

Walsin Lihwa Corporation

2024 Annual Shareholders' Meeting Handbook

Date: Friday, May 17, 2024

Time: 9:00 am

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist.,
Taipei City.

Convening Method: Hybrid shareholders' meeting (i.e., a physical shareholders'
meeting supported by video-conferencing)

Video Conferencing Platform: Taiwan Depository & Clearing Corporation
Shareholder eMeeting Platform
(<https://stockservices.tdcc.com.tw>)

Walsin Lihwa Corporation

2024 Annual Shareholders' Meeting Handbook

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Walsin Lihwa Corporation

Meeting Procedure and Agenda of the 2024 Annual Shareholders' Meeting

Time: 9:00 am, Friday, May 17, 2024

Place: 1st Floor-The Ballroom, No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei City

1. The Meeting Called to Order

2. Chairman's Address

3. Matters to Be Reported:

(1) General Manager's Report (The 2023 Business Report and Final Account Report)

(2) Audit Committee's Audit Report and Communication Report with the Chief Audit Executive

(3) The Distribution Report of Compensation of the Employees and Directors for the Year 2023

(4) Report of the Distribution of Cash Dividends in 2023

(5) Report of the Company's Offering of Domestic Unsecured Straight Corporate Bonds

(6) Other Matters to be Reported

4. Matters to Be Ratified, Discussed and Elected

(1) Ratification of the 2023 Business Report and Final Account Statements.

(2) Ratification of the 2023 Earnings Distribution Proposal.

(3) Discussion of the amendments to the Articles of Incorporation.

(4) Discussion of the proposal for the release of director's Non-Competition Obligations.

(5) Election of one director.

5. Ad-Hoc Motions

6. Adjournment

Matters to Be Reported

I. General Manager's Report

Please review and approve the Company's 2023 business report and final account report. For details, please see pp.10 – 23 of the Appendix to the Handbook.

II. Audit Committee's Audit Report and Communication Report with the Chief Audit Executive

1. For the Audit Committee's audit of the Company's 2023 final account report, please see p.32 of the Appendix to the Handbook for details.
2. For the communications between the Audit Committee and the Chief Audit Executive, please see pp.33 – 34 of the Appendix to the Handbook.

III. The Distribution Report of Compensation of the Employees and Directors for the year 2023.

Please refer to p.35 of the Appendix to the Handbook for the status of the distribution of compensation to employees and directors for 2023.

IV. Report of the Distribution of Cash Dividends in 2023

1. It is conducted in accordance with Article 240 of the Company Act and the Company's Articles of Incorporation.
2. The 8th meeting of the Board of Directors of the Company of the 20th term resolved to distribute cash dividends of NT\$4,434,466,243 from the earnings reported in the Company's 2023 final accounting results.
3. The Chairman shall be authorized to determine the distribution record date and distribution date. In the event that the Company issues or repurchases shares, thereby affecting the number of outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend date.
4. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the fractional cash amounts will be credited to Other Revenue by the Company.

V. Report of the Company's Offering of Domestic Unsecured Straight Corporate Bonds

Please see p.36 of the Appendix to the Handbook for the details of the Company's offering of domestic unsecured straight corporate bonds

VI. Other Matters to Be Reported

1. Report on the material transactions between the Company and its related parties in 2023. Please refer to pp.37 – 39 of the Appendix to the Handbook.
2. Report on the Company's investments in mainland China as of March 31, 2024. Please see pp.40 – 44 of the Appendix to the Handbook for details.

3. Report on the amendments to the Company's Board of Directors Meeting Regulations:

The Company's Board of Directors Meeting Regulations have been amended by a resolution adopted in a board of directors meeting dated January 26, 2024. Please see pp.45 – 51 of the Appendix to the Handbook for the full content of the amended version.

4. Report on the amendments to the Company's rules and regulations relating to corporate governance:

The Company's Procedures for Governing Financial and Business Matters Between this Corporation and its Related Parties have been formulated and implemented by the Board of Directors on November 3, 2023 and amended by a resolution adopted by a board of directors meeting dated March 29, 2024. Please see pp.52 – 57 of the Appendix to the Handbook for the full content of the amended version thereof.

5. Report on the shareholdings of directors in the Company as follows:

- (1) According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shareholding of the all of the Company's directors shall be 3% of its issued and outstanding shares; provided, however, this does not apply to the supervisors of the Company because the Company has an Audit Committee.

The Company has 4 independent directors. The shareholding ratio of all of the directors (excluding the independent directors) is reduced to 80% of the above minimum shareholding ratio.

- (2) For the shareholdings of individuals and total directors recorded in the shareholder register prior to the book closure date for the 2024 Annual Shareholders' Meeting, please see p.58 of the Appendix to the Handbook.

- (3) The shareholdings of all of the Company's directors have all met the requirement for the statutory shareholding ratio.

6. Report on the acceptance of shareholders' proposals and nominations by the 2024 Annual Shareholders' Meeting:

During the period for accepting the shareholders' proposals from March 4, 2024 to March 14, 2024, none of the shareholders submitted any written proposal to the Company according to Article 172-1 of the Company Act.

During the period for accepting the shareholders' nominations for director from March 12, 2024 to March 22, 2024, none of the shareholders submitted any written nomination to the Company according to Article 192-1 of the Company Act.

Ratification, Discussion and Election

Proposal 1

Proposed by the Board of Directors

Subject: Ratification of the Company's 2023 business report and financial statements.

Explanations:

1. Please see pp.10 – 23 of the Appendix to the Handbook for the business report and the financial statements.
2. The financial statements have been approved at the Company's 8th board meeting of the 20th term, and audited as well as certified by the CPA. They were submitted along with the business report to the Audit Committee for audit, which then has audited the same.

Resolution:

Proposal 2

Proposed by the Board of Directors

Subject: Ratification of the Company's 2023 Earnings Distribution Proposal.

Explanations:

1. Please see below for the 2023 Earnings Distribution Proposal.
2. This proposal was approved at the Company's 8th board meeting of the 20th term and submitted to the Audit Committee, which has audited the same.
3. Upon the approval of the board meeting, it is proposed that the Chairman be authorized to otherwise determine the distribution record date and distribution date. In the event that the Company issues or repurchases shares, thereby affecting the number of outstanding shares and then causing the proposed profit distribution per share to change, it is proposed that the Chairman be authorized to adjust the same based on the number of actual shares outstanding on the ex-dividend date.
4. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the fractional cash amounts will be credited to Other Revenue by the Company.

Resolution:

Walsin Lihwa Corporation

Earnings Distribution Proposal for 2023

Unit: NTD

Summary	Amount
Beginning of Period Retained Earnings	\$43,071,526,829
Add: Cumulative Gains or Losses Directly Transferred to Retained Earnings by Affiliates' Disposal of Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	204,651,578
Less: Re-measurements of Defined Benefit Plans Recognized in Retained Earnings	<u>(70,349,639)</u>
Adjusted Retained Earnings	43,205,828,768
Add: Net Income	5,134,316,035
Minus: Legal Reserve	<u>(526,861,797)</u> 4,607,454,238
Distributable Earnings	47,813,283,006
Distribution	
Cash Dividend to Shareholders (NT\$1.1 per Share) (Note)	<u>(4,434,466,243)</u>
End of Period Retained Earnings	\$43,378,816,763

Note: The Company's issued and outstanding common stock totaled 4,031,332,948 shares as of February 23, 2024. According to the rules specified in the letter from the Ministry of Finance dated January 20, 2000 (Ref. No.: Tai-Cai-Shui-0890450243), this distribution of earnings shall be based on the year 2023 as noted above.

Responsible Person: Yu-Lon Chiao (Seal)

Manager: Fred Pan (Seal)

Accounting Chief: Kelly Liu (Seal)

Proposal 3**Proposed by the Board of Directors**

Subject: Review and approval of the amendments to the Articles of Incorporation.

Explanations:

1. To meet its business demand, the Company's business scope has been specified in its Articles of Incorporation.
2. The Comparison Table of the Amended Articles of the Articles of Incorporation is set out on p.59 of the Appendix to the Handbook.

Resolution:

Proposal 4**Proposed by the Board of Directors**

Subject: Release of the director of the Company from non-competition restrictions set forth in Article 209 of the Company Act.

Explanations:

1. It is conducted in accordance with Paragraph 1, Article 209 of the Company Act, which provides that “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders meeting the essential contents of such an act and secure its approval.”
2. For an additional director of the Company who concurrently serves as a director in companies operating the same/similar businesses as/to the Company, please see p.60 of the Appendix to the Handbook.
3. It is proposed that the shareholders' meeting approve the release of such director from non-competition restrictions on engaging in any business within the Company's business scope under Paragraph 1, Article 209 of the Company Act, as well as approve the abstention from exercise of the disgorgement rights against the director mentioned above as of the date of serving as a director of other companies engaging in competing business.

Resolution:

Proposal 5**Proposed by the Board of Directors**

Subject: Election of one Director of the Company.

Explanations:

1. In accordance with Article 14 of the Company's Articles of Incorporation, the Company shall have nine to eleven Directors, including at least three Independent Directors. It has been resolved that the Board of Directors of this term have eleven Directors. The Company currently has ten Directors (including four Independent Directors) and therefore plans to elect one Director in accordance with Article 192-1 of the Company Act.
2. The newly elected director will assume office immediately upon election at the 2024 Annual General Meeting of Shareholders, with the term of office ending on May 18, 2026.
3. Please refer to p.61 of the Appendix to the Handbook for relevant information on the director candidate.

Election:

Ad-Hoc Motions**Adjournment**

Appendix

Walsin Lihwa Corporation

2023 Business Report

1. Preamble

In 2023, the Company's net income after taxes was NT\$5.1 billion, with earnings per share of NT\$1.3. The below is the overview of the operational performance of each business group. The Wire and Cable Business Group has been able to stably grasp the demand for factory construction in Taiwan and the business opportunities for resilient power grid construction and renewable energy, resulting in steady gross margins and profits. The Stainless Steel Business Group has experienced a decline in profitability due to weak global end-market demand and a less-than-expected economic recovery in mainland China. To enhance long-term competitiveness, it continues its global expansion strategy by acquiring a UK stainless steel plant, SMP, and securing key raw materials essential to the stainless steel manufacturing process. The Resources Business Group has been impacted in terms of profitability by the sluggish stainless steel market and fluctuations in nickel prices, along with significant market volatility. It is committed to cost control to mitigate impacts and to stabilize the production capacity of nickel pig iron and nickel matte. Overall, in terms of its management strategy, the Company has made ongoing effort to reduce low-margin, non-core businesses while increasing investment in upstream stainless steel and high-end application products, aiming to improve sustainable growth and competitive edge.

2. Explanation for Financial Result

Unit: NT\$ million

	2023	2022	Amount of Increase (Decrease)
Operating Revenue	189,840	180,401	9,439
Gross Profit	14,444	17,346	(2,902)
Operating Expenses	8,203	7,848	355
Income from Operations	6,241	9,499	(3,258)
Non-Operating Income and Expenses	1,198	13,903	(12,705)
Profit Before Tax	7,438	23,402	(15,964)
Net Income After Taxes	5,134	19,352	(14,218)

(1) Operating Revenue

Operating revenue increased by NT\$9.4 billion in 2023, mainly due to the Company's ongoing downsizing of its copper business, the global expansion of its stainless steel business, and the increase in upstream nickel pig iron production.

(2) Gross Profit

Gross profit decreased by \$2.9 billion in 2023 due to the global economic impact on the profits of upstream raw materials and end products of stainless steel.

(3) Operating Expenses

The increase in operating expenses in 2023 was due to the Company's expansion of its operational scale and increased revenue.

(4) Non-Operating Income and Expenses

The decrease in non-operating income and expenses in 2023 was due to the disposal of the solar development department of a U.S. subsidiary in the previous year.

3. Operating Overview and Prospects of the Business Units

Looking forward to 2024, despite a temporary pause in inflation and cessation of interest rate hikes, economic recovery has yet to appear. The Company continues to enhance its core competitiveness through operational process management and digital transformation, while moving on to a model for a circular economy and actively responding to changes in the business environment and markets.

(1) Wire and Cable Business

Rolling out a new business model and supply chain management for the Yangmei smart plant, enhancing customer values and market leadership in the construction market; seizing domestic resilient grid business potentials, strengthening investment in the high-voltage power transmission market; developing mobile cable core technologies in the industrial cable sector, and expanding into businesses in green energy and offshore wind power, including the construction of Taiwan's first submarine cable plant.

(2) Stainless Steel Business

The Stainless Steel Business in Taiwan continues to build sustainably competitive operating capabilities and cost competitiveness, and expand the proportion of high-value products; the Stainless Steel Business in Europe conducts global production and sales expansion, exploring high-end product markets and securing key raw materials; the Stainless Steel Business in mainland China focuses on stabilizing rolling steel production to establish core capabilities.

(3) Resources

We have completed the capacity of nickel matte as planned to extend the value chain of nickel industry. In addition, we have promoted green manufacturing process by low-carbon production to meet the trend towards environmental protection and reduce the production cost.

(4) Real Estate

The leasing business of the office buildings shows a stable growth in occupancy. With dynamic adjustments to the mall's property mix, we expect to create stable cash flows.

Responsible person: Yu-Lon Chiao (Seal)

Manager: Fred Pan (Seal)

Chief Accountant: Kelly Liu (Seal)

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

(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	\$ 189,839,626	100	\$ 180,400,719	100
OPERATING COSTS	<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	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	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	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	<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>
EARNINGS PER SHARE				
Basic	<u>\$ 1.32</u>		<u>\$ 5.45</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 5.44</u>	

(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											Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statement of Foreign Operations	Other Equity			Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others				
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	

(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>
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>

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

(Concluded)

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

(With Deloitte & Touche auditors' report dated February 24, 2023)

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	\$ 83,321,352	100	\$ 98,420,045	100
OPERATING COSTS	(76,550,777)	(92)	(87,224,447)	(89)
(UNREALIZED) REALIZED GAIN	<u>(11,785)</u>	<u>-</u>	<u>11,802</u>	<u>-</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>-</u>	<u>200,649</u>	<u>-</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	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	<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	\$ (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				
Basic	<u>\$ 1.32</u>		<u>\$ 5.45</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 5.44</u>	

(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

(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>

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

(Concluded)

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.

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.

Review Report from the Audit Committee

The Board of Directors has prepared and submitted the Company's 2023 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the financial statements (including consolidated financial statements) had been audited by Wen-Yea Shyu and Ker-Chang Wu CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements (including consolidated financial statements) and the profit distribution proposal have been reviewed by the Audit Committee to be without any discrepancies. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve the same.

Walsin Lihwa Corporation

The convener of the Audit Committee: Fu-Hsiung Hu

February 23, 2024

Walsin Lihwa Corporation

Communications between the Audit Committee and the Chief Audit Executive in 2023

1. Policy on Communications between Independent Directors and the Chief Audit Executive

- (1) The Chief Audit Executive and the Independent Directors shall report on the status of the Company's internal audit and the operation of internal control through regular meetings of the Audit Committee at least once a quarter, and may convene a meeting at any time in case of any significant extraordinary events.
- (2) In addition to the aforementioned regular meetings, the convener of the Audit Committee holds quarterly discussions at any time with the Chief Audit Executive on the operation of internal controls.

2. Summary of communications between the Independent Directors and the Chief Audit Executive for the year 2023.

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
February 20, 2023, Audit Committee	Report on audit implementation in the 4 th quarter of 2022.	Nil.	The report on audit implementation for the 4 th quarter of 2022 has been passed by the Audit Committee and reported to the Board of Directors.
April 28, 2023, Audit Committee	Report on audit implementation in the 1 st quarter of 2023.	Nil.	The report on audit implementation for the 1 st quarter of 2023 has been passed by the Audit Committee and reported to the Board of Directors.
August 4, 2023 Audit, Committee	Report on audit implementation in the 2 nd quarter of 2023.	Nil.	The report on audit implementation for the 2 nd quarter of 2023 has been passed by the Audit Committee and reported to the Board of Directors.
October 27, 2023, Audit Committee	1. Report on audit implementation in the 3 rd quarter of 2023. 2. Discussion of 2024 annual audit plan.	1. Nil. 2. Nil.	1. The report on audit implementation for the 3 rd quarter of 2023 has been passed by the Audit Committee and reported to the Board of Directors. 2. The 2024 annual audit plan has been passed by the Audit Committee and submitted to the Board of Directors for discussion.

Date	Key Points of Communications	Independent Directors' Advice	Follow-Ups and Results
December 22, 2023, Audit Committee	<ol style="list-style-type: none"> 1. Major work results in 2023. 2. Work objectives and key points for 2024. 3. Report on the implementation of the computer audit project 	<ol style="list-style-type: none"> 1. Nil. 2. Nil. 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. 	<ol style="list-style-type: none"> 1. Nil. 2. Nil. 3. Continuing to implement this project and deepen the application of computerized audit tools based on the planned progress.

The Distribution Report of Compensation of the Employees and Directors for the Year 2023

The distribution report of compensation of the employees and directors for the year 2023 is as follows:

1. This is conducted in compliance with Article 235-1 of the Company Act and the letter from MOEA dated June 11, 2015 (Ref. No.: Jin-Shang-Zi-10402413890) and the letter from MOEA dated October 15, 2015 (Ref. No.: Jin-Shang-Zi-10402427800).
2. According to Article 25-1 of the Articles of Incorporation of the Company, if it has any profit after the closing of its annual book, the Company shall distribute no less than one percent as employee compensation and no more than one percent as director compensation.
3. The audited profit of the Company for 2023 was NT\$7,052,737,000 (i.e., the gross profit before tax and excluding employees and directors compensation).
4. The Company intended to distribute NT\$70,700,000 of employees compensation and NT\$30,000,000 of directors compensation in cash for 2023.
5. The above employees and directors compensation has been adopted by a majority vote at the board of directors' meeting dated February 23, 2024 (i.e., the 8th meeting of the Board of Directors of the 20th term) attended by more than two-third of the directors. The Company has distributed the above compensation accordingly.

Walsin Lihwa Corporation

Offering of Domestic Unsecured Straight Corporate Bonds in 2023

Name	First Unsecured Straight Corporate Bond for 2023
Amount	NT\$5.3 billion in total: Series A-NT\$3 billion; Series B-NT\$2.3 billion.
Term	Series A: 5 years (2023/04/11-2028/04/11); Series B: 10 years (2023/04/11-2033/04/11).
Interest Rate	Series A: A fixed rate of 1.7% per annum; Series B: A fixed rate of 2.1% per annum.
Principal and Interest Repayment Method	Principal Repayment: The principal shall be repaid in one lump sum at maturity; Interest payment: Interest shall be paid once a year.
Approval Letter Number	This offering has been registered and effective via the letter issued by the Taipei Exchange dated March 30, 2023 (Ref. No.: Zheng-Gui-Zhai-Zi-11200018661)
Reason for Fund-Raising	Repayment of borrowings from banks
Note	These corporate bonds have been offered on April 11, 2023.

Walsin Lihwa Corporation

Material Transactions with Related Parties in 2023

The Company's material transactions with its related parties for the purchase or sale of goods, professional services or technical services, as well as for the acquisition or disposal of real estate or its right-of-use assets, or for the acquisition or disposal of assets other than real estate or its right-of-use assets, with the transaction amount reaching or exceeding 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million, are listed as follows:

1. Date of Board Approval: 2023/2/24

Name and Nature of the Subject Matter	Common shares of Walsin Energy Cable System Co., Ltd.
Actual Transaction Amount	NT\$2,699,000,000
Counterparty	Walsin Energy Cable System Co., Ltd.
Relationship between the Counterparty and the Company	The counterparty is a 90%-owned subsidiary of the Company
Original Acquisition Date and Price, the Original Counterparty, and its Relationship with the Company and Related Parties Thereof	Original Date of Acquisition: N/A Original Price: N/A Original Counterparty: N/A The Original Counterparty's Relationship with the Company and Related Parties Thereof: N/A
Purpose, Necessity and Anticipated Benefit of the Acquisition or Disposal of Assets	Development of submarine cable business
Reason for Choosing the Related Party as a Counterparty	Capital injection
Valuation Report/CPA's Opinion	N/A
Transaction Restrictions and Other Important Provisions	None.

2. Date of Board Approval: 2023/3/24

Name and Nature of the Subject Matter	Common shares of Walsin Singapore Pte. Ltd.
Actual Transaction Amount	US\$45,000,000
Counterparty	Walsin Singapore Pte. Ltd.
Relationship between the Counterparty and the Company	The counterparty is a wholly-owned subsidiary of the Company
Original Acquisition Date and Price, the Original Counterparty, and its Relationship with the Company and Related Parties Thereof	Original Date of Acquisition: N/A Original Price: N/A Original Counterparty: N/A The Original Counterparty's Relationship with the Company and Related Parties Thereof: N/A
Purpose, Necessity and Anticipated Benefit of the Acquisition or Disposal of Assets	Funding needs within the Group
Reason for Choosing the Related Party as a Counterparty	Capital injection
Valuation Report/CPA's Opinion	N/A
Transaction Restrictions and Other Important Provisions	None.

3. Date of Board Approval: 2023/5/5

Name and Nature of the Subject Matter	Co-use right of A6-A rear land of Kaohsiung Intercontinental Container Terminal Project Phase 1
Actual Transaction Amount	NT\$1,404,446,000
Counterparty	Walsin Energy Cable System Co., Ltd.
Relationship between the Counterparty and the Company	The counterparty is a 90%-owned subsidiary of the Company
Original Acquisition Date and Price, the Original Counterparty, and its Relationship with the Company and Related Parties Thereof	Original Date of Acquisition: 2022/3/18 Original Price: NT\$1,425,152,000 (Unamortized costs of the right to use the land) Original Counterparty: Taiwan International Ports Corporation, Kaohsiung Port Branch The Original Counterparty's Relationship with the Company and Related Parties Thereof: None
Purpose, Necessity and Anticipated Benefit of the Acquisition or Disposal of Assets	Development of submarine cable business
Reason for Choosing the Related Party as a Counterparty	Development of submarine cable business
Valuation Report/CPA's Opinion	N/A
Transaction Restrictions and Other Important Provisions	None.

4. Date of Board Approval: 2023/5/5

Name and Nature of the Subject Matter	Shares of Walsin Lihwa Europe SARL
Actual Transaction Amount	€140,000,000
Counterparty	Walsin Lihwa Europe SARL
Relationship between the Counterparty and the Company	The counterparty is a wholly-owned subsidiary of the Company
Original Acquisition Date and Price, the Original Counterparty, and its Relationship with the Company and Related Parties Thereof	Original Date of Acquisition: N/A Original Price: N/A Original Counterparty: N/A The Original Counterparty's Relationship with the Company and Related Parties Thereof: N/A
Purpose, Necessity and Anticipated Benefit of the Acquisition or Disposal of Assets	Expanding the Company's stainless steel and nickel-based alloy products and entering the high-end product markets, such as the aerospace market
Reason for Choosing the Related Party as a Counterparty	Capital injection
Valuation Report/CPA's Opinion	N/A
Transaction Restrictions and Other Important Provisions	None.

5. Date of Board Approval: 2023/11/3

Name and Nature of the Subject Matter	Common shares of Winbond Electronics Corporation
Actual Transaction Amount	NT\$781,695,000
Counterparty	Winbond Electronics Corporation
Relationship between the Counterparty and the Company	The Company is a Director of the counterparty
Original Acquisition Date and Price, the Original Counterparty, and its Relationship with the Company and Related Parties Thereof	Original Date of Acquisition: N/A Original Price: N/A Original Counterparty: N/A The Original Counterparty's Relationship with the Company and Related Parties Thereof: N/A
Purpose, Necessity and Anticipated Benefit of the Acquisition or Disposal of Assets	Long-term investment
Reason for Choosing the Related Party as a Counterparty	Capital injection
Valuation Report/CPA's Opinion	N/A
Transaction Restrictions and Other Important Provisions	None.

Walsin Lihwa Corporation

Investments in Mainland China

As of March 31, 2024

Company Name	Investment Amount (in USD)	Shareholding Ratio	Major Products Produced/Sold
Jiangying Walsin Steel Cable Co., Ltd. (Note 1)	26.04 million	100%	Steel cables
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. (Note 2)	14.956 million	95.71%	Power wires and cables
Hangzhou Walsin Power Cable & Wire Co., Ltd. (Note 3)	80.68 million	100%	Power wires and cables
Walsin (China) Investment Co., Ltd. (Note 4)	78.6 million	100%	Investment
Changshu Walsin Specialty Steel Co., Ltd.	97 million	100%	Specialty steel tubes
Dongguan Walsin Wire & Cable Ltd. (Note 5)	26 million	100%	Bare copper cables and wires
Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (Note 6)	49 million	100%	Cold rolled stainless steel, flat rolled products, nickel alloys, galvanized alloys and steel strand wires
Xi'an Walsin Metal Product Co., Ltd. (Note 7)	31.895 million	100%	Research and development, production and sales of medium-thickness specialty steel plates
Yantai Walsin Stainless Steel Co., Ltd. (Note 8)	335.065 million	100%	Research and development, production, sales, wholesales related to various steels of new-type alloy materials, carbon steel, alloy steel and steel products; Recycling of waste and old substances and whole sale of related products
Changzhou China Steel Precision Materials Co., Ltd. (Note 9)	15.264 million	30%	Products related to Ti, nickel alloys, specialty alloy mould steel, colored forged materials
Nanjing Taiwan Trade Mart Management Co., Ltd.	1 million	100%	Business, asset management and consultation of various kinds of advertising.
Shanxi Tianhong Silicon Industrial Corp Co., Ltd. (Note 10)	RMB 228 million	19%	Polysilicon

Company Name	Investment Amount (in USD)	Shareholding Ratio	Major Products Produced/Sold
Jiangsu Taiwan Trade Mart Development Co., Ltd.	RMB 2 million	20%	Development, operating and management of Nanjing Taiwan Trade Mart projects
Shaanxi Electronic Information Group Co., Ltd. (Note 10)	RMB 19 million	6.02%	Communications electronic equipment and electronic component materials
Walsin (Nanjing) Construction Limited	50 million	99.60%	Construction, rental and sale of buildings and industrial factories, etc.
Nanjing Walsin Property Management Co., Ltd. (Note 10)	RMB 1 million	99.60%	Property Management, Consulting for Property Management and rental of house, etc.
Dong Guan Cogne Steel Products Co., Ltd. (Note 11)	28.57 million	About 70%	Production, sales and distribution of stainless steel products
Hangzhou Futong Electric Co., Ltd. (Note 10)	RMB 100 million	51%	Power Cables

Note 1: Including the USD15 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin (China) Investment Co., Ltd. (hereinafter referred to as "Walsin CIC"). During 2019, by way of the investment structure, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin Steel Cable Co., Ltd. (hereinafter referred to as "Jiangying Walsin") from the original Chinese shareholder Fasten Group Co., Ltd. in a share transfer. After the transfer, the Company indirectly holds 100% of the shareholding in Jiangying Walsin; for this transfer transaction, Investment Commission, Ministry of Economic Affairs (which has been renamed Department of Investment Review, Ministry of Economic Affairs) (the "Department of Investment Review") approved (for reference) an investment amount of RMB73.75million (equivalent to USD11,041,080), with the cumulative approved (for reference) amount being USD 26,041,080. In addition, the increase in the investment amount in mainland China due to this share transfer was partially offset by the amount of RMB53,290,669 (equivalent to USD 7,978,123) arising from the disposal of the shares in Hangzhou Walsin Power Cable & Wire Co, Ltd. (hereinafter referred to as "Hangzhou Walsin") (please refer to Note 3), which was retained in Walsin CIC; therefore, the actual increase in the amount of investment in mainland China for the Company was RMB20,459,331 (equivalent to USD3,062,957).

Note 2: Including the USD14.95 million re-investment (including the USD7.6 million equity converted from debt) from the increased share capital of Walsin CIC.

Note 3: Including the USD13.3 million re-investment (including the USD10.5 million equity converted from debt) from the increased share capital of Walsin CIC.

1. The original investment amount in Hangzhou Walsin by the Company was USD41.21 million (shareholding ratio: 89.78%) through Walsin CIC.

2. In mid-2015, the Company sold 44.89% of the shares of Hangzhou Walsin through Walsin CIC in the amount of RMB95.36 million (approximately USD15.57 million). At the end of 2015, the Company re-invested USD4.8 million in Hangzhou Walsin through Walsin CIC with the income received from the previous sale.
3. In mid-2016, the Company invested USD53 million in Hangzhou Walsin through a BVI holding company, ACE RESULT GLOBAL LIMITED (“ACEL”), and later on sold 9.707% shares of Hangzhou Walsin through ACEL in the amount of RMB61.44 million (approximately USD9.28 million). At the end of 2016, the Company re-invested USD 6.4 million in Hangzhou Walsin through ACEL, with the income received from the 2016 sale. After the aforementioned various transactions, the Company's indirect shareholding ratio is 38.933%, and the actual investment amount went down to USD80.56 million. However, since the income received from the sales was not remitted to Taiwan, the investment in China has not been deducted. The investment amount approved for Hangzhou Walsin and registered with the Department of Investment Review as a result remains USD94.21 million as of the date hereof.
4. In mid-2017, the Company increased its equity interest in Nanjing Walsin by 1.25% (such company has been disposed of during 2019 and such disposal has been reported to the Department of Investment Review) through Walsin CIC, which originally disposed Hangzhou Walsin's equity stake of USD1,851,268. After this transaction, the Company's record of investment amount of Hangzhou Walsin in the Department of Investment Review was reduced to USD92.36 million.
5. In 2019, the Company acquired through Walsin CIC an additional 25% shareholding in Jiangying Walsin by using the gain on the disposal of its shares in Hangzhou Walsin equal to USD7,978,123 (please refer to Note 1 for detail). After this transaction, the actual amount of the investment made by the Company in Hangzhou Walsin approved for reference and recorded by the Department of Investment Review was reduced to USD84.38million (which is equivalent to transferring the cumulative investment amount in China for Hangzhou Walsin to Jiangying Walsin).
6. At the end of October 2021, the Company acquired 1.067% equity interest in Hangzhou Walsin through Walsin CIC by paying its own capital of RMB743,700 to the former Japanese shareholder of Hangzhou Walsin, Sumitomo Electric Industries, Ltd. for the assumption of such shares. After the transaction, the Company holds 15.479% and 24.521% of Hangzhou Walsin through Walsin CIC and ACEL, respectively, and holds a total of 40% equity interest in Hangzhou Walsin. In this case, the cumulative approved amount recorded in the Department of Investment Review was US\$80.68 million, and the cumulative investment amount filed for record was US\$84.5 million.
7. The Company acquired a 60% shareholding in Hangzhou Walsin through its wholly-owned subsidiary, Dongguan Walsin Wire & Cable Co., Ltd. (hereinafter referred to as "Dongguan Walsin") with its own funds of RMB 301,864,317.44. The transaction was completed in the first quarter of 2024. So far, the Company holds a total shareholding of 100% in Hangzhou Walsin through Walsin CIC, ACEL, and Dongguan Walsin, with shareholdings of 15.479%, 24.521%, and 60% respectively in Hangzhou Walsin. However, the aforementioned transaction does not require approval from the Department of Investment Review; therefore, the Company's cumulative approved investment amount for Hangzhou Walsin remains US\$ 80.68 million, and the cumulative investment amount filed for record remains US\$ 84.5 million.

Note 4: Including the increased share capital of USD28.6 million arising from debt-to-equity conversions.

Note 5: Including the USD 26 million re-investment from the increased share capital of Walsin CIC.

Note 6: Including the USD 4.5 million re-investment from the increased share capital of Walsin CIC.

Note 7: The merger of Xi'an Walsin Precious Metal Product CO., LTD. (hereinafter referred to as "Xi'an Walsin (Metal)") and Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. has been filed for the corporate change in mainland China on November 18, 2019 and has been approved by the Department of Investment Review for record on March 20, 2020, and the cancellation of investment plan relating to Xi'an Lv Jing Technology Co., Ltd. and Xi'an Walsin Electronics Co., Ltd. was approved by the Department of Investment Review. After the merger was filed with the Department of Investment Review for record, the amount of investments made by the Company indirectly in Xi'an Walsin (Metal) is USD 31,895,467.

Note 8: The Company holds a 100% shareholding in Yantai Walsin Stainless Steel Co., Ltd. (hereinafter referred to as "Yantai Walsin") through its subsidiary incorporated in the BVI, CONCORD INDUSTRIES LTD. (hereinafter referred to as "CONCORD"), and its wholly-owned Jiangyin Walsin Specialty Alloy Materials Co., Ltd. (hereinafter referred to as "Jiangyin Alloy"); as of the date of the 2021 Annual Shareholders' Meeting, the accumulated paid-in capital was USD335,065,300. The formation of the Company's share capital is described as follows:

1. Of Yantai Walsin's original share capital, RMB 578,796,300 was originated from the re-investment made by the original entity invested in by the Company in China and was not need approved by the Department of Investment Review. After the merger of Yantai Walsin between Yantai Dazhong Resources Recycling Co., Ltd. (the investment amount approved (or approved for record) by the Department of Investment Review was USD30 million and the paid-in capital was equivalent to RMB192,932,100) and Yantai Huanghai Iron and Steel Co., Ltd. ("YHISC") (the Company acquired 25% of the shareholding in YHISC (the paid-in capital was RMB 205,890,000), the investment amount approved (or approved for record) by the Department of Investment Review was USD 183,101.90 + USD 2,743,536.58 = USD 2,926,638.48; the remaining 75% of the shareholding was the re-investment made by the entity invested in by the Company in China and was rejected by the Department of Investment Review. After the merger, CONCORD acquired Yantai Walsin's paid-in capital of RMB977,618,400 (equivalent to USD155,065,300), which accounted for 25% of the shares in Yantai Walsin, and the investment amount approved (or approved for record) by the Department of Investment Review was USD32,926,638.48. In addition, CONCORD increased the capital of Yantai Walsin by USD 100 million from 2019 to 2021. Therefore, the paid-in capital of Yantai Walsin was USD 255,065,300 as of the cut-off date, with CONCORD and Jiangyin Alloy holding 54.4% and 45.6% of the shares in Yantai Walsin respectively. Moreover, the accumulated investment amount approved (or approved for record) by the Department of Investment Review was USD132,926,638.48 (USD100 million + USD32,926,638.48).
2. The capital injection by the Company into Yantai Walsin in the amount of USD80,000,000 through Concord was approved by the Department of Investment Review on December 30, 2019. As of the end of 2021, it has obtained approval for the financial close by the Department of Investment Review. Thus, the paid-in capital of Yantai Walsin had increased to USD335,065,300; based on the latest actual amount of capital contributed by shareholders, CONCORD and Jiangyin Alloy held 65.29% and 34.71% of the shares in

Yantai Walsin respectively. In addition, the cumulative investment amount approved by the Department of Investment Review is USD212,926,638.48 (USD100 million + USD32,926,638.48 + USD80,000,000).

Note 9: The Company was originally approved by the Department of Investment Review to indirectly hold a 30% equity interest in Changzhou China Steel Precision Materials Co., Ltd. (hereinafter referred to as "Changzhou China Steel") through its BVI subsidiary, Concord, with an investment of USD 13,080,000. In 2023, Changzhou China Steel carried out a capital increase through distribution of stock dividends of USD 7,280,000. Concord, according to its shareholding ratio (30%), increased its investment in Changzhou China Steel by USD 2,184,000, bringing the total investment amount to USD 15,264,000. This increase in investment in mainland China has been approved by the Investment Review Committee.

Note 10: These entities are the investments made by the Company's existing investment entity in China, and thus such investments are not required to be approved by the Department of Investment Review.

Note 11: As approved by the Department of Investment Review on September 28, 2022, the Company acquired approximately 85.03% of the shares of MEG S.A. (based in Luxembourg) (i.e., 5,102 shares, representing approximately 85.03% of such company's 6,000 issued shares in total) through a newly-established, fully-owned subsidiary in Luxembourg, WALSIN LIHWA EUROPESARL, thereby indirectly acquiring approximately 70% of the shares of COGNE ACCIAI SPECIALI S.P.A. (based in Italy) and further indirectly acquiring approximately 70% of the shares in Dong Guan Cogne Steel Products Co., Ltd. The equity transaction has been closed, and was filed to the Department of Investment Review for record on January 13, 2023, with the approved investment amount of EUR26.61 million (equivalent to USD28.57 million).

Walsin Lihwa Corporation

Board of Directors Meeting Regulations

Article 1 Foundation

The Board of Directors Meeting Regulations (the Regulations) are adopted pursuant to Article 26-3 paragraph 8 of the Securities and Exchange Act and the Regulations Governing Board of Directors Meetings.

Article 2 Scope

Unless relevant laws and regulations provide otherwise, agenda, procedures, minutes, announcements, and other relevant matters of the Company's board of directors meetings (board meetings) shall be conducted in accordance with the Regulations.

Article 3 Convention and notification

Board meetings shall be convened at least once quarterly.

Directors of the board shall be notified in writing of the subject matters, time, and place of any board meeting seven days in advance, based on the date when such notification is sent, but a meeting may be called on short notice in case of emergency.

Board meeting notices may be delivered via post, fax, or email.

The aforementioned board meeting notices can be delivered via email with the agreement by counterparts.

All matters set out in the subparagraphs of Article 7 shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 4 Meeting place and time

A board of directors meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to directors and suitable for holding such a meeting.

Article 5 Meeting notification and materials

The board of directors shall assign a secretary for board meeting planning and administration, and shall appoint the President Office as the agenda working group. The agenda working group shall prepare agenda items for board of directors meetings and provide sufficient pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6 Agenda A

Agenda items for regular board of directors meetings shall include at least the following:

1. Reports:

- a) Minutes of the last meeting and actions arising as well as follow-ups with any resolution that has yet to be completely executed

- b) Important financial and business matters
 - c) Internal audit activities
 - d) Other important matters
2. Discussions:
 - a) Items discussed and continued from the last meeting
 - b) Items for discussion at this meeting
 3. Extraordinary motions

Article 7 Agenda B

The Company shall submit the following items for discussion by the board of directors:

1. Shareholders' meeting convention and execution of shareholders' meeting resolutions
2. Any review of the articles of incorporation, important rules and regulations, and important contracts
3. Business plan decisions
4. Any budget settlement and business plan review
5. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
6. Adoption or amendment of an internal control system pursuant to Article 14-1, and an assessment of the effectiveness of the internal control system.
7. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
8. The offering, issuance, or private placement of any equity-type securities.
9. Performance evaluation and remuneration standards of managerial officers and associated persons
10. The appointment or discharge of the chairperson and vice chairperson of the board
11. The appointment or discharge of a financial, accounting, or internal audit officer.
12. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. A donation to a related party or a non-related party in the preceding paragraph shall be defined under the provisions of Paragraph 2.
13. Any acquisition and disposal of valuable property that is subject to approval by the board of the company.
14. Decisions on branch, representative office, business premises, and plant establishment and dissolution as well as other changes.
15. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 12 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. If the Company has set other limits that do not exceed the foregoing donation amount, such limits should be followed.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.

Article 8 Agenda C

The remuneration committee charter, and any amendment thereto, shall be adopted by resolution of the board of directors. The remuneration committee members shall be appointed by resolution of the board of directors.

The remuneration committee shall provide recommendation on the remuneration for directors of the board and managerial officers for deliberation and resolution by the board of directors.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported in accordance with Article 19-2.

Article 9 Authorization

When the board of directors delegates any party to exercise the power on its behalf, the levels of such delegation and matters delegated therein shall be definite and specific. therein shall be definite and specific.

Article 10 Attendance book and proxy arrangement

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy as provided in the preceding two paragraphs may accept a proxy from one person only.

Article 11 Chairperson and delegation

Meetings of the board of directors shall be called and chaired by the chairperson of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

In the board of directors meeting convened by a majority of the directors on their own in accordance with Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the directors shall elect from among themselves a chairman.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, delegation of the chairperson as provided in paragraph 3 of Article 208 of the Company Act shall apply *mutatis mutandis*.

Article 12 Reference materials and nonvoting participants

When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify non-director officers from relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 13 Meeting convention

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chairperson may announce postponement of the meeting time until the same day of the meeting, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chairperson shall re-call the meeting following Article 3-2 of the Regulations.

The term "all board directors" shall be calculated as the number of incumbent directors.

Article 14 Agenda discussion

A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting. During a meeting, the chairperson may, at his or her discretion, set time for intermission or negotiation.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, upon motion by the directors sitting at the meeting the chairperson shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply *mutatis mutandis*.

During the board meeting, if the chairman is unable to preside over the meeting due to any reasons or fails to declare an adjournment of the meeting in accordance with Paragraph 2 hereof, Paragraph 3 of Article 11 hereof shall apply to the election of their proxy on a mutatis mutandis basis.

Article 15 Control and moderation by the chairperson

The chairperson at a board meeting may personally answer the questions raised by attending directors or designate relevant executives to answer such questions, or designate nonvoting professionals at the meeting to provide relevant information as necessary.

The chairperson may stop repeated statements on any same proposal or irrelevant statements when such statements hinder meeting proceeding.

Article 16 Voting A

When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chairperson puts the matter before all directors present at the meeting and none voices objection, the matter is deemed approved. If there is an amendment to or substitute for this proposed resolution, the chairperson shall decide the sequence of voting for the proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed.

If objection is voiced after solicitation by the chairperson, the resolution shall be voted.

The method of voting shall be one of the following as determined by the chairperson, but the chairperson shall solicit the opinions of a majority to determine the method when objection is voiced by any attending director.

1. By showing of hands
2. By voicing votes
3. By casting ballots
4. By other methods selected by the board of directors of the Company

The term “all board directors” as referred to in Article 12 does not include any non-voting director as prescribed in paragraph 1 of Article 17.

Article 17 Voting B, vote monitoring and ballot counting

Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. The resolution shall be reported and recorded at the meeting.

If and when necessary, the chairperson may appoint several persons for vote monitoring and ballot counting.

Such persons shall be appointed from among the board of directors and shall help ensure the integrity of voting and ballot counting.

Ballots shall be deemed void under any of the following conditions:

1. Ballots not prepared by the Company
2. Ballots not placed in the ballot box

3. Blank ballots not completed by the voter
4. Ballots with other written characters, letters, and/or symbols in addition to the area(s) required to be filled
5. Ballots that are illegible, altered, and/or written over

Article 18 Recusal of directors due to conflicts of interest

If an interested party relationship exists between any director, or a juristic person the director represents, and any agenda item, the director shall disclose the important aspects of the interested party relationship at the respective meeting, shall not participate in discussion of or voting on that agenda item, shall recuse himself or herself from the discussion or the voting on the item, and shall not exercise voting rights as proxy for any other director if such relationship is likely to prejudice the interests of the Company.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

With respect to a resolution at a board of directors meeting, paragraph 2 of Article 180 of the Company Act, as applied mutatis mutandis under paragraph 3 of Article 206 of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 19 Meeting minutes and signature

Minutes shall be prepared of the discussions at board of directors meetings; the meeting minutes shall record the following in detail:

1. Session (or year), time, and place of meeting
2. Name of the meeting chairperson
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent
4. Names and titles of those attending the meeting as nonvoting participants
5. Name of minutes taker
6. Matters reported
7. Agenda items: the resolution method and result of each proposal, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing
8. Extraordinary motions: the name of the persons proposing the extraordinary motions, the resolution method and result of each motion, and the summary of comments as well as any objections or reservations made by directors, experts, or any others; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing

9. Other matters required to be recorded: Objections or reservations expressed by independent directors on the items in Article 7 and the circumstances and cause for the difference if the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee

Any resolution passed at a meeting of the board of directors that securities authorities require publication shall be published on the websites designated by such authorities within two days of the meeting.

The attendance book shall be part of the minutes for each board of directors meeting and shall be well preserved throughout the existence of the Company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records throughout the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 20 Board meeting proceeding recording

The Company shall take audio or video record of tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years in electronic form.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded and the aforementioned five-year rule shall not be applicable.

Where a board of directors meeting is held via tele- or video conferencing, the documentation of the meeting shall be considered part of the meeting minutes and be well preserved throughout the existence of the Company.

Article 21 (Deleted)

Article 22 Supplement

The adoption of the Regulations and any amendment to the Regulations shall be approved by the board of directors of the Company and reported to the Company's shareholders' meeting.

The Regulations came into force on January 1, 2007. The first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, and tenth amendments were respectively made on March 25, 2008; March 23, 2012; March 21, 2013; August 13, 2014; August 4, 2017; February 27, 2020; August 4, 2020; April 9, 2021; January 10, 2023; and January 26, 2024, becoming effective with approval by the board of directors meetings.

Walsin Lihwa Corporation

Procedures for Governing Financial and Business Matters Between this Corporation and its Related Parties

Article 1 Objective

To ensure sound financial and business interactions between this Corporation and its related parties and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between this Corporation and its related parties, these Procedures are adopted pursuant to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2 Applicability

Except as otherwise provided by law and regulation or by the articles of incorporation, financial and business matters between this Corporation and any of its related parties shall be handled in accordance with the provisions of these Procedures.

Article 3 Definition

The term "related party" referred herein shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:

1. A relationship of control or subordination.
2. A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.

Article 4 Principle

This Corporation shall establish an effective internal control system designed for transactions with related parties (including affiliated enterprises) in regard to its overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's design and operation remain effective.

This Corporation shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any related party that is not a public company, this Corporation shall still, in consideration of the degree of influence it has on this Corporation's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.

Article 5 Operation supervision

In addition to implementing the adopted internal control system, this Corporation shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises:

1. This Corporation shall obtain an appropriate number of director and supervisor seats in the affiliated enterprise in accordance with the percentage of the shares it holds.

2. A director that this Corporation assigns to an affiliated enterprise shall regularly attend the affiliate's board meetings, and in order to monitor its operation, shall carefully review its corporate objectives and strategy, financial position, business performance, cash flows, and important contracts, as reported by the various members of the affiliate enterprise's management. The director assigned to the affiliated enterprise shall ascertain the cause of any irregularity found, compile a record, and report the matter to the chairperson or general manager of this Corporation.
3. A supervisor assigned to an affiliated enterprise by this Corporation shall supervise the affiliate's business operations, investigate its financial and business conditions, and review its books, records and audit reports, and may also request reports from the affiliate's board of directors or managerial officers. For any irregularity that may be found, the supervisor assigned to the affiliate shall ascertain the cause, compile a record, and report to the chairperson or general manager of this Corporation.
4. This Corporation shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
5. This Corporation, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.
6. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of this Corporation must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
7. Subsidiaries of this Corporation shall regularly submit monthly financial statements for the preceding month before the 10th day of each month, including balance sheets, income statements, statements of expenses, statements of cash flow and cash flow forecasts, accounts receivable aging schedules and statements of delinquent accounts receivable, aging inventory analyses, derivatives trading, and statements of loans to others and endorsements/guarantees. In the event of irregularities, analysis reports shall also be submitted to allow management and control by this Corporation. Other affiliated enterprises shall also regularly submit financial statements for the preceding quarter before the 15th day of each quarter, including balance sheets and income statements, for analysis and review by this Corporation.

Article 6 A managerial officer of this Corporation may not concurrently serve as a managerial officer of any affiliated enterprise of this Corporation, and shall not operate the same type of business as this Corporation, either on the officer's own behalf or with another party, unless otherwise approved by a resolution of the board of directors. The division of powers and responsibilities between this Corporation and its affiliated enterprises with respect to personnel management shall be clearly identified, and personnel transfers between the two shall be avoided. However, where personnel support or transfer is indeed necessary, the scope of work, division of powers and responsibilities, and allocation of costs shall be specified in advance.

Article 7 This Corporation shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers. With respect to an affiliated enterprise with which it has financial and business interactions, this Corporation shall especially maintain close control over material financial and business items for the purpose of risk management.

Article 8 Lending funds and endorsement and guarantee

Any loans or endorsements/guarantees between this Corporation and a related party shall be processed in accordance with the provisions of the Procedures for Lending Funds to Other Parties and Endorsement and Guarantee Procedures prescribed by this Corporation.

Article 9 Purchase, sale and service transactions

Price terms and payment methods shall be expressly stipulated for any business interaction between this Corporation and any related party. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.

When business needs require the purchase of finished products, semi-finished products, or materials from a related party, purchasing personnel shall thoroughly evaluate the fairness of the price quoted by the related party based on market prices and other transaction terms and conditions. Except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.

Price quotes for the sale of any finished products, semi-finished products, or materials to related party shall be made with reference to current market prices. Except in cases of long-term cooperation or other special factors that are different from ordinary clients, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be commensurate with those offered to ordinary clients.

For professional or technical services provided between this Corporation and a related party, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be carried out under the authority of each level of this Corporation's officers, and all contract terms and conditions shall comply with normal business practice.

By the end of each month, the accounting personnel of both this Corporation and its related parties shall perform cross checks of the purchases and sales of goods between them for the preceding month and the related balances of accounts payable and receivable. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.

Article 9-1 For purchases and sales of goods, professional or technical services provided between this Corporation and a Related Party, the transaction amount of which during a whole year is expected to be five percent of this Corporation's most recent total consolidated assets or net value of consolidated business income in the most recent year, in addition that the Regulations Governing the Acquisition and Disposal of Assets by Public Companies shall apply, or other than the transactions between this Corporation and subsidiary or between its subsidiaries, the following information shall be submitted to the

Audit Committee and the Board of Directors for approval before the transactions may proceed:

1. Items, purpose, necessity, and projected benefits of the transactions.
2. The reason for choosing the related party as a trading counterparty.
3. The calculation principle of the transaction price and the projected limit of annual transaction value.
4. Description of whether transaction terms are consistent with regular commercial terms and that these terms will not damage the company interest or shareholder equity.
5. Restrictions on transaction and other important terms and conditions.

The following particulars about the transactions with related parties in the preceding paragraph shall be reported at the next shareholders' meeting after the end of a year:

1. Actual transaction value and terms and conditions.
2. Whether the calculation principle of the transaction price approved by the board of directors has been followed.
3. Whether the total value is under the limit on annual transaction value approved by the board of directors. If the total amount is above the limit, describe the reason, necessity, and fairness.

Article 10 Acquisition or disposal of Assets

Any asset transaction, derivative trading, merger, demerger, acquisition, share transfer, or acquire or dispose of real property or right-of-use assets, or acquire or dispose of assets other than real property or right-of-use assets between this Corporation and a related party shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Procedures for the Acquisition and Disposal of Assets prescribed by this Corporation.

In an acquisition of real property or its right-of-use assets from an related party, if the actual transaction price is higher than the appraised transaction cost, and no objective evidence can be presented and no concrete opinion that the transaction is reasonable can be obtained from a professional appraiser and a CPA, the audit committee shall thoroughly review the transaction and determine whether it may prejudice the rights and interests of this Corporation and its shareholders, and when necessary, shall refuse to enter into the transaction. The supervisors shall also exercise their supervisory powers in respect of such a transaction, and when necessary, shall notify the board of directors to stop the transaction.

When this Corporation intends to conduct any acquisition or disposal of real property or its right-of-use assets from or to any of its related parties, or to conduct an acquisition or disposal of assets other than real property or its right-of-use assets from or to any of its related parties in which the transaction amount is NT\$300 million or more, with the exception of the purchase or sale of government bonds, repo or reverse repo bond transactions, or subscription to or redemption of domestic money market funds, the actual transaction details, including the actual transaction prices, conditions, and information specified in The second paragraph of Article 10 of Procedures for the Acquisition and Disposal of Assetse, shall be reported to the most recent shareholders' meeting upon the end of the fiscal year.

Article 11 Provisions for financial or business interaction

With respect to any financial or business interaction between this Corporation and any related party that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director him/herself or the corporation he/she represents is an interested party with respect to a particular agenda item and there is a likelihood that the company's interest may be compromised, that director shall enter into recusal and may neither participate in the discussion of nor vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

If a director's spouse, blood relatives within the 2nd degree of relationship, or a company controlled by that director is an interested party with respect to an agenda item as mentioned in the preceding paragraph, the director him/herself will be deemed as an interested party with respect to that agenda item.

Upon discovering that, in the course of their duties, the board of directors or a director has committed a violation of law or regulation, the articles of incorporation, or a shareholders meeting resolution, an independent director shall immediately notify the board of directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, an independent director shall also file a report with the relevant regulatory authority or agency.

Article 12 Disclosure and filing

This Corporation, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

This Corporation shall publicly disclose the annual financial report in accordance with Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE or TPEX in accordance with Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds.

Information on any material transaction between this Corporation and a related party shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated enterprises, and prospectuses.

If a related party experiences financial difficulties, this Corporation shall obtain its financial statements and related materials in order to assess the resulting effect on the finances, business, or operations of this Corporation, and when necessary, appropriate conservatory measures shall be adopted to safeguard this Corporation's rights as a

creditor. Under the above circumstances, in addition to specifying the resulting effect on this Corporation's financial position in its annual report and prospectus, this Corporation shall also make a timely announcement of material information on the Market Observation Post System (MOPS).

Article 13 When any of the following circumstances applies to an affiliated enterprise, this Corporation shall make a public disclosure and regulatory filing on its behalf:

1. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.
2. The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
3. A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of this Corporation.
4. Any matter regarding a subsidiary of this Corporation constitutes material information required to be announced under the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and of the GreTai Securities Market Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities.

Article 14 Effectiveness and Amendment

These Procedures, and any amendments hereto, shall be implemented after adoption by the Audit Committee and the Board of Directors.

Article 15 History

Enacted and effective on November 3, 2023.

Amended and effective on March 29, 2024.

Walsin Lihwa Corporation

Directors shareholdings stated in the shareholder register for the 2024 Annual Shareholders' Meeting

As of March 19, 2024

Title	Name	Shares held	% of issued shares
Chairman	Yu-Lon Chiao	50,460,440 shares	1.25%
Director	Yu-Cheng Chiao	41,001,551 shares	1.02%
Director	Yu-Heng Chiao	65,343,810 shares	1.62%
Director	Yu-Chi Chiao	52,285,470 shares	1.30%
Director	Andrew Hsia	0 shares	0.00%
Director	Chin Xin Investment Co., Ltd. Representative: Li-Chin Ku	248,002,375 shares	6.15%
Independent Director	Ming-Ling Hsueh	0 shares	0.00%
Independent Director	Fu-Hsiung Hu	0 shares	0.00%
Independent Director	Tyzz-Jiun Duh	0 shares	0.00%
Independent Director	Wei-Chuan Gau	0 shares	0.00%
Shares held by all directors		457,093,646 shares	11.34%

Note: As of the book closure date for the 2024 Annual Shareholders' Meeting, the Company had issued 4,031,332,948 shares of common stock.

Walsin Lihwa Corporation

Comparison Table of Amended Articles of Articles of Incorporation

Amended Articles	Original Articles	Description
<p>Article 2</p> <p>The following is the business scope of the company:</p> <ol style="list-style-type: none"> 1. H701010 Residential and Commercial Building development, Rental and sales Business 2. E601010 Power Equipment Installation and Maintenance Business 3. CC01020 Electric Wires and Cables Manufacturing 4. CA01010 Iron and Steel Smelt 5. CA01020 Steel Rolling 6. CA01050 Secondary Steelmaking 7. B201010 Mining of Metal Ores 8. <u>CA01030 Iron and Steel Casting</u> 9. <u>CA02080 Metal Forging</u> 10. <u>CA03010 Heat Treatment</u> 11. <u>CA04010 Surface Treatments</u> 12. <u>ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations.</u> 	<p>Article 2</p> <p>The following is the business scope of the company:</p> <ol style="list-style-type: none"> 1. H701010 Residential and Commercial Building development, Rental and sales Business 2. E601010 Power Equipment Installation and Maintenance Business 3. CC01020 Electric Wires and Cables Manufacturing 4. CA01010 Iron and Steel Smelt 5. CA01020 Steel Rolling 6. CA01050 Secondary Steelmaking 7. B201010 Mining of Metal Ores 8. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations. 	<p>The Company's business scope has been expanded in line with its business needs.</p>
<p>Article 31</p> <p>These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967...the fifty-two amendment was made on May 19, 2023, and <u>the fifty-three amedment was made on May 17, 2024.</u> The same procedure shall apply to any future amendment.</p>	<p>Article 31</p> <p>These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967...the fifty-two amendment was made on May 19, 2023. The same procedure shall apply to any future amendment.</p>	<p>The date of this amendment has been added.</p>

Walsin Lihwa Corporation

Explanations of involvement of director or their related persons in the field of the Company's business

Independent Director: Mr. Wei-Chuan Gau

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Mercuries F&B Co., Ltd.	Independent Director	Real estate

Walsin Lihwa Corporation

List of Candidate for Director

Category of Candidates	Name	Sex	Education	Experience	Current Positions	Shareholding (Unit: share)
Director	Wen-Chien Hsieh	F	Bachelor of Law, National Chung Hsing University Master of Finance, National Taiwan University Currently studying at the Graduate Institute of Fine Arts, National Taiwan Normal University	CEO at Liang & Partners Law Offices; Arbitrator at the Chinese Arbitration Association, Taipei; Honorary Attorney appointed by the Small and Medium Enterprise Administration, Ministry of Economic Affairs; Director at Kerry TJ Logistics Company Limited; Director at Taiwan TAICON CORPORATION	Partner at Li-Ren Law Firm; Director & Legal Advisor at Taifu Startup Association; Director at Yanxing Association.	0

Regulations

Walsin Lihwa Corporation

Articles of Incorporation

The 52 amendment was adopted by the Shareholders' meeting on May 19, 2023

Chapter I General provisions

Article 1: The Chinese name of the Company is "華新麗華股份有限公司", and its English name is "Walsin Lihwa Corporation." The Company is incorporated pursuant to the Company Act.

Article 2: The following is the business scope of the company:

1. H701010 Residential and Commercial Building development, Rental and sales Business
2. E601010 Power Equipment Installation and Maintenance Business
3. CC01020 Electric Wires and Cables Manufacturing
4. CA01010 Iron and Steel Smelt
5. CA01020 Steel Rolling
6. CA01050 Secondary Steelmaking
7. B201010 Mining of Metal Ores
8. ZZ99999 Except the permitted business, the company may engage in other businesses not prohibited or restricted by laws and regulations

Article 2-1: The Company may act as a guarantor for another person in accordance with the law and relevant requirements.

Article 2-2: The total amount of the Company's investments in other companies is not subject to the restriction of 40% of the Company's paid-up capital.

Article 3: The Company is incorporated in Taipei City. The Company may establish branch office, representative's office, business unit or subsidiary plant in the Republic of China or foreign countries if necessary.

Article 4: deleted

Chapter II Shares

Article 5: The Company's total capital is Sixty Five Billion New Taiwan Dollars (NT\$65,000,000,000) which is divided into 6,500,000,000 shares with a face value of Ten New Taiwan Dollars (NT\$10) per share. The afore-mentioned shares shall be issued in installments, and the unissued shares may be issued according to resolutions adopted by the board of directors as it deems necessary.

Share subscription warrants, corporate bonds with warrants or preferred shares with warrants may be issued within the amount of Eight Billion New Taiwan Dollars (NT\$8,000,000,000) of the preceding capital with the total of 800,000,000 shares and each share at a face value of Ten New Taiwan dollars (NT\$10). These shares may be issued in installments.

Where the Company is entitled to buy back its own shares according to the law, the board of directors is authorized to undertake such share buyback pursuant to the law.

Article 6: The stock certificates of the Company shall be in registered form, and before they are issued, shall be numbered serially, be affixed with the signature or personal seals of the Directors representing the Company, and be authenticated by the bank eligible for such authentication pursuant to law

The Company may be exempted from printing share certificates if such shares have been registered with a securities depository enterprise.

Article 7: Shares which are transferred, lost or destroyed shall be handled in accordance with the Company Act and the relevant regulatory requirements.

Chapter III Shareholders' Meeting

Article 8: The Company's regular meeting of shareholders shall be held once every year within six months from the expiration of the fiscal year. Special meeting of shareholders may be held according to the law if necessary.

Article 9: The convening of regular and special meetings of shareholders shall be governed by the Company Act and the meeting proceedings shall be governed by the Company's rules and procedures governing Shareholders' meetings.

Article 9-1: The Company's shareholders' meetings may be held by video conferencing or other means announced by the central competent authority.

If a shareholders' meeting is held by video conferencing, the shareholders who participate in the meeting by video conferencing shall be deemed to be present in person.

If otherwise stipulated by the securities competent authority with respect to the provisions of the preceding two paragraphs, the stipulation of the securities competent authority shall prevail.

Article 10: Unless otherwise provided for by law, the voting right of the Company's shareholders is based on one-share-one-vote.

Article 11: Unless otherwise provided for by law, a resolution of a shareholders' meeting shall be adopted by a majority vote of the shareholders who are present at the meeting and represent more than half of the total number of issued shares. The shareholders of the Company may also exercise their voting rights by electronic means, and shall be deemed as present in person if they exercise their voting rights by electronic means. Relevant matters thereof shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 12: Shareholders may appoint proxies to attend Shareholders' meetings pursuant to the Company Act and the "Rules Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" promulgated by the competent authority by submitting proxy form printed and distributed by the Company and specifying the scope of authority therein.

Article 13: Where a Shareholders' meeting is convened by the board of directors, the chairperson of the board of directors shall chair the meeting. In the event that the chairperson is on leave or absent or cannot exercise his or her power and authority for any reason, the vice chairperson shall act on behalf of the chairperson. If the vice chairperson is also on leave or absent or cannot exercise his or her power and authority for any reason, a director shall be appointed to act on the chairperson's behalf pursuant to the Company Act.

Where a Shareholders' meeting is convened by a person who has convening right other than the board of directors, such person shall chair the meeting. In the event that there are more than two persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

Chapter IV Directors, Board of Directors and managers

Article 14: The Company shall have 9 to 11 directors including, at least, 3 independent directors. The Board of Director is authorized to determine the number of directors. Directors shall be elected by adopting candidates' nomination system as specified in Article 192-1 of the Company Act; the shareholder may elect the directors among the list of candidates.

The nomination of directors and related announcement or other relevant matters shall comply with the relevant laws and regulations of Company Act, Securities and Exchange Act, and etc.

The election of directors shall be subject to the Rules for Election of Directors of the Company. Unless otherwise provided with by any other law or regulation, the independent and non-independent directors shall be elected at the same time but on separate ballots.

The total registered shares owned by the directors of a Company shall not be less than the percentage of total issued shares specified in the regulations provided by the competent authorities.

Article 14-1: The Company's Audit Committee is composed of all of its Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act. The performance of duties and functions of the Audit Committee and its members and relevant matters shall be handled in accordance with the relevant provisions of the Securities and Exchange Act.

Article 14-2: The Company shall have a Compensation Committee in accordance with Article 14-6 of the Securities and Exchange Act, the charter of which shall be formulated by the Board of Directors in accordance with the relevant laws and regulations.

Article 14-3: The Company may establish other functional committees under the Board of Directors. The number of members, as well as their terms of office and functions and duties, of such functional committees shall be set forth in the charters thereof and shall be implemented by resolution of the Board of Directors.

Article 15: The term of office of directors shall not exceed three years but they are eligible for re-election.

Article 16: The Board of Directors shall consist the directors of the Company and shall have the rights listed below:

1. Convention of the shareholders meeting minutes and execution of the resolutions hereof.
2. Determination of the operation plan.

3. Review and enforcement of the major rules such as the Company's organizational rules and major agreements.
4. Review of and approval on the procurement or disposition of the major assets in accordance with the laws, regulations or the internal rules of the Company.
5. Approval on the hiring, dismissal, performance appraisal or remuneration standards of managers, and financial, accounting, internal audit or other major supervisors.
6. Decision on the establishment, abolition or change of a branch, office, business premise or plant.
7. Editing and review of the budget billing, business report, and the annual financial report.
8. Enforcement or amendment of the internal control system.
9. Enforcement or amendment to the handling procedures for financial or operational actions of material significance, such as to the procedures regarding acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
10. The offering, issuance, or private placement of any equity-type securities.
11. Review of and approval on a donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next Board of Directors meeting for retroactive recognition.
12. Decision-making of other material matters.

Article 17: The board of directors shall elect a chairperson and a vice chairperson from among themselves by a majority vote at a meeting attended by over two-thirds of the directors.

Article 18: The chairperson shall externally represent the Company and take charge of important matters.

Article 19: The chairperson shall convene board of directors meetings.

The notice of convening a board meeting may be served on directors by means of written document, electronic mail or facsimile.

Unless otherwise provided for by law, a resolution of the board of directors shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors.

A director may appoint another director to attend a board meeting on his or her behalf. Nonetheless, a director may accept the appointment to act as the proxy of one other director only.

Article 20: deleted

Article 21: The directors shall be entitled to be compensated with the respective remunerations. The amount of remuneration is authorized to be determined by the Board of Directors based on the evaluation of the remuneration committee evaluating the degree of participation and value of contributions of the directors as well as referring to the typical pay levels adopted by peer companies.

Article 21-1: After obtaining the consent of the Board of Directors, the Company may bear the compensation liabilities incurred by its directors from performing their duties as well

as refer to the typical insured value adopted by the domestic or global companies to purchase the directors' and officers' liability insurance during the respective tenure of its directors and supervisors.

Article 22: The Company may establish managers by adopting the resolution of the Board of Directors meeting. The hiring, dismissal and remuneration of the above personnel shall be determined in accordance with Article 29 of the Company Act.

Article 23: deleted

Article 24: deleted

Chapter V Accounting

Article 25: The Company's fiscal year shall commence on January 1 and terminate on December 31 and settlement of accounts shall be undertaken at the end of the year.

Article 25-1: Company may distribute no less than 1% of profit of the current year as employees' compensation and to distribute no maximum 1% of profit of the current year as compensation of directors. The resolution of actual amount of foresaid compensation shall be adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, company's accumulated losses shall have been covered.

Employees' compensation shall be distributed in the form of shares or in cash; qualification requirements of employees including the employees of parents or subsidiaries of the Company meeting certain specific requirements which shall be defined by board of directors.

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.

Article 26: The Company's chairman, managerial officer and accounting manager shall prepare and sign or affix their chops the statements and records for account settlement which shall be forwarded to audit committee or certified public accountants authorized by audit committee for auditing at least 30 days prior to the date of the regular Shareholders' meeting. Such supervisors or certified public accountants shall produce and submit the reports to the Shareholders' meeting for ratification.

Article 27: deleted

Article 28: 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 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: 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.

Chapter VI Supplement provisions

Article 29: The Company's regulations and enforcement rules shall be prescribed separately.

Article 30: Any matter which is not prescribed in these Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 31: These Articles of Incorporation were established on August 1, 1966. The first amendment was made on March 5, 1967; the 2nd amendment was made on December 30, 1967; the 3rd amendment was made on June 26, 1969; the 4th amendment was made on June 1, 1970; the 5th amendment was made on June 15, 1971; the 6th amendment was made on December 30, 1971; the 7th amendment was made on June 24, 1972; the 8th amendment was made on May 6, 1973; the 9th amendment was made on November 1, 1973; the 10th amendment was made on April 18, 1974; the 11th amendment was made on April 22, 1975; the 12th amendment was made on April 14, 1976; the 13th amendment was made on April 19, 1977; the 14th amendment was made on May 12, 1978; the 15th amendment was made on May 8, 1979; the 16th amendment was made on April 7, 1980; the 17th amendment was made on April 10, 1981; the 18th amendment was made on April 20, 1982; the 19th amendment was made on April 16, 1983; the 20th amendment was made on April 18, 1984; the 21st amendment was made on May 6, 1985; the 22nd amendment was made on April 25, 1986; the 23rd amendment was made on December 1, 1986; the 24th amendment was made on May 2, 1987; the 25th amendment was made on April 26,

1988; the 26th amendment was made on April 18, 1990; the 27th amendment was made on April 12, 1991; the 28th amendment was made on March 27, 1992; the 29th amendment was made on June 2, 1993; the 30th amendment was made on May 23, 1994; the 31th amendment was made on May 9, 1995; the 32th amendment was made on May 23, 1996; the 33th amendment was made on May 24, 1997; the 34th amendment was made on May 25, 1999; the 35th amendment was made on May 9, 2000; the 36th amendment was made on May 23, 2001; the 37th amendment was made on June 10, 2002; the 38th amendment was made on May 31, 2005; the 39th amendment was made on June 9, 2006; the 40th amendment was made on June 30, 2008; the 41th amendment was made on June 19, 2009; the 42th amendment was made on June 4, 2010; the 43th amendment was made on June 17, 2011; the 44th amendment was made on June 12, 2012; the 45th amendments were made on May 27, 2015 (Except for the amendment to Article 14 comes into effect from 2017; the rest parts of the Articles were in operation after shareholders meeting resolution is made); the 46th amendment were made on May 25 2016; except for the amendment to Article 14 which shall take into effect in 2017, the rest parts of the Articles shall take into effect upon resolution of the shareholders meeting; the 47th amendment were made on May 26, 2017; the 48th amendment were made on May 25, 2018; the 49th amendment were made on May 29, 2020; the 50th amendment were made on July 15, 2021, the 51st amendment was made on May 13, 2022, and the 52nd amendment was made on May 19, 2023. The same procedure shall apply to any future amendment.

Walsin Lihwa Corporation

Rules and Procedures of Shareholders' Meetings

The amendment was adopted by the regular Shareholders' meeting on May 13, 2022

Article 1 Unless otherwise provided for by law, the Company's Shareholders' meetings shall be governed by these rules and procedures.

Article 2 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

Any change in the manner of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.

Any matter prescribed by Paragraph 5 of Article 172 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, and its essential content shall be explained, in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents specified in Paragraph 5 of Article 172 of the Company Act may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where the notice of reasons for convening the shareholders' meeting has specified any entire re-election of directors and the date of their assumption of office, after such completion of such re-election in such shareholders' meeting, the date of their assumption of office shall not be changed by an extraordinary motion or otherwise in the same meeting.

A shareholder holding 1 percent or more of the total number of the issued and outstanding shares may submit to the Company a written proposal for discussion for a regular shareholders meeting. Such proposal, receipt and review shall be handled pursuant to the Company Act and the relevant applicable laws and regulations. The Company shall inform and make a proposal to shareholders for the result of aforesaid issues by the date of convening and to list such proposal on the shareholders meeting notice. The reasons for unlisted proposals should be explained in the general shareholder meeting. The shareholder who proposes such proposal shall attend the general shareholders meeting in person or to appoint an agent to attend it, and join the discussion.

The convention of the regular shareholders meeting shall be notified to each shareholder 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting. For the shareholders holding less than 1000 shares, the Company may publicly announce the convention of the regular shareholders meeting by uploading the information to the Market Observation Post System (MOPS) 30 days before the date of meeting or 15 days before the date of an extraordinary shareholders meeting.

The reasons for convening the meeting shall be specified in the notice or announcement. Upon the consent of a receiving party, such information may be given in digital form.

The matters relating to the production, announcement, and availability for shareholders of the agenda handbook of the Company's shareholders meeting shall be in compliance with the Regulations Governing Content and Compliance Requirement for Shareholders' Meeting Agenda Handbooks of Public Companies.

Article 3 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or by video conferencing or to exercise voting rights in writing or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4 A shareholder referred to in the Regulations, except for the Article 2 and Article 3 hereof specifying the shareholder itself, shall mean either the shareholder itself or the proxy designated by the shareholder to attend the meeting.

Article 5 The venue for a shareholders meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

When the Company convenes a virtual shareholders' meeting, the location of the shareholders' meeting shall not be subject to the restrictions set out in the preceding paragraph; provided, however, that the Company shall provide appropriate alternatives for shareholders who have difficulty attending the shareholders' meeting by video conferencing.

Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholders, proxy solicitors, and proxies (collectively, "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention. Shareholders who wish to attend the shareholders' meeting by video conferencing should register with the Company two days prior to the shareholders' meeting.

The time during which shareholder attendance registrations will be accepted prescribed in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient number of suitable personnel shall be assigned to handle the registrations. Attendance registrations for the virtual shareholders' meeting shall be accepted at the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the commencement of the meeting. Shareholders who have completed the attendance registration process shall be deemed to be present in person at the shareholders' meeting.

Shareholders shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. If a shareholders' meeting is held by video conferencing, the meeting handbook, annual report and other relevant information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

The number of the shares held by proxy solicitation, those handled by appointees, and those held by shareholders present in writing or by electronic means shall be calculated and a clearly declared through a statistic chart according to regulated format on the date and venue of general shareholders meetings. If a shareholders' meeting is held by video conferencing, the foregoing information shall be uploaded to the Video Conferencing Platform of the Shareholders' Meetings at least 30 minutes before the start of the meeting and shall keep being disclosed until the end of the meeting.

If a shareholders' meeting is held by video conferencing, the total number of shares of shareholders present shall be disclosed on the Video Conferencing Platform when the meeting is called to order. The same shall apply if the total number of shares and voting rights of shareholders present are also counted during the meeting.

Article 6-1 The Company shall convene a virtual shareholders' meeting by stating the following in the notice of the shareholders' meeting:

1. The shareholders' attendance in the video conference and the method of exercising their rights.
2. The way to deal with obstacles to the Video Conferencing Platform or attendance via video conferencing due to natural disasters, contingencies, or other force majeure, including at least the following:
 - (1) The time when the meeting is postponed or reconvened due to the persistence of the foregoing disruption, and the date of the postponed or reconvened meeting, if any.
 - (2) Shareholders who have not registered to attend the original shareholders' meeting by video conferencing are not allowed to attend the postponed or reconvened meeting.
 - (3) If a hybrid shareholders' meeting cannot be reconvened, then after deducting the number of shares attending the shareholders' meeting by video conferencing, if the total number of shares held by the shareholders present reach the quorum for the shareholders' meeting, the shareholders' meeting shall be continued. Shareholders participating by video conferencing shall be counted as the total number of shares held by the shareholders present and shall be deemed to have abstained from voting on all motions at that meeting.

(4) The manner of handling of the situation where the results of all motions have been announced and no ad hoc motion has been made.

3. Where a virtual shareholders' meeting is held, the Company shall include appropriate alternatives for shareholders who have difficulty participating in the shareholders' meeting by video conferencing.

Article 7 If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to perform his/her duties, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to perform his/her duties, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall elect from among themselves one person to serve as chair.

When a managing director or a director serves as chair pursuant to the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be applied for a representative of a juristic person director that serves as chair.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall elect a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The shareholders shall not conduct audio or video recording without obtaining an approval from the Chairperson. Chairperson may stop the shareholders violating the above.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If a shareholders' meeting is held by video conferencing, the information on shareholders' registration, enrollment, attendance, questions, voting, and the Company's vote counting results shall be recorded and kept, and the entire video conference shall be continuously and uninterruptedly recorded and video-taped.

The Company shall keep the aforementioned information and audio and video recordings during their preservation period and provide the audio and video recordings to the person in charge of the matters relating to the video conference for retention.

Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in and the number of shares held by

shareholders registering their attendance on the Video Conferencing Platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and, at the same time, announce relevant information such as the number of non-voting shares and the number of shares whose holder are present.

However, when the attending shareholders do not represent a majority of the total number of issued and outstanding shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued and outstanding shares, the chair shall declare the meeting adjourned. Where the shareholders' meeting is held by video conferencing, the adjournment of the meeting shall be announced on the Video Conferencing Platform of the Shareholders' Meetings.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. Shareholders who wish to attend the virtual shareholders' meeting by video conferencing shall re-register with the Company in accordance with Article 6 hereof.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued and outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and each proposal shall be voted on one by one. The meeting shall proceed in the order set by the agenda and may not be changed without a resolution of the shareholders meeting.

Preceding paragraph also applies shareholders' meetings convened by a party with the power to convene that is not the Board of Directors.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. In addition, the chair shall arrange an adequate amount of time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the content contained in the speaker's slip, the spoken content shall prevail.

The speech addressed or the vote casted by a proxy representing a shareholder shall be deemed as the speech or vote of the shareholder despite of any restriction on the authorization or other method made by the shareholder whether the Company knows or not.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and each of the speech may not exceed 5minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond himself/herself or direct relevant personnel to respond.

Shareholders participating in the shareholders' meeting by video conferencing may ask questions by sending texts on the Video Conferencing Platform after the chairman calls the meeting to order and before the meeting is adjourned; they may ask only two questions per motion, and each question shall be limited to 200 words. The provisions of Paragraphs 1 to 6 hereof shall not apply here.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued and outstanding shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised pursuant to the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3

percent of the voting rights represented by the total number of issued and outstanding shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder is entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights in writing or via electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights in writing or via electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Shareholders' exercising voting right in writing or via electronic means or attending the shareholders' meeting by video conferencing shall be proceeded in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies and the relevant applicable laws and regulations.

Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. Vote counting for shareholders meeting proposals or elections shall be conducted openly within the venue of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, including voting to approve, objection or waive shall be announced on-site at the meeting, and a record made of the vote at Market Observation Post System.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be made.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Where the Company convenes a virtual shareholders' meeting, after the Chairman calls the meeting to order, shareholders who participate in the shareholders' meeting by video conferencing shall vote on each motion and election motion through the Video Conferencing Platform, and shall complete the voting before the Chairman announces the end of the voting, and any delay shall be deemed as abstention. The Company shall conduct a one-time vote count and announce the voting and election results after the Chairman announces the close of voting. The voting results of each motion and the election results shall be disclosed on the Video Conferencing Platform of the Shareholders' Meetings in accordance with the regulations and shall continue to be disclosed for at least 15 minutes after the Chairman announces the adjournment of the meeting.

When the Company convenes a hybrid shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video conferencing in accordance with Article 6 but wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video conferencing only.

Those who exercise their voting rights by written or electronic means without revoking their expression of intention and participate in the shareholders' meeting by video conferencing may not exercise their voting rights on the original motion or propose amendments to the original motion or exercise their voting rights on the amendments to the original motion, except for ad hoc motions.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected as directors and the numbers of votes they receive.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 When the Company holds a virtual shareholders' meeting, the chairman and minute taker shall be present at the same place in the Republic of China.

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy of the minutes shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made on the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including the calculation of the number of voting rights) (in case of any election of directors, the number of votes that each candidate wins shall be disclosed), and shall be retained for the duration of the existence of the Company.

If a shareholders' meeting is held by video conferencing, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is held, the names of the chairman and the minute taker, and the manner and situation of handling any interruption from the Video Conferencing Platform or video participation due to natural disasters, contingencies, or other force majeure.

In addition to complying with the provisions of the preceding paragraph, the Company, if wishing to convene a virtual shareholders' meeting, shall include in the minutes of the meeting alternatives for shareholders who have difficulties in participating in the shareholders' meeting by means of video conferencing.

Article 16 Staffs handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17 When a meeting is in progress, the chair may announce a recess based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available before the conclusion of the meeting and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18 When a shareholders' meeting is convened by video conferencing, the chairman, when calling the meeting to order, shall announce separately that, except for the circumstances specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the postponement or reconvening of the meeting, if, before the chairman announces the adjournment of the meeting, there is any interruption to participation on the Video Conferencing Platform or by video conferencing for a period of 30 minutes or more due to a natural disaster, a contingency, or other force majeure, the meeting shall be postponed or reconvened within five days. The provisions of Article 182 of the Company Act shall not apply to the date of such postponement or reconvening of the meeting.

In the event of a postponement or reconvening of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video conferencing shall not participate in the postponed or reconvened meeting.

For those shareholders who have registered to attend the original shareholders' meeting by video conferencing and have completed attendance registration for the meeting, but have not attended the postponed or reconvened meeting, their number of shares, voting

rights and voting rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and voting rights of shareholders present at the postponed or reconvened meeting.

If the shareholders' meeting is postponed or reconvened in accordance with Paragraph 1, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors elected have been announced.

In the event that the Company convenes a hybrid shareholders' meeting and the meeting cannot be reconvened in the case of any circumstance under Paragraph 1, and if, after deducting the number of shares present at the shareholders' meeting by video conferencing, the total number of shares present still reaches the quorum for the shareholders' meeting, the shareholders' meeting shall continue, without being postponed or reconvened in accordance with Paragraph 1.

In the event that a meeting should be continued, the number of shares held by shareholders participating in the meeting by way of video conferencing shall be counted as the total number of shares of shareholders present, but shall be deemed to be abstained for all motions at that meeting.

If the Company postpones or reconvenes a shareholders' meeting in accordance with Paragraph 1, the Company shall follow the provisions set forth in Paragraph 27, Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminary procedures on the date of the original shareholders' meeting and in accordance with the provisions of such Article.

The Company shall postpone or reconvene the shareholders' meeting in accordance with the provisions of Paragraph 1 within the period stipulated in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, or that specified in Paragraph 2, Article 44-5, Article 44-15, or Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 19 Any matter not prescribed in the Rules shall be handled in accordance with the Company Act, the relevant laws and regulations and the Article of Incorporation.

Article 20 These rules and procedures shall take effect upon being ratified by a resolution adopted by the Shareholders' meeting and the same shall apply to all amendments thereto.

Methods of Election of Directors of the Board Walsin Lihwa

Approved by shareholders' meeting on May 24, 2019

Article 1 Unless otherwise provided in relevant laws, regulations or Articles of Incorporation, the directors and of the board of Walsin Lihwa (the Company) shall be elected in accordance with the rules specified herein.

Article 2 The Company's directors shall be elected by means of open, cumulative voting. Each share is entitled to voting rights equivalent to the number of directors to be elected, and the number of votes may be used to elect one candidate or be allocated among several candidates, and the candidates receiving more votes shall be elected as directors. Voters' names are represented by their shareholder attendance card numbers printed on the ballots.

The election of the Company shall adopt the candidate nomination system provided for in Article 192-1 of the Company Act. The ways of accepting nominations and announcement shall be conducted in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

The election of independent directors and non-independent directors shall be held together, and the number of independent directors and non-independent directors elected shall be calculated separately.

More than a half of the seats of directors shall not be relatives as of spouse or under second-degrees relatives; in the situation of more than half of the elected candidates are spouses or second-degree relatives of any directors, those with less votes shall be regarded as invalid election, and other candidates obtaining higher votes shall be elected.

Article 3 At the election, the chairperson may appoint several persons from among the shareholders present to monitor the voting procedure, and may appoint others for ballot counting and relevant duties.

Article 4 If two or more persons receive the same number of votes and result in the total number of persons elected exceeding the prescribed seats, they shall draw lots to decide who will serve. The chairman shall draw lots on the absentee's behalf.

Article 5 Ballots shall be prepared by the board of directors of the Company and bear shareholder attendance card numbers and the number of voting rights.

Article 6 Voters shall fill in the candidate column with candidate name(s), shareholder number(s), or ID card number(s) or uniform business number(s).

Article 7 Ballots shall be deemed void under any of the following conditions:

1. Ballots are not prepared by the Company (as required by Article 5);
2. Ballots are not completed in accordance with Article 6 ;
3. The number of candidates filled in the ballot exceeds the number of seats to be elected ;
4. Ballots are not placed in the ballot box or blank ballots not completed by voters;

5. Ballots with other written characters, letters, and/or symbols in addition to candidate name(s), shareholder number(s), ID card number(s), or uniform business number(s) ;
6. Illegible writings;
7. The candidate name(s) filled in the ballots does not match such candidate's shareholder number(s), or uniform business number(s), or the candidate is not nominated in accordance with Article 14 of the Company's Article of Incorporation.

Article 8 The ballots should be calculated immediately after the votes are casted and under the supervision of persons designated by the chairperson to monitor the voting procedure. The results of the election should be announced by the chairperson or any person appointed by chairperson at the meeting.

Article 9 The Company shall issue notifications to the directors-elect.

Article 10 The Company's article of incorporation, the Company Act, and relevant laws and regulation shall apply mutatis mutandis to all matters not prescribed in the Methods

Article 11 The adoption of the Methods and any amendment to the Methods shall be approved at the Company's shareholders' meeting.