

# Walsin Lihwa Corporation

## Meeting Minutes of the 2025 Annual General Shareholders' Meeting

Time: 9:00 am, Friday, May 16, 2025

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>)

In Attendance: The shareholders and those acting as proxy represented 3,188,411,722 shares in total (including the 1,002,580,309 shares represented by shareholders attending through electronic means and video conferencing), which constituted 79.09% of the 4,031,331,948 total issued and outstanding shares (exclusive of those 1,000 shares with no voting right pursuant to Article 179 of the Company Act).

Directors in Attendance: Yu-Lon Chiao; Shyi-Chin Wang; Yu-Chi Chiao; Wen-Chien Hsieh

Independent Directors in Attendance: Ming-Ling Hsueh; Fu-Hsiung Hu; Tyzz-Jiun Duh; Wei-Chuan Gau

Also in Attendance: Attorney Cheng-Hsien Lin from Lu-Yu Attorneys-at-Law;  
Certified Public Accountant Wen-Yea Shyu from Deloitte & Touche.

Chairman: Yu-Lon Chiao

Secretary: Ying-Yao Li

### 1. Calling the meeting to order:

The total issued and outstanding shares of the Company are 4,031,331,948 (exclusive of those 1,000 shares with no voting right pursuant to Article 179 of the Company Act). The number of shares represented by the present shareholders by 9:00 am was 3,188,351,979 (including 1,129,365,844 shares represented by shareholders present in person, 1,056,405,846 shares represented by shareholders acting by proxy, 1,002,580,289 shares represented by shareholders attending via electronic means, and 0 share represented by shareholders attending via video conferencing), which constituted a quorum. Pursuant to relevant laws, the Chairman called the meeting to order.

### 2. Chairman's Address: (omitted)

### 3. Matters to Be Reported:

#### I. General Manager's Report

For the Company's 2024 business report and final account report, please see below.

#### 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 2024 final account report, please see below.
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 2024.**

Please refer to p.35 of the Appendix to the Handbook for the status of the distribution of compensation to employees and directors for 2024.

### **IV. Report of the Distribution of Cash Dividends in 2024**

1. It is conducted in accordance with Article 240 of the Company Act and the Company's Articles of Incorporation.
2. The 16<sup>th</sup> meeting of the Board of Directors of the Company of the 20<sup>th</sup> term resolved to distribute cash dividends of NT\$2,015,666,474 from the earnings reported in the Company's 2024 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 Change in Accounting Estimate for Depreciation and Amortization Method of the Company's Machinery, Equipment, and Intangible Assets**

1. The Company hereby reports on its change to the depreciation and amortization methods for the machinery, equipment, and intangible assets of the Resources Business Group. This change aims to reflect the future patterns of depreciation and amortization of the assets, ensure a reasonable allocation of costs, and provide reliable and more relevant information. Therefore, the depreciation and amortization methods for the aforementioned assets have been changed from the accelerated depreciation method to the straight-line method, effective from January 1, 2025.
2. This proposal has been reviewed by Deloitte & Touche, which issued an opinion on the analysis of the reasonableness of such change based on its finding of no material unreasonableness.

### **VI. Other Matters to Be Reported**

1. Report on the material transactions between the Company and its related parties in 2024. Please refer to pp.36 – 37 of the Appendix to the Handbook.
2. Report on the Company's investments in mainland China as of March 31, 2025. Please refer to pp.38 – 42 of the Appendix to the Handbook for details.
3. Report on the amendments to the Company's rules and regulations relating to corporate governance:

The Company's Corporate Governance Best Practice Principles have been amended by a resolution adopted by a board of directors meeting dated January 6, 2025. Please refer to pp.43 – 60 of the Appendix to the Handbook for the full content of the amended version thereof.

4. 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 four 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 2025 Annual Shareholders' Meeting, please see p.61 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.

5. Report on the acceptance of shareholders' proposals by the 2025 Annual Shareholders' Meeting:

During the period for accepting the shareholders' proposals from February 27, 2025 to March 10, 2025, none of the shareholders submitted any written proposal to the Company according to Article 172-1 of the Company Act.

( Please visit the Market Observation Post System and click on the "Annual Report and Shareholders Meeting Related Information" section for the Handbook; website: <https://mops.twse.com.tw>)

#### 4. Ratification and Discussion

##### **Proposal 1**

##### **Proposed by the Board of Directors**

Subject: Ratification of the Company's 2024 business report and financial statements.

Explanations:

1. For the business report and the financial statements, please see below.
2. The financial statements have been approved at the Company's 16<sup>th</sup> board meeting of the 20<sup>th</sup> 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: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 2,886,866,521 shares represented by shareholders voting in favor of the proposal, 780,423 shares represented by shareholders voting against the proposal, 300,764,758 share represented by shareholders casting invalid votes, and 0 shares represented by shareholders abstaining from voting and choosing not to vote; 90.54% of the total shares represented by the shareholders in attendance were in favor of the proposal, which exceeded the statutory percentage, and this proposal was passed without modification.

##### **Proposal 2**

##### **Proposed by the Board of Directors**

Subject: Ratification of the Company's 2024 Earnings Distribution Proposal.

Explanations:

1. For the 2024 Earnings Distribution Proposal, please see below.
2. This proposal was approved at the Company's 16th 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: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 2,887,623,224 shares represented by shareholders voting in favor of the proposal, 1,466,614 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 299,321,864 shares represented by shareholders abstaining from voting and choosing not to vote; 90.56% of the total shares represented by the shareholders in attendance were in favor of the proposal, which exceeded the statutory percentage, and this proposal was passed without modification.

# Walsin Lihwa Corporation

## Earnings Distribution Proposal for 2024

Unit: NTD

Summary	Amount
Beginning of Period Retained Earnings	\$43,378,816,763
Effect of Retrospective Restatement	(54,910,823)
Add: Cumulative Gains or Losses Directly Transferred to Retained Earnings by Disposal of Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	74,879,786
Add: Re-measurements of Defined Benefit Plans Recognized in Retained Earnings	121,678,785
Less: Adjustment to Retained Earnings Due to Investment Using the Equity Method	<u>(128,160,687)</u>
Adjusted Retained Earnings	43,392,303,824
Add: Net Income	2,790,054,047
Minus: Legal Reserve	<u>(280,354,111)</u> <u>2,509,699,936</u>
Distributable Earnings	45,902,003,760
Distribution	
Cash Dividend to Shareholders (NT\$0.5 per Share)	<u>(2,015,666,474)</u>
End of Period Retained Earnings	\$43,886,337,286

Note: The Company's issued and outstanding common stock totaled 4,031,332,948 shares as of February 21, 2025. 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 2024 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 of the Company.

Explanations:

1. In response to the amendment of Paragraph 6, Article 14 of the Securities and Exchange Act, companies listed on Taiwan Stock Exchange ("TWSE") or Taipei Exchange ("TPEX") are required to stipulate in their articles of incorporation that a certain percentage of annual profits be earmarked for adjusting salaries of or distributing compensation to rank-and-file employees. Accordingly, Article 25-1 of the Articles of Incorporation of the Company has been amended.
2. For the Comparison Table of the Amended Articles of the Articles of Incorporation, please see below.

Resolution: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 2,888,125,650 shares represented by shareholders voting in favor of the proposal, 648,829 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 299,637,223 shares represented by shareholders abstaining from voting and choosing not to vote; 90.58% of the total shares represented by the shareholders in attendance were in favor of the proposal, which exceeded the statutory percentage, and this proposal was passed without modification.

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

Subject: Review and approval of the amendments to the Endorsement and Guarantee Procedures of the Company.

Explanations:

1. It is conducted in accordance with Article 11 of Chapter 2 of the Company's Endorsement and Guarantee Procedures.
2. To meet the business endorsement and guarantee needs of the Company and its subsidiaries, the new endorsement and guarantee items are added, the total amount of endorsement guarantees of the Company and its subsidiaries will be increased, and the limited amount of endorsement guarantees for individual party will be revised accordingly. In this case, the Company has amended the provisions of Article 3 of Chapter 1 and Article 2 of Chapter 2 of the Company's Endorsement and Guarantee Procedures.
3. For the Comparison Table of the Amended Articles of the Endorsement and Guarantee Procedures, please see below.

Resolution: After all votes in attendance were cast (including votes cast via electronic means and video conferencing), there were 2,629,279,680 shares represented by shareholders voting in favor of the proposal, 259,487,997 shares represented by shareholders voting against the proposal, 0 share represented by shareholders casting invalid votes, and 299,644,025 shares represented by shareholders abstaining from voting and choosing not to vote; 82.46% of the total shares represented by the shareholders in attendance were in favor of the proposal, which exceeded the statutory percentage, and this proposal was passed without modification.

## **Proposal 5**

## **Proposed by the Board of Directors**

Subject: Release of the directors 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 the additional directors of the Company who concurrently serve as the directors in companies operating the same/similar businesses as/to the Company, and the new business items added by such companies which are the same/similar as/to those of the Company, please see below.
3. It is proposed that the shareholders' meeting approve the release of such directors 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 directors mentioned above as of the date of serving as each of the directors of other companies engaging in competing business.

Resolution: 5-1 Regarding the proposal to release Vice Chairman Chin Xin Investment Co., Ltd. (Representative: Mr. Shyi-Chin Wang) from noncompete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 248,002,375 shares represented by shareholders recusing themselves from voting), there were 2,626,922,818 shares represented by shareholders voting in favor of the proposal, 1,380,991 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 312,105,518 shares represented by shareholders abstaining from voting and choosing not to vote; 89.33% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

5-2 Regarding the proposal to release Director Mr. Yu-Heng Chiao from non-compete restrictions, after all votes in attendance have been casted (including affirmative votes cast by shareholders attending via electronic means and video conferencing and excluding 65,343,810 shares represented by shareholders recusing themselves from voting), there were 2,809,545,617 shares represented by shareholders voting in favor of the proposal, 1,427,641 shares represented by shareholders voting against the proposal, 0 shares represented by shareholders casting invalid votes, and 312,094,634 shares represented by shareholders abstaining from voting and choosing not to vote; 89.96% of the total shares represented by the shareholders in attendance were in favor and this proposal was passed without modification.

5. Ad-Hoc Motions: None

6. Adjournment: The Chairman announced that the meeting was adjourned at 9:48 am on May 16th, 2025.

**No question was raised by Shareholder.**

(The video recording of this annual general shareholders' meeting shall prevail in the event of any discrepancy between these meeting minutes and the video recording in any detail.)

# Walsin Lihwa Corporation

## 2024 Business Report

### 1. Preamble

In 2024, the Company's net income after taxes was NT\$2.79 billion, with earnings per share of NT\$0.69. The below is the overview of the operational performance of each business group. The Wire and Cable Business Group has been able to grasp the cable demand for construction and industry factory construction in Taiwan and the business opportunities for resilient power grids, resulting in steady gross margins and profits. The Stainless Steel Business Group has experienced a decline in profitability due to weak global market demand. To enhance long-term competitiveness of its stainless steel products, the Company is focusing on differentiation and high-end development while continuing to strategically tap into global markets, particularly in the applications of high-grade stainless steel in aerospace, energy, precision machinery, and automotive sectors. Additionally, the Company has acquired a European stainless steel seamless pipes and tubes plant, DMV, to expand downstream application industries. The Resources Business Group has established the planned production capacity of nickel matte. Despite the impact of weak nickel prices on profitability, the Company remains committed to cost control and stabilizing the production capabilities of nickel pig iron and nickel matte.

### 2. Explanation for Financial Result

Unit: NT\$ million

	2024	2023	Amount of Increase (Decrease)
Operating Revenue	179,318	189,840	(10,522)
Gross Profit	11,685	14,390	(2,705)
Operating Expenses	9,517	8,254	(1,263)
Income from Operations	2,168	6,136	(3,968)
Non-Operating Income and Expenses	343	1,198	(855)
Profit Before Tax	2,511	7,334	(4,823)
Net Income After Taxes	2,790	5,079	(2,289)

#### (1) Operating Revenue

Operating revenue decreased by NT\$10.5 billion in 2024, mainly due to the Company's global expansion of its stainless steel business and the impact of weak global nickel prices on the Resources Business Group.

#### (2) Gross Profit

Gross profit decreased by NT\$2.7 billion in 2024 due to the global economic impact on the demand of upstream raw materials, increased costs associated with the delayed distribution of mining quotas in Indonesia, and weak profits of end products.

#### (3) Operating Expenses

The increase in operating expenses in 2024 was due to the Company's expansion of its operational scale in Europe.

#### (4) Non-Operating Income and Expenses

Non-operating income and expenses decreased in 2024, because following the recognition of the benefit from the "Contingent Consideration Agreement for the Disposition of Assets of a U.S. Subsidiary" in 2022, a loss was recognized as the stipulated conditions were not fulfilled.

### 3. Operating Overview and Prospects of the Business Units

Looking forward to 2025, the United States' tariff policies and protectionism add uncertainty to the global economy. It is anticipated that the manufacturing sector in Mainland China will continue to face challenges of weak demand. The Company is persistently advancing core strategic initiatives, transforming and upgrading the industrial structure, enhancing supply chain resilience, developing industrial ecosystem partnerships, implementing digital capabilities, and intelligent development to strengthen operational process management. We are also continuously tapping into the circular economy and promoting low-carbon transformation to enhance corporate competitiveness and actively respond to changes in the business environment and markets.

#### (1) Wire and Cable Business

The Yangmei high-efficiency plant has entered full-capacity operations to enhance productivity and is promoting new business models, innovating service capabilities, and increasing customer value and market share in the building wire market.

We are seizing opportunities in the domestic resilient grid market, developing ultra-high voltage cables, and establishing four core capabilities: production and manufacturing, integration of ancillary equipment, subsequent engineering construction, and high-voltage heavy electrical design.

We are developing industrial and flame-retardant cables, tapping into green energy, port machinery, and wind turbine cable businesses, and actively completing the construction of the first domestic submarine cable plant and conducting pre-qualification procedures for submarine cable products.

#### (2) Stainless Steel Business

The Stainless Steel Business in Taiwan continues to build sustainably competitive operating capabilities and expand the proportion of high-value products, establishing the brand value of cold finished bar and increasing the proportion of direct customers. The Stainless Steel Business in Mainland China is leveraging the characteristics of steelmaking and rolling equipment to differentiate products in the market, focusing on developing high-value steel grades and certified market products.

The Stainless Steel Business in Europe is integrating capacity synergies, conducting global production and sales expansion, exploring high-end nickel-based alloy product markets, and securing key raw materials.

#### (3) Resources Business

We are flexibly adjusting the proportion of nickel pig iron and nickel matte products, establishing high-value production processes for nickel products. In addition, we have promoted green manufacturing process by low-carbon production to meet the trend towards environmental protection and reduce the production cost. We continue to leverage strategic significance in the stainless steel industry chain.

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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023 (Restated)	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 10,757,417	4	\$ 16,347,012	6
Financial assets at fair value through profit or loss - current	5,677	-	1,508,943	1
Financial assets at amortized cost - current	9,221	-	727	-
Financial assets for hedging - current	238,305	-	346,441	-
Contract assets - current	571,669	-	996,025	-
Notes receivable	526,699	-	920,752	-
Trade receivables	14,967,386	6	14,991,531	6
Finance lease receivables - current	64,183	-	62,067	-
Other receivables	5,286,906	2	3,707,450	2
Inventories	44,122,947	16	33,704,296	13
Other financial assets - current	259,631	-	788,894	-
Other current assets	<u>6,251,778</u>	<u>2</u>	<u>5,377,850</u>	<u>2</u>
Total current assets	<u>83,061,819</u>	<u>30</u>	<u>78,751,988</u>	<u>30</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current	66,607	-	1,263,649	-
Financial assets at fair value through other comprehensive income - non-current	18,640,109	7	18,823,172	7
Financial assets at amortized cost - non-current	130,699	-	184,613	-
Financial assets for hedging - non-current	24,956	-	53,439	-
Investments accounted for using the equity method	39,848,673	15	49,640,171	19
Property, plant and equipment	84,592,885	31	78,705,431	29
Right-of-use assets	6,070,870	2	4,719,043	2
Investment properties	15,210,112	6	15,514,751	6
Goodwill	3,099,946	1	2,155,597	1
Other intangible assets	9,270,848	4	10,011,332	4
Deferred tax assets	6,369,581	2	4,234,852	1
Refundable deposits	785,147	-	158,940	-
Finance lease receivables - non-current	476,274	-	540,456	-
Other non-current assets	<u>5,842,499</u>	<u>2</u>	<u>2,174,325</u>	<u>1</u>
Total non-current assets	<u>190,429,206</u>	<u>70</u>	<u>188,179,771</u>	<u>70</u>
<b>TOTAL</b>	<u>\$ 273,491,025</u>	<u>100</u>	<u>\$ 266,931,759</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 17,909,079	7	\$ 11,508,074	4
Short-term notes and bills payable	3,145,773	1	-	-
Financial liabilities at fair value through profit or loss - current	356,596	-	22,746	-
Financial liabilities for hedging - current	15,475	-	5,878	-
Contract liabilities - current	165,913	-	13,828	-
Notes payable	372,846	-	317,865	-
Trade payables	14,411,306	5	16,390,669	6
Other payables	12,047,108	5	12,069,796	5
Current tax liabilities	2,545,752	1	5,861,143	2
Lease liabilities - current	600,124	-	257,859	-
Current portion of long-term borrowings and bonds payable	6,016,646	2	1,640,420	1
Other current liabilities	<u>2,173,028</u>	<u>1</u>	<u>2,671,050</u>	<u>1</u>
Total current liabilities	<u>59,759,646</u>	<u>22</u>	<u>50,759,328</u>	<u>19</u>
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - non-current	563,583	-	484,429	-
Financial liabilities for hedging - non-current	827	-	2,705	-
Bonds payable	12,850,616	5	12,951,405	5
Long-term borrowings	37,358,178	14	31,924,532	12
Long-term notes and bills payable	-	-	2,998,822	1
Deferred tax liabilities	6,803,504	2	7,228,734	3
Lease liabilities - non-current	3,342,782	1	2,765,167	1
Net defined benefit liabilities - non-current	1,121,785	-	349,381	-
Other non-current liabilities	<u>4,281,556</u>	<u>2</u>	<u>3,097,217</u>	<u>1</u>
Total non-current liabilities	<u>66,322,831</u>	<u>24</u>	<u>61,802,392</u>	<u>23</u>
Total liabilities	<u>126,082,477</u>	<u>46</u>	<u>112,561,720</u>	<u>42</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF WLC</b>				
Share capital	<u>40,313,329</u>	<u>15</u>	<u>40,313,329</u>	<u>15</u>
Capital surplus	<u>33,592,347</u>	<u>12</u>	<u>33,624,917</u>	<u>13</u>
Retained earnings				
Legal reserve	10,065,084	3	9,538,222	4
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings	<u>46,182,358</u>	<u>17</u>	<u>48,285,234</u>	<u>18</u>
Total retained earnings	<u>58,959,692</u>	<u>21</u>	<u>60,535,706</u>	<u>23</u>
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(349,726)	-	(4,948,056)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	8,058,069	3	14,068,677	5
Loss on hedging instruments	(83,438)	-	(65,100)	-
Other equity - others	<u>(3,235,079)</u>	<u>(1)</u>	<u>(2,774,650)</u>	<u>(1)</u>
Total other equity	<u>4,389,826</u>	<u>2</u>	<u>6,280,871</u>	<u>2</u>
Total equity attributable to owners of WLC	<u>137,255,194</u>	<u>50</u>	<u>140,754,823</u>	<u>53</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>10,153,354</u>	<u>4</u>	<u>13,615,216</u>	<u>5</u>
Total equity	<u>147,408,548</u>	<u>54</u>	<u>154,370,039</u>	<u>58</u>
<b>TOTAL</b>	<u>\$ 273,491,025</u>	<u>100</u>	<u>\$ 266,931,759</u>	<u>100</u>

(With Deloitte & Touche auditors' report dated February 21, 2025)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 179,318,340	100	\$ 189,839,626	100
OPERATING COSTS	<u>(167,633,649)</u>	<u>(94)</u>	<u>(175,449,858)</u>	<u>(93)</u>
GROSS PROFIT	<u>11,684,691</u>	<u>6</u>	<u>14,389,768</u>	<u>7</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,666,125	1	2,166,373	1
General and administrative expenses	6,351,493	4	5,793,656	3
Research and development expenses	<u>499,304</u>	<u>-</u>	<u>293,565</u>	<u>-</u>
Total operating expenses	<u>9,516,922</u>	<u>5</u>	<u>8,253,594</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>2,167,769</u>	<u>1</u>	<u>6,136,174</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	378,952	-	541,506	-
Dividend income	627,462	-	513,679	-
Other income	1,836,601	1	1,763,119	1
Loss on disposal of property, plant and equipment	(19,529)	-	(11,472)	-
Gain on disposal of investments	1,167,085	1	965,914	1
Foreign exchange loss, net	(39,658)	-	(240,593)	-
(Loss) gain on valuation of financial assets and liabilities at fair value through profit or loss	(1,553,838)	(1)	169,525	-
Other expenses	(532,029)	-	(909,612)	-
Reversal of impairment loss	23,877	-	12,427	-
Interest expense	(2,359,450)	(1)	(2,135,730)	(1)
Share of profit of associates accounted for using the equity method	<u>813,749</u>	<u>-</u>	<u>528,869</u>	<u>-</u>
Total non-operating income and expenses	<u>343,222</u>	<u>-</u>	<u>1,197,632</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,510,991	1	7,333,806	4
INCOME TAX BENEFIT (EXPENSE)	<u>87,499</u>	<u>-</u>	<u>(1,471,000)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,598,490</u>	<u>1</u>	<u>5,862,806</u>	<u>3</u>

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023 (Restated)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 104,530	-	\$ (109,805)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(190,882)	-	6,307,904	3
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(5,728,242)</u>	<u>(3)</u>	<u>1,288,908</u>	<u>1</u>
	<u>(5,814,594)</u>	<u>(3)</u>	<u>7,487,007</u>	<u>4</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	5,021,711	3	(834,315)	-
(Loss) gain on hedging instruments	(23,602)	-	60,360	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>347,407</u>	<u>-</u>	<u>(47,991)</u>	<u>-</u>
	<u>5,345,516</u>	<u>3</u>	<u>(821,946)</u>	<u>-</u>
Other comprehensive (loss) income for the year	<u>(469,078)</u>	<u>-</u>	<u>6,665,061</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,129,412</u>	<u>1</u>	<u>\$ 12,527,867</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of WLC	\$ 2,790,054	1	\$ 5,079,405	3
Non-controlling interests	<u>(191,564)</u>	<u>-</u>	<u>783,401</u>	<u>-</u>
	<u>\$ 2,598,490</u>	<u>1</u>	<u>\$ 5,862,806</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	\$ 1,555,997	1	\$ 11,937,926	6
Non-controlling interests	<u>573,415</u>	<u>-</u>	<u>589,941</u>	<u>1</u>
	<u>\$ 2,129,412</u>	<u>1</u>	<u>\$ 12,527,867</u>	<u>7</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.69</u>		<u>\$ 1.31</u>	
Diluted	<u>\$ 0.69</u>		<u>\$ 1.31</u>	

(With Deloitte & Touche auditors' report dated February 21, 2025)

(Concluded)

**WALSIN LIHWA CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(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, 2023	\$ 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 (as restated)	-	-	-	-	5,079,405	-	-	-	-	5,079,405	783,401	5,862,806	
Other comprehensive (loss) income for the year ended December 31, 2023 (as restated)	-	-	-	-	(70,350)	(691,282)	7,579,452	40,701	-	6,858,521	(193,460)	6,665,061	
Total comprehensive income (loss) for the year ended December 31, 2023 (as restated)	-	-	-	-	5,009,055	(691,282)	7,579,452	40,701	-	11,937,926	589,941	12,527,867	
Others	-	9,168	-	-	-	-	-	-	(43)	9,125	-	9,125	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,423,758	2,423,758	
BALANCE AT DECEMBER 31, 2023 (AS RESTATED)	40,313,329	33,624,917	9,538,222	2,712,250	48,285,234	(4,948,056)	14,068,677	(65,100)	(2,774,650)	140,754,823	13,615,216	154,370,039	
Appropriation of 2023 earnings (Note 27)													
Legal reserve	-	-	526,862	-	(526,862)	-	-	-	-	-	-	-	
Cash dividends distributed by WLC	-	-	-	-	(4,434,466)	-	-	-	-	(4,434,466)	-	(4,434,466)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	(5,294)	-	-	74,880	-	(74,880)	-	-	(5,294)	-	(5,294)	
Changes in percentage of ownership interests in subsidiaries	-	(26,730)	-	-	(128,161)	-	-	-	(460,429)	(615,320)	26,730	(588,590)	
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	2,790,054	-	-	-	-	2,790,054	(191,564)	2,598,490	
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	121,679	4,598,330	(5,935,728)	(18,338)	-	(1,234,057)	764,979	(469,078)	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,911,733	4,598,330	(5,935,728)	(18,338)	-	1,555,997	573,415	2,129,412	
Others	-	(546)	-	-	-	-	-	-	-	(546)	-	(546)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,062,007)	(4,062,007)	
BALANCE AT DECEMBER 31, 2024	\$ 40,313,329	\$ 33,592,347	\$ 10,065,084	\$ 2,712,250	\$ 46,182,358	\$ (349,726)	\$ 8,058,069	\$ (83,438)	\$ (3,235,079)	\$ 137,255,194	\$ 10,153,354	\$ 147,408,548	

(With Deloitte & Touche auditors' report dated February 21, 2025)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,510,991	\$ 7,333,806
Adjustments for:		
Depreciation expenses	8,203,918	7,066,854
Amortization expenses	1,446,952	1,246,010
Expected credit loss (reversed) recognized on trade receivables	(41,647)	412,281
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	1,553,838	(169,525)
Interest expenses	2,359,450	2,135,730
Interest income	(378,952)	(541,506)
Dividend income	(627,462)	(513,679)
Share of profit of associates accounted for using the equity method	(813,749)	(528,869)
Loss on disposal of property, plant and equipment	19,529	11,472
Gain on disposal of other assets	-	(121,938)
Gain on disposal of investments	(1,167,085)	(965,914)
Impairment loss reversed on non-financial assets	(23,877)	(12,427)
Unrealized gain on foreign currency exchange	(163,010)	(63,228)
Gain from bargain purchase	(940,669)	(1,168,686)
Loss on lease modification	-	1,045
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	821,194	973,916
Decrease in contract assets	424,356	1,618,550
Decrease in notes receivable	438,152	3,616,570
Decrease in trade receivables	4,025,373	3,675,874
Increase in other receivables	(1,641,471)	(1,487,488)
(Increase) decrease in inventories	(3,457,670)	3,312,465
(Increase) decrease in other current assets	(598,761)	914,699
Decrease (increase) in other financial assets	529,263	(242,768)
(Increase) decrease in other operating assets	(278,913)	68,712
Increase in contract liabilities	152,740	5,480
Decrease in notes payable	(187,443)	(273,671)
Decrease in trade payables	(5,004,163)	(701,919)
Increase (decrease) in other payables	908,968	(1,677,792)
Increase in other current liabilities	12,806	2,377
(Decrease) increase in net defined benefit liabilities	(148,916)	602
Increase in other operating liabilities	171,992	54,659
Cash generated from operations	8,105,734	23,981,692
Interest received	328,981	493,679
Dividends received	945,662	1,888,623
Interest paid	(2,236,700)	(1,926,395)
Income tax paid	(5,641,939)	(1,689,669)
Net cash generated from operating activities	1,501,738	22,747,930

(Continued)

# WALSIN LIHWA CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (173,986)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	51,003	-
Purchase of financial assets at amortized cost	(8,642)	-
Disposal of financial assets at amortized cost	65,061	-
Purchase of financial assets for hedging	-	(342,786)
Disposal of financial assets for hedging	111,488	-
Purchase of investments accounted for using the equity method	(1,672,137)	(1,077,128)
Disposal of investments accounted for using the equity method	5,036,187	-
Prepayments for investments	-	(1,334,026)
Net cash outflow on acquisition of subsidiaries	(5,374,912)	(5,856,439)
Payments for property, plant and equipment	(10,422,305)	(16,512,380)
Proceeds from disposal of property, plant and equipment	104,678	32,361
Increase in advance receipts	-	1,779,516
(Increase) decrease in refundable deposits	(619,266)	126,456
Purchase of intangible assets	(49,210)	(37,277)
Purchase of investment properties	(13,578)	-
Other investing activities	<u>(2,642,816)</u>	<u>1,894,919</u>
Net cash used in investing activities	<u>(15,434,449)</u>	<u>(21,500,770)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	5,118,344	(6,499,696)
Increase in short-term notes and bills payable	3,145,773	-
Proceeds from issuance of bonds	-	5,300,000
Repayment of bonds	(103,182)	(100,066)
Proceeds from long-term borrowings	12,116,154	13,383,126
Repayment of long-term borrowings	(2,334,396)	(22,027,953)
(Decrease) increase in long-term notes and bills payable	(2,998,822)	1,500,908
Decrease in other payables	(944,307)	(2,780,037)
Repayment of the principal portion of lease liabilities	(343,061)	(308,747)
Cash dividends paid	(4,434,237)	(6,716,022)
Proceeds from issuance of ordinary shares	-	11,923,497
Acquisition of additional interests in subsidiaries	(3,111,343)	-
Changes in non-controlling interests	77,172	2,355,894
Other financing activities	<u>(546)</u>	<u>9,168</u>
Net cash generated from (used in) financing activities	<u>6,187,549</u>	<u>(3,959,928)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>2,155,297</u>	<u>(378,979)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(5,589,865)</u>	<u>(3,091,747)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>16,347,012</u>	<u>19,438,759</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 10,757,147</u>	<u>\$ 16,347,012</u>

(With Deloitte & Touche auditors' report dated February 21, 2025) (Concluded)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023 (Restated)	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,998,361	1	\$ 3,530,594	2
Financial assets at fair value through profit or loss - current	9,006	-	1,499,047	1
Contract assets - current	387,504	-	175,083	-
Notes receivable	14,805	-	15,863	-
Trade receivables	2,412,917	1	2,119,899	1
Trade receivables from related parties	470,886	-	438,177	-
Finance lease receivables	9,355	-	9,068	-
Other receivables	1,154,826	1	1,720,601	1
Inventories	11,294,554	6	11,120,657	5
Other current assets	510,523	-	314,635	-
Total current assets	18,262,737	9	20,943,624	10
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current	-	-	1,184,108	1
Financial assets at fair value through other comprehensive income - non-current	18,474,885	9	18,635,179	9
Investments accounted for using the equity method	132,959,770	66	130,785,812	65
Property, plant and equipment	21,631,592	11	20,828,266	10
Right-of-use assets	81,425	-	75,711	-
Investment properties	8,029,197	4	8,099,078	4
Deferred tax assets - non-current	997,322	-	680,501	-
Refundable deposits	26,427	-	25,700	-
Finance lease receivables - non-current	1,547,484	1	1,517,217	1
Net defined benefit assets - non-current	20,113	-	-	-
Other non-current assets	5,881	-	34,394	-
Total non-current assets	183,774,096	91	181,865,966	90
<b>TOTAL</b>	<b>\$ 202,036,833</b>	<b>100</b>	<b>\$ 202,809,590</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 4,650,000	2	\$ 504,234	-
Short-term notes and bills payable	2,997,903	2	-	-
Financial liabilities at fair value through profit or loss - current	303,362	-	44,519	-
Trade payables	3,094,389	2	3,648,025	2
Other payables	2,461,712	1	2,163,348	1
Other payables to related parties	115,348	-	3,308,150	2
Current tax liabilities	884,000	-	1,361,449	1
Lease liabilities - current	39,596	-	37,025	-
Current portion of long-term borrowings	3,725,077	2	-	-
Other current liabilities	734,961	-	407,295	-
Total current liabilities	19,006,348	9	11,474,045	6
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable	12,800,000	6	12,800,000	6
Long-term borrowings	25,151,278	13	26,446,398	13
Long-term notes and bills payable	-	-	2,998,822	2
Deferred tax liabilities	5,328,284	3	5,974,347	3
Lease liabilities - non-current	1,701,314	1	1,675,034	1
Net defined benefit liabilities - non-current	-	-	137,005	-
Other non-current liabilities	794,415	-	549,116	-
Total non-current liabilities	45,775,291	23	50,580,722	25
Total liabilities	64,781,639	32	62,054,767	31
<b>EQUITY</b>				
Share capital	40,313,329	20	40,313,329	20
Capital surplus	33,592,347	17	33,624,917	16
Retained earnings				
Legal reserve	10,065,084	5	9,538,222	5
Special reserve	2,712,250	1	2,712,250	1
Unappropriated earnings	46,182,358	23	48,285,234	24
Total retained earnings	58,959,692	29	60,535,706	30
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(349,726)	-	(4,948,056)	(3)
Unrealized gain on financial assets at fair value through other comprehensive income	8,058,069	4	14,068,677	7
Loss on hedging instruments	(83,438)	-	(65,100)	-
Other equity - other	(3,235,079)	(2)	(2,774,650)	(1)
Total other equity	4,389,826	2	6,280,871	3
Total equity	137,255,194	68	140,754,823	69
<b>TOTAL</b>	<b>\$ 202,036,833</b>	<b>100</b>	<b>\$ 202,809,590</b>	<b>100</b>

(With Deloitte & Touche auditors' report dated February 21, 2025)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 87,379,254	100	\$ 83,321,352	100
OPERATING COSTS	(79,789,633)	(91)	(76,550,777)	(92)
REALIZED (UNREALIZED) GAIN	<u>15,192</u>	<u>-</u>	<u>(11,785)</u>	<u>-</u>
GROSS PROFIT	<u>7,604,813</u>	<u>9</u>	<u>6,758,790</u>	<u>8</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,053,311	1	845,777	1
General and administrative expenses	1,558,338	2	1,659,411	2
Research and development expenses	<u>372,155</u>	<u>1</u>	<u>211,655</u>	<u>-</u>
Total operating expenses	<u>2,983,804</u>	<u>4</u>	<u>2,716,843</u>	<u>3</u>
PROFIT FROM OPERATIONS	<u>4,621,009</u>	<u>5</u>	<u>4,041,947</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	141,456	-	254,125	-
Dividend income	625,351	1	510,707	1
Other income - other	307,415	1	58,360	-
(Loss) gain on disposal of property, plant and equipment	(3,460)	-	430	-
Gain on disposal of investments	1,081,687	1	1,085,948	1
Foreign exchange gain, net	224,375	-	102,135	-
(Loss) gain on valuation of financial assets and liabilities at fair value through profit or loss	(1,469,561)	(2)	122,354	-
Other expenses	(237,009)	-	(76,810)	-
Interest expense	(903,321)	(1)	(806,443)	(1)
Share of (loss) profit of subsidiaries and associates accounted for using the equity method	<u>(1,176,900)</u>	<u>(1)</u>	<u>1,604,219</u>	<u>2</u>
Total non-operating income and expenses	<u>(1,409,967)</u>	<u>(1)</u>	<u>2,855,025</u>	<u>3</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,211,042	4	6,896,972	8
INCOME TAX EXPENSE	<u>(420,988)</u>	<u>(1)</u>	<u>(1,817,567)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>2,790,054</u>	<u>3</u>	<u>5,079,405</u>	<u>6</u>

(Continued)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023 (Restated)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	98,718	-	(34,728)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(109,291)	-	6,254,992	7
Share of the other comprehensive (loss) income of associates accounted for using the equity method	<u>(5,803,477)</u>	<u>(6)</u>	<u>1,288,838</u>	<u>2</u>
	<u>(5,814,050)</u>	<u>(6)</u>	<u>7,509,102</u>	<u>9</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	4,250,924	5	(643,291)	(1)
Share of other comprehensive income (loss) of associates accounted for using the equity method	<u>329,069</u>	<u>-</u>	<u>(7,290)</u>	<u>-</u>
	<u>4,579,993</u>	<u>5</u>	<u>(650,581)</u>	<u>(1)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(1,234,057)</u>	<u>(1)</u>	<u>6,858,521</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,555,997</u>	<u>2</u>	<u>\$ 11,937,926</u>	<u>14</u>
EARNINGS PER SHARE				
Basic	<u>\$ 0.69</u>		<u>\$ 1.31</u>	
Diluted	<u>\$ 0.69</u>		<u>\$ 1.31</u>	

(With Deloitte & Touche auditors' report dated February 21, 2025)

(Concluded)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Loss on Hedging Instrument	Others	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 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	-	-	-	-	5,079,405	-	-	-	-	5,079,405
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(70,350)	(691,282)	7,579,452	40,701	-	6,858,521
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	5,009,055	(691,282)	7,579,452	40,701	-	11,937,926
Others	-	9,168	-	-	-	-	-	-	(43)	9,125
BALANCE AT DECEMBER 31, 2023 (AS RESTATED)	40,313,329	33,624,917	9,538,222	2,712,250	48,285,234	(4,948,056)	14,068,677	(65,100)	(2,774,650)	140,754,823
Appropriation of 2023 earnings (Note 21)										
Legal reserve	-	-	526,862	-	(526,862)	-	-	-	-	-
Cash dividends distributed by WLC	-	-	-	-	(4,434,466)	-	-	-	-	(4,434,466)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(5,294)	-	-	74,880	-	(74,880)	-	-	(5,294)
Change in ownership interests in subsidiaries	-	(26,730)	-	-	(128,161)	-	-	-	(460,429)	(615,320)
Net profit for the year ended December 31, 2024	-	-	-	-	2,790,054	-	-	-	-	2,790,054
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	121,679	4,598,330	(5,935,728)	(18,338)	-	(1,234,057)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,911,733	4,598,330	(5,935,728)	(18,338)	-	1,555,997
Others	-	(546)	-	-	-	-	-	-	-	(546)
BALANCE AT DECEMBER 31, 2024	<u>\$ 40,313,329</u>	<u>\$ 33,592,347</u>	<u>\$ 10,065,084</u>	<u>\$ 2,712,250</u>	<u>\$ 46,182,358</u>	<u>\$ (349,726)</u>	<u>\$ 8,058,069</u>	<u>\$ (83,438)</u>	<u>\$ (3,235,079)</u>	<u>\$ 137,255,194</u>

(With Deloitte & Touche auditors' report dated February 21, 2025)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,211,042	\$ 6,896,972
Adjustments for:		
Depreciation expenses	1,477,294	1,408,723
Amortization expenses	16,440	28,191
Expected credit loss recognized on trade receivables	737	-
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	1,469,561	(122,354)
Interest expenses	903,321	806,443
Interest income	(141,456)	(254,125)
Dividend income	(625,351)	(510,707)
Share of loss (profit) of subsidiaries and associates accounted for using the equity method	1,176,900	(1,604,219)
Loss (gain) on disposal of property, plant and equipment	3,460	(430)
Gain on disposal of investments	(1,081,687)	(1,085,948)
(Realized) unrealized gain on the transaction with associates	(15,192)	11,785
Unrealized (gain) loss on foreign currency exchange	(115,234)	424
Loss on lease modification	-	8
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	742,080	1,084,190
(Increase) decrease in contract assets	(212,421)	92,064
Decrease in notes receivable	1,058	9,195
(Increase) decrease in trade receivables	(326,464)	1,390,043
(Increase) decrease in other receivables	(320,755)	694,938
(Increase) decrease in inventories	(173,897)	698,431
(Increase) decrease in other current assets	(161,532)	1,427,973
(Increase) decrease in other financial assets	(3,189)	280,997
Decrease (increase) in other operating assets	12,073	(2)
(Decrease) increase in trade payables	(553,636)	421,481
Increase (decrease) in other payables	151,523	(866,064)
Increase in other current liabilities	342,858	167,594
Decrease in net defined benefit liabilities	(58,400)	(45,143)
Increase (decrease) in other operating liabilities	10,469	(766)
Cash generated from operations	5,729,602	10,929,694
Interest received	92,699	232,104
Dividends received	3,196,318	1,874,051
Interest paid	(849,020)	(706,048)
Income tax paid	(1,892,488)	(1,349,412)
Net cash generated from operating activities	6,277,111	10,980,389

(Continued)

# WALSIN LIHWA CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (173,987)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	51,003	-
Acquisition of investments accounted for using the equity method	(8,669,161)	(19,529,179)
Disposal of investments accounted for using the equity method	2,246,023	-
Increase in prepaid long-term investments	-	(17,423)
Repatriation through capital reduction of investee companies accounted for using the equity method	-	4,501,800
Purchase of property, plant and equipment	(2,076,398)	(3,507,223)
Proceeds from disposal of property, plant and equipment	2,029	430
(Increase) decrease in refundable deposits	(727)	5,497
Decrease in other receivables	879,372	5,831,227
Decrease in finance lease receivables	18,192	7,475
Other investing activities	<u>842,023</u>	<u>(458,231)</u>
Net cash used in investing activities	<u>(6,707,644)</u>	<u>(13,339,614)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	4,145,771	(6,096,337)
Increase in short-term notes and bills payable	2,997,903	-
Proceeds from bonds payable	-	5,300,000
Proceeds from long-term borrowings	7,005,188	13,246,152
Repayment of long-term borrowings	(4,575,231)	(24,245,024)
(Decrease) increase in long-term notes and bills payable	(2,998,822)	1,500,908
(Decrease) increase in other payables to related parties	(3,195,649)	13,634
Repayment of the principal portion of lease liabilities	(46,077)	(43,182)
Cash dividends paid	(4,434,237)	(6,716,022)
Proceeds from issuance of ordinary shares	-	11,923,497
Other financing activities	<u>(546)</u>	<u>9,168</u>
Net cash used in financing activities	<u>(1,101,700)</u>	<u>(5,107,206)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,532,233)</b>	<b>(7,466,431)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>3,530,594</u></b>	<b><u>10,997,025</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 1,998,361</u></b>	<b><u>\$ 3,530,594</u></b>

(With Deloitte & Touche auditors' report dated February 21, 2025)

(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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024:

#### Sales Revenue Recognition

In 2024, the sales revenue of the Group, of which a portion of the main sales products has a higher revenue proportion from specific customers, or relies on group's preparation of sales price adjustment reports for certain main sales products as the basis for revenue recognition. This portion of sales revenue is significant to the overall consolidated financial statements. Therefore, the authenticity and accuracy were 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 sales revenue recognition policy and internal control procedures over the sales and evaluated the effectiveness of relevant internal controls.
2. We obtained the sales details for specific customers and management reports for specific sales products, perform sampling, and conduct relevant audit procedures to verify that revenue transactions have genuinely occurred or are accurately calculated, 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 100% interest in Degerfors Long Products AB and Special Melted Products Ltd on August 1 and September 19, 2023, respectively. The purchase price allocation report was finalized in 2024. 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, 2024 and 2023 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\$42,130,578 thousand and NT\$38,958,711 thousand, which constituted 15.40% and 14.60% of the Group's consolidated total assets, as of December 31, 2024 and 2023, respectively, and the total net operating revenue of such subsidiaries amounted to NT\$32,309,110 thousand and NT\$34,331,965 thousand, which constituted 18.02% and 18.08% of the Group's consolidated total net operating revenue, for the years ended December 31, 2024 and 2023, respectively.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2024 and 2023 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, 2024 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 21, 2025

#### 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024:

#### **Sales Revenue Recognition**

In 2024, the sales revenue of the Company, of which a portion of the main sales products relies on company's preparation of sales price adjustment reports for certain mail sales products as the basis for revenue recognition. This portion of sales revenue is significant to overall the parent company only financial statements. Therefore, the accuracy 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 sales revenue recognition policy and internal control procedures over the sales and evaluated the effectiveness of relevant internal controls.
2. We obtained the management reports for specific products, perform sampling, and conduct relevant audit procedures to verify that revenue transactions are accurately calculated, and confirmed that the recognized amounts were consistent with those recorded in the general ledger.

### **Emphasis of Matter**

As disclosed in Note 13, the Company acquired 100% interest in Degerfors Long Products AB and Special Melted Products Ltd on August 1 and September 19, 2023, respectively. The purchase price allocation report was finalized in 2024. 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 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, 2024 and 2023 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\$15,484,713 thousand and NT\$14,300,700 thousand, which constituted 7.66% and 7.05% of the total assets as of December 31, 2024 and 2023, respectively. The aforementioned investment classified as other non-current liabilities were NT\$604,877 thousand and NT\$374,028 thousand, which constituted 0.30% and 0.18% of the total assets as of December 31, 2024 and 2023, respectively. The investment gains amounted to NT\$158,365 thousand and NT\$431,332 thousand for the years ended December 31, 2024 and 2023, 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, 2024 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 21, 2025

#### 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 2024 business report, financial statements (including consolidated financial statements) and the profit distribution proposal, among which the 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 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 21, 2025

# Walsin Lihwa Corporation

## Comparison Table of Amended Articles of Articles of Incorporation

Amended Articles	Original Articles	Description
<p>Article 25-1</p> <p>The Company may distribute no less than 1% of profit of the current year as employees' compensation (<u>0.7% of which shall be distributed to rank-and-file employees</u>) 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.</p> <p>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.</p> <p>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.</p>	<p>Article 25-1</p> <p>The 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.</p> <p>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.</p> <p>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.</p>	<p>Amended in accordance with Paragraph 6 of Article 14 of the Securities and Exchange Act.</p>

Amended Articles	Original Articles	Description
<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-three amendment was made on May 17, 2024, and <u>the fifty-four amendment was made on May 16, 2025</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-three amendment was made on May 17, 2024. The same procedure shall apply to any future amendment.</p>	<p>The date of this amendment has been added.</p>

# Walsin Lihwa Corporation

## Comparison Table of Amended Articles of Endorsement and Guarantee Procedures

Amended Articles	Original Articles	Description
<p>Chapter 1 General Principles Article 3 Definition</p> <p>1. The terms "endorsement" and "guarantee" as used herein refer to:</p> <p>(1) Endorsement or guarantee made to meet the financing needs of another company.</p> <p>(2) Endorsement or guarantee for the Company itself or another company with respect to customs duty matters.</p> <p>(3) <u>Guarantee made for other companies within the scope of liability for business contracts signed with external parties.</u></p> <p>(4) <u>Others not covered by (1), (2), and (3).</u></p> <p>(omitted)</p>	<p>Chapter 1 General Principles Article 3 Definition</p> <p>1. The terms "endorsement" and "guarantee" as used herein refer to:</p> <p>(1) Endorsement or guarantee made to meet the financing needs of another company.</p> <p>(2) Endorsement or guarantee for the Company itself or another company with respect to customs duty matters.</p> <p>(3) <u>Others not covered by (1) and (2).</u></p> <p>(omitted)</p>	<p>These clauses have been amended to address the future needs for endorsements and guarantees.</p>
<p>Chapter 2 Contents Article 2 Total amount of endorsement /guarantee</p> <p>1. According to the Company board decision, the total amount and the individual limit of endorsements /guarantees are listed as follows:</p> <p>(1) The total amount of endorsements/guarantees <u>made by the Company, as well as the Company and its subsidiaries as a whole, shall not exceed 130%</u> of the Company's net worth based on the Company's most current consolidated financial statements.</p> <p>(2) <u>The amount of endorsements and guarantees by the Company, and the Company and its subsidiaries, for an individual party shall not exceed 50% of the total amount mentioned in the preceding subparagraph.</u></p> <p>(omitted)</p>	<p>Chapter 2 Contents Article 2 Total amount of endorsement /guarantee</p> <p>1. According to the Company board decision, the total amount and the individual limit of endorsements /guarantees are listed as follows:</p> <p>(1) The total amount of endorsements/guarantees shall not exceed <u>100%</u> of the Company's net worth based on the Company's most current consolidated financial statements.</p> <p>(2) <u>The individual limit prescribes the amount shall not exceed 2.5 times of the net worth of a guaranteed company based on its most current financial statements multiplied by the percentage of the Company's investment in the subsidiary.</u></p> <p>(omitted)</p>	

## Walsin Lihwa Corporation

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

1. Vice Chairman: Chin Xin Investment Co., Ltd. (Representative: Mr. Shyi-Chin Wang)

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Cogne Acciai Speciali	Director	Production and sales of specialty steel

2. Director: Mr. Yu-Heng Chiao

Names of Other Companies Where He Serves	Title	Business Items Identical or Similar to the Company's
Cheng Cheng Enterprise Co., Ltd.	Director	Commercial real estate H701010 Housing and Building Development and Rental