 1,573	\$ -	\$ -

For the year ended December 31, 2022

Hedging Instrument	Currency	Contract Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
<u>Cash flow hedges</u>									
Interest rate swap contracts	EUR	\$ 95,177	2023.05.31-2030.12.18	-0.255%-3.120%	Note	Financial assets for hedging	\$ 5,043	\$ -	\$ -

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

2) Credit risk

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

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

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

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



3) Liquidity risk

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

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

December 31, 2023

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

December 31, 2022

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

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

December 31, 2023

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

December 31, 2022

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

e. Transfers of financial assets

1) Transfers of financial assets with recourse

The Group discounted trade receivables with an aggregate carrying amount of \$364,741 thousand, to banks during 2023. According to the contract, if the trade receivables are not recoverable at maturity, the banks have the right to require that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the trade receivables, the Group continues to recognize the full carrying amounts of the trade receivables and treats the trade receivables that have been transferred to banks as collateral for borrowings. Refer to Note 23.

As of December 31, 2023, the carrying amount of these trade receivables that have been transferred but not derecognized was 67,382 thousand, and the carrying amount of the related liabilities was \$17,408 thousand.

2) Transfers of financial assets without recourse

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

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
<u>December 31, 2023</u>					
CTBC bank	<u>\$ 144,250</u>	<u>\$ 20,318</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-
<u>December 31, 2022</u>					
CTBC bank	<u>\$ 151,902</u>	<u>\$ 18,449</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

38. TRANSACTIONS WITH RELATED PARTIES

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



a. Related party name and category

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

b. Sales

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

c. Rental income

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

d. Purchases of goods

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

e. Administrative expenses

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

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

f. Dividend income

	For the Year Ended December 31	
	2023	2022
HannStar Board Corp.	\$ 153,009	\$ 140,259
HannStar Display Corp.	-	298,293
Other related parties	<u>5,779</u>	<u>7,705</u>
	<u>\$ 158,788</u>	<u>\$ 446,257</u>

g. Notes receivable

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



h. Trade receivables

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

i. Notes payable

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

j. Trade payables

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

k. Other receivables (excluding financing provided)

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

l. Financing provided

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

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

For the Year Ended December 31, 2022

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

m. Guarantee deposits

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

n. Disposal of property, plant and equipment

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

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

o. Remuneration of key management personnel

The remunerations of directors and key executives were as follows:

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

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

**39. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

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

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

40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

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

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

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

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

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

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

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

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

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

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

41. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

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

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



42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

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

December 31, 2022

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

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Indonesian rupiah	\$ 2,267,040,632	0.00198	\$ 4,488,740
Renminbi	21,137	4.40934	93,200
Korean won	394,230	0.02457	9,686
Turkish lira	6,605	1.643167	10,854
<u>Financial liabilities</u>			
Monetary items			
U.S. dollar	645,822	30.7100	19,833,194
Euro	121	32.7200	3,959
Renminbi	406,181	4.40934	1,790,990
Swiss franc	17	33.2050	564
Indonesian rupiah	300,118,783	0.00198	594,235
Non-monetary items			
U.S. dollar	1,677	30.7100	51,501
Renminbi	233	4.40934	1,027
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were NT\$(240,593) thousand and NT\$1,748,708 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies in the Group.

43. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

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




- 9) Trading in derivative instrument (Notes 7 and 8)
 - 10) Information on investees (Table 8)
 - 11) Intercompany relationships and significant intercompany transactions (Table 10)
- b. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year;
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year;
 - c) The amount of property transactions and the amount of the resultant gains or losses;
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes;
 - e) The highest balance, the ending period balance, the interest rate range, and total current period interest with respect to the financing of funds; and
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

44. SEGMENT INFORMATION

a. Basic information

1) Classification

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



a) Wires and cables

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

b) Stainless steel

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

c) Resource

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

d) Real estate

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

e) Administration and investing

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

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

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

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

3) Identification of operating segment

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



b. Financial information

1) Segment revenues and results:

	(NTS in Thousand)					
	Wires and Cables	Stainless Steel	Resource Business	Real Estate	Administration and Investing	Total
<u>For the year ended December 31, 2023</u>						
Revenue from external customers	\$ 45,292,955	\$ 94,542,646	\$ 41,555,782	\$ 2,129,913	\$ 6,318,330	\$ 189,839,626
Segment profit (loss)	3,207,499	622,917	4,413,465	(54,498)	(1,948,617)	6,240,766
Net non-operating income (expenses)						
Net interest (expenses) income						(1,594,224)
Share of profit of associates accounted for using the equity method						528,869
Dividend income						513,679
Loss on disposal of property, plant and equipment						(11,472)
Gain on disposal of investments						965,914
Foreign exchange (loss) gain						(240,593)
Gain on financial assets and liabilities at fair value through profit or loss						169,525
Reversal of impairment loss						12,427
Net other income						<u>853,507</u>
Consolidated income before income tax						<u>\$ 7,438,398</u>
<u>For the year ended December 31, 2022</u>						
Revenue from external customers	\$ 58,861,592	\$ 79,025,174	\$ 23,469,051	\$ 1,972,699	\$ 17,072,203	\$ 180,400,719
Segment profit (loss)	2,983,318	4,463,460	7,011,709	94,428	(5,054,201)	9,498,714
Net non-operating income (expenses)						
Net interest (expenses) income						(586,922)
Share of profit of associates accounted for using the equity method						3,607,040
Dividend income						766,857
Gain on disposal of property, plant and equipment						68,051
Gain on disposal of investments						7,210,043
Foreign exchange gain						1,748,708
Gain on financial assets and liabilities at fair value through profit or loss						265,134
Impairment loss						(87)
Net other income						<u>824,475</u>
Consolidated income before income tax						<u>\$ 23,402,013</u>

2) Segment assets and liabilities

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

3) Geographical information

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

	Revenue from External Customers (Note)		Non-current Assets	
	2023	2022	December 31	
			2023	2022
Asia	\$ 154,395,268	\$ 155,926,113	\$ 97,553,322	\$ 89,595,772
United States of America	9,663,309	18,346,783	50,225	240,378
Europe	23,592,668	4,040,919	13,476,703	5,880,861
Others	<u>2,188,381</u>	<u>2,086,904</u>	<u>-</u>	<u>-</u>
	<u>\$ 189,839,626</u>	<u>\$ 180,400,719</u>	<u>\$ 111,080,250</u>	<u>\$ 95,717,011</u>

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

4) Information about major customers

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



TABLE 1

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

Notes:

- According to the financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of financing provided to a subsidiary whose equity is 100% owned, directly or indirectly by WLC cannot exceed 40% of the equity presented in the consolidated financial statements of Walsin Lihwa Corporation.
 - The limit on the amount of financing provided to a single enterprise was as follows:
PT. Sunny Metal Industry, PT. Westrong Metal Industry and Borrego Energy Holdings, LLC & Borrego Energy, LLC = $\$140,810,315 \times 40\% = \$56,324,126$.
 - The limit on the amount of financing provided was as follows:
The limit on the amount of financing provided = $\$140,810,315 \times 40\% = \$56,324,126$.
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars.
- The currency exchange rate as of December 31, 2023 was as follows: US\$ to NT\$ = 1:30.705.

TABLE 1-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

(Continued)



Notes:

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

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

Walsin (China) Investment Co., Ltd and Dongguan Walsin Wire & Cable Co., Ltd. = $\$140,810,315 \times 40\% = \$56,324,126$.
 Walsin (China) Investment Co., Ltd. = $\text{RMB}928,944 \times 10\% = \text{RMB}92,894$ (\$402,718).
 Walsin International Investments Limited = $\text{RMB}3,805,902 \times 40\% = \text{RMB}1,522,361$ (\$6,599,800))
2. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars and Renminbi.
3. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524; US\$ to RMB = 1:7.0827.

(Concluded)

TABLE 1-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
4	Changshu Walsin Specialty Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	\$ 451,745 (RMB 100,000)	\$ 433,524 (RMB 100,000)	\$ 186,875 (RMB 43,106)	2.00	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$56,324,126	\$56,324,126
5	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Walsin (China) Investment Co., Ltd.	Other receivables	Yes	677,618 (RMB 150,000)	650,286 (RMB 150,000)	550,424 (RMB 126,965)	2.00	Operating capital	-	Operating capital	-	-	-	56,324,126	56,324,126

Notes:

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



TABLE 1-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

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

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

Notes:

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

TABLE 1-4

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

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

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

Notes:

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

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

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

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

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



TABLE 1-5

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

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

Notes:

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

PT. Sunny Metal Industry, PT. Westrong Metal Industry, PT. Walhsu Metal Industry, Innovation West Mantewe Pte. Ltd., = US\$913,921 × 40% = US\$365,568 (\$11,224,765).
PT. Walhsu Metal Industry = US\$156,685 × 40% = US\$62,674 (\$1,924,405).
 - The limit on the amount of financing provided was as follows:

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

TABLE 1-6

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
10	Cogne Acciai Speciali S.p.A.	Degerfors Long Products AB	Other receivables	Yes	\$ 347,100 (EUR 10,000)	\$ - (EUR -)	\$ - (EUR -)	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,676,568 (EUR 108,198)	\$ 3,676,568 (EUR 108,198)
		Special Melted Products Limited	Other receivables	Yes	552,485 (GBP 13,920)	290,493 (GBP 7,420)	240,851 (GBP 6,152)	4.95-4.96	Operating capital	-	Operating capital	-	-	-	3,676,568 (EUR 108,198)	3,676,568 (EUR 108,198)

Notes:

- According to the financing regulations provided by Cogne Acciai Speciali S.p.A., the total limit on the amount of the financing provided to subsidiary whose equity is 50% owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company's equity as presented in the latest consolidated financial statements. If it is a revolving fund, the amount for an individual loan shall not exceed 5% of the parent company's equity as presented in the latest consolidated financial statements. The total limit on the amount of the financing provided to a oversea subsidiary whose equity is 100%-owned, directly or indirectly by its parent company, cannot exceed 20% of the parent company's equity as presented in the latest consolidated financial statements.
 - The limit on the amount of financing provided to a single enterprise was as follows:
Degerfors Long Products AB, Special Melted Products Limited = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
 - The limit on the amount of financing provided was as follows:
Cogne Acciai Speciali S.p.A. = EUR540,989 × 20% = EUR108,198 (\$3,676,568).
- Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of EUR and GBP.
- The currency exchange rates as of December 31, 2023 were as follows: EUR to NT\$ = 1:33.98; GBP to NT\$ = 1:39.15; GBP to EUR = 1:1.1521.



TABLE 2

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

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Walsin Lihwa Corporation	Borrego Energy, LLC	b	\$ - (US\$ -)	\$ 365,760 (US\$ 12,000)	\$ - (US\$ -)	\$ - (US\$ -)	\$ - -	- 2.77	\$ 140,810,315 140,810,315	Yes Yes	No No	No Yes
		Yantai Walsin Stainless Steel Co., Ltd.	b	6,512,311 (RMB 1,502,180)	4,065,705 (RMB 900,000)	3,901,716 (RMB 900,000)	- (RMB -)	-					

Notes:

- The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled "No." column.
 - "0" represents Walsin Lihwa Corporation.
 - Subsidiaries are numbered consecutively starting from 1.
- The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories
 - A company with which Walsin Lihwa Corporation does business.
 - A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
 - A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
 - A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
 - A company that fulfills Walsin Lihwa Corporation's contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation's joint-investment company in proportion to their shareholding percentages.
 - A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation's current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.
 - The limit on the amount of endorsements/guarantees provided was as follows:
NT\$140,810,315 × 100% = \$140,810,315
 - 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 (\$6,512,311)
- The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705; RMB to NT\$ = 1:4.33524.

TABLE 2-1

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

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

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Amount Borrowed	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
1	Cogne Acciai Speciali S.p.A.	Degerfors Long Products AB	b	\$ 1,773,416 (EUR 52,190)	\$ 616,000 (SEK 200,000)	\$ 616,000 (SEK 200,000)	\$ - (SEK -)	\$ -	16.75	\$ 3,676,568 (EUR 108,198)	Yes	No	No

Notes:

- The information on Cogne Acciai Speciali S.p.A. and its subsidiaries is listed and labeled on the entitled "No." column.
 - "0" represents Cogne Acciai Speciali S.p.A.
 - Subsidiaries are numbered consecutively starting at 1.
- The relationship between Cogne Acciai Speciali S.p.A. and the endorsed/guaranteed entities can be classified into six categories.
 - A company with which Cogne Acciai Speciali S.p.A. does business.
 - A company in which Cogne Acciai Speciali S.p.A. directly and indirectly holds more than 50% of the voting shares.
 - A company that directly and indirectly holds more than 50% of the voting shares in Cogne Acciai Speciali S.p.A.
 - A company in which Cogne Acciai Speciali S.p.A. directly or indirectly holds 90% or more of the voting shares.
 - A company that fulfills Cogne Acciai Speciali S.p.A.'s contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - A company in which all capital contributing shareholders make endorsements/guarantees for it and Cogne Acciai Speciali S.p.A.'s joint-investment company in proportion to their shareholding percentages.
 - A company in the same industry as Cogne Acciai Speciali S.p.A. whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- According to the endorsements/guarantees provided and financing regulations provided by Cogne Acciai Speciali S.p.A., the total limit on the amount of endorsements/guarantees cannot exceed 20% of the equity of Cogne Acciai Speciali S.p.A.'s current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 125% of the net value multiplied by the equity percentage of the guarantee provider.
 - The limit on the amount of endorsements/guarantees provided was as follows:

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

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



TABLE 3

WALSIN LIHWA CORPORATION AND SUBSIDIARIES
**MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Lihwa Corporation	Share							
	HannStar Display Corp.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	299,632,180	\$ 3,550,641	10.19	\$ 3,550,641	
	HannStar Board Corp.	The chairman of the holding company and the chairman of the company are second-class relatives	Financial assets at fair value through other comprehensive income - non-current	63,753,952	3,525,594	12.06	3,525,594	
	TECO Electric & Machinery Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	231,104,730	10,815,701	10.81	10,815,701	
	Kuang Tai Metal Industrial Co., Ltd.	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	9,631,802	295,107	9.39	295,107	
	Global Investment Holdings	The holding company is a director of the issuer company	Financial assets at fair value through other comprehensive income - non-current	5,221,228	64,327	2.97	64,327	
	Universal Venture Capital Investment	-	Financial assets at fair value through other comprehensive income - non-current	1,400,000	14,954	1.16	14,954	
	Hwa Bao Botanic Conservation Corp.	The holding company is a supervisor of the issuer company	Financial assets at fair value through other comprehensive income - non-current	27,000,000	284,474	15.00	284,474	
	Tung Mung Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	14,285,000	84,381	3.43	84,381	

TABLE 3-1

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

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

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

**TABLE 3-2****CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES**
MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

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

TABLE 3-3

WALSIN INFO-ELECTRIC CORP.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

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

**TABLE 3-4****PT. WAL SIN LIPPO INDUSTRIES**
**MARKETABLE SECURITIES HELD
 DECEMBER 31, 2023
 (In Thousands of U.S. Dollars)**

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

TABLE 3-5

COGNE ACCIAI SPECIALI S.P.A.

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

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



TABLE 4

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Corporation	Share													
	Walsin Lihwa Holdings Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	108,730,393	\$ 24,073,818	-	\$ -	106,000,000	\$ 3,214,530	\$ 3,490,565 (Note 1)	\$ -	2,730,393	\$ 20,583,253
	Concord Industries Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	308,498,375	5,210,454	-	-	11,000,000	336,700	1,525,182 (Note 1)	-	297,498,375	3,685,272
	Walsin Lihwa Europe S.a r.l.	Investments accounted for using the equity method	Capital investment	Subsidiaries	12,000	4,146,986	-	5,519,286 (Note 2)	-	-	-	-	12,000	9,666,272
	Walsin Singapore Pte. Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	422,000,000	19,603,265	311,000,000	11,206,684 (Note 2)	-	-	-	-	733,000,000	30,809,949
	PT. Westrong Metal Industry	Investments accounted for using the equity method	Walsin Singapore Pte. Ltd.	Subsidiaries	590,000	4,590,864	-	-	590,000	4,680,030	4,680,030	89,166 (Note 3)	-	-
	Walsin Energy Cable System Co., Ltd.	Investments accounted for using the equity method	Capital investment	Subsidiaries	-	-	270,000,000	2,657,462 (Note 2)	-	-	-	-	270,000,000	2,657,462
	Innovation West Mantewe Pte. Ltd.	Investments accounted for using the equity method	Glory Merry Limited and non-related individual	-	-	-	40	2,444,727	-	-	-	-	40	2,444,727
	Winbond Electronics Corporation	Investments accounted for using the equity method	Capital investment	Associates	883,848,423	20,953,105	35,531,593	(617,532) (Note 2)	-	-	-	-	919,380,016	20,335,573
	Chin-Cherng Construction Co.	Investments accounted for using the equity method	Capital reduction	Subsidiaries	577,583,403	6,182,490	-	-	47,627,598	476,276	720,191 (Note 1)	-	529,955,805	5,462,298
	Joint Success Enterprises Limited	Investments accounted for using the equity method	Capital reduction	Subsidiaries	36,058,184	5,084,267	-	-	14,713,622	474,294	846,712 (Note 1)	-	21,344,562	4,237,555

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

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

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

TABLE 4-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

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

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



TABLE 4-2

WALSIN SINGAPORE PTE. LTD.

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

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

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

TABLE 4-3

WALSIN LIHWA EUROPE S.A R.L. AND SUBSIDIARIES

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Purpose of Transaction/Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Lihwa Europe S.a.r.l.	Share MEG S.A	Investments accounted for using the equity method	Capital investment	Subsidiaries	5,102	\$ 177,148	3,175	\$ 161,606 (Note)	-	\$ -	\$ -	\$ -	8,277	\$338,754 (Note)
Cogne Acciai Speciali S.p.A.	Special Melted Products Limited	Investments accounted for using the equity method	MUTARES HOLDING-33 GMBH	-	-	-	4,199,156	173,702 (Note)	-	-	-	-	4,199,156	173,702 (Note)

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



TABLE 5

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

Company Name	Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Walsin Lihwa Corporation	Plant	2023/02/04-2023/12/26	\$ 1,130,651	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Yantai Walsin Stainless Steel Co., Ltd.	Plant	2023/01/01-2023/12/28	RMB 182,764	Based on the terms in the contract	China Construction Eighth Engineering Division Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Yantai Walsin Stainless Steel Co., Ltd.	Dormitory	2023/04/27-2023/12/27	RMB 131,248	Based on the terms in the contract	China Merchants Property Development (Yantai) Co., Limited	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Sunny Metal Industry	Plant	2023/03/27-2023/09/30	US\$ 59,368	Based on the terms in the contract	PT. Perintis Makmur Indonesia etc.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
PT. Walhsu Metal Industry	Plant	2023/07/07-2023/12/29	US\$ 23,095	Based on the terms in the contract	PT. Perintis Makmur Indonesia etc.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-
Walsin Energy Cable System Co., Ltd.	Plant	2023/07/17-2023/11/23	872,500	Based on the terms in the contract	Chung-Lu Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Based on the marketability	Manufacturing and operating purpose	-

TABLE 6

WALSIN LIHWA CORPORATION

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

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



TABLE 6-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Sales	RMB(139,259)	(22)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 25,398	30	

TABLE 6-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (234,587)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 28,350	5	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (266,611)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 26,154	5	
	Cogne Acciai Speciali S.p.a.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	EUR 9,462	2	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	EUR (9,462)	(16)	
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 57,808	2	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (4,813)	(1)	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 34,229	1	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (534)	-	
	Walsin Singapore Pte. Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Purchases	US\$ 19,973	4	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	US\$ (15,730)	(24)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (34,229)	(8)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 534	(-)	
	Walsin Lihwa Corporation	Parent company	Purchases	369,262	21	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(99,469)	(18)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 266,611	67	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (26,154)	(21)	
Changshu Walsin Specialty Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Sales	RMB (57,808)	(6)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB 4,813	5	
	Walsin Lihwa Corporation	Parent company	Purchases	491,550	17	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	(94,733)	(11)	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Purchases	RMB 234,587	34	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	RMB (28,350)	(14)	



TABLE 6-3

COGNE ACCIAI SPECIALI S.P.A. AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	EUR (9,462)	(2)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 9,462	5	

TABLE 6-4

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation	Parent company	Sales	\$ (8,154,060)	(93)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	\$ 126,177	21	
	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Sales	US\$ (19,973)	(7)	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Normal	Normal	US\$ 15,730	79	



TABLE 7

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Corporation	Walsin Singapore Pte. Ltd.	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	-	-	-	-	-

TABLE 7-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

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

DECEMBER 31, 2023

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	100% directly owned subsidiary	Other receivables RMB 230,703	-	\$ -	-	\$ -	\$ -
	Walsin International Investments Limited	100% directly owned subsidiary	Other receivables US\$ 4,500	-	-	-	-	-
Walsin (China) Investment Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 174,630	-	-	-	-	-
	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 181,078	-	-	-	-	-
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 22,880	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	100% directly owned subsidiary	Other receivables US\$ 44,596	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associate of Walsin Lihwa Corporation	Other receivables RMB 28	-	-	-	-	-
	XiAn Walsin Metal Product Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 70,686	-	-	-	-	-
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 81,068	-	-	-	-	-
	Dongguan Walsin Wire & Cable Co., Ltd.	100% directly owned subsidiary	Other receivables RMB 182,651	-	-	-	-	-
	Walsin (Nanjing) Development Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 100,866	-	-	-	-	-
	Walsin International Investments Limited	Walsin Lihwa Corporation	Parent company	Other receivables US\$ 19,881	-	-	-	-
Dongguan Walsin Wire & Cable Co., Ltd.	PT. Sunny Metal Industry	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 1,009,637	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables US\$ 104,077	-	-	-	-	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 916,113	-	-	-	-	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables RMB 276,306	-	-	-	-	
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Walsin (China) Investment Co., Ltd.	Parent company	Other receivables RMB 201,248	-	-	-	-	-
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Both are associates of Walsin Lihwa Corporation	Trade receivables RMB 25,398	10.97	-	-	-	-

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



TABLE 7-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables \$ 28,350	8.64	\$ -	-	\$ 19,804	\$ -
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both are subsidiaries of Concord Industries Limited	Trade receivables 26,154	11.63	-	-	23,105	-
	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 139,045	-	-	-	-	-
Changshu Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 43,198	-	-	-	-	-
Jiangyin Walsin Stainless Steel Co., Ltd.	Walsin (China) Investment Co., Ltd.	Both are subsidiaries of Walsin Lihwa Corporation	Other receivables 127,136	-	-	-	-	-

TABLE 7-3

WALSIN SINGAPORE PTE. LTD. AND SUBSIDIARIES

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	
					Amount	Action Taken			
Walsin Singapore Pte. Ltd.	Walsin Lihwa Corporation Yantai Walsin Stainless Steel Co., Ltd. PT. Sunny Metal Industry Innovation West Mantewe Pte. Ltd.	Parent company Both are subsidiaries of Walsin Lihwa Corporation 50.1% owned subsidiary Associate of Walsin Lihwa Corporation	Trade receivables	\$ 4,109	126.31	\$ -	-	\$ 4,109	\$ -
			Trade receivables	15,730	2.54	-	-	15,730	-
			Other receivables	288,902	-	-	-	-	-
			Other receivables	4,864	-	-	-	-	-
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	99.9% owned subsidiary	Other receivables	39,382	-	-	-	-	-

**TABLE 7-4****WALSIN INFO-ELECTRIC CORP.**

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Info-Electric Corp.	Walsin Lihwa Corporation	Parent company	Other receivables \$ 100,083	-	\$ -	-	\$ -	\$ -

TABLE 7-5

COGNE ACCIAI SPECIALI S.P.A

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

Company Name	Related Party	Nature of Relationship	Financial Statement Account and Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
Cogne Acciai Speciali S.p.a.	Yantai Walsin Stainless Steel Co., Ltd. Special Melted Products Limited	Both are subsidiaries of Walsin Lihwa Corporation Parent to subsidiary	Trade receivables	EUR 9,462	2.00	\$ -	-	\$ -	\$ -
			Other receivables	GBP 6,152	-	-	-	-	-

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



TABLE 8

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	British Virgin Islands	Investments holding	\$ 103,022	\$ 3,317,552	2,730,393	100.00	\$20,583,253	\$ 281,244	\$ 74,675	
	Concord Industries Limited	British Virgin Islands	Investments holding	13,274,435	13,611,135	297,498,375	100.00	3,685,272	(1,147,157)	(1,147,157)	
	Ace Result Global Limited	British Virgin Islands	Investments holding	1,587,416	1,587,416	44,739,988	100.00	382,041	33,896	33,896	
	Min Maw Precision Industry Corp.	Taiwan	Solar power systems management, design, and installation	180,368	180,368	34,837,100	100.00	409,853	24,677	21,417	
	Waltuo Green Resources Corporation	Taiwan	Waste disposal, resource recovery and cement products	10,000	10,000	1,828,287	100.00	9,251	(8,409)	(8,409)	
	Chin-Cherng Construction Co.	Taiwan	Investment in the construction of residential, sale of commercial buildings, rental design and interior decoration business	135,412	611,688	529,955,805	99.22	5,462,298	(179,331)	(177,932)	
	Walsin Info-Electric Corp.	Taiwan	Mechanical and electrical, communications, and power systems	270,034	270,034	29,854,246	99.51	348,242	4,640	4,618	
	PT. Walsin Lippo Industries	Indonesia	Steel wires	481,663	481,663	10,500	70.00	980,706	96,593	67,615	
	PT. Walsin Lippo Kabel	Indonesia	Production and sale of cables and wires	12,004	11,656	2,999,500	70.00	11,773	(823)	(576)	
	Joint Success Enterprises Limited	British Virgin Islands	Investments holding	689,979	1,164,273	21,344,562	49.05	4,237,555	(388,158)	(308,977)	
	Chin-Xin Investment Co., Ltd.	Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	8,575,298	778,816	288,162	
	Tsai Yi Corporation	Taiwan	Management and investments holding	457,610	457,610	49,831,505	33.97	1,026,607	23,695	8,049	
	Concord II Venture Capital Co., Ltd.	Taiwan	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	169,753	(16,574)	(4,420)	
	Winbond Electronics Corp.	Taiwan	Research, development, production and sale of semiconductors and related components	8,211,615	7,429,920	919,380,016	21.99	20,335,573	(1,146,522)	(253,924)	
	Walton Advanced Engineering, Inc.	Taiwan	Production, sale, and testing of semiconductors	1,185,854	1,185,854	109,628,376	21.17	2,230,609	(29,495)	(6,244)	
	Walsin Technology Corp.	Taiwan	Production and sale of ceramic capacitors	1,649,039	1,649,039	88,902,325	18.30	8,631,671	2,325,394	427,443	
	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	1,509,171	1,509,171	500,000	50.00	7,269,121	2,855,853	1,458,312	
	Walsin Precision Technology Corp.	Malaysia	Production and sale of stainless steel plates	434,994	434,994	32,178,385	100.00	551,918	13,214	13,214	
	Walsin Singapore Pte. Ltd.	Singapore	Investments holding	26,357,910	16,790,710	733,000,000	100.00	30,809,949	1,828,395	1,417,688	
	Walsin Energy Cable System Co., Ltd.	Taiwan	Submarine communication cable	2,700,000	-	270,000,000	90.00	2,657,462	(45,479)	(41,660)	
Walsin Lihwa Europe S.a r.l.	Luxembourg	Investments holding	11,560,560	6,692,862	12,000	100.00	9,666,272	639,873	639,873		
PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	43,669	22,223	13,930	99.50	36,315	(5,663)	(5,625)		
Walsin America, LLC	USA	Investments	196,654	185,752	N/A	100.00	(374,028)	(372,662)	(372,662)	(Note 4)	
PT. CNGR Walsin New Energy and Technology Indonesia	Indonesia	Investments holding	300,000	300,000	140,651	29.17	280,654	(7,744)	(2,259)		
PT. Westrong Metal Industry	Indonesia	Manufacture and sale of nickel matte	-	4,680,030	-	-	-	(12,635)	(504)	(Note 3)	
Innovation West Mantewe Pte. Ltd.	Singapore	Investments holding	2,452,575	-	40	40.00	2,444,727	(15,981)	(6,392)		
PT CNGR Walsin New Mining Industry Investment Indonesia	Indonesia	Investments holding	46,929	-	22,257	29.17	45,131	(2,832)	(860)		
Walsin Lihwa Holding Limited	Walsin International Investments Limited	Hong Kong	Investments	HK\$ 3,802,165	HK\$4,653,372	3,802,164,702	100.00	16,499,499	506,162	506,162	
	Walcom Chemicals Industrial Limited	Hong Kong	Commerce	US\$ 0.030	US\$ 0.030	325,000	65.00	0.828	-	-	
Walsin America, LLC	Borrego Energy Holdings, LLC	USA	Investments	US\$ 38,147	US\$ 38,147	N/A	72.55	(379,651)	(507,325)	(368,064)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Borrego Energy Holdings, LLC	Borrego Energy, LLC	USA	Grid-connected solar electric systems	US\$ 52,576 (Note 1)	US\$ 52,576	N/A	100.00	\$ (524,112)	\$ (507,325)	\$ (507,325)	
	Cleanleaf Energy Holdings, Inc	USA	Investments	US\$ - (Note 5)	US\$ -	100	100.00	-	-	-	
Concord Industries Limited	Walsin Specialty Steel Corp.	British Virgin Islands	Commerce and investments	US\$ 82,893 (Note 2)	US\$ 92,393 (Note 2)	82,893,195	100.00	1,344,952	272,968	272,968	
Chin-Cherng Construction Co.	Joint Success Enterprises Limited	British Virgin Islands	Investments	725,493	1,202,993	22,175,438	50.95	4,341,711	(388,158)	(197,766)	
	Dingshin Development Co., Ltd.	Taiwan	Investment of real estate and related business	8,540	8,540	2,119,200	35.32	37,561	4,158	1,469	
	Concord II Venture Capital Co., Ltd. Chin-Xin Investment Co., Ltd.	Taiwan Taiwan	Venture capital and consulting affairs Investments	1,603 54,154	1,603 54,154	172,342 3,264,092	0.17 0.67	1,107 157,192	(16,574) 778,816	(24) 5,235	
Walsin Singapore Pte. Ltd.	PT. Walsin Nickel Industrial Indonesia	Indonesia	Production and sale of nickel pig iron	US\$ 42,000	US\$ 42,000	420,000	42.00	6,278,036	2,855,853	1,199,458	
	PT. Sunny Metal Industry PT. Westrong Metal Industry	Indonesia Indonesia	Manufacture and sale of nickel matte Manufacture and sale of nickel matte	US\$ 200,000 US\$ 146,000	US\$ 200,000 US\$ -	50,100 590,000	50.10 29.50	6,405,094 4,478,309	1,792,965 (12,635)	319,574 (3,210)	(Note 3) (Note 3)
Walsin Lihwa Europe S.a r.l.	MEG S.A.	Luxembourg	Investments holding	EUR 347,216	EUR 207,216	8,277	90.21	11,510,849	906,305	770,559	
MEG S.A.	Cogne Acciai Speciali S.p.A.	Italy	Production and sale of stainless steel	EUR 155,988	EUR 15,988	314,705,934	77.60	14,215,240	1,105,020	909,541	
PT. Sunny Metal Industry	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9,491	US\$ -	9,490,500	99.90	249,671	724	723	
PT. Walsin Nickel Industrial Indonesia	PT. Walhsu Metal Industry	Indonesia	Manufacture and sale of nickel matte	US\$ 9	US\$ -	9,500	0.10	292	724	1	
Min Maw Precision Industry Corp.	PT. Walsin Research Innovation Indonesia	Indonesia	Consulting and management	224	224	70	0.50	187	(5,663)	-	

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

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

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

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

Note 5: As of December 31, 2023, the capital injection had not been completed.

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

(Concluded)



TABLE 9

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

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

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

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

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 17)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon production	\$ 5,202,288 (RMB 1,200,000)	b	\$ - (US\$ -)	\$ -	\$ -	\$ - (US\$ -)	\$ -	19.00	\$ -	\$ - (Note 10)	\$ -
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	43,352 (RMB 10,000)	b	9,334 (US\$ 304)	-	-	9,334 (US\$ 304)	1,038	20.00	208	9,776	-
Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. (Note 12)	Communications equipment and electronic components	674,550 (RMB 155,597)	b	- (RMB -)	-	-	- (RMB -)	22,638	6.02	-	78,706	-
Walsin (Nanjing) Development Co., Ltd.	Construction, rental and sale of buildings and industrial factories	1,535,500 (US\$ 50,000)	b	1,529,109 (US\$ 49,800) (Note 14)	-	-	1,529,109 (US\$ 49,800) (Note 14)	(547,393)	99.60	(545,217)	8,542,838	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	4,335 (RMB 1,000)	b	- (RMB -)	-	-	- (RMB -)	(3,962)	99.60	(3,947)	(21,672)	-

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

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

Notes:

- Investments can be classified into three categories as follows:
 - Direct investment in mainland China.
 - Reinvestment in mainland China through companies in a third country companies.
 - Others.
- Including US\$15,000 thousand investment through Walsin (China) Investment Co., Ltd.
- Including US\$14,950 thousand investment through Walsin (China) Investment Co., Ltd.
- 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.
- Capital investment of US\$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
- 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.
- Investment through Walsin (China) Investment Co., Ltd.

(Continued)



8. Including investments through Walsin (China) Investment Co., Ltd. of US\$4,500 thousand and US\$4,500 thousand of the own capital of Walsin (China) Investment Co., Ltd.
9. Including investments of its own capital of RMB578,796 thousand from Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments through Changzhou Wujin NSL Co., Ltd. Including US\$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. which were merged.
10. The amount was adjusted by the capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and the fair value.
11. XiAn Walsin Metal Product Co., Ltd. merged XiAn Lv Jing Technology Co., Ltd. and XiAn Walsin Opto-electronic Limited.
12. Shaanxi Electronic Group Optoelectronics Technology Co., Ltd. was formerly known as Shaanxi Optoelectronics Technology Co., Ltd.
13. The amount included capitalization of retained earnings of US\$7,280 thousand.
14. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
15. Amounts are stated in thousands of New Taiwan dollars, except those stated in thousands of U.S. dollars, Renminbi and Euro.
16. The currency exchange rates as of December 31, 2023 were as follows: US\$ to NT\$ = 1:30.705, RMB to NT\$ = 1:4.33524, Euro to NT\$ = 1:33.98. The average exchange rates of December 31, 2023 were as follows: US\$ to NT\$ = 1:31.154, RMB to NT\$ = 1:4.41546, Euro to NT\$ = 1:33.69722.
17. The basis for recognizing investment gains and losses in the current period is the financial report reviewed by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
18. Upper limit on investment:

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

(Concluded)

CHIN-CHERNG CONSTRUCTION CO.

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

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

(In Thousands of U.S. and Renminbi)

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

2. The upper limit on investment in mainland China

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (NT\$ and US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (NT\$ and US\$ in Thousands)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (NT\$ in Thousands)
US\$25,475	US\$25,475	NT\$3,294,097 (Note 3)

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

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

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

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

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



TABLE 10

WALSIN LIHWA CORPORATION AND INVESTEEES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

No.	Company Name	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	\$ 491,550	The terms are set by quotations on the local market and are similar to those of general customers	-
		Jianyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	369,262	The terms are set by quotations on the local market and are similar to those of general customers	-
		Walsin Singapore Pte. Ltd.	Transactions between parent company and subsidiaries	Other receivables	290,281	Based on capital demand	-
		Borrego Energy Holdings, LLC	Transactions between parent company and subsidiaries	Other receivables	230,405	Based on capital demand	-
		Borrego Energy, LLC	Transactions between parent company and subsidiaries	Other receivables	648,967	Based on capital demand	-
1	Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 230,703	Based on capital demand	-
		Walsin International Investment Limited	Transactions between parent company and subsidiaries	Other receivables	US\$ 4,500	Based on capital demand	-
2	Walsin (China) Investment Co., Ltd.	Yantai Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 174,630	Based on capital demand	2
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 181,078	Based on capital demand	1
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US\$ 44,596	Based on capital demand	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 28	Based on capital demand	-
		Walsin (Nanjing) Development Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 70,686	Based on capital demand	-
		XiAn Walsin Metal Product Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 22,880	Based on capital demand	-
		Nanjing Taiwan Trade Mart Management Co., Ltd.	Transactions between subsidiaries	Other receivables	RMB 1,009,637	Based on capital demand	2
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 182,651	Based on capital demand	-
3	Walsin International Investments Limited	Walsin Lihwa Corporation	Transactions between subsidiaries and parent company	Other receivables	US\$ 104,077	Based on capital demand	1
		PT. Sunny Metal Industry	Transactions between subsidiaries	Other receivables	US\$ 41,721	Based on capital demand	-
		Walsin (China) Investment Co., Ltd.	Transactions between subsidiaries	Other receivables	US\$ 257,578	Based on capital demand	4
					RMB 916,113		
4	Yantai Walsin Stainless Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 28,350	The terms are set by quotations on the local market and are similar to those of general customers	-

(Continued)

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


(Concluded)

**TABLE 11****WALSIN LIHWA CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chin-Xin Investment Co., Ltd.	248,002,375	6.15
Winbond Electronics Corp.	247,527,493	6.14
TECO Electric & Machinery Co., Ltd.	210,332,690	5.22

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

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



5. Financial report of the parent company of the most recent year audited and certified by Supervisors

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:

Sales Revenue Recognition

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)

ASSETS	2023		2022 (Restated)	
	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	<u>20,943,624</u>	<u>10</u>	<u>37,348,050</u>	<u>19</u>
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	<u>181,921,458</u>	<u>90</u>	<u>163,734,070</u>	<u>81</u>
TOTAL	<u>\$ 202,865,082</u>	<u>100</u>	<u>\$ 201,082,120</u>	<u>100</u>
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	<u>11,474,045</u>	<u>6</u>	<u>23,723,277</u>	<u>12</u>
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	<u>50,580,722</u>	<u>25</u>	<u>53,777,967</u>	<u>27</u>
Total liabilities	<u>62,054,767</u>	<u>31</u>	<u>77,501,244</u>	<u>39</u>
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	<u>60,590,617</u>	<u>30</u>	<u>62,038,398</u>	<u>31</u>
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	<u>6,281,452</u>	<u>3</u>	<u>(443,305)</u>	<u>-</u>
Total equity	<u>140,810,315</u>	<u>69</u>	<u>123,580,876</u>	<u>61</u>
TOTAL	<u>\$ 202,865,082</u>	<u>100</u>	<u>\$ 201,082,120</u>	<u>100</u>

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	<u>(11,785)</u>	-	<u>11,802</u>	-
GROSS PROFIT	<u>6,758,790</u>	<u>8</u>	<u>11,207,400</u>	<u>11</u>
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	<u>211,655</u>	-	<u>200,649</u>	-
Total operating expenses	<u>2,716,843</u>	<u>3</u>	<u>3,466,353</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>4,041,947</u>	<u>5</u>	<u>7,741,047</u>	<u>8</u>
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	<u>1,659,130</u>	<u>2</u>	<u>15,429,151</u>	<u>16</u>
Total non-operating income and expenses	<u>2,909,936</u>	<u>3</u>	<u>16,915,494</u>	<u>17</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	6,951,883	8	24,656,541	25
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(1,817,567)</u>	<u>(2)</u>	<u>(5,304,444)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>5,134,316</u>	<u>6</u>	<u>19,352,097</u>	<u>20</u>

(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	<u>1,288,838</u>	<u>2</u>	<u>(688,713)</u>	<u>(1)</u>
	<u>7,509,102</u>	<u>9</u>	<u>(4,451,163)</u>	<u>(5)</u>
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	<u>(7,290)</u>	<u>-</u>	<u>74,228</u>	<u>-</u>
	<u>(650,000)</u>	<u>(1)</u>	<u>1,738,112</u>	<u>2</u>
Other comprehensive income (loss) for the year, net of income tax	<u>6,859,102</u>	<u>8</u>	<u>(2,713,051)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 11,993,418</u>	<u>14</u>	<u>\$ 16,639,046</u>	<u>17</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.32</u>		<u>\$ 5.45</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 5.44</u>	

The accompanying notes are an integral part of the 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)

	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	
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	<u>10,980,389</u>	<u>14,835,358</u>

(Continued)

**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	<u>(458,231)</u>	<u>(524,195)</u>
Net cash used in investing activities	<u>(13,339,614)</u>	<u>(21,096,400)</u>
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	<u>9,168</u>	<u>6,685</u>
Net cash (used in) generated from financing activities	<u>(5,107,206)</u>	<u>12,153,915</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,466,431)	5,892,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>10,997,025</u>	<u>5,104,152</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,530,594</u>	<u>\$ 10,997,025</u>

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

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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 Depository 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	<u>\$ (39,707)</u>
Net decrease in cash and cash equivalents	<u>\$ (39,707)</u>


4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The 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.

1. 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 rereasurement) 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. Rereasurement, 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. Rereasurement 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	<u>23,380</u>	<u>40,786</u>
	<u>\$ 3,530,594</u>	<u>\$ 10,997,025</u>

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:

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

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

	Type of Transaction	Quantity (Tons)	Trade Date	Maturity Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
<u>December 31, 2023</u>							
Commodity futures							
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)
<u>December 31, 2022</u>							
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)
<u>December 31, 2023</u>			
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
<u>December 31, 2022</u>			
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	<u>\$ 175,083</u>	<u>\$ 267,147</u>

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

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

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	<u>\$ 2,499,599</u>	<u>\$ 58,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,558,076</u>

December 31, 2022

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0%	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	<u>\$ 3,763,039</u>	<u>\$ 24,816</u>	<u>\$ 126,508</u>	<u>\$ 33,756</u>	<u>\$ -</u>	<u>\$ 3,948,119</u>

10. FINANCE LEASE RECEIVABLE

	<u>December 31</u>	
	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	<u>1,829,733</u>	-
	2,187,690	-
Less: Unearned finance income	<u>(661,045)</u>	-
Net investment in leases presented as finance lease receivables	<u>\$ 1,526,285</u>	<u>\$ -</u>

(Continued)

	December 31	
	2023	2022
Current	\$ 9,068	\$ -
Non-current	<u>1,517,217</u>	<u>-</u>
	<u>\$ 1,526,285</u>	<u>\$ -</u>

(Concluded)

- 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	<u>106,293</u>	<u>218,216</u>
	<u>\$ 11,120,657</u>	<u>\$ 11,819,088</u>

- 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	<u>743,243</u>	<u>498,902</u>
	<u>\$ 18,635,179</u>	<u>\$ 12,206,200</u>
Current	\$ -	\$ -
Non-current	<u>18,635,179</u>	<u>12,206,200</u>
	<u>\$ 18,635,179</u>	<u>\$ 12,206,200</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the 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	<u>43,740,023</u>	<u>44,797,537</u>
	<u>\$ 130,841,304</u>	<u>\$ 117,556,202</u>

a. Investments in subsidiaries

Name of Subsidiary	December 31			
	2023		2022	
	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

(Continued)

Name of Subsidiary	December 31			
	2023		2022	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
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	4,146,986	100.00
Walsin America, LLC	-	100.00	-	100.00
PT. Sunny Metal Industry	-	-	-	-
Walsin Energy Cable System Co., Ltd.	2,657,462	90.00	-	-
Others	57,339	(Note 4)	51,002	(Note 2)
	<u>\$ 87,101,281</u>		<u>\$ 72,758,665</u>	

(Concluded)

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

Name of Associate	December 31			
	2023		2022	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
<u>Material associates</u>				
Winbond Electronics Corp.	\$ 20,335,573	21.99	\$ 20,953,105	22.21
Walton Advanced Engineering, Inc.	2,230,609	21.17	2,109,400	21.01
Walsin Technology Corp.	8,631,671	18.30	8,147,080	18.30
<u>Associates that are not individually material</u>				
Others	<u>12,542,170</u>		<u>13,587,952</u>	
	<u>\$ 43,740,023</u>		<u>\$ 44,797,537</u>	

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

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

All the associates were accounted for using the equity method.

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

December 31, 2022

	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Current assets	\$ 68,537,523	\$ 8,080,399	\$ 42,078,074
Non-current assets	115,627,470	11,240,954	49,653,421
Current liabilities	(27,776,754)	(5,110,938)	(19,230,081)
Non-current liabilities	<u>(53,654,523)</u>	<u>(3,970,323)</u>	<u>(18,917,380)</u>

(Continued)



	Winbond Electronics Corp.	Walton Advanced Engineering, Inc.	Walsin Technology Corp.
Equity	102,733,716	10,240,092	53,584,034
Non-controlling interests	<u>(8,570,720)</u>	<u>(200,109)</u>	<u>(9,303,110)</u>
	<u>\$ 94,162,996</u>	<u>\$ 10,039,983</u>	<u>\$ 44,280,924</u>
Proportion of the 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	<u>39,504</u>	<u>-</u>	<u>43,671</u>
Carrying amount	<u>\$ 20,953,105</u>	<u>\$ 2,109,400</u>	<u>\$ 8,147,080</u>
Operating revenue	<u>\$ 94,529,790</u>	<u>\$ 9,506,348</u>	<u>\$ 35,297,163</u>
Net profit for the year	\$ 14,986,552	\$ 156,098	\$ 2,295,275
Other comprehensive income (loss)	<u>2,717,903</u>	<u>(1,186,315)</u>	<u>218,387</u>
Total comprehensive income (loss) for the year	<u>\$ 17,704,455</u>	<u>\$ (1,030,217)</u>	<u>\$ 2,513,662</u> (Concluded)

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	<u>1,066,695</u>	<u>(901,548)</u>
Total comprehensive income (loss) for the year	<u>\$ 1,348,471</u>	<u>\$ (534,781)</u>

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
<u>Cost</u>						
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	<u>\$ 3,969,100</u>	<u>\$ 7,423,464</u>	<u>\$ 21,366,475</u>	<u>\$ 4,610,515</u>	<u>\$ 5,705,924</u>	<u>\$ 43,075,478</u>
<u>Accumulated depreciation and impairment</u>						
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	<u>\$ 8,067</u>	<u>\$ 4,724,126</u>	<u>\$ 14,212,937</u>	<u>\$ 3,302,082</u>	<u>\$ -</u>	<u>\$ 22,247,212</u>
Carrying amount at December 31, 2023	<u>\$ 3,961,033</u>	<u>\$ 2,699,338</u>	<u>\$ 7,153,538</u>	<u>\$ 1,308,433</u>	<u>\$ 5,705,924</u>	<u>\$ 20,828,266</u>
<u>Cost</u>						
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	<u>\$ 3,748,745</u>	<u>\$ 7,348,401</u>	<u>\$ 21,165,234</u>	<u>\$ 4,475,494</u>	<u>\$ 3,105,197</u>	<u>\$ 39,843,071</u>
<u>Accumulated depreciation and impairment</u>						
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	<u>\$ 8,067</u>	<u>\$ 4,545,423</u>	<u>\$ 13,470,602</u>	<u>\$ 3,058,789</u>	<u>\$ -</u>	<u>\$ 21,082,881</u>
Carrying amount at December 31, 2022	<u>\$ 3,740,678</u>	<u>\$ 2,802,978</u>	<u>\$ 7,694,632</u>	<u>\$ 1,416,705</u>	<u>\$ 3,105,197</u>	<u>\$ 18,760,190</u>

- 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
<u>Carrying amounts</u>		
Land	\$ 41,463	\$ 1,423,924
Buildings	279	2,666
Transportation equipment	<u>33,969</u>	<u>33,404</u>
	<u>\$ 75,711</u>	<u>\$ 1,459,994</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 15,910</u>	<u>\$ 1,450,985</u>
Disposal	<u>\$ (1,267)</u>	<u>\$ (511)</u>
Sublease (Note 10)	<u>\$ (1,345,977)</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 35,957	\$ 56,047
Buildings	1,647	1,714
Transportation equipment	<u>15,345</u>	<u>13,769</u>
	<u>\$ 52,949</u>	<u>\$ 71,530</u>

b. Lease liabilities

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

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	<u>\$ 16,436</u>	<u>\$ 19,512</u>
Expenses relating to low-value asset leases	<u>\$ 243</u>	<u>\$ 108</u>
Total cash outflow for leases	<u>\$ (59,861)</u>	<u>\$ (50,285)</u>

16. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Completed investment properties	<u>\$ 8,099,078</u>	<u>\$ 8,170,554</u>
		Completed Investment Properties
<u>Cost</u>		
Balance at January 1, 2023		\$ 9,977,685
Additions		<u>-</u>
Balance at December 31, 2023		<u>\$ 9,977,685</u>
Balance at January 1, 2022		\$ 9,977,502
Additions		<u>183</u>
Balance at December 31, 2022		<u>\$ 9,977,685</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1, 2023		\$ 1,807,131
Depreciation expenses		<u>71,476</u>
Balance at December 31, 2023		<u>\$ 1,878,607</u>
Balance at January 1, 2022		\$ 1,733,834
Depreciation expenses		<u>73,297</u>
Balance at December 31, 2022		<u>\$ 1,807,131</u>

- a. The completed investment properties are depreciated on a straight-line method over their estimated useful lives of 20 to 50 years.
- b. The investment 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	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	<u>20,950</u>	<u>76,358</u>
	<u>\$ 349,029</u>	<u>\$ 4,300,678</u>
Current	\$ 314,635	\$ 2,019,441
Non-current	<u>34,394</u>	<u>2,281,237</u>
	<u>\$ 349,029</u>	<u>\$ 4,300,678</u>

18. BORROWINGS

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

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

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

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

	December 31		
	2023	2022	
	Significant Covenant	Amount	Amount
<u>Long-term credit loan</u>			
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

(Continued)

December 31			
		2023	2022
	Significant Covenant	Amount	Amount
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
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	<u>1,009,434</u>	<u>1,200,000</u>
		26,446,398	37,445,270
Less current portion of long-term borrowings		<u>-</u>	<u>-</u>
		<u>\$ 26,446,398</u>	<u>\$ 37,445,270</u>

(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			<u>(1,178)</u>
			<u>\$ 2,998,822</u>

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			<u>(2,086)</u>
			<u>\$ 1,497,914</u>

19. BONDS PAYABLE

	<u>December 31</u>	
	2023	2022
Domestic unsecured bonds	<u>\$ 12,800,000</u>	<u>\$ 7,500,000</u>

On October 8, 2021, the Company issued the first unsecured bonds for \$7.5 billion, each with a face value of \$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	<u>(1,036,090)</u>	<u>(1,060,075)</u>
Net defined benefit liabilities	<u>\$ 138,912</u>	<u>\$ 149,434</u>



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	<u>\$ 1,482,158</u>	<u>\$ (1,028,335)</u>	<u>\$ 453,823</u>
Service cost			
Current service cost	10,007	-	10,007
Net interest expense (income)	<u>9,244</u>	<u>(6,442)</u>	<u>2,802</u>
Recognized in profit or loss	<u>19,251</u>	<u>(6,442)</u>	<u>12,809</u>
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	<u>(113,715)</u>	<u>-</u>	<u>(113,715)</u>
Recognized in other comprehensive income	<u>(177,565)</u>	<u>(82,973)</u>	<u>(260,538)</u>
Contributions from the employer	-	(56,660)	(56,660)
Benefits paid	<u>(114,335)</u>	<u>114,335</u>	<u>-</u>
Balance at December 31, 2022	<u>1,209,509</u>	<u>(1,060,075)</u>	<u>149,434</u>
Service cost			
Current service cost	6,128	-	6,128
Net interest expense (income)	<u>15,119</u>	<u>(13,317)</u>	<u>1,802</u>
Recognized in profit or loss	<u>21,247</u>	<u>(13,317)</u>	<u>7,930</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (9,604)	\$ (9,604)
Actuarial loss			
Experience adjustments	<u>44,332</u>	<u>-</u>	<u>44,332</u>
Recognized in other comprehensive income	<u>44,332</u>	<u>(9,604)</u>	<u>34,728</u>
Contributions from the employer	-	(53,180)	(53,180)
Benefits paid	<u>(100,086)</u>	<u>100,086</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 1,175,002</u>	<u>\$ (1,036,090)</u>	<u>\$ 138,912</u>

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

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 4,178	\$ 6,638
Selling and marketing expenses	791	894
General and administrative expenses	2,846	5,077
Research and development expenses	<u>115</u>	<u>200</u>
	<u>\$ 7,930</u>	<u>\$ 12,809</u>

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	<u>\$ (43,458)</u>	<u>\$ (47,681)</u>
0.5% decrease	<u>\$ 46,068</u>	<u>\$ 50,683</u>
		(Continued)



	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Expected rate(s) of salary increase		
0.5% increase	<u>\$ 44,682</u>	<u>\$ 49,149</u>
0.5% decrease	<u>\$ (42,588)</u>	<u>\$ (46,718)</u>
		(Concluded)

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
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	<u>6,281,452</u>	<u>(443,305)</u>
	<u>\$ 140,810,315</u>	<u>\$ 123,580,876</u>

a. Share capital

Ordinary shares

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

As of January 1, 2022, the balances of 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
<u>May be used to offset a deficit, distributed as cash dividend or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 27,787,949	\$ 18,864,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,130	2,130
Share of changes in capital surplus of associates	434,243	441,175
Treasury share transactions	2,254,074	2,254,074
Gain on disposal of property, plant and equipment	2,074,231	2,074,231
Others	1,045,560	1,036,392
<u>May only be used to offset a deficit</u>		
The change of interest in subsidiaries	<u>26,730</u>	<u>-</u>
	<u>\$ 33,624,917</u>	<u>\$ 24,672,454</u>

Note: The premium from shares issued in excess of par (share premium from issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the 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	<u>5,490,133</u>	1.6
	<u>\$ 6,944,655</u>	

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

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

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

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

Information regarding the above special reserve did not change for 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	<u>(690,701)</u>	<u>1,843,913</u>
Balance at December 31	<u>\$ (4,947,475)</u>	<u>\$ (4,256,774)</u>

Exchange differences relating to the translation of the results and net assets of the 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	<u>(204,652)</u>	<u>(75,957)</u>
Balance at December 31	<u>\$ 14,068,677</u>	<u>\$ 6,693,877</u>

3) (Loss) gain on the hedging instruments

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



4) Other equity - others

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

22. OPERATING REVENUE

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

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	<u>354,322</u>	<u>(215,846)</u>
	<u>\$ 1,085,948</u>	<u>\$ (597,501)</u>

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

(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	<u>69,296</u>	<u>2,180</u>	-	<u>71,476</u>
	<u>\$ 1,172,627</u>	<u>\$ 236,096</u>	<u>\$ -</u>	<u>\$ 1,408,723</u>
Amortization	<u>\$ -</u>	<u>\$ 28,191</u>	<u>\$ -</u>	<u>\$ 28,191</u> (Concluded)

For the Year Ended December 31, 2022

	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	<u>\$ 1,960,313</u>	<u>\$ 1,745,879</u>	<u>\$ -</u>	<u>\$ 3,706,192</u>
Post-employment benefits	<u>\$ 70,683</u>	<u>\$ 51,145</u>	<u>\$ -</u>	<u>\$ 121,828</u>
Other employee benefits	<u>\$ 169,398</u>	<u>\$ 100,287</u>	<u>\$ -</u>	<u>\$ 269,685</u>
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	<u>71,118</u>	<u>2,179</u>	-	<u>73,297</u>
	<u>\$ 1,180,570</u>	<u>\$ 241,603</u>	<u>\$ -</u>	<u>\$ 1,422,173</u>
Amortization	<u>\$ -</u>	<u>\$ 11,750</u>	<u>\$ -</u>	<u>\$ 11,750</u>

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the 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
	<u>1,318,686</u>	<u>1,369,470</u>
Deferred tax		
In respect of the current year	513,036	3,898,110
Adjustments for prior year	(14,155)	36,864
	<u>498,881</u>	<u>3,934,974</u>
Income tax expense recognized in profit or loss	<u>\$ 1,817,567</u>	<u>\$ 5,304,444</u>

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	<u>\$ 6,951,883</u>	<u>\$ 24,656,541</u>
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	<u>(32,710)</u>	<u>25,316</u>
Income tax expense recognized in profit or loss	<u>\$ 1,817,567</u>	<u>\$ 5,304,444</u>

b. Current tax assets and liabilities

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

c. Deferred tax assets and liabilities

	December 31	
	2023	2022
<u>Deferred tax assets</u>		
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	<u>30,765</u>	<u>4,710</u>
	\$ <u>680,501</u>	\$ <u>700,710</u>
<u>Deferred tax liabilities</u>		
Provision for land value-added tax	\$ (131,132)	\$ (131,132)
Unrealized gain of investments	<u>(5,843,215)</u>	<u>(5,364,543)</u>
	\$ <u>(5,974,347)</u>	\$ <u>(5,495,675)</u>

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	<u>\$ 1.32</u>	\$ 19,352,097	3,549,689	<u>\$ 5.45</u>
Effect of potentially dilutive ordinary shares						
Employee bonus	-	2,500		-	5,690	
	<u>\$ 5,134,136</u>	<u>3,885,888</u>	<u>\$ 1.32</u>	<u>\$ 19,352,097</u>	<u>3,555,379</u>	<u>\$ 5.44</u>

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	<u>21,156</u>
	<u>\$ 1,738,700</u>

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			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	<u>\$ 12,800,000</u>	<u>\$ -</u>	<u>\$ 12,403,494</u>	<u>\$ -</u>	<u>\$ 12,403,494</u>

December 31, 2022

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

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

December 31, 2022

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

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	<u>46,499</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 2,614,285</u>	<u>\$ 743,243</u>

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	<u>(118,314)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 2,567,786</u>	<u>\$ 498,902</u>

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

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, 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

<u>Financial Instruments</u>	<u>Valuation Technique and Inputs</u>
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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
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
<u>Financial liabilities</u>		
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:

	<u>December 31</u>	
	2023	2022
<u>Assets</u>		
U.S. dollar	\$ -	\$ -

(Continued)

	December 31	
	2023	2022
<u>Liabilities</u>		
U.S. dollar	6,125,648	2,886,740
Euro	135,920	-
		(Concluded)

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	<u>\$ 12,800,000</u>	<u>\$ 7,500,000</u>
Cash flow interest rate risk		
Financial liabilities	<u>\$ 29,949,454</u>	<u>\$ 45,543,749</u>

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
<u>Non-derivative financial liabilities</u>					
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

(Continued)

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Fixed interest rate liabilities	-	-	10,500,000	2,300,000	12,800,000
Non-interest bearing liabilities	<u>5,894,405</u>	<u>20,654</u>	<u>69,121</u>	<u>14,652</u>	<u>5,998,832</u>
	<u>\$ 9,730,692</u>	<u>\$ 3,052,779</u>	<u>\$ 36,527,917</u>	<u>\$ 4,771,330</u>	<u>\$ 54,082,718</u> (Concluded)

December 31, 2022

	1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
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	<u>11,945,959</u>	<u>75,051</u>	<u>59,111</u>	<u>4,503</u>	<u>12,084,624</u>
	<u>\$ 22,056,282</u>	<u>\$ 12,413,558</u>	<u>\$ 33,929,478</u>	<u>\$ 2,257,120</u>	<u>\$ 70,656,438</u>

- 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
<u>Net settled</u>					
Commodity futures contracts	\$ 27,614	\$ 34,910	\$ 6,346	\$ -	\$ 68,780
Foreign exchange forward contracts	(9,371)	(436)	-	-	(9,807)
Exchange rate swap contracts	<u>4,467</u>	<u>(39,179)</u>	<u>-</u>	<u>-</u>	<u>(34,712)</u>
	<u>\$ 22,710</u>	<u>\$ (4,705)</u>	<u>\$ 6,346</u>	<u>\$ -</u>	<u>\$ 24,351</u>



December 31, 2022

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

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) (%)
<u>2023</u>					
CTBC bank	<u>\$ 144,250</u>	<u>\$ 20,318</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-
<u>2022</u>					
CTBC bank	<u>\$ 151,902</u>	<u>\$ 18,449</u>	<u>US\$ 2,700</u>	<u>\$ -</u>	-

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

<u>Related Party Name</u>	<u>Related Party Category</u>
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

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
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

(Concluded)

b. Sales

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



c. Rental income

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

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	<u>3,239</u>	<u>4,308</u>
	<u>\$ 8,196,095</u>	<u>\$ 10,206</u>

e. Administrative expenses

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

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	<u>5,779</u>	<u>7,705</u>
	<u>\$ 158,788</u>	<u>\$ 446,257</u>

g. Notes receivable

Not arising from operating activities

	December 31	
	2023	2022
Associates	\$ <u>1,046</u>	\$ <u>1,042</u>

h. Trade receivables

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

i. Trade payables

	December 31	
	2023	2022
Subsidiaries	\$ 137,857	\$ 11,605
Other related parties	<u>-</u>	<u>504</u>
	<u>\$ 137,857</u>	<u>\$ 12,109</u>

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	<u>3,698</u>	<u>3,062</u>
	<u>\$ 317,037</u>	<u>\$ 52,589</u>

k. Other payables (excluding loans from related parties)

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



l. Acquisitions of property, plant and equipment

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

m. Disposals of property, plant and equipment

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

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

n. Lease arrangements - Company is lessee

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

o. Sublease arrangements

Sublease of finance lease

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

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

p. Guarantee deposits

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

q. Loan to related parties (including interest receivable)

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

Interest revenue

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

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	2022
Walsin Internation Investments Limited	\$ 3,195,696	\$ 3,475,987
Walsin Info-Electric Corp.	<u>100,383</u>	<u>-</u>
	<u>\$ 3,295,779</u>	<u>\$ 3,475,987</u>



	For the Year Ended December 31	
	2023	2022
<u>Interest expenses</u>		
Subsidiaries	\$ <u>73,603</u>	\$ <u>6,535</u>
s. Endorsements and guarantees		
	December 31	
	2023	2022
Subsidiaries		
Amount endorsed	\$ <u>3,901,716</u>	\$ <u>368,520</u>
Amount utilized	\$ <u>-</u>	\$ <u>-</u>
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	<u>1,301</u>	<u>1,299</u>
	\$ <u>138,527</u>	\$ <u>267,221</u>

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)	<u>600</u>	<u>600</u>
	\$ <u>600</u>	\$ <u>281,597</u>

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
<u>Financial assets</u>			
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
<u>Financial liabilities</u>			
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
<u>Financial assets</u>			
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
<u>Financial liabilities</u>			
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.



TABLE 2

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:

- The information on Walsin Lihwa Corporation and its subsidiaries is listed and labeled on the entitled "No." column.
 - "0" represents Walsin Lihwa Corporation.
 - Subsidiaries are numbered consecutively starting from 1.
- The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into the following categories:
 - A company with which Walsin Lihwa Corporation does business.
 - A company in which Walsin Lihwa Corporation directly and indirectly holds more than 50% of the voting shares.
 - A company that directly and indirectly holds more than 50% of the voting shares in Walsin Lihwa Corporation.
 - A company in which Walsin Lihwa Corporation directly or indirectly holds 90% or more of the voting shares.
 - A company that fulfills Walsin Lihwa Corporation's contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 - A company in which all capital contributing shareholders make endorsements/guarantees for it and Walsin Lihwa Corporation's joint-investment company in proportion to their shareholding percentages.
 - A company in the same industry as Walsin Lihwa Corporation whereby either provides among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- According to the endorsements/guarantees provided and financing regulations provided by Walsin Lihwa Corporation, the total limit on the amount of endorsements/guarantees cannot exceed 100% of the equity of Walsin Lihwa Corporation's current financial statements (including the consolidated financial statements). The limit on the amount of endorsements/guarantees provided and financing provided to a single enterprise cannot exceed the equity of the guaranteed company. The amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider.
 - The limit on the amount of endorsements/guarantees provided was as follows:
NT\$140,810,315 × 100% = \$140,810,315
 - 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
- 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		



TABLE 4

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	-



TABLE 6

WALSIN LIHWA CORPORATION

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



TABLE 8

WALSIN LIHWA CORPORATION

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

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.

TABLE 9

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.



VII Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Status - Consolidated (Based on IFRSs)

Unit: NT\$ Thousands

Items	Year	2022	2023	Difference	
				Amount	%
Current Assets		92,707,385	78,751,988	(13,955,397)	(15.05)
Property, Plant and Equipment		65,656,466	78,154,936	12,498,470	19.04
Intangible Assets		9,339,422	12,155,696	2,816,274	30.15
Other Assets		89,194,468	97,307,411	8,112,943	9.10
Total Assets		256,897,741	266,370,031	9,472,290	3.69
Current Liabilities		60,869,368	50,759,328	(10,110,040)	(16.61)
Non-current Liabilities		61,819,250	61,161,390	(657,860)	(1.06)
Total Liabilities		122,688,618	111,920,718	(10,767,900)	(8.78)
Capital Stock		37,313,329	40,313,329	3,000,000	8.04
Capital Surplus		24,672,454	33,624,917	8,952,463	36.29
Retained Earnings		62,038,398	60,590,617	(1,447,781)	(2.33)

Note: The reasons, effects and future plans about that changes in assets, liabilities and equity which over 20% or NT\$10 million in last two years:

1. Reasons:

- (1) The increase in intangible assets in 2023 compared to 2022 is primarily due to obtaining controlling interest in Special Melted Products Ltd. in September 2023 and recognizing goodwill related to the company.
- (2) The increase in capital surplus in 2023 compared to 2022 is primarily due to premium on issuance of shares from cash increase.

2. Effects: None.

3. Future plans: Keep working on managing working capital and asset and liability structure.

2. Financial Performance - Consolidated (Based on IFRSs)

Unit: NT\$ Thousands

Items \ Year	2022	2023	Difference															
			Amount	%														
Operating Revenue	180,400,719	189,839,626	9,438,907	5.23														
Operating Costs	163,054,414	175,396,014	12,341,600	7.57														
Gross Profit	17,346,305	14,443,612	(2,902,693)	(16.73)														
Operating Expense	7,847,591	8,202,846	355,255	4.53														
Profit from Operations	9,498,714	6,240,766	(3,257,948)	(34.30)														
Non-operating Revenue and Expense	13,903,299	1,197,632	(12,705,667)	(91.39)														
Profit before Taxes	23,402,013	7,438,398	(15,963,615)	(68.21)														
Tax Expense	4,261,937	1,497,148	(2,764,789)	(64.87)														
Net Income	19,140,076	5,941,250	(13,198,826)	(68.96)														
<p>I. The variance analysis in last two years:(Variable proportion over 20%)</p> <ol style="list-style-type: none"> 1.Non-operating income decrease in 2023 due to profit from US subsidiary solar development department disposal in 2022 and the decrease in share of profit of associates accounted for using the equity method in 2023. 2. The decrease in income tax expenses for 2023 is attributed to lower profits this year influenced by overall market conditions compared to last year. <p>II. The reason for the changes in business content changes: None.</p> <p>III. The expected sales volume in the next year and its main reason:</p> <ol style="list-style-type: none"> 1. Expected sales volume in the next year: <table style="margin-left: 20px;"> <tr> <td colspan="2">2023(Unit : ton)</td> </tr> <tr> <td>Bare copper wire</td> <td>72,663</td> </tr> <tr> <td>Power line</td> <td>57,666</td> </tr> <tr> <td>Strand</td> <td>731,786</td> </tr> <tr> <td>Stainless steel</td> <td>300,000</td> </tr> <tr> <td>Seamless steel pipe</td> <td>18,000</td> </tr> <tr> <td>Nickel Pig Iron</td> <td>90,000</td> </tr> </table> 2. The basis of the expected sales volume and Possible future impact on the Company's financial operations and response plans: see the contents (5)-Business Overview 					2023(Unit : ton)		Bare copper wire	72,663	Power line	57,666	Strand	731,786	Stainless steel	300,000	Seamless steel pipe	18,000	Nickel Pig Iron	90,000
2023(Unit : ton)																		
Bare copper wire	72,663																	
Power line	57,666																	
Strand	731,786																	
Stainless steel	300,000																	
Seamless steel pipe	18,000																	
Nickel Pig Iron	90,000																	



3. Cash Flow - Consolidated (Based on IFRSs)

(1) Cash flow analysis for the current year:

Unit: NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow from Investing Activities	Net Cash flow from Financing Activities	Effects of Exchange Rates Changes	Cash and Cash Equivalents at the ending of the year	Note
19,438,759	22,747,930	(21,500,770)	(3,959,928)	(378,979)	16,347,012	
Analysis of change in cash flow in the current year: 1..The inflows of net cash generated by operating activities were due to the decrease of trade receivables. 2.The outflows of net cash used in investing activities were due to the purchase of property, plant, and equipment. 3.The outflows of net cash generated by financing activities were due to the repayment of borrowings. 4.The outflows of net cash in the year was NT\$ 3,091,747 thousand and the ending balance of cash was NT\$ 16,347,012 thousand.						

(2) Remedy for cash Deficit and Liquidity Analysis: Not applicable.

(3) Cash flow Analysis for the coming year:

Unit: NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow from Investing Activities	Net Cash flow from Financing Activities	Effects of Exchange Rates Changes	Cash and Cash Equivalents at the ending of the year	Note
16,347,012	10,303,844	(12,032,507)	512,684	0	15,131,033	
Analysis of change in cash flow for the coming year: 1.The inflows of net cash generated by operating activities due to the anticipated profit generated from core operations. 2.The outflows of net cash used in investing activities due to the strategic project investment, the increase of capital expenditures, renewal of equipment. 3..The inflows of net cash used in financing activities due to an increase in borrowings.						

4. Effect of Major Capital Expenditure on Financial Business Operations:

(1) Utilization of Major Capital Expenditures and Sources of Funds:

Unit: NT\$ Million

Project	Source of Funds	Actual or Estimated Completion Date	Investment	Actual or Expected Status of Spending							
				2019	2020	2021	2022	2023	2024	2025	2026
1. HR Coil Project of Yantai Plant	Working Capital	September 2024	9,128	53	594	1,525	3,848	1,048	1,112	881	66
2. Cold Finished Bar Project of Yantai Plant	Working Capital	December 2024	3,264	-	-	83	690	1,388	308	795	-
3. The establishment of nickel pig iron plant	Working Capital	December 2021	9,667	-	6,851	2,576	240	-	-	-	-
4. The establishment of high-efficiency factories	Working Capital	September 2024	5,407	-	17	565	1,410	2,339	1,076	-	-
5. Cable wire project of Walsin Energy	Working Capital	December 2025	13,800	-	-	-	-	1,248	6,264	6,288	-
6. Nickel matte factory in Indonesia	Working Capital	June 2024	2,883	-	-	-	-	2,228	655	-	-

(2) Estimated Benefits:

1. The establishment of steel rolling and cold finished factories of Yantai Plant will help expand economies of scale and improve product quality to meet the needs of the customers.
2. Invest in the construction of a nickel pig iron plant and supporting power plants in Indonesia, with a planned monthly output of 3,000 tons of nickel metal, which will enable the company to securely control the supply of upstream raw materials and make profits for the company.
3. Build high-efficiency factories, deepen the integration of manufacturing service value and integrate manufacturing systems through smart manufacturing, advanced warehousing and logistics, and create competitiveness that is difficult to imitate.
4. Walsin Energy Cable System, with its plan to benchmark international submarine cable plants, advanced submarine cable design, manufacturing, testing, and connection technologies, will become a key supplier for offshore wind power plants in Taiwan and the Asia-Pacific region.

5. Investment Policy of the Past Year, Profit/Loss Analysis, Improvement Plan and Investment Plan for the Coming Year:

(1) Investment Policy and Profit/Loss in the Past Year:

1. On a consolidated basis, the Company's current key reinvestment areas are DRAM, TFT LCD and passive components.
2. On a consolidated basis, in 2023, the gains for affiliated enterprises recognized by equity method was NT\$529 million, as a result of the weakened downstream demand in the semiconductor industry, indicating a lower profitability of affiliated enterprises recognized under the equity method compared to 2022.

(2) Main Reasons for Profit:

Recognition of the gains from Walsin Technology Corporation.



(3) Investment Plan for the Coming Year:

To continue to focus on upstream and downstream consolidation of core businesses and carefully assess investment plans.

6. Risk Management and Assessment of the Following Items for the Past Year and the Year to Date:

(1) Impact of Interest Rate and Exchange Rate Changes and Inflation on the Company's Profit and Countermeasures.

Affected item	Impact	Response measures:
Interest Rate Change	Net interest expense (interest expense less interest income) in 2023 was approximately NT\$1.594 billion, accounting for merely 0.84% of the Company's net operating revenues; therefore, the change in interest rates does not yet have a significant impact on the profit or loss of the Company and its subsidiaries.	The Company will plan and execute plans for funding sources and costs based on business development and needs.
Exchange Rate Change	Foreign exchange losses for 2023 were approximately NT\$240 million (including profit/loss from trading foreign exchange derivative products).	Based on foreign currency positions, the Company will utilize market instruments (e.g. forward foreign exchange contracts) for hedging purposes.
Inflation	The Company's products are not for general public consumption therefore inflation has no direct impact on the Company. However, it might raise the Company's demand for working capital.	The Company will strictly control the operating cycle and keep track of the source and use of funds.

(2) Policies of Engaging in High-risk, High-leverage Investments, Lending to Others, Providing Endorsements and Guarantees and Derivatives Transactions, Profit/loss Analysis and Future Countermeasures.

Item	Policy	Major causes of profit or loss	Future response measures
High-risk, High-Leverage Investments	The Company does not engage in any high-risk, high-leverage investment activities.	None	None
Lending to Others	Conducted in accordance with the provisions of the Company's "Management Guidelines on Lending Company Funds to Others"	None	None
Endorsements/ Guarantees	Conducted in accordance with the provisions of the Company's "Management Guidelines on Endorsement/Guarantee"	None	None
Derivative Instrument Transactions	With respect to derivative instruments, the Company has mainly engaged in hedging transactions related to business operations and investment activities (foreign exchange and non-ferrous metals). For non-ferrous metals, the Company may carry out non-hedging transactions based on authorized positions and under risk management control for the purpose of curbing price volatilities in raw materials. The authorization is conducted in accordance with the Company's "Procedure for Derivatives Products Trades."	None	None



(3) Future R&D Plans and Projected R&D Investments: The research and development plans of each business group have been included in the business activities section of the Business Overview, and these plans have relatively low risks. Please refer to “V. Business Overview—A. Business Activities— (3) Overview of Technology and R&D”.

(4) Major Changes in Domestic and Foreign Government Policies and Laws and Impact on the Company’s Finances and Business: None

(5) Impact of Recent Technological and Market Changes on the Company's Finances and Business, and Countermeasures:

To achieve the goal of Smart Manufacturing, Walsin has started to promote the new MES (Manufacturing Execution System) and ERP (Enterprise Resource Planning) and move towards CPS (Cyber-Physical System). Through cloud-based, component-based, and parametric design to retain the flexibility and speed, we will ensure the ability to integrate with the supply chains in the future.

Global pandemic prevention has made remote work the "new normal", thus providing a new channel for hacker attacks. In order to prevent theft and destruction of sensitive data of the Company, which may affect its industrial productivity and damage corporate image, Walsin has strengthened its identity authentication mechanism for remote work and enhanced the protection of external services in response to this new type of risk.

We will establish the defensive capability of the defender by using the protection measures corresponding to the "Cyber Kill Chain" model against the attacking mobile phones and steps of hackers, and set up information security technology products for purposes of inventory, prevention, detection, response and recovery, in order to respond to various information security risks.

(6) Impact of Change in Corporate Image on Risk Management and Countermeasures: None

(7) Expected Benefits and Potential Risks of Merger and Acquisition:

1. On May 5, 2023, during the 25th meeting of the Board of Directors of the 19th term, the Company resolved that it shall, through its Italian subsidiary, Cogne Acciai Speciali S.p.A., acquire 100% of the shares of Special Melted Products Limited (based in the United Kingdom). The Company ultimately holds a 70% comprehensive shareholding in Special Melted Products Limited, with the transaction completed in September of the same year; the acquisition can help the Company expand into stainless steel and nickel-based alloy products and enter the high-end product markets such as aerospace.

2. On August 11, 2023, during the 3rd meeting of the Board of Directors of the 20th term, the Company resolved that it shall, through its Singapore subsidiary, Walsin Singapore Pte. Ltd., acquire 75% of the shares of Berg Holding Limited (based in Hong Kong), indirectly increasing the Company's comprehensive shareholding in its Indonesian subsidiary, PT. Sunny Metal Industry, to 79.61%, with the transaction completed in January 2024; the acquisition can strengthen our corporate governance, centralizes our management resources, and enhances our investment efficiency.

3. On January 26, 2024, during the 6th meeting of the Board of Directors of the 20th term, the Company resolved that it shall, through its Italian subsidiary, Cogne Acciai Speciali S.p.A., acquire 65% of the shares of Com.Steel Inox S.p.A. (based in Italy). The Company ultimately holds a 45.5% comprehensive shareholding in Com.Steel Inox S.p.A., approved by the Taiwan Fair Trade Commission in March of the same year, currently under review by the Italian Investment Review Board; the acquisition is expected to secure key raw materials for our stainless steel processes and establish a knowledge center for our waste stainless steel management.



4. On February 20, 2024, during the 7th meeting of the Board of Directors of the 20th term, the Company resolved that it shall, through its Italian subsidiary, Cogne Acciai Speciali S.p.A., acquire 100% of the shares of Mannesmann Stainless Tubes GmbH (based in Germany). The Company ultimately holds a 70% comprehensive shareholding in Mannesmann Stainless Tubes GmbH, currently in the reporting stage to various countries' antitrust regulatory authorities and Investment Review Board; the acquisition is expected to integrate the downstream industry chain, enhance utilization of our steel production capacity, and extend our sales network in and tap into high-end markets such as aerospace, oil and gas, and new energy.

(8) Expected Benefits and Potential Risks of Capacity Expansion: All capacity expansion for plants under Walsin and its group members has to undergo careful assessments. All major capital expenditure has to be submitted to the Board of Directors for review. Hence, investment benefits and potential risks will have been taken into account.

(9) Risks Associated with Over-concentration in Purchases or Sales and Countermeasures: None

(10) Impact of Mass Transfer(s) of Equity by or Change of Directors or Shareholders Holding 10% or more Interest on the Company, the Associated Risks and Countermeasures: None.

(11) Impact of Change of Control on the Company, Associated risks and Countermeasures: None.

(12) Final and Non-appealable and Pending Material Litigious, Non-litigious or Administrative Legal Proceedings involving the Company, the Directors and the President during the Most Recent Year and up to the Annual Report Publication Date:

Name of Subsidiary	Main Parties Involved in Litigation	Commencement Date of Litigation	Facts at Issue in Litigation	Current Handling
Borrego Energy, LLC	Blue Harvest Solar Park LLC & Timber Road Solar LLC (collectively, "EDPR")	July 28, 2023	Borrego initiated arbitration, requesting the other party to pay the costs incurred due to delays in the project and site conditions in winter caused by the change of the order. Amount: Over US\$25 million.	Arbitration is pending
Borrego Energy, LLC	Blacksmith Road Solar 1, LLC	December 19, 2023	Blacksmith Road Solar 1, LLC sought damages for delay from Borrego. Amount: Approximately US\$3.6 million.	Arbitration is pending

(13) Other significant risks and response measures:

1. The Company's KPIs:

(1) Financial indicators: Optimizing financial structure and control of bank financing agreements

Ratio	Formula	Target KPI	2023	2022
Current ratio	Current assets / Current liabilities	$\geq 100\%$	155.15%	152.30%
Debt ratio	Net liabilities (Total liabilities - Cash and cash equivalents) / Tangible assets	$\leq 120\%$	67.17%	82.74%
Interest coverage ratio	(Net income before income tax, depreciation, amortization and interest expense / Current interest expense	$\geq 300\%$	832.61%	3,465.09%
Tangible net value	Shareholders' equity - Intangible assets	$\geq \text{NT\$}80$ billion	NT\$142.3 billion	NT\$124.9 billion

(2) Performance indicators: Return on shareholder's equity and earnings before interest, taxes, depreciation and amortization (EBITDA)

Ratio	Formula	2023	2022
Return on Shareholder's Equity	Net Income after tax / Average of total shareholders' equity	3.56%	16.28%
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	Earnings before interest & taxes + depreciation & amortization + interest expenses	NT\$17,241 million	NT\$28,681 million

7. Other Major Issues: None

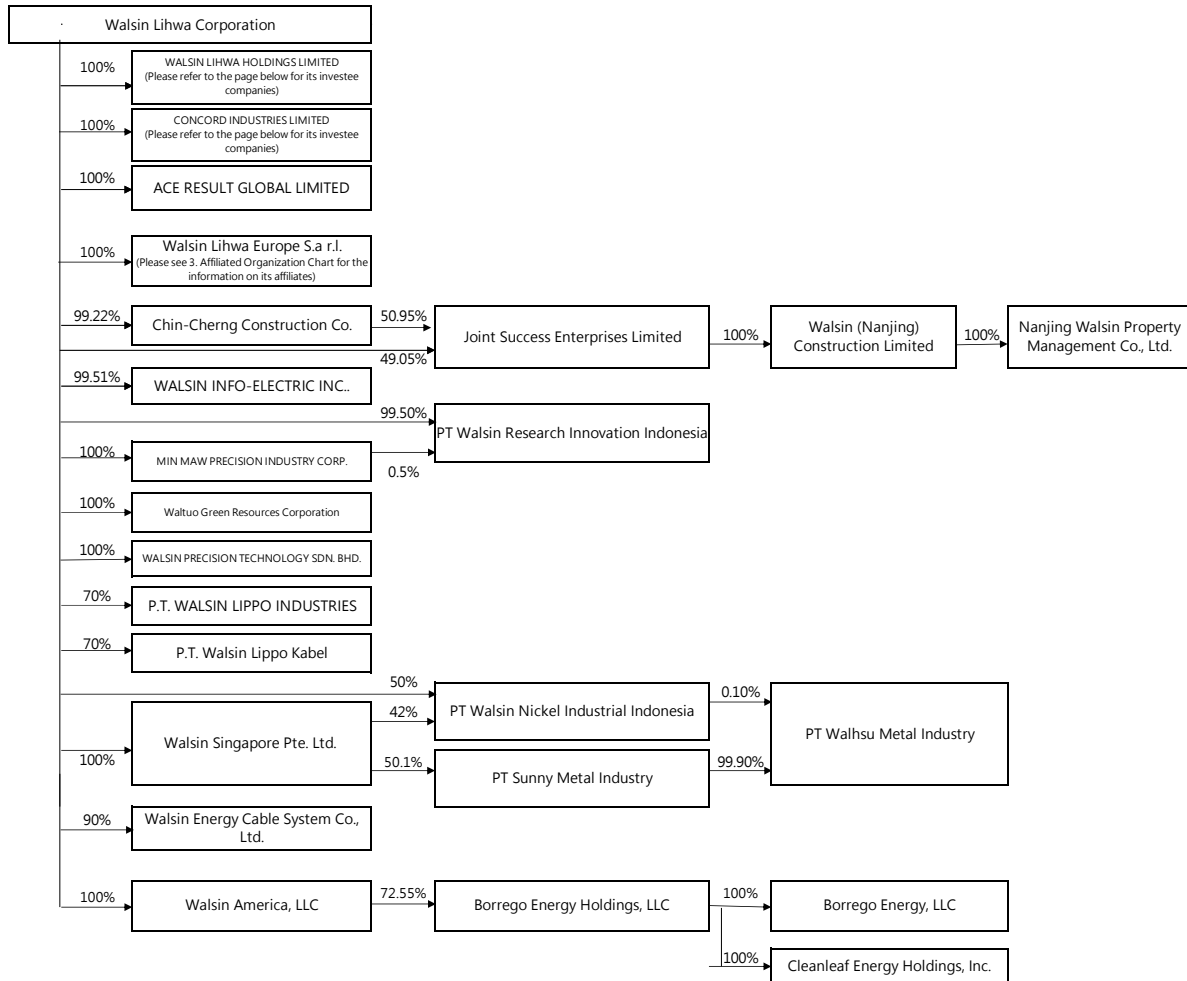


VIII Special Disclosures

1. Summary of Affiliates Companies

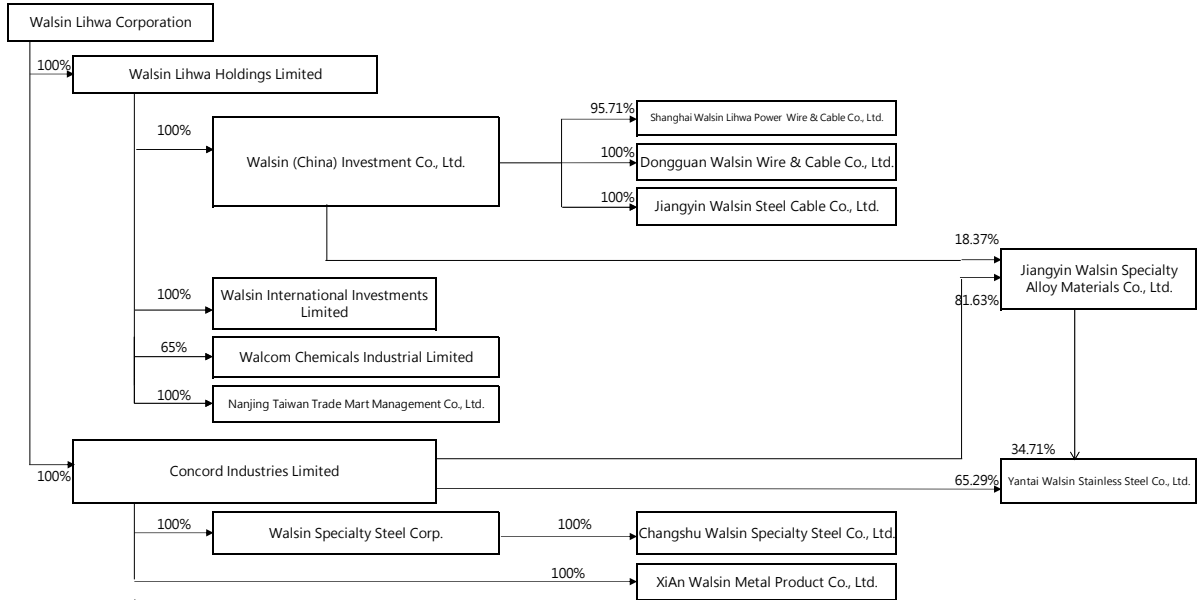
(1) Affiliates

1. Affiliated Organization Chart of Walsin Lihwa Corporation (as of 2023/12/31)

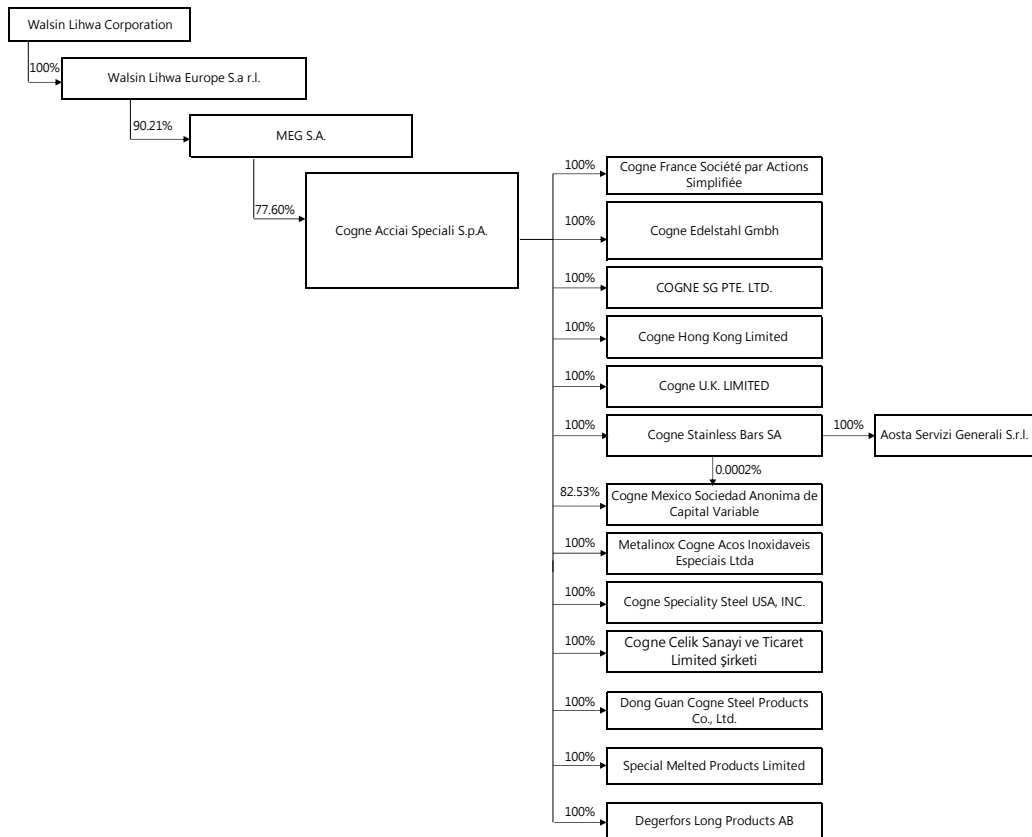




2. Affiliated Organization Chart of Walsin Lihwa Holdings Limited and Concord Industries Limited (as of 2023/12/31)



3. Affiliated Organization Chart of Walsin Lihwa Corporation (as of 2023/12/31)





(2) Background Information of the Affiliated Companies

Unit: 1,000 NTD/USD/Other foreign currencies

Entity	Date of Incorporation	Address	Paid-in Capital		Main Operation or Business Items
Walsin Lihwa Holdings Limited	1992/07/15	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	USD	2,730,393.00	Investment holding.
Walsin (China) Investment Co., Ltd.	1995/11/02	Rm. 2804, 28th Floor, Shanghai Mart Tower, No. 2299, Yanan Road (West), Shanghai, China	USD	78,600,000.00	Investment holding.
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	1995/03/21	No. 1128 Liuxiang Road, Nanxiang Town, Jiading, Shanghai	USD	15,627,056.00	Cables and wires.
Dongguan Walsin Wire & Cable Co., Ltd.	2000/01/26	No. 680, Meijing West Road, Dalang Town, Dongguan, Guangdong	USD	26,000,000.00	Bare copper cables and wires.
Jiangyin Walsin Steel Cable Co., Ltd.	1992/12/16	No. 679 Binjiang Road (West), Binjiang Economic & Technology Development Zone, Jiangyin, Jiangsu	USD	20,000,000.00	Pre-stressed steel wires and steel strands.
Walsin International Investments Limited	1993/12/02	Room 1102, Level 11, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	HKD	3,802,164,817.00	Investments.
Walcom Chemicals Industrial Limited	1988/12/29	Unit 714, 7/F, Miramar Tower, 1-23 Kimberley Road, Tsimshatsui, Kowloon, Hong Kong	HKD	500,000	Commerce.
Nanjing Taiwan Trade Mart Management Co., Ltd.	2010/04/14	No. 230 Hexi street, Nanjing	USD	1,000,000.00	Enterprise management, property management, marketing planning, consultation on various types of advertising information; leasing of market facilities and management of market operations; import and export of electronics, machinery, agricultural and by-products, textiles and handicrafts; commission agency (except auction).
Concord Industries Limited	1992/08/25	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	USD	297,498,375.00	Investment holding.
Walsin Specialty Steel Corp.	1997/08/07	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	USD	82,893,195.00	Investment holding.
Changshu Walsin Specialty Steel Co., Ltd.	1997/12/24	Haiyu Town, Changshu City, Jiangsu Province (Mailing address: No. 2, Hai Yang Road, Haiyu Town, Changshu City, Jiangsu Province)	USD	97,000,000.00	Manufacture and sale of special steel pipes, rods, wires, stainless steel pipes, building and household hardware and heating equipment.
Yantai Huanghai Iron and Steel Co., Ltd.	2007/03/19	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province,	USD	335,065,300.00	It develops and produces new alloy materials, carbon steels, alloy steels, stainless steels, steel billets, various types of steel and iron and steel products and sells its own products; engages in the wholesale business of new alloy materials, carbon steels, alloy steels, stainless steels, steel billets, various types of steel and iron and steel products; engages in the import and export of steel and iron products and related technologies. It also engages in recycling and wholesale of used and waste materials.
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	2005/03/10	No. 677, Binjiang West Road, Jiangyin City, Jiangsu	USD	49,000,000.00	Cold-rolled stainless steel and flat-rolled products.

Entity	Date of Incorporation	Address	Paid-in Capital		Main Operation or Business Items
XiAn Walsin Metal Product Co., Ltd.	2008/06/20	Room 105, 1 floor, block A, long Qi science and Technology Park, No. 29 Jinye Road, Xi'an new and high tech Zone, Shaanxi	USD	55,350,000.00	Sales of metal products; research and development of metal products; sales of metal materials; manufacturing of metal materials.
Ace Result Global Limited	2014/10/08	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	USD	44,739,988.00	Investment holding.
Walsin Lihwa Europe S.A.R.L.	2022/10/24	16, rue Eugène Ruppert, L- 2453, Luxembourg	EUR	12,000.00	Investment holding.
MEG S.A.	1995/1/27	16, rue Eugène Ruppert, L- 2453, Luxembourg	EUR	91,750.00	Investment holding.
Cogne Acciai Speciali S.p.A.	1991/10/24	VIA PARAVERA 16 AOSTA9AO) CAP 11100	EUR	405,563,167.00	Production, sales and distribution of stainless steel products.
Cogne France Société par Actions Simplifiée	1997/5/26	16 Rue de la Patelle 95613 Cergy Pontoise Cedex BP 80119 - France	EUR	6,068,446.00	Sales and distribution of stainless steel products.
Cogne Edelstahl GmbH	1997/10/16	Carl-Schurz-Str. 2 41460 Neuss - Germany	EUR	3,328,000.00	Sales and distribution of stainless steel products.
COGNE SG PTE. LTD.	2022/7/13	160 Robinson Road, #14-04, SBF Center Singapore - 068914	SGD	139,562.00	Sales and distribution of stainless steel products.
Cogne Hong Kong Limited	2003/12/12	5/F, Manulife Place, 348 Kwun Tong Road, Hong Kong	USD	28,580,000.00	Investment holding.
Cogne U.K. LIMITED	1996/12/31	Uniformity Steel Works Don Road Newhall Sheffield S92UD	GBP	3,000,000.00	Sales and distribution of stainless steel products.
Cogne Stainless Bars SA	2015/12/21	Via Laveggio 6a 6855 Stabio - Svizzera	CHF	1,000,000.00	Production, sales and distribution of stainless steel products.
Aosta Servizi Generali S.r.l.	2007/4/26	Via Nazionale per Carema 40 - 11026 Pont-Saint-Martin (AO) - Italy	EUR	200,000.00	Electrical and mechanical repair services and general services.
Cogne Mexico Sociedad Anonima de Capital Variable	2014/10/10	Av. Otomies no sin numero int. 1 - CD industrial Xicohtencatl II Huamantla - 90500 Tlaxcala - Mexico	MXN	55,025,139.00	Production, sales and distribution of stainless steel products.
Metalinox Cogne Acos Inoxidaveis Especiais Ltda	1977/7/5	Avenida Presidente Wilson. 4382 Upiranga - Sao Paulo/SP CEP 04220-001 Brazil	R\$	76,501,990.00	Sales and distribution of stainless steel products.
Cogne Specialty Steel USA, INC.	1995/8/16	277 Fairfield Road _STE 315. Fairfiled, NJ 07004	USD	6,849,800.00	Sales and distribution of stainless steel products.
Cogne Celik Sanayi ve Ticaret Limited Şirketi	2010/5/20	Sultan Orhan Mah Keresteciler San. Sit. 2003ada 1Parsel Gebze Kocaeli Türkiye	TL	23,952,125.00	Sales and distribution of stainless steel products.
DongGuan Cogne Steel Products Co.,Ltd.	2005/1/21	Building 1, No. 27, Weijian Road, industrial park of ChaShan, ChaShan town, DongGuan city, GuangDong province, China	USD	27,200,000.00	Production, sales and distribution of stainless steel products.
Special Melted Products Limited	1985/6/5	President Way Works, President Way, Sheffield, S4 7UR	GBP	4,199,157.00	Production and sales of high quality special steels and nickel-based alloys.
Degerfors Long Products AB	2021/8/24	Bruksparken 2, 693 81 DEGERFORS	SEK	25,000.00	Sales of specialty steel products.
Chin-Cherng Construction Co.	1973/06/28	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	NTD	5,340,994,320.00	Investment in and construction of national housing, sale of commercial buildings, rental design and interior renovation.
Joint Success Enterprises Limited	2004/01/08	Vistra Corporate Services Centre Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands	USD	43,520,000.00	Investment holding.
Walsin (Nanjing) Construction Limited	2005/08/09	No. 236 Jiangdong Road, Jianye District, Nanjing, Jiangsu Province	USD	50,000,000.00	Real estate development, sales, leasing, after-sales service, and property management; hotel and serviced apartments management and consulting, and retail sales and food service management consulting.



Entity	Date of Incorporation	Address	Paid-in Capital		Main Operation or Business Items
Nanjing Walsin Property Management Co., Ltd.	2013/01/30	No. 230, Hexi Avenue, Jianye Zone, Nanjing, Jiangsu	RMB	1,000,000.00	Property management, car park management services, corporate marketing planning, management consulting, self-owned house rental, building installation, decoration projects, landscaping design, construction, etc
Walsin Info-Electric Corp.	1995/6/21	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	NTD	300,000,000.00	Solar engineering, mechanical and electrical engineering, and power engineering.
Min Maw Precision Industry Corp.	1980/10/17	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	NTD	348,371,000.00	Assembly of solar panel power systems.
PT Walsin Research Innovation Indonesia	2022/8/23	Gold Coast Office Eiffel Tower Lt. 23 Unit OTA23WF, Jl. Pantai Indah Kapuk, Desa/Kelurahan Kamal Muara, Kec. Penjaringan, Kota Adm. Jakarta Utara, Provinsi DKI Jakarta	USD	1,400,000.00	Other consulting and management.
Waltuo Green Resources Corporation	2018/06/06	No. 47, Bade Rd., Yenshui Dist., Tainan City 737, Taiwan	NTD	18,282,870.00	Waste removal, resource recycling and cement, soil blending and related businesses.
Walsin Precision Technology Sdn. Bhd.	2000/03/15	2115-1,Kawasan Perindustrian air Keroh, Fasa IV, Air Keroh, 75450 Melaka, Malaysia	USD	8,470,000.00	Stainless steel calendered sheets.
P.T Walsin Lippo Industries	1991/04/29	Jl. MH. Thamrin Blok A1-1, Delta Silicon Industrial Park, Lippo Cikarang, Bekasi 17550, Indonesia	USD	15,000,000	Power cables.
P.T. Walsin Lippo Kabel	1997/12/29	Jl. Jati 3 Blok J7/5, Newton Techno Park, Serang, Cikarang Selatan, Bekasi, Jawa Barat 17550	USD	4,285,000	Power cables.
Walsin Singapore Pte. Ltd.	2019/12/3	727 Clementi West Street 2 #01-280 Singapore (120727)	USD	733,000,000	Investment holding and wholesale of metals and metal ores (e.g. steel pipes).
PT Walsin Nickel Industrial Indonesia	2019/12/19	Gedung IMIP, Jalan Batu Mulia 8, RT. 007 RW. 007, Meruya Utara Kembangan, Kota Adm. Jakarta Barat DKI Jakarta 11620, Indonesia	USD	100,000,000	Non-ferrous base metal (nickel pig iron) manufacturing and power plant.
PT Sunny Metal Industry	2021/8/13	Sopo Del Office Tower A Lantai 21 Jalan Mega Kuningan Barat III Lot 10 1-6 , Kel. Kuningan Timur, Kec. Setiabudi, Kota Adm. Jakarta Selatan,Provinsi DKI Jakarta, Indonesia	USD	100,000,000	Manufacturing and trading of nickel matte.
PT Walhsu Metal Industry	2023/5/22	Sopo Del Office Tower A Lantai 21 Jalan Mega Kuningan Barat III Lot 10 1-6, Desa/Kelurahan Kuningan Timur, Kec. Setiabudi, Kota Adm. Jakarta Selatan, Provinsi DKI Jakarta,	USD	9,500,000	Manufacturing and trading of nickel matte.
Walsin Energy Cable System Co., Ltd.	2023/2/13	25F., No.1, Songzhi Rd., Xinyi Dist., Taipei City 110, Taiwan	NTD	3,000,000,000	Submarine cables.
Walsin America, LLC	2022/7/1	1209 Orange Street, Wilmington, New Castle Country, DE 19801,USA	USD	81,302,107.00	Investment holding.
Borrego Energy Holdings, LLC	2022/4/8	1455 Frazee Rd.#500 San Diego,California 92108	USD	63,208,688.00	Solar EPC and O&M Services
Borrego Energy, LLC	2022/4/8	1455 Frazee Rd.#500 San Diego,California 92108	USD	63,208,688.00	Solar EPC and O&M Services
Cleanleaf Energy Holdings, Inc.	2023/9/14	222 SEVERN AVE SUITE 17 BLDG 7-6 ANNAPOLIS, MD 21403	USD	0	Investment holding.

(3) Presumed to have control and affiliation Common Shareholders Information: Not applicable

(4) The main Industries of affiliated companies:

1. Wire and cable industry
2. Stainless steel industry
3. Business real estate
4. Construction and development of solar power systems
5. Production and sales of non-ferrous metals
6. General investment industry

Above table include the main operation or business items of each affiliated company.

The division of work of affiliated companies:

Each line of business affiliates operate independently, partially some affiliates have the purchases, sales, engineering contracting trading and marketing agency services and other projects with each other.

(5) Directors, Supervisors, and Presidents of the Affiliated Companies (as of 2023/12/31)

Entity	Title	Name of the Representation	No. of Share: Share; 1000 RMB/USD/EUR	
			Shareholding (Contribution) Shares (Contribution)	Shareholding
Walsin Lihwa Holdings Limited	Director	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao, Patricia Chiao, Sophi Pan	2,730,393	100.00%
Walsin (China) Investment Co., Ltd.	Chairman	Jian-Hua Cao	USD 0	0.00%
	General manager	Fred Pan	USD 0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited: Jian-Hua Cao, C.C. Chen, Fred Pan	USD 78,600	100.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited: Richard Wu	USD 78,600	100.00%
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Chairman	Witty Liao	USD 0	0.00%
	Vice Chairman	Chien-Ming Chang	USD 0	0.00%
	General manager	Jen-Chan Huang	USD 0	0.00%
	Director	Representative of Shanghai Nanxiang Development Zone Industrial Co. Ltd. : Chien-Ming Chang, Chi-Ming Chou	USD 671	4.29%
	Director	Representative of Walsin (China) Investment Co., Ltd.: Witty Liao, Jin-Renn Leu, Wei-Chih Hu, Allen Yang, Jen-Chan Huang	USD 14,956	95.71%
	Supervisor	Representative of Walsin (China) Investment Co., Ltd.: Richard Wu	USD 14,956	95.71%
Dongguan Walsin Wire & Cable Co., Ltd.	Chairman	Witty Liao	USD 0	0.00%
	General manager	Chang-Ming Wu	USD 0	0.00%
	Director	Representative of Walsin (China) Investment Co., Ltd.: Witty Liao, Chang-Ming Wu, Kiwi Lan	USD 26,000	100.00%
	Supervisor	Representative of Walsin (China) Investment Co., Ltd.: Richard Wu	USD 26,000	100.00%
Jiangyin Walsin Steel Cable Co., Limited (JHS)	Chairman	Witty Liao	USD 0	0.00%
	Vice Chairman	Lu Lu	USD 0	0.00%
	Director	Representative of Walsin (China) Investment Co., Ltd.: Witty Liao, Chao-Yang Cheng , Sherry Ho	USD 20,000	100.00%
	Supervisor	Representative of Walsin (China) Investment Co., Ltd.: Richard Wu	USD 20,000	100.00%
Walsin International Investments Limited	Director	Representative of Walsin Lihwa Holdings Limited: C.C. Chen, Fred Pan	3,802,164,817	100.00%
	President	Tzu-Yi Chiao	0	0.00%
Walcom Chemicals Industrial Limited	Director	Hao Chi	174,999	35.00%
	Director	Qi-Ying Liang	1	0.00%
	Director	Yong-Taig Chen	0	0.00%



Special Disclosures

Entity	Title	Name of the Representation	Shareholding (Contribution)	
			Shares (Contribution)	Shareholding
Nanjing Taiwan Trade Mart Management Co., Ltd.	Chairman	Min Zhou	USD 0	0.00%
	General manager	Min Zhou	USD 0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited: Min Zhou, Xue-Wu Wu, Chi-Wei Lan	USD 1,000	100.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited: Richard Wu	USD 1,000	100.00%
Concord Industries Limited	Director	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao, Patricia Chiao, Sophie Pan	297,498,375	100.00%
Walsin Specialty Steel Corp.	Director	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao, Patricia Chiao, David Wen	82,893,195	100.00%
Changshu Walsin Specialty Steel Co., Ltd.	Chairman	Witty Liao	USD 0	0.00%
	General manager	Hsin-Hung Chen	USD 0	0.00%
	Director	Representative of Walsin Specialty Steel Corp: Witty Liao, Yi-Chung Chen, Pei-Hsuan Li	USD 97,000	100.00%
	Supervisor	Representative of Walsin Specialty Steel Corp: Richard Wu	USD 97,000	100.00%
Yantai Walsin Stainless Steel Co., Ltd.	Chairman	Kevin Niu	USD 0	0.00%
	General manager	Nora Lin	USD 0	0.00%
	Director	Representative of Jiangyin Walsin Specialty Alloy Materials Co., Ltd.: Kevin Niu, Nora Lin	USD 116,312.7	34.71%
	Director	Representative of Concord Industries Limited: Allen Yang	USD 218,752.6	65.29%
	Supervisor	Representative of Jiangyin Walsin Specialty Alloy Materials Co., Ltd.: Richard Wu	USD 116,313	34.71%
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Chairman	Chao-Yang Cheng	USD 0	0.00%
	General manager	Lu Lu	USD 0	0.00%
	Director	Representatives of Concord Industries Limited/ Walsin (China) Investment Co., Ltd.: Chao-Yang Cheng, Witty Liao, Sherry Ho	USD 49,000	100.00%
	Supervisor	Representative of Concord Industries Limited/ Walsin (China) Investment Co., Ltd.: Richard Wu	USD 49,000	100.00%
XiAn Walsin Metal Product Co., Ltd.	Executive Director	Representative of Concord Industries Limited: Allen Yang	USD 55,350	100.00%
	Supervisor	Representative of Concord Industries Limited: Sophi Pan	USD 55,350	100.00%
Ace Result Global Limited	Director	Representative of Walsin Lihwa Corporation: David Wen, Sophi Pan	44,739,988	100.00%
Chin-Cherng Construction Co.	Chin-Cherng Construction Co.	Wu-Shung Hong	403,620	0.08%
	General manager	Fred Pan	0	0.00%
	Director	Representative of Walsin Lihwa Corporation: Yu-Cheng Chiao, Yu-Lon Chiao, Fred Pan, David Wen	529,955,805	99.22%
	Supervisor	Richard Wu	0	0.00%
Joint Success Enterprises Limited	Director	Representative of Chin-Cherng Construction Co.: Fred Pan, Sophi Pan, Patricia Chiao	22,175,438	50.95%
Walsin (Nanjing) Construction Limited	Chairman	Jian-Hua Cao	USD 0	0.00%
	Vice Chairman	Fred Pan	USD 0	0.00%
	President	Wei-Hsiung Wang	USD 0	0.00%
	Director	Representative of Joint Success Enterprises Limited: Jian-Hua Cao, Yu-Lon Chiao, Fred Pan	USD 50,000	100.00%
	Supervisor	Representative of Joint Success Enterprises Limited: Richard Wu	USD 50,000	100.00%
Nanjing Walsin Property Management Co., Ltd.	Nanjing Walsin Property Management Co., Ltd.	Tzu-Yi Chiao	RMB 0	0.00%
	General manager	Lin Chen	RMB 0	0.00%
	Director	Representative of Walsin (Nanjing) Construction Limited: Tzu-Yi Chiao, Fred Pan, Kiwi Lan	RMB 1,000	100.00%

Entity	Title	Name of the Representation	Shareholding (Contribution)	
			Shares (Contribution)	Shareholding
	Supervisor	Representative of Walsin (Nanjing) Construction Limited: Richard Wu	RMB 1,000	100.00%
Walsin Info-Electric Corp.	Chairman	David Wen	0	0.00%
	General manager	David Wen	0	0.00%
	Director	Representative of Walsin Lihwa Corporation: David Wen, C.C. Chen, Sherry Ho	9,491,461	98.87%
	Supervisor	Richard Wu	0	0.00%
Min Maw Precision Industry Corp.	Chairman	David Wen	0	0.00%
	General manager	David Wen	0	0.00%
	Director	Representative of Walsin Lihwa Corporation: David Wen, Sophi Pan, Allen Yang	34,837,100	100.00%
	Supervisor	Representative of Walsin Lihwa Corporation: Richard Wu	34,837,100	100.00%
PT Walsin Research Innovation Indonesia	Chairman	Sherry Ho	0	00.00%
	Director	Representative of Walsin Lihwa Corporation: Sherry Ho, Tsun-Cheng Lin, Ardinand Roynald P	13,930	99.50%
	Supervisor	Representative of Walsin Lihwa Corporation: Richard Wu	13,930	99.50%
Waltuo Green Resources Corporation	Chairman	David Wen	0	0.00%
	General manager	Kuo-Hui Chen	0	0.00%
	Director	Representative of Walsin Lihwa Corporation: David Wen, Kuo-Hui Chen, Allen Yang	1,828,287	100.00%
	Supervisor	Representative of Walsin Lihwa Corporation: Richard Wu	1,828,287	100.00%
Walsin Precision Technology Sdn. Bhd	Chairman	Juei-Lung Chen	0	0.00%
	General manager	Pang Boon Wah	0	0.00%
	Director	Representatives of Walsin Lihwa Corporation: Juei-Lung Chen, Pang Boon Wah, Josh Chia, Goh Lay Hong	32,178,385	100.00%
P.T. Walsin Lippo Industries	President Commissioner	Representative of P.T. Multi Prima Sejahtera, Tbk.; Agus Arismunandar	4,500	30.00%
	Vice President Commissioner	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao	10,500	70.00%
	President Director	Representative of Walsin Lihwa Corporation: Wei-Chih Hu	10,500	70.00%
	Vice President Director	Representative of P.T. Multi Prima Sejahtera, Tbk.; Herry Senjaya	4,500	30.00%
	Director	Representative of Walsin Lihwa Corporation: Sophi Pan, David Karman, Ardinand Roynald P, Andre Kelsen, Foe	10,500	70.00%
P.T. Walsin Lippo Kabel	President Commissioner	Representative of PT. MULTI USAHA WISESA: Agus Arismunandar	1,285,500	30.00%
	Vice President Commissioner	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao	2,999,500	70.00%
	President Director	Representative of Walsin Lihwa Corporation: Wei-Chih Hu	2,999,500	70.00%
	Vice President Director	Representative of PT. MULTI USAHA WISESA: Herry Senjaya	1,285,500	30.00%
	Director	Representative of Walsin Lihwa Corporation: Sophi Pan, David Karman, Ardinand Roynald P, Andre Kelsen, Foe	2,999,500	70.00%
Walsin Singapore Pte. Ltd.	Director	Representatives of Walsin Lihwa Corporation: C.C. Chen, Chen-Yang Chen, Wei-Hsiung Wang, Josh Chia, SUO SAW WAN	733,000,000	100.00%
PT Walsin Nickel Industrial Indonesia	President Commissioner	Representative of Walsin Lihwa Corporation: Sherry Ho	500,000	50.00%
	Commissioner	Representative of Perlux Investment Pte. Ltd.: Hsiung-Feng Mei	80,000	8.00%
	President Director	Representative of Walsin Lihwa Corporation: Josh Chia	500,000	50.00%
	Director	Representative of Perlux Investment Pte. Ltd.: Chi-Chun Lin	80,000	8.00%
	Director	Representative of Walsin Singapore Pte. Ltd.: Hueiping Lo	420,000	42.00%
	Director	Representative of Walsin Lihwa Corporation: C.C. Chen, Ardinand Roynald P.	500,000	50.00%



Entity	Title	Name of the Representation	Shareholding (Contribution)	
			Shares (Contribution)	Shareholding
PT Sunny Metal Industry	Chairman	Walsin Singapore Pte. Ltd. Representative: Josh Chia	50,100	50.10%
	Director	Walsin Singapore Pte. Ltd. Representative: C.C. Chen, Sherry Ho	50,100	50.10%
	Director	Berg Holding Limited Representative: Xiang Binghe, Ye Changqing	49,900	49.90%
	Supervising Officer	Berg Holding Limited Representative: Chi-Chun Lin	49,900	49.90%
	Supervisor	Walsin Singapore Pte. Ltd. Representative: Richard Wu	50,100	50.10%
PT Walsu Metal Industry	Chairman	PT Sunny Metal Industry: Josh Chia	9,490,500	99.90%
	Director	PT Sunny Metal Industry: C.C. Chen, Sherry Ho	9,490,500	99.90%
	Director	PT Sunny Metal Industry: Xiang Binghe, Ye Changqing	9,490,500	99.90%
	Supervising Officer	PT Sunny Metal Industry: Chi-Chun Lin	9,490,500	99.90%
	Supervisor	PT Sunny Metal Industry: Richard Wu	9,490,500	99.90%
Walsin Lihwa Europe S.a r.l.	Director	Walsin Lihwa Corporation Representative: C.C. Chen, Sherry Ho, Hueiping Lo	12,000	100.00%
MEG S.A.	Director	Walsin Lihwa Europe S.a r.l. Representative: Sherry Ho, Wei-Hsiung Wang	8,277	90.21%
	Director	Eugenio Marzorati	470	5.12%
Cogne Acciai Speciali S.p.A.	Director	MEG S.A. Representative: Yu-Lon Chiao, Kevin Niu, Sherry Ho, Tzu-Chien Chiao, Ono Motoo, Massimiliano Burelli	314,705,934	77.60%
	Director	REM HOLDING S.A. Representative: Eugenio Marzorati, Roberto Marzorati, Monica Pirovano	90,857,233	22.40%
Cogne France Société par Actions Simplifiée	President	HESPEL Davi	0	0.00%
	Supervisor	Monica Pirovano	0	0.00%
Cogne Edeltahl Gmbh	CEO	Bernd Grotenburg	0	0.00%
	Director	Bernd Grotenburg , Ralf Schmitz , Roberto Marzorati	0	0.00%
	Supervisor	Eugenio Marzorati, Monica Pirovano, Emilio Giacomazzi	0	0.00%
COGNE SG PTE. LTD.	Director	Sidhu Kamaljit Singh, Monica Pirovano; Giacomazzi Emilio	0	0.00%
Cogne Hong Kong Limited	Director	Monica Pirovano	0	0.00%
Cogne U.K. LIMITED	Director	Eugenio Marzorati, Monica Pirovano, Jonathan Smit	0	0.00%
Cogne Stainless Bars SA	Director	Margherita Marzorati	0	0.00%
Aosta Servizi Generali S.r.l.	President	Francesco Turcato	0	0.00%
	Director	Francesco Turcato,Alessandra Perlo	0	0.00%
Cogne Mexico Sociedad Anonima de Capital Variable	Director	Sergio Ramos Vazquez	500	100.00%
Metalinox Cogne Acos Inoxidaveis Especiais Ltda	Director	Gilberto Sanches Gonzales	0	0.00%
Cogne Specialty Steel USA, INC.	CEO	Jean Paul Betemps	0	0.00%
	President	Giulio Girivetto	0	0.00%
	Director	Monica Pirovano	0	0.00%
Cogne Çelik Sanayi ve Ticaret Limited Şirketi	Director	Monica Pirovano	0	0.00%
DongGuan Cogne Steel Products Co.,Ltd	Chairman	Monica Pirovano	0	0.00%
	President	Monica Pirovano	0	0.00%
	Vice Chairman	Roberto Marzorati	0	0.00%
	Vice President	Roberto Marzorati	0	0.00%
	Director	Emillio Giacomzzi	0	0.00%
	Supervisor	Eugenio Marzorati	0	0.00%
Special Melted Products Limited	Director	Massimiliano Burelli, Monica Pirovano, Andy Richardson, Victoria Brown	0	0.00%
	Supervisor	Steve Hall	0	0.00%

Entity	Title	Name of the Representation	Shareholding (Contribution)	
			Shares (Contribution)	Shareholding
Degerfors Long Products AB	Director	Monica Pirovano, Emilio Giacomazzi, Sherry Ho, Sara Randstroem, Mikael Lija, Ann-Sofie Larsson	0	0.00%
Walsin Energy Cable System Co., Ltd.	Chairman	Yu-Lon Chiao	0	0.00%
	Director	Representative of Walsin Lihwa Corporation: Yu-Lon Chiao, Sherry Ho, Wei-Hsiung Wang, Jin-Renn Leu	270,000,000	90.00%
	Director	Representative of NKT HV Cables AB: Michael Francis Yong Montejo	30,000,000	10.00%
	Supervisor	Huai-Yu Wang	0	0.00%
Walsin America, LLC	Director	Walsin Lihwa Corporation Representative: Hueiping Lo, Tzu-Wei Chiao, Sophie Pan	USD81,652	100.00%
Borrego Energy Holdings, LLC	Director	Walsin America, LLC Representative: Yu-Lon Chiao, Wei-Hsiung Wang, Sophie Pan	USD 1,460	72.55%
	Director	Michael Adam Hall	USD 123	6.09%
	Director	Aaron Stephen Hall	USD 154	7.66%
Borrego Energy, LLC	NA	BE, LLC is member-managed (it does not have directors)	NA	NA
Cleanleaf Energy Holdings, Inc.	Director	Borrego Energy Holdings, LLC : Yi-Fang Wu	100 shares	100.00%
	Director	Andrew Hall	0 shares	0.00%
	Director	Mikael Backman	0 shares	0.00%

(6) Operating Condition of the Affiliated Companies

Unit: NT\$ thousands

Entity		Capital Stock	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income (loss)	Net Income (loss)	Earnings (Loss) Per Share (NT\$)
Walsin Lihwa Corporation		40,313,329	202,865,082	62,054,767	140,810,315	83,321,352	4,041,947	5,134,316	1.32
Walsin Lihwa Holdings Limited (Note 1)		83,825	23,951,702	3,112,737	20,838,965	10,995,096	-377,222	281,243	N/A
Subsidiaries of Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	2,413,413	20,398,163	16,370,967	4,027,196	35,796	-83,858	-208,895	N/A
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	479,827	1,638,387	397,364	1,241,023	2,841,247	6,133	36,375	N/A
	Dongguan Walsin Wire & Cable Co., Ltd.	798,330	2,137,048	710,437	1,426,611	6,966,982	-80,388	-34,993	N/A
	Jiangyin Walsin Steel Cable Co., Limited	614,100	1,687,913	959,662	728,251	1,159,827	-184,319	-101,194	N/A
	Walsin International Investments Limited	14,938,706	16,698,486	198,988	16,499,498	0	-30,842	506,162	N/A
	Nanjing Taiwan Trade Mart Management Co., Ltd.	30,705	4,049	522,409	-518,360	1,877	-2,813	-8,336	N/A
	Walcom Chemicals Industrial Limited	1,965	1	68,701	-68,700	0	0	0	N/A
Concord Industries Limited (Note 2)		9,134,676	29,288,465	25,386,632	3,901,833	20,728,108	-945,920	-1,147,159	N/A
Subsidiaries of Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	1,504,545	3,184,351	2,005,473	1,178,878	2,014,743	14,359	-588,722	N/A
	Walsin Specialty Steel Corp	2,545,230	1,345,602	650	1,344,952	0	-71	272,968	N/A
	Changshu Walsin Specialty Steel Co., Ltd.	2,978,385	3,391,424	2,091,207	1,300,217	4,427,943	374,025	273,984	N/A
	Yantai Walsin Stainless Steel Co., Ltd.	10,288,171	23,387,194	20,782,274	2,604,920	16,525,301	-1,339,805	-1,452,987	N/A
	XiAn Walsin Metal Product Co., Ltd.	1,699,522	819	792,027	-791,208	0	-905	-11,931	N/A
Walsin America, LLC (Note 3)		2,496,378	1,780,176	2,298,073	-517,897	5,037,005	-177,897	-372,662	N/A
Subsidiary of Walsin America, LLC.	Borrego Energy Holdings, LLC	1,940,832	0	524,112	-524,112	0	0	-507,325	N/A
	Borrego Energy, LLC	1,940,832	1,773,961	2,298,073	-524,112	5,037,005	-173,345	-507,325	N/A
	Cleanleaf Energy Holdings, Inc.	0	0	0	0	0	0	0	N/A
Ace Result Limited		1,373,742	2,705,878	0	2,705,878	0	-498	239,169	N/A
P.T Walsin Lippo Kabel		131,571	18,465	1,647	16,818	0	-2,288	-823	(0.67)
Walsin Singapore Pte. Ltd. (Note 4)		22,506,765	44,965,354	10,676,712	34,288,642	31,605,016	1,851,825	1,828,397	N/A
Subsidiary of Walsin	PT Sunny Metal Industry	3,070,500	20,209,877	15,398,865	4,811,012	22,898,502	2,851,152	1,792,975	N/A
	PT Walsu Metal Industry	291,698	2,786,878	2,494,474	292,404	0	-436	717	N/A



Entity		Capital Stock	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income (loss)	Net Income (loss)	Earnings (Loss) Per Share (NT\$)
Singapore Pte. Ltd.	PT Walsin Research Innovation Indonesia	42,987	46,413	9,911	36,502	4,038	-5,718	-5,663	N/A
Walsin Energy Cable System Co., Ltd.		3,000,000	4,554,488	1,601,279	2,953,209	0	-55,486	-45,479	-0.21
Walsin Info-Electric Corp.		300,000	350,133	171	349,962	0	-566	4,645	0.15
P.T. Walsin Lippo Industries		460,575	1,540,961	139,953	1,401,008	986,055	99,070	95,216	N/A
Chin-Cherng Construction Co. (Note 5)		5,340,994	20,078,921	10,393,794	9,685,127	1,309,421	-432,587	-179,331	N/A
Subsidiaries of Chin-Cherng Construction Co.	Joint Success Enterprises Limited	1,336,282	8,579,310	57,711	8,521,599	0	-1,413	-388,159	N/A
	Walsin (Nanjing) Development Limited	1,535,250	18,920,470	10,343,544	8,576,926	1,197,711	-558,534	-547,393	N/A
	Nanjing Walsin Property Management Co., Ltd.	4,335	38,679	60,438	-21,759	160,895	-3,886	-3,961	N/A
Min Maw Precision Industry Corp.		348,371	729,532	316,419	413,113	56,570	37,069	24,677	-4.60
Waltuo Green Resources Corp.		18,283	16,374	7,122	9,252	12,309	-10,532	-8,409	N/A
PT Walsin Nickel Industrial Indonesia		3,070,500	15,675,087	727,401	14,947,685	17,654,006	2,995,395	2,855,856	N/A
Walsin Precision Technology Sdn. Bhd.		260,071	605,089	53,173	551,917	636,456	9,771	13,211	N/A
Walsin Lihwa Europe S.a r.l. (Note 6)		408	34,429,281	19,220,979	15,208,302	27,672,463	200,275	639,873	N/A
Subsidiaries of Walsin Lihwa Europe S.a r.l.	MEG S.A.	3,126	14,215,395	2,159	14,213,236	0	-3,066	906,305	N/A
	Cogne Acciai Speciali S.p.A. (Note 7)	13,781,031	34,476,966	16,094,145	18,382,821	27,672,463	227,664	1,105,020	N/A

Note 1: The assets, liabilities and net income/loss of Walsin Lihwa Holdings Limited include its subsidiaries'.

Note 2: The assets, liabilities and net income/loss of Concord Industries Limited include its subsidiaries'.

Note 3: The assets, liabilities and net income/loss of Walsin America, LLC include its subsidiaries'.

Note 4: The assets, liabilities and net income/loss of Walsin Singapore Pte. Ltd. include its subsidiaries'.

Note 5: The assets, liabilities and net income/loss of Chin-Cherng Construction Co. include its subsidiaries'.

Note 6: The assets, liabilities and net income/loss of Walsin Lihwa Europe S.A.R.L. include its subsidiaries'.

Note 7: The assets, liabilities and net income/loss of Cogne Acciai Speciali S.p.A. include its subsidiaries'.

Note 8: The currency exchange rates were as follows:

2023/12/31 US\$/NT\$=1: 30.705 (exchange rate for profit/loss entries: US\$/NT\$=1:31.154)

2023/12/31 RMB/NT\$=1: 4.33524 (exchange rate for profit/loss entries: RMB/NT\$=1:4.41546)

2023/12/31 EUR/NT\$=1: 33.98 (exchange rate for profit/loss entries: RMB/NT\$=1:33.69722)

2023/12/31 HKD/NT\$=1:3.929

2. **Progress of private placement of securities during the latest year and up to the date of annual report publication: None**
3. **The subsidiaries' shareholding or disposal of the company's shares during the latest year and up to the date of annual report publication: None**
4. **Other supplemental information: None**
5. **Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act during the most recent year and up to the annual report publication date: None.**

Walsin Lihwa Corporation

Yu-Lon Chiao