

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of WINWAY TECHNOLOGY Co., Ltd.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of WINWAY TECHNOLOGY Co., Ltd. ("the Company") and its subsidiaries ("the Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Yu-Lun, Kao and Guo-Yang, Tzang.

KPMG

Taipei, Taiwan (Republic of China)  
May 7, 2025

#### Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****Consolidated Balance Sheets****March 31, 2025, December 31, 2024, and March 31, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets	March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents (note 6(a))	\$ 1,667,936	19	1,123,987	15	564,153	11	Current contract liabilities (note 6(v))	\$ 170,612	2	186,091	2	138,329	3
Current financial assets at fair value through profit or loss (notes 6(b)(m))	-	-	157	-	-	-	Accounts payable	763,043	9	761,551	10	515,107	10
Financial assets measured at amortized cost (note 6(c))	1,293,700	15	1,093,700	14	609,700	11	Other payables (note 6(q)(w))	1,794,460	21	610,465	8	707,069	13
Notes receivable, net (notes 6(d)(v))	39,755	-	44,790	1	1,843	-	Current provisions (note 6(n))	25,398	-	17,112	-	12,936	-
Accounts receivable, net (notes 6(d)(v))	2,148,653	25	1,790,192	24	1,050,621	19	Current lease liabilities (note 6(o))	17,411	-	15,873	-	8,508	-
Other receivables (note 6(e))	2,253	-	2,159	-	1,324	-	Current tax liabilities	347,821	4	189,441	2	138,135	3
Current tax assets	9,623	-	9,423	-	1,369	-	Current deferred revenue (notes 6(l)(p))	705	-	701	-	1,929	-
Inventories, net (note 6(f))	676,337	8	757,454	10	606,796	11	Long-term liabilities, current portion (notes 6(l)(m) and 8)	-	-	31,143	-	59,966	1
Other current assets (note 6(k))	283,750	3	223,568	3	32,101	1	<b>Total current liabilities</b>	<u>3,119,450</u>	<u>36</u>	<u>1,812,377</u>	<u>22</u>	<u>1,581,979</u>	<u>30</u>
Other current financial assets (notes 6(j) and 8)	-	-	-	-	50,813	1	<b>Non-Current liabilities:</b>						
<b>Total current assets</b>	<u>6,122,007</u>	<u>70</u>	<u>5,045,430</u>	<u>67</u>	<u>2,918,720</u>	<u>54</u>	Long-term borrowings (notes 6(l) and 8)	147,145	2	146,971	2	363,481	7
<b>Non-current assets:</b>							Deferred tax liabilities	1,490	-	6,898	1	4,708	-
Property, plant and equipment (notes 6(g) and 8)	2,247,352	26	2,256,431	30	2,118,392	40	Non-current lease liabilities (note 6(o))	78,677	1	66,634	1	53,767	1
Right-of-use assets (note 6(h))	132,913	2	119,848	2	101,279	2	Long-term deferred revenue (notes 6(l)(p))	6,741	-	7,025	-	9,639	-
Intangible assets (note 6(i))	34,553	-	37,528	-	43,755	1	Guarantee deposits	200	-	200	1	-	-
Deferred tax assets	76,245	1	75,353	1	70,633	1	<b>Total non-current liabilities</b>	<u>234,253</u>	<u>3</u>	<u>227,728</u>	<u>5</u>	<u>431,595</u>	<u>8</u>
Refundable deposits	5,319	-	5,012	-	5,297	-	<b>Total liabilities</b>	<u>3,353,703</u>	<u>39</u>	<u>2,040,105</u>	<u>27</u>	<u>2,013,574</u>	<u>38</u>
Other non-current financial assets (notes 6(j) and 8)	1,533	-	1,533	-	1,522	-	<b>Equity attributable to owners of parent (notes 6(m)(s)(t)):</b>						
Other non-current assets (note 6(k))	48,769	1	38,874	-	102,290	2	Capital stock	358,501	4	358,238	5	347,691	6
<b>Total non-current assets</b>	<u>2,546,684</u>	<u>30</u>	<u>2,534,579</u>	<u>33</u>	<u>2,443,168</u>	<u>46</u>	Capital surplus	3,129,210	36	3,105,988	41	1,988,038	37
							Retained earnings	1,875,359	22	2,152,597	28	1,166,488	22
							Other equity	(48,082)	(1)	(76,919)	(1)	(153,903)	(3)
							<b>Total equity</b>	<u>5,314,988</u>	<u>61</u>	<u>5,539,904</u>	<u>73</u>	<u>3,348,314</u>	<u>62</u>
<b>Total assets</b>	<u>\$ 8,668,691</u>	<u>100</u>	<u>7,580,009</u>	<u>100</u>	<u>5,361,888</u>	<u>100</u>	<b>Total liabilities and equity</b>	<u>\$ 8,668,691</u>	<u>100</u>	<u>7,580,009</u>	<u>100</u>	<u>5,361,888</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****Consolidated Statement of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

	For the three months ended March 31,			
	2025		2024	
	Amount	%	Amount	%
<b>Operating revenue (notes 6(v) and 14)</b>	\$ 2,297,307	100	1,073,078	100
<b>Operating costs (notes 6(f)(i)(n)(o)(q)(t)(w) and 12)</b>	<u>1,176,857</u>	<u>51</u>	<u>607,885</u>	<u>57</u>
<b>Gross profit</b>	<u>1,120,450</u>	<u>49</u>	<u>465,193</u>	<u>43</u>
<b>Operating expenses (notes 6(d)(i)(o)(q)(t)(w), 7 and 12):</b>				
Selling expenses	140,717	6	99,197	9
Administrative expenses	135,500	6	78,009	7
Research and development expenses	120,006	5	78,514	7
Expected credit impairment gain	<u>(3,343)</u>	<u>-</u>	<u>(12,759)</u>	<u>(1)</u>
<b>Total operating expenses</b>	<u>392,880</u>	<u>17</u>	<u>242,961</u>	<u>22</u>
<b>Net operating income</b>	<u>727,570</u>	<u>32</u>	<u>222,232</u>	<u>21</u>
<b>Non-operating income and expenses (notes 6(m)(o)(p)(x)):</b>				
Interest income	8,365	-	3,107	-
Other gains and losses	30,670	1	26,009	2
Finance costs	<u>(1,076)</u>	<u>-</u>	<u>(2,202)</u>	<u>-</u>
<b>Total non-operating income and expenses</b>	<u>37,959</u>	<u>1</u>	<u>26,914</u>	<u>2</u>
<b>Profit before income tax</b>	765,529	33	249,146	23
<b>Income tax expenses(note 6(r))</b>	<u>152,721</u>	<u>6</u>	<u>49,418</u>	<u>5</u>
<b>Profit</b>	<u>612,808</u>	<u>27</u>	<u>199,728</u>	<u>18</u>
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign financial statements	6,908	-	5,621	1
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income</b>	<u>6,908</u>	<u>-</u>	<u>5,621</u>	<u>1</u>
<b>Comprehensive income</b>	<u>\$ 619,716</u>	<u>27</u>	<u>205,349</u>	<u>19</u>
<b>Earnings per share (note 6(u)):</b>				
<b>Basic earnings per share (in New Taiwan Dollars)</b>	<u>\$ 17.21</u>		<u>5.81</u>	
<b>Diluted earnings per share (in New Taiwan Dollars)</b>	<u>\$ 17.02</u>		<u>5.77</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****Consolidated Statement of Changes in Equity****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Other equity		
	Retained earnings						Exchange differences	Unearned stock-	
	Ordinary	Capital surplus	Legal reserve	Special reserve	Unappropriated	Total	on translation of	based employee	Total equity
	shares				retained earnings		foreign financial	compensation	
							statements		
Balance at January 1, 2024	\$ 347,726	1,989,414	331,985	5,058	1,007,695	1,344,738	(10,042)	(182,402)	3,489,434
Profit	-	-	-	-	199,728	199,728	-	-	199,728
Other comprehensive income	-	-	-	-	-	-	5,621	-	5,621
Total comprehensive income	-	-	-	-	199,728	199,728	5,621	-	205,349
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(377,978)	(377,978)	-	-	(377,978)
Restricted Stock Awards compensation write-down	(35)	35	-	-	-	-	-	-	-
Restricted Stock Awards compensation cost	-	(1,411)	-	-	-	-	-	32,920	31,509
Balance at March 31, 2024	\$ 347,691	1,988,038	331,985	5,058	829,445	1,166,488	(4,421)	(149,482)	3,348,314
Balance at January 1, 2025	\$ 358,238	3,105,988	378,389	10,042	1,764,166	2,152,597	622	(77,541)	5,539,904
Profit	-	-	-	-	612,808	612,808	-	-	612,808
Other comprehensive income	-	-	-	-	-	-	6,908	-	6,908
Total comprehensive income	-	-	-	-	612,808	612,808	6,908	-	619,716
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(890,046)	(890,046)	-	-	(890,046)
Restricted Stock Awards compensation write-down	(102)	102	-	-	-	-	-	-	-
Restricted Stock Awards compensation cost	-	(7,009)	-	-	-	-	-	21,929	14,920
Conversion of convertible bonds	365	30,129	-	-	-	-	-	-	30,494
Balance at March 31, 2025	\$ 358,501	3,129,210	378,389	10,042	1,486,928	1,875,359	7,530	(55,612)	5,314,988

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES****Consolidated Statement of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from(used in) operating activities:</b>		
Profit before income tax	\$ 765,529	249,146
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expenses	61,213	50,870
Amortization expenses	2,988	3,749
Expected credit impairment gains	(3,343)	(12,759)
Losses (gains) on financial assets at fair value through profit or loss	157	(250)
Interest expenses	1,076	2,202
Interest income	(8,365)	(3,107)
Share-based payment transactions	14,920	31,509
Losses (gains) on disposal of property, plant and equipment	208	(157)
Unrealized foreign exchange gains	(8,930)	(5,466)
Lease modification gains	(2)	-
<b>Total adjustments to reconcile profit</b>	<b>59,922</b>	<b>66,591</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	5,905	(316)
Increase in accounts receivable	(345,034)	(166,678)
Decrease (increase) in other receivables	626	(606)
Decrease (increase) in inventories	82,607	(26,788)
Increase in other current assets	(60,046)	(2,422)
<b>Changes in operating liabilities:</b>		
(Decrease) increase in contract liabilities	(15,495)	41,762
Increase in accounts payable	916	84,871
Increase in other payables	298,096	69,705
Increase in current provisions	8,286	6,086
Decrease in long-term deferred revenue	(106)	(105)
<b>Total adjustments</b>	<b>35,677</b>	<b>72,100</b>
Cash inflow generated from operations	801,206	321,246
Interest received	7,647	2,969
Interest paid	(1,021)	(2,207)
Income taxes paid	(723)	(257)
<b>Net cash flows from operating activities</b>	<b>807,109</b>	<b>321,751</b>
<b>Cash flows from (used in) investing activities:</b>		
Increase in financial assets at amortised cost	(200,000)	(430,000)
Acquisition of financial assets at fair value through profit or loss	-	(20,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	100,437
Acquisition of property, plant and equipment	(34,726)	(54,628)
Proceeds from disposal of property, plant and equipment	28	263
(Increase) decrease in refundable deposits	(255)	10
Increase in other financial assets	-	(583)
Increase in prepayments for equipment	(25,248)	(22,046)
<b>Net cash flows used in investing activities</b>	<b>(260,201)</b>	<b>(426,547)</b>
<b>Cash flows from (used in) financing activities:</b>		
Repayments of bonds	(700)	-
Proceeds from long-term borrowings	10,000	150,000
Repayments of long-term borrowings	(10,000)	(120,000)
Payments of lease liabilities	(4,300)	(3,387)
<b>Net cash flows (used in) from financing activities</b>	<b>(5,000)</b>	<b>26,613</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,041</b>	<b>2,869</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>543,949</b>	<b>(75,314)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>1,123,987</b>	<b>639,467</b>
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 1,667,936</b>	<b>564,153</b>

See accompanying notes to financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars, Unless otherwise specified)**

**(1) Company history:**

Winway Technology Co., Ltd. (the Company) was incorporated on April 10, 2001 as a company limited by shares under the laws of the Republic of China (ROC). The Company and its subsidiaries (jointly referred to as the Group) are engaged in designing, processing, and sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures and their key components, and the import and export trade of related products.

The Company shares have been listed on the Taiwan Stock Exchange since January 20, 2021.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2025.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

## WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

#### (4) Summary of material accounting policies:

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

##### (b) Basis of consolidation

##### (i) List of subsidiaries in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Business Activity	Percentage Ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	WINWAY INTERNATIONAL CO., LTD.	Investment holding	100 %	100 %	100 %	Significant subsidiary
The Company	WINWAY TECHNOLOGY INTERNATIONAL INC.	Sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures	100 %	100 %	100 %	Non-significant subsidiary.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of Investor	Name of Subsidiary	Business Activity	Percentage Ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
WINWAY INTERNATIONAL CO., LTD.	WINWAY TECHNOLOGY (SUZHOU) LTD.	Process and sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures	100 %	100 %	100 %	Significant subsidiary

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) **Income taxes**

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are measured by multiplying together pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) **Employee benefits**

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimate about the future, including climate-related risk and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(a) Cash and cash equivalents

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Cash and cash on hand	\$ 298	292	291
Demand deposits	967,638	876,985	432,095
Time deposits	700,000	50,000	32,000
Cash equivalents	<u>-</u>	<u>196,710</u>	<u>99,767</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><b>\$ 1,667,936</b></u>	<u><b>1,123,987</b></u>	<u><b>564,153</b></u>

Please refer to note 6(y) for the exchange rate risk and sensitivity analysis of the financial assets of the Group.

(b) Financial assets at fair value through profit or loss

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Financial assets mandatorily measured at fair value through profit or loss — current:			
Unsecured convertible bonds — redemption option	<u>\$ -</u>	<u>157</u>	<u>-</u>

For the net gain or loss on financial assets measured at fair value, please refer to note 6(x).

The Group's financial assets at fair value through profit or loss were not restricted nor pledged as collateral.

(c) Financial assets measured at amortized cost

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Domestic time deposits	<u><b>\$ 1,293,700</b></u>	<u><b>1,093,700</b></u>	<u><b>609,700</b></u>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group's financial assets measured at amortized costs were not restricted nor pledged as collateral.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable from operating activities	\$ 39,755	44,790	1,843
Accounts receivable—measured as amortized cost	2,153,760	1,798,558	1,063,446
Less: Loss allowance	<u>(5,107)</u>	<u>(8,366)</u>	<u>(12,825)</u>
	<u><u>\$ 2,188,408</u></u>	<u><u>1,834,982</u></u>	<u><u>1,052,464</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	<u>March 31, 2025</u>		
	<u>Gross carrying amount—notes receivable and accounts receivable from operating activities</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance</u>
Current	\$ 2,071,373	0.04 %	844
1 to 30 days past due	21,572	0.17 %	37
31 to 60 days past due	48,223	2.16 %	1,040
61 to 90 days past due	29,565	0.57 %	169
91 to 180 days past due	16,303	1.34 %	219
181 to 365 days past due	4,319	14.77 %	638
More than 365 days past due	<u>2,160</u>	100.00 %	<u>2,160</u>
	<u><u>\$ 2,193,515</u></u>		<u><u>5,107</u></u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>December 31, 2024</b>		
	<b>Gross carrying amount—notes receivable and accounts receivable from operating activities</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,717,793	0.04 %	648
1 to 30 days past due	66,542	0.25 %	167
31 to 60 days past due	36,537	1.81 %	660
61 to 90 days past due	8,666	3.59 %	311
91 to 180 days past due	6,565	3.50 %	230
181 to 365 days past due	1,185	33.00 %	391
More than 365 days past due	6,060	90.33 %	5,959
	<b>\$ 1,843,348</b>		<b>8,366</b>
	<b>March 31, 2024</b>		
	<b>Gross carrying amount—notes receivable and accounts receivable from operating activities</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,019,636	0.15 %	1,530
1 to 30 days past due	14,656	1.81 %	266
31 to 60 days past due	7,583	9.15 %	694
61 to 90 days past due	6,112	3.89 %	238
91 to 180 days past due	2,058	17.98 %	370
181 to 365 days past due	14,733	62.55 %	9,216
More than 365 days past due	511	100.00 %	511
	<b>\$ 1,065,289</b>		<b>12,825</b>

The movements in the allowance for notes receivable and accounts receivable were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 8,366	25,436
Impairment losses reversed	(3,343)	(12,759)
Effects of changes in foreign exchange rates	84	148
Balance at March 31	<b>\$ 5,107</b>	<b>12,825</b>

The Group's notes receivable and accounts receivable were not restricted nor pledged as collateral.

For further credit risk information, please refer to note 6(y).

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(e) Other receivables

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other receivables	\$ 2,253	2,159	1,324
Less: Loss allowance	-	-	-
	<b><u>\$ 2,253</u></b>	<b><u>2,159</u></b>	<b><u>1,324</u></b>

For further credit risk information, please refer to note 6(y).

(f) Inventories

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Raw materials and supplies	\$ 349,302	401,467	339,943
Work in progress	240,189	268,936	183,273
Finished goods	86,846	87,051	83,580
	<b><u>\$ 676,337</u></b>	<b><u>757,454</u></b>	<b><u>606,796</u></b>

The details of the cost of sales were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Recognized as operating costs and expenses	\$ 1,151,234	636,551
Write-down (reversal of write-downs) of inventories	11,916	(52,829)
Loss on scrap	826	1,697
Income from sale of scrap and wastes	(187)	-
Others	13,068	22,466
	<b><u>\$ 1,176,857</u></b>	<b><u>607,885</u></b>

As of March 31, 2025, and December 31, and March 31, 2024, the Group did not provide any inventories as collateral or restricted.

During three months ended March 31, 2024, the reversal of write-downs were due to destocking of inventories.

(Continued)



**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Property, plant and equipment

The movements of the property, plant and equipment of the Group were as follows:

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Other equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Cost or deemed cost:						
Balance at January 1, 2025	\$ 83,770	1,603,386	985,583	356,110	1,815	3,030,664
Additions	-	2,140	2,859	10,112	14,906	30,017
Disposal	-	-	-	(394)	-	(394)
Reclassifications (note)	-	-	14,521	834	-	15,355
Effect of movements in exchange rates	-	9	3,152	1,334	-	4,495
Balance at March 31, 2025	<u>\$ 83,770</u>	<u>1,605,535</u>	<u>1,006,115</u>	<u>367,996</u>	<u>16,721</u>	<u>3,080,137</u>
Balance at January 1, 2024	\$ -	1,041,013	749,873	318,733	579,741	2,689,360
Additions	-	6,127	2,260	4,585	19,141	32,113
Disposal	-	(138)	-	(7,101)	-	(7,239)
Reclassification (note)	-	312,544	14,348	8,845	(312,544)	23,193
Effect of movements in exchange rates	-	26	2,538	1,089	-	3,653
Balance at March 31, 2024	<u>\$ -</u>	<u>1,359,572</u>	<u>769,019</u>	<u>326,151</u>	<u>286,338</u>	<u>2,741,080</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ -	167,184	386,807	220,242	-	774,233
Depreciation	-	22,323	23,144	10,935	-	56,402
Disposal	-	-	-	(158)	-	(158)
Effect of movements in exchange rates	-	9	1,291	1,008	-	2,308
Balance at March 31, 2025	<u>\$ -</u>	<u>189,516</u>	<u>411,242</u>	<u>232,027</u>	<u>-</u>	<u>832,785</u>
Balance at January 1, 2024	\$ -	86,616	304,624	189,359	-	580,599
Depreciation	-	19,436	17,069	10,934	-	47,439
Disposal	-	(138)	-	(6,995)	-	(7,133)
Effect of movements in exchange rates	-	26	952	805	-	1,783
Balance at March 31, 2024	<u>\$ -</u>	<u>105,940</u>	<u>322,645</u>	<u>194,103</u>	<u>-</u>	<u>622,688</u>
Carrying amounts:						
Balance at January 1, 2025	<u>\$ 83,770</u>	<u>1,436,202</u>	<u>598,776</u>	<u>135,868</u>	<u>1,815</u>	<u>2,256,431</u>
Balance at March 31, 2025	<u>\$ 83,770</u>	<u>1,416,019</u>	<u>594,873</u>	<u>135,969</u>	<u>16,721</u>	<u>2,247,352</u>
Balance at January 1, 2024	<u>\$ -</u>	<u>954,397</u>	<u>445,249</u>	<u>129,374</u>	<u>579,741</u>	<u>2,108,761</u>
Balance at March 31, 2024	<u>\$ -</u>	<u>1,253,632</u>	<u>446,374</u>	<u>132,048</u>	<u>286,338</u>	<u>2,118,392</u>

Note: Reclassifications are transferred from other non-current assets-prepayments for equipment and construction in progress.

As of March 31, 2025 and December 31, 2024, the Group did not provide any property, plant and equipment as collateral or restricted.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

As of March 31, 2024, the property, plant and equipment of the Group has been pledged as collateral for long-term borrowings and credit line, please refer to note 8.

(h) Right-of-use assets

The movements of right-of-use assets of the Group were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost :				
Balance at January 1, 2025	\$ 87,443	126,077	3,644	217,164
Additions	-	17,828	-	17,828
Write-off	-	(515)	-	(515)
Effect of movements in exchange rates	-	1,316	77	1,393
Balance at March 31, 2025	<u>\$ 87,443</u>	<u>144,706</u>	<u>3,721</u>	<u>235,870</u>
Balance at January 1, 2024	\$ 92,818	96,889	-	189,707
Write-off	(1,849)	(3,526)	-	(5,375)
Effect of movements in exchange rates	-	648	-	648
Balance at March 31, 2024	<u>\$ 90,969</u>	<u>94,011</u>	<u>-</u>	<u>184,980</u>
Accumulated depreciation :				
Balance at January 1, 2025	\$ 8,686	87,699	931	97,316
Depreciation	447	4,130	234	4,811
Effect of movements in exchange rates	-	808	22	830
Balance at March 31, 2025	<u>\$ 9,133</u>	<u>92,637</u>	<u>1,187</u>	<u>102,957</u>
Balance at January 1, 2024	\$ 6,889	72,829	-	79,718
Depreciation	457	2,974	-	3,431
Effect of movements in exchange rates	-	552	-	552
Balance at March 31, 2024	<u>\$ 7,346</u>	<u>76,355</u>	<u>-</u>	<u>83,701</u>
Carrying amounts :				
Balance at January 1, 2025	<u>\$ 78,757</u>	<u>38,378</u>	<u>2,713</u>	<u>119,848</u>
Balance at March 31, 2025	<u>\$ 78,310</u>	<u>52,069</u>	<u>2,534</u>	<u>132,913</u>
Balance at January 1, 2024	<u>\$ 85,929</u>	<u>24,060</u>	<u>-</u>	<u>109,989</u>
Balance at March 31, 2024	<u>\$ 83,623</u>	<u>17,656</u>	<u>-</u>	<u>101,279</u>

(i) Intangible assets

The cost and accumulated amortization for intangible assets were as follows:

	<u>Software</u>	<u>Patent</u>	<u>Trademark</u>	<u>Other</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 133,361	140,970	67,666	3,400	345,397
Disposal	(9,600)	-	-	-	(9,600)
Effect of movements in exchange rates	57	-	-	-	57
Balance at March 31, 2025	<u>\$ 123,818</u>	<u>140,970</u>	<u>67,666</u>	<u>3,400</u>	<u>335,854</u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Software</u>	<u>Patent</u>	<u>Trademark</u>	<u>Other</u>	<u>Total</u>
Balance at January 1, 2024	\$ 129,012	140,970	67,666	3,400	341,048
Effect of movements in exchange rates	48	-	-	-	48
Balance at March 31, 2024	<u>\$ 129,060</u>	<u>140,970</u>	<u>67,666</u>	<u>3,400</u>	<u>341,096</u>
Accumulated amortization and Impairment losses:					
Balance at January 1, 2025	\$ 99,233	140,970	67,666	-	307,869
Amortization for the period	2,988	-	-	-	2,988
Disposal	(9,600)	-	-	-	(9,600)
Effect of movements in exchange rates	44	-	-	-	44
Balance at March 31, 2025	<u>\$ 92,665</u>	<u>140,970</u>	<u>67,666</u>	<u>-</u>	<u>301,301</u>
Balance at January 1, 2024	\$ 85,426	140,970	67,162	-	293,558
Amortization for the period	3,598	-	151	-	3,749
Effect of movements in exchange rates	34	-	-	-	34
Balance at March 31, 2024	<u>\$ 89,058</u>	<u>140,970</u>	<u>67,313</u>	<u>-</u>	<u>297,341</u>
Carrying value:					
Balance at January 1, 2025	<u>\$ 34,128</u>	<u>-</u>	<u>-</u>	<u>3,400</u>	<u>37,528</u>
Balance at March 31, 2025	<u>\$ 31,153</u>	<u>-</u>	<u>-</u>	<u>3,400</u>	<u>34,553</u>
Balance at January 1, 2024	<u>\$ 43,586</u>	<u>-</u>	<u>504</u>	<u>3,400</u>	<u>47,490</u>
Balance at March 31, 2024	<u>\$ 40,002</u>	<u>-</u>	<u>353</u>	<u>3,400</u>	<u>43,755</u>

The amortization of intangible assets and their impairment losses are included in the statement of comprehensive income:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Costs of sales	\$ 773	954
Operating expenses	2,215	2,795
Total	<u>\$ 2,988</u>	<u>3,749</u>

As of March 31, 2025, and December 31, and March 31, 2024, the Group did not provide any intangible assets as collateral or restricted.

(j) Other financial assets

	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Restricted deposits—current	\$ -	-	50,813
Restricted deposits—non-current	1,533	1,533	1,522
	<u>\$ 1,533</u>	<u>1,533</u>	<u>52,335</u>

Please refer to note 8 for details of collateral.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(k) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Prepaid expenses	\$ 20,947	16,107	7,927
Prepayments	256,017	191,162	4,549
Offset against business tax payable	2,891	12,409	9,712
Prepayments for equipment	48,769	38,874	102,290
Refund of overpaid tax	-	-	8,446
Other	3,895	3,890	1,467
	<b><u>\$ 332,519</u></b>	<b><u>262,442</u></b>	<b><u>134,391</u></b>
Current	\$ 283,750	223,568	32,101
Non-current	48,769	38,874	102,290
	<b><u>\$ 332,519</u></b>	<b><u>262,442</u></b>	<b><u>134,391</u></b>

(l) Long-term borrowings

The details for long-term borrowings were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Unsecured bank loans	\$ 147,145	146,971	423,447
Less: current portion	-	-	(59,966)
Total	<b><u>\$ 147,145</u></b>	<b><u>146,971</u></b>	<b><u>363,481</u></b>
Unused long-term credit lines	<b><u>\$ 1,785,494</u></b>	<b><u>1,789,447</u></b>	<b><u>2,432,547</u></b>
Range of interest rates	<b><u>1.925%</u></b>	<b><u>1.925%</u></b>	<b><u>1.8%</u></b>

A. Issuance and repayments

For the three months ended March 31, 2025 and 2024, the Group had the additional long-term borrowings amounting to \$10,000 and \$150,000, respectively. The repayments amounted to \$10,000 and \$120,000, respectively.

B. Collateral

The collateral for long-term borrowings, please refer to note 8.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

C. Government low-interest loan

In 2024 and 2023, the Group acquired low-interest loan from “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” which host by Executive Yuan, R.O.C. (Taiwan). As of March 31, 2025, and December 31, and March 31, 2024, the loan amount is \$150,000; the loan is recognized and measured at market interest rates, the difference between the actual repayment preferential interest rate shall be handled according to government subsidy.

As of March 31, 2025, and December 31, and March 31, 2024, the balance of deferred assistance profits was \$2,855, \$3,029 and \$6,553, recognized as other current liabilities — other \$705, \$701 and \$1,929; long-term deferred revenue \$2,150, \$2,328 and \$4,624, respectively.

(m) Bonds payable

The details of unsecured convertible bonds were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Total convertible corporate bonds issued	\$ 1,000,000	1,000,000
Less: Unamortized discounted bonds payable	-	(1,557)
Cumulative converted amount	(999,300)	(967,300)
Cumulative redeemed amount	(700)	-
Less: current portion	-	(31,143)
Issued bonds payable balance at year-end	<u>\$ -</u>	<u>-</u>
Embedded derivative – call rights, included in current financial assets at fair value through profit or loss	<u>\$ -</u>	<u>157</u>
Equity component – conversion options, included in capital surplus— stock options	<u>\$ -</u>	<u>7,172</u>

The original recognized effective interest rate of the aforementioned convertible bonds payable component is 2.02%. Please refer to note 6(x) for the amount of recognized gains on embedded derivatives-redemption rights (included in gains on financial assets at fair value through profit or loss and interest expenses).

For the three months ended March 31, 2025, the information regarding the conversion of convertible bonds into common stock by bondholders, please refer to note 6(s).

The Group exercised redemption right and terminated OTC trading in January 2025, with the conversion price amounted to \$876.70 per share. As of March 31, 2025 and December 31, 2024, the corporate bonds, had been converted \$999,300 and \$967,300, and had been called \$700 and \$0, respectively.

(Continued)

## WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Company issued the first domestic unsecured convertible bonds on May 31, 2024, with a total amount of \$1,000,000 thousands. The main terms are as follows:

1. Total issuance: \$1,000,000 thousand NTD
2. Issued price: issued at 116.37% of par value
3. Issue period: 3 years, expired date will be May 31, 2027
4. Interest rate: 0%
5. Conversion subject: common stock of the Company
6. Conversion price and its adjustment:

The conversion price at the time of issuance is set at \$886 per share. However, after the issuance, if one of the following conditions is met, the conversion price shall be adjusted according to the formula stipulated in the issuance terms:

- (i) When an increase in the Company's issued or private offering shares of common stock. Except for various securities issued or private offering by the company that have conversion rights or options for exchange or new issued shares for employees' compensation.
- (ii) When the Company pays cash dividends of ordinary shares.
- (iii) When the Company re-issues or private offering various value securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share.
- (iv) When the reduction of the ordinary shares is not caused by capital reduction that is due to decrease in treasury stock.

The conversion price on December 31, 2024 was \$876.70 per share.

#### 7. Conversion period:

Started from the next day since the convertible bonds have issued for three months until the maturity date, except for following condition: (1) suspension period of the transfer of ordinary shares which according to law; (2) the period of before 15 business days of the date of the transfer suspension of stock dividend, cash dividends and cash capital increase subscription till interest distribute reference date; (3) started from capital reduction reference date until the day before the share exchange trade date; (4) The period from the start date of the suspension of conversion/subscription of the stock change nominal value to the day before the trading day before the start of the exchange of new shares, may request the Company's stock agency to convert the convertible bonds into ordinary shares of the Company in accordance with these measures at any time.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

8. The Company's redemption option:

- (i) The conversion of the bonds from the next day of three months from the issuance day to 40 days before the expiry of the issue period, if the closing price of the Company's ordinary shares in 30 consecutive business days exceeds the current conversion price by 30% (inclusive) or more. In the case, the Company may redeem the circulating convertible bonds in cash at the bond nominal value.
- (ii) From the next day of three months from the issuance day to 40 days before the expiry of the issue period, when the circulating bonds is less than 10% of the original issuance total, the Company may recover the convertible bonds in cash with the nominal value of the bonds.

(n) Provisions

	<b>Provisions for warrant</b>
Balance at January 1, 2025	\$ 17,112
Provisions made during the period	25,398
Provision used and reversed during the period	(17,112)
Balance at March 31, 2025	<u><u>\$ 25,398</u></u>
Balance at January 1, 2024	\$ 6,850
Provisions made during the period	12,936
Provision used and reversed during the period	(6,850)
Balance at March 31, 2024	<u><u>\$ 12,936</u></u>

There were no significant changes in the provisions for the three months ended March 31, 2025 and 2024. Please refer to note(n) to the consolidated financial statements for the year ended December 31, 2024 for related information.

(o) Lease liabilities

The carrying value of lease liabilities of the Group were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	<u><u>\$ 17,411</u></u>	<u><u>15,873</u></u>	<u><u>8,508</u></u>
Non-current	<u><u>\$ 78,677</u></u>	<u><u>66,634</u></u>	<u><u>53,767</u></u>

For the maturity analysis, please refer to note 6(y) Financial Instruments.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The amounts recognized in profit or loss were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interests on lease liabilities	\$ <u>303</u>	<u>204</u>
Expenses relating to short-term leases	\$ <u>2,478</u>	<u>2,932</u>

The amounts recognized in the statement of cash flows by the Group was as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	\$ <u>7,031</u>	<u>5,271</u>

(i) Land and buildings leases

The Group leases land and buildings for its factory and office, with lease terms of 10 years and 2 to 5 years, respectively. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, wherein the amounts are generally determined annually. The extension options held are exercisable only by the Group and not by the lessors. When the lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included in the lease liabilities.

(ii) Other leases

The Group leases some office equipment and staff dorm. These leases are short-term or leases of low-value items with a lease term of less than one year. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Deferred revenue

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	\$ 705	701	1,929
Non-current	<u>6,741</u>	<u>7,025</u>	<u>9,639</u>
	<u>\$ 7,446</u>	<u>7,726</u>	<u>11,568</u>

In 2022, the Group received a subsidy of \$5,968 for the construction of solar equipment, which was recognized as long-term deferred revenue and was amortized over the useful life of the equipment. The amounts of revenue recognized as of March 31, 2025, and December 31, and March 31, 2024, due to amortization of deferred revenue were \$106, \$423 and \$105, respectively.

(Continued)



**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

In 2024 and 2023, the Group acquired low-interest loan from “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” which host by Executive Yuan, R.O.C. (Taiwan). The Group recognized as long-term deferred revenue. The amounts of revenue recognized as of March 31, 2025, and December 31, and March 31, 2024, due to amortization of deferred revenue were \$174, \$1,239 and \$608, respectively, please refer to note 6(x).

(q) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024.

The expenses recognized in profit or loss for the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ 13	-
Administration expenses	3	26
	<b>\$ 16</b>	<b>26</b>

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension benefit of WINWAY TECHNOLOGY (Suzhou) LTD. and WINWAY TECHNOLOGY INTERNATIONAL INC. are based on their respective local regulation of defined contribution plan. The accrued expenses should be recognized as current expenses. Besides WINWAY INTERNATIONAL CO., LTD. do not have any employee pension plan.

The expenses recognized in profit or loss for the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating cost	\$ 3,583	3,010
Selling expenses	1,968	1,544
Administration expenses	1,240	993
Research and development expenses	1,463	1,411
Total	<b>\$ 8,254</b>	<b>6,958</b>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Short-term benefit obligation

As of March 31, 2025, and December 31, and March 31, 2024, the Group's short-term benefit liabilities for paid leave were \$26,233, \$23,654 and \$21,048, respectively, which were recognized as other payables in the consolidated balance sheets.

(r) Income taxes

The components of income tax for the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Current tax expense		
Current period	\$ <u>159,021</u>	<u>45,136</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>(6,300)</u>	<u>4,282</u>
Income tax expense	<b><u>\$ 152,721</u></b>	<b><u>49,418</u></b>
Income tax recognized in other comprehensive income	<u>\$ -</u>	<u>-</u>
Income tax recognized in equity	<u>\$ -</u>	<u>-</u>

The Company's tax returns for the years through 2023 were examined and approved by the ROC tax authorities.

(s) Capital and other equities

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to 2025. For the related information, please refer to note 6(s) to the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of March 31, 2025, and December 31, and March 31, 2024, the authorized share capital of the Company was \$1,000,000, \$1,000,000 and \$500,000, with a par value of \$10 per share, included 35,850 thousand shares, 35,824 thousand shares and 34,769 thousand shares as of March 31, 2025, and December 31, and March 31, 2024, respectively. All issued shares were paid up upon issuance.

Due to the conversion right of the bondholder, the Company issued 1,103 thousand shares with par value of \$10 per share for a total amount of \$11,032 in 2024. The legal registration procedures have been completed as of March 31, 2025.

Due to the conversion right of the bondholder, the Company issued 36 thousand shares with par value of \$10 per share for a total amount of \$365 for the three months ended March 31, 2025. The legal registration procedures have been completed as of March 31, 2025.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Cancellation of ordinary share

The Company's Board of Directors resolved the cancellation of restricted stocks issued to employees, totaling 52 thousand shares for the year ended December 31, 2024. The legal registration procedures have been completed as of March 31, 2025.

The Company's Board of Directors resolved the cancellation of restricted stocks issued to employees, totaling 10 thousand shares and 4 thousand shares for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025 and 2024, due to the incomplete registration procedure, for a total amount of \$102 and \$35 were recorded as share capital awaiting retirement.

(iii) Capital surplus

The balances of capital surplus were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Additional paid-in capital	\$ 1,762,144	1,762,144	1,700,604
Premium from converting bonds	1,157,423	1,120,276	-
Employee stock options	21,517	21,517	21,517
Employee stock options-expired	3,047	3,047	3,047
Restricted stock	184,665	191,572	262,610
Donation from shareholders	260	260	260
Conversion option of convertible bonds	-	7,172	-
Conversion option-expired	154	-	-
	<b><u>\$ 3,129,210</u></b>	<b><u>3,105,988</u></b>	<b><u>1,988,038</u></b>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

## WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (iv) Retained Earning

The Company's article of incorporation stipulated that annual earning shall be appropriated as follows:

- 1) pay income tax;
- 2) make up accumulated deficit;
- 3) retain 10% as legal reserve until the accumulated legal reserve equals the issued common stock;
- 4) appropriate of reverse a certain amount as special reserve according to the securities exchange act;
- 5) after 1~4 above, the remainder shall be distributed at the discretion of the board of directors and approved at the stockholders' meeting.

According to the ROC Company Act, the distribution of dividends, by way of cash, should first be approved by Board of Directors then reported during the shareholders' meeting; while the distribution of dividends, by way issuing new shares, should be submitted during the shareholders' meeting for review and approval.

The Company is in its growth stage. In order to coordinate with the Company's long-term financial planning, investment environment and industry competition in the future, the distribution of dividends should consider the budget of capital expenditures and demand for fund of company in the future. For dividends of at least 10% of such remaining amount, cash dividends shall not be less than 10% of the total amount dividends.

#### 1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

#### 2) Special reserve

The Company initially adopted the IFRSs to apply for exemptions granted under IFRS 1 First-time Adoption of International Financial Reporting Standards approved by the FSC, wherein its undistributed prior-period earnings shall be reclassified as unappropriated retained earnings at the adoption date, which will result in an increase in retained earnings amounting to \$13. Company shall allocate the same amount in special reserve in accordance with the requirements issued by the Financial Supervisory Commission. When there is any subsequent use, disposal, or reclassification of the relevant assets, the Company may reverse and proportionately appropriate the earnings distribution originally allocated to special reserve.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of March 31, 2025, and December 31, and March 31, 2024, the balance of special reserve amounted to \$10,042, \$10,042 and \$5,058, respectively.

3) Earnings distribution

The following are the appropriations of earnings in 2024 and 2023 which were approved in the Board of Directors' meeting held on February 26, 2025 and March 6, 2024. These earnings were appropriated as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Amount per share</b>	<b>Total amount</b>	<b>Amount per share</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders:				
Cash	\$ 25.00	<u><b>890,046</b></u>	11.00	<u><b>377,978</b></u>

(v) Other equity interest

	<b>Exchange differences on foreign operations</b>	<b>Unearned stock-based Employee compensation</b>	<b>Total</b>
Balance at January 1, 2025	\$ 622	(77,541)	(76,919)
Exchange differences on foreign operations	6,908	-	6,908
Unearned Stock-Based Employee compensation	-	21,929	21,929
Balance at March 31, 2025	<u><b>\$ 7,530</b></u>	<u><b>(55,612)</b></u>	<u><b>(48,082)</b></u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>Exchange differences on foreign operations</b>	<b>Unearned stock- based Employee compensation</b>	<b>Total</b>
Balance at January 1, 2024	\$ (10,042)	(182,402)	(192,444)
Exchange differences on foreign operations	5,621	-	5,621
Unearned Stock-Based Employee compensation	-	32,920	32,920
Balance at March 31, 2024	<u>\$ (4,421)</u>	<u>(149,482)</u>	<u>(153,903)</u>

(t) Share-based payment

Except for the following disclosure, there were no significant changes in share-based payment during the periods from January 1 to March 31, 2025 and 2024. Please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2024 for related information.

Details of the restricted stocks of the Company are as follows :

	<b>Three months ended March 31, 2025</b>	<b>Three months ended March 31, 2024</b>
	<b>Number of restricted stock (in thousands)</b>	<b>Number of restricted stock (in thousands)</b>
Outstanding at January 1	259	411
Forfeited during the period	(10)	(4)
Outstanding at March 31	<u>249</u>	<u>407</u>

For the three months ended March 31, 2025 and 2024, the Group incurred expenses were \$14,920 and \$31,509 for each of the restricted stock, respectively, which were recognized as operating costs and operating expenses.

(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	<b>Three months ended March 31, 2025</b>	<b>2024</b>
<b>Basic earnings per share (expressed in New Taiwan dollars)</b>		
Profit attributable to ordinary shareholders of the Company	\$ <u>612,808</u>	<u>199,728</u>
Weighted average number of ordinary shares outstanding (shares in thousands)	<u>35,599</u>	<u>34,362</u>
<b>Basic earnings per share</b>	\$ <u>17.21</u>	<u>5.81</u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Diluted earnings per share (expressed in New Taiwan dollars)</b>		
Profit attributable to ordinary shareholders of the Company (basic)	\$ 612,808	199,728
Interest expense on convertible bonds, net of tax	43	-
Profit attributable to ordinary shareholders of the Company (diluted)	<u><u>\$ 612,851</u></u>	<u><u>199,728</u></u>
Weighted average number of ordinary shares outstanding (shares in thousands)	35,599	34,362
Effect of dilutive potential ordinary shares (shares in thousands)		
Effect of conversion of convertible bonds	3	-
Effect of employee stock bonus	206	77
Effect of employee restricted stock	<u>205</u>	<u>167</u>
Weighted average number of ordinary shares (diluted) (shares in thousands)	<u><u>36,013</u></u>	<u><u>34,606</u></u>
<b>Diluted earnings per share</b>	<u><u>\$ 17.02</u></u>	<u><u>5.77</u></u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Primary geographical markets:		
Taiwan	\$ 368,546	265,205
America	1,486,243	407,609
China	386,774	264,372
Europe	8,330	965
Canada	4,281	4,723
Asia	<u>43,133</u>	<u>130,204</u>
	<u><u>\$ 2,297,307</u></u>	<u><u>1,073,078</u></u>
Major products/services lines:		
Test Socket	\$ 1,200,414	866,522
Contact Element	191,331	144,986
Probe Card	812,515	3,706
Other	<u>93,047</u>	<u>57,864</u>
	<u><u>\$ 2,297,307</u></u>	<u><u>1,073,078</u></u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 39,755	44,790	1,843
Accounts receivable	2,153,760	1,798,558	1,063,446
Less: loss allowance	(5,107)	(8,366)	(12,825)
Total	<u>\$ 2,188,408</u>	<u>1,834,982</u>	<u>1,052,464</u>
Contract liabilities-advance collections	\$ 3,868	699	7,582
Contract liabilities-customer loyalty program	166,744	185,392	130,747
	<u>\$ 170,612</u>	<u>186,091</u>	<u>138,329</u>

For details on notes receivable, accounts receivable and allowance for impairment, please refer to note 6(d).

The amounts of revenue recognized for the three months ended March 31, 2025 and 2024, that were included in the contract liability balance at the beginning of the each period were \$26,770 and \$8,472, respectively.

(w) Remunerations to employees and directors

In accordance with the Articles of incorporation, the Company should contribute 5%~15% of the profit as employee compensation and a maximum of 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the three months ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$84,859 and \$27,838, and directors' remuneration amounting to \$4,243 and \$1,392, respectively. The employee compensation and directors' remuneration were estimated as the income before tax, excluding the amount of employee compensation and directors' remuneration, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses. If there are any subsequent adjustments to the actual remuneration amounts, the adjustments will be accounted for as changes in accounting and will be reflected in profit or loss in the following year.

For the year ended December 31, 2024 and 2023, the remuneration to employees amounted to \$160,205 and \$30,376, and the remuneration to directors amounted to \$8,010 and \$3,038, respectively. The aforementioned approved amounts were the same as the amounts charged against the earnings in 2024 and 2023. Related information would be available at the Market Observation Post System website.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(x) Non-operating income and expenses

(i) Interest income

Details of interest income of the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest income		
Bank deposits	\$ 7,227	3,098
Others	1,138	9
	<b>\$ 8,365</b>	<b>3,107</b>

(ii) Other gains and losses

Details of other gains and losses of the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 21,909	20,112
(Losses) gains on financial assets at fair value through profit or loss	(157)	250
(Losses) gains on disposals of property, plant and equipment	(208)	157
Government grants	4,047	3,730
Others	5,079	1,760
	<b>\$ 30,670</b>	<b>26,009</b>

(iii) Finance costs

Details of finance costs of the Group were as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest expenses		
Bank loans	\$ 718	1,998
Lease liabilities	303	204
Amortization of discount on bonds payable	55	-
	<b>\$ 1,076</b>	<b>2,202</b>

(y) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2024.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration to credit risk

The customers of the Group has a significant concentration on electronics industry. To minimize the credit risk, the Group periodically evaluates the Company's financial positions and the possibility of collecting accounts receivable and notes receivable.

Besides, the Consolidated Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

As of March 31, 2025, and December 31, and March 31, 2024, 60.47%, 66.06% and 55.61% respectively, of trade receivables were two, seven and four major customers. Thus credit risk is significant centralized.

3) Credit risk of receivables and debt instruments

For credit risk exposure of notes and accounts receivables, please refer to note 6(d).

Other financial assets at amortized cost include other receivables, refundable deposits and other financial assets.

The following table presents whether the assets measured at amortized cost were subject to a 12-month ECL or lifetime ECL allowance, and in the latter case, whether they were credit-impaired:

	<b>March 31, 2025</b>		
	<b>At amortized cost</b>		
	<b>12-month ECL</b>	<b>Lifetime ECL-not credit-impaired</b>	<b>Lifetime ECL-credit-impaired</b>
Other receivables	\$ 2,253	-	-
Refundable deposits	5,319	-	-
Other financial assets	1,533	-	-
Loss allowance	-	-	-
Amortized cost	<u>\$ 9,105</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>\$ 9,105</u>	<u>-</u>	<u>-</u>

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>December 31, 2024</b>			
<b>At amortized cost</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL-not credit-impaired</b>	<b>Lifetime ECL-credit-impaired</b>
Other receivables	\$ 2,159	-	-
Refundable deposits	5,012	-	-
Other financial assets	1,533	-	-
Loss allowance	-	-	-
Amortized cost	<b>\$ 8,704</b>	-	-
Carrying amount	<b>\$ 8,704</b>	-	-

  

<b>March 31, 2024</b>			
<b>At amortized cost</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL-not credit-impaired</b>	<b>Lifetime ECL-credit-impaired</b>
Other receivables	\$ 1,324	-	-
Refundable deposits	5,297	-	-
Other financial assets	52,335	-	-
Loss allowance	-	-	-
Amortized cost	<b>\$ 58,956</b>	-	-
Carrying amount	<b>\$ 58,956</b>	-	-

(ii) Liquidity Risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<b>Carrying amount</b>	<b>Contracted cash flows</b>	<b>Due within 6 months</b>	<b>Due in 6-12 months</b>	<b>Due in 1-2 years</b>	<b>Due in 2-5 years</b>	<b>Over 5 years</b>
<b>March 31, 2025</b>							
Non-derivative financial liabilities							
Accounts payable (non-interest-bearing)	\$ 763,043	763,043	763,043	-	-	-	-
Other payables (non-interest-bearing)	1,794,460	1,794,460	1,794,460	-	-	-	-
Long-term borrowings (floating rate)	147,145	157,719	975	975	5,075	116,095	34,599
Lease liabilities (included due within one year) (fix interest rate)	96,088	109,542	9,044	9,620	13,772	21,748	55,358
Guarantee deposits(non-interest-bearing)	200	200	-	200	-	-	-
	<b>\$ 2,800,936</b>	<b>2,824,964</b>	<b>2,567,522</b>	<b>10,795</b>	<b>18,847</b>	<b>137,843</b>	<b>89,957</b>
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Accounts payable (non-interest-bearing)	\$ 761,551	761,551	761,551	-	-	-	-
Other payables (non-interest-bearing)	610,465	610,465	610,465	-	-	-	-
Long-term borrowings (floating rate)	146,971	158,206	975	975	1,950	110,201	44,105
Bonds payable (included due within one year) (fix interest rate)	31,143	32,700	32,700	-	-	-	-
Lease liabilities (included due within one year) (fix interest rate)	82,507	94,111	8,407	8,485	14,599	16,756	45,864
Guarantee deposits(non-interest-bearing)	200	200	-	200	-	-	-
	<b>\$ 1,632,837</b>	<b>1,657,233</b>	<b>1,414,098</b>	<b>9,660</b>	<b>16,549</b>	<b>126,957</b>	<b>89,969</b>

(Continued)

## WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

	Carrying amount	Contracted cash flows	Due within 6 months	Due in 6-12 months	Due in 1-2 years	Due in 2-5 years	Over 5 years
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Accounts payable (non-interest-bearing)	\$ 515,107	515,107	515,107	-	-	-	-
Other payables (non-interest-bearing)	707,069	707,069	707,069	-	-	-	-
Long-term borrowings (including due within one year) (floating interest rate)	423,447	447,691	28,296	36,949	73,227	236,410	72,809
Lease liabilities (included due within one year) (fix interest rate)	62,275	73,450	4,563	4,651	9,722	7,730	46,784
	<u>\$ 1,707,898</u>	<u>1,743,317</u>	<u>1,255,035</u>	<u>41,600</u>	<u>82,949</u>	<u>244,140</u>	<u>119,593</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

#### (iii) Market risk

##### 1) Currency risk

The Group's significant exposure to foreign currency risk was as follow:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 58,518	33.205	1,943,085	41,028	32.785	1,345,106	31,141	32.000	996,500
JPY	142,289	0.2227	31,688	195,247	0.2099	40,982	255,448	0.2115	54,027
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	27,354	33.205	908,278	24,668	32.785	808,739	19,976	32.000	639,230
JPY	280,447	0.2227	62,455	327,059	0.2099	68,650	203,797	0.2115	43,103

The foreign currency risk mainly arose from the translation of cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables. As of March 31, 2025 and 2024, if the exchange rate of TWD versus USD and JPY had increased or decreased by 1%, given no changes in other factors, profit after tax would have increased or decreased by \$8,032 and \$13,863, for the three months ended March 31, 2025 and 2024, respectively. The method of analysis remains the same as 2024.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, the foreign exchange gain (including realized and unrealized portions) amounted to \$21,909 and \$20,112, respectively.

#### (iv) Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Group's financial assets and liabilities.

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The following sensitivity analysis is based on the risk exposure to interest rate on the non-derivative financial instruments on the reporting date. Regarding the liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.1% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.1%, the net profit after tax would have decreased or increased by \$29 and \$85, respectively, for the three months ended March 31, 2025 and 2024 which would be mainly resulted from the borrowings with variable interest rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy are stated below; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

March 31, 2025					
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,667,936	-	-	-	-
Domestic-time deposits	1,293,700	-	-	-	-
Notes and accounts receivables	2,188,408	-	-	-	-
Other receivables	2,253	-	-	-	-
Other financial assets	1,533	-	-	-	-
Refundable deposits	5,319	-	-	-	-
<b>Total</b>	<b>\$ 5,159,149</b>				
<b>Financial liabilities measured at amortized cost</b>					
Borrowings from bank	\$ 147,145	-	-	-	-
Accounts payables	763,043	-	-	-	-
Other payables	1,794,460	-	-	-	-
Lease liabilities	96,088	-	-	-	-
Guarantee deposits	200	-	-	-	-
<b>Total</b>	<b>\$ 2,800,936</b>				

(Continued)

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

December 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Call right of convertible bond	\$ 157	-	157	-	157
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,123,987	-	-	-	-
Domestic-time deposits	1,093,700	-	-	-	-
Notes and accounts receivables	1,834,982	-	-	-	-
Other receivables	2,159	-	-	-	-
Other financial assets	1,533	-	-	-	-
Refundable deposits	5,012	-	-	-	-
subtotal	4,061,373	-	-	-	-
<b>Total</b>	<b>\$ 4,061,530</b>				
<b>Financial liabilities measured at amortized cost</b>					
Borrowings from bank	\$ 146,971	-	-	-	-
Accounts payables	761,551	-	-	-	-
Other payables	610,465	-	-	-	-
Lease liabilities	82,507	-	-	-	-
Bonds payable	31,143	-	31,143	-	31,143
Guarantee deposits	200	-	-	-	-
<b>Total</b>	<b>\$ 1,632,837</b>				
March 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 564,153	-	-	-	-
Domestic-time deposits	609,700	-	-	-	-
Notes and accounts receivables	1,052,464	-	-	-	-
Other receivables	1,324	-	-	-	-
Other financial assets	52,335	-	-	-	-
Refundable deposits	5,297	-	-	-	-
<b>Total</b>	<b>\$ 2,285,273</b>				
<b>Financial liabilities measured at amortized cost</b>					
Borrowings from bank	\$ 423,447	-	-	-	-
Accounts payables	515,107	-	-	-	-
Other payables	707,069	-	-	-	-
Lease liabilities	62,275	-	-	-	-
<b>Total</b>	<b>\$ 1,707,898</b>				

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Valuation techniques of financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

b) Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques of financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments traded in active market are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained readily and regularly from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and regularly occurring in the market. Then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

(z) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(z) to the consolidated financial statements for the year ended December 31, 2024.

(aa) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2024 for further details.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ab) Financing activities not affecting the current cash flow

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Non-Cash changes					Others	March 31, 2025
			Foreign exchange movement	Changes in lease payments	Changes in deferred revenue	Increase in right-of-use assets	Amortization of discount on bonds payable		
Long-term borrowings (including due within one year)	\$ 146,971	-	-	-	174	-	-	-	147,145
Lease liabilities	82,507	(4,300)	570	(517)	-	17,828	-	-	96,088
Bonds payable (including due within one year)	31,143	(700)	-	-	-	-	55	(30,498)	-
Total liabilities from financing activities	<u>\$ 260,621</u>	<u>(5,000)</u>	<u>570</u>	<u>(517)</u>	<u>174</u>	<u>17,828</u>	<u>55</u>	<u>(30,498)</u>	<u>243,233</u>

	January 1, 2024	Cash flows	Non-Cash changes			March 31, 2024
			Foreign exchange movement	Changes in lease payments	Changes in deferred revenue	
Long-term borrowings (including due within one year)	\$ 395,167	30,000	-	-	(1,720)	423,447
Lease liabilities	70,938	(3,387)	99	(5,375)	-	62,275
Total liabilities from financing activities	<u>\$ 466,105</u>	<u>26,613</u>	<u>99</u>	<u>(5,375)</u>	<u>(1,720)</u>	<u>485,722</u>

**(7) Related-party transactions:**

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Kaohsiung City WinWay Charity Association	Same key management personnel with the Group

(b) Significant related party transactions

For the three months ended March 31, 2025, the Group has donated \$750 which were recognized in operating expenses, to Kaohsiung City WinWay Charity Association.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	Three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 30,854	23,543
Post-employment benefits	90	81
	<u>\$ 30,944</u>	<u>23,624</u>

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(8) Assets pledged as security:**

The carrying amounts of assets pledged as security were follows:

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other financial assets-non-current-demand deposits	Guarantee for customs duty	\$ 1,533	1,533	1,522
Other financial assets-current-time deposits	Construction of plant	-	-	50,813
Property, plant, and equipment	Bank borrowings	-	-	143,207
		<u>\$ 1,533</u>	<u>1,533</u>	<u>195,542</u>

**(9) Significant commitments and contingencies:**

- (a) MPI Corporation (hereinafter referred to as MPI) filed a business secret civil lawsuit against the Group and the chairman of the Board of Directors in the Intellectual Property Court on September 19, 2019, and jointly claimed \$44,000 compensation from the Group, \$9,270 from 4 employees, and the interest was calculated at 5% per annum from the day after the complaint was served to the settlement date.

In addition, MPI filed an additional lawsuit and a petition to stop the trial in December 2020, and raised the claim amount to \$158,910. During the court hearing on September 30, 2024, both parties agreed to submit the data for technical evaluation by an expert. It is not yet possible to determine the probable final outcome of the above-mentioned lawsuit due to the technical evaluation by an expert is still ongoing as of March 31, 2025.

In addition, MPI filed a civil against the Group the chairman of the Board, fifteenth employees, the Chairman and four former employees (who never worked at MPI) on August 9, 2024, and jointly claimed \$200,000 compensation from the Group. As of March 31, 2025, the lawsuit remains in the preparatory process, it is not yet possible to determine the probable final outcome.

The main products of the Group are highly customized, and the Group always respects intellectual property rights and is committed to the research and development of technology. The Group have passed the Taiwan Intellectual Property Management System (TIPS) A-level certification for two consecutive years. There is no unlawful acquisition or use of its business secrets as stated by MPI.

- (b) MPI filed a civil lawsuit concerning patent infringement related to a specific model of vertical probe card against the Group and the chairman of the Board of Directors in the Intellectual property Court and Commercial Court on April, 21, 2025, and jointly claimed \$38,250 compensation from the Group. MPI had requested the full recall and destruction of the infringing products. The lawsuit is currently in the preparatory stage, it is not yet possible to determine the probable final outcome.
- (c) As of March 31, 2025, and December 31, and March 31, 2024, significant outstanding purchase commitments for construction in progress, property, plant and equipment the amounts of \$0, \$0 and \$42,565.

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**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(10) Losses Due to Major Disasters: none**

**(11) Significant Subsequent Events: none**

**(12) Other:**

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

	Three months ended March 31,					
By function	2025			2024		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	243,690	291,334	535,024	125,323	157,732	283,055
Labor and health insurance	12,214	11,657	23,871	9,537	9,201	18,738
Pension	3,596	4,674	8,270	3,010	3,974	6,984
Remuneration of directors	-	4,300	4,300	-	1,424	1,424
Others	8,454	6,262	14,716	5,923	4,713	10,636
Depreciation	43,304	17,909	61,213	36,854	14,016	50,870
Amortization	773	2,215	2,988	954	2,795	3,749

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclical factors.

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WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025.

- (i) Lending to other parties:None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): None
- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	WINWAY TECHNOLOGY (SUZHOU) LTD.	Subsidiary	Sale	312,466	13.90 %	150 Days	(Note 1)	The main customers are 60 to 120 days	459,529	22.20 %	(Note)
WINWAY TECHNOLOGY (SUZHOU) LTD.	The Company	Parent Company	Purchase	312,466	91.01 %	150 Days	(Note 1)	The main suppliers are 60 to 120 days	(459,529)	94.56 %	(Note)

Note : It was eliminated in the consolidation.

Note 1: No comparable transactions as the goods were specific.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	WINWAY TECHNOLOGY (SUZHOU) LTD.	Subsidiary	Accounts receivable \$459,529	296.43 %	-	-	Accounts receivable \$69,076	-	(Note)

Note : It was eliminated in the consolidation.

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship (Note)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	WINWAY TECHNOLOGY INTERNATIONAL INC.	1	Accounts payable Other payable Sales expenses	7 9,401 30,054	Commissions are not comparable with similar transactions; the payment terms are 60 days, were not significantly different from those with third-party customers.	0.00 % 0.11 % 1.31 %
0	The Company	WINWAY TECHNOLOGY (SUZHOU) LTD.	1	Accounts receivable Other receivable Accounts payable Other payables Sales revenue Cost of goods sold Sales expenses	459,529 12,443 16,041 153 312,466 15,344 141	Selling price offered could not be compared to those offered to third-party customers; the collection terms are 150 days; the payment terms are 60 days; were not significantly different from those with third-party customers.	5.30 % 0.14 % 0.19 % 0.00 % 13.60 % 0.67 % 0.01 %

Note : No. 1 represents transactions from parent company to subsidiaries.

No. 2 represents transactions from subsidiaries to parent company.

No. 3 represents transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	WINWAY INTERNATIONAL CO., LTD.	SAMOA	Investment holding	204,599	204,599	6,580,000	100 %	282,840	14,617	14,617	Subsidiary (Note)
The Company	WINWAY TECHNOLOGY INTERNATIONAL INC.	America	Sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures	18,889	18,889	61,934	100 %	47,435	11,689	11,689	Subsidiary (Note)

Note : It was eliminated in the consolidation.

(Continued)

WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements

- (c) Information on investment in Mainland China:
- (i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated remittance from Taiwan as of January 1, 2025	Investment flows		Accumulated remittance from Taiwan as of March 31, 2025	Net income (Losses) of investee (Note2)	Indirect investment holding percentage	Share of profit/losses of investee	Book value (Note)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
WINWAY TECHNOLOGY (SUZHOU) LTD.	Process and sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures	204,599	Indirect investment in Mainland China through an existing company registered in the third country.	204,599	-	-	204,599	14,617	100%	14,617	310,857	-

**WINWAY TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Limitation on investment in Mainland China:

<b>Accumulated remittance from Taiwan to China as of March 31, 2025</b>	<b>Investment Amounts Authorized by Investment Commission, MOEA (Note 1)</b>	<b>Upper Limit on investment in Mainland China set by Investment Commission, Ministry of Economic Affairs (Note 3)</b>
204,599 (USD6,580,000)	218,489 (USD6,580,000)	3,188,993

Note : It was eliminated in the consolidation.

Note 1: The amounts denominated in foreign currencies were translated using the rate of exchange at March 31, 2025.

Note 2: Investment income (loss) recognized was based on financial statements reviewed by the member audit firm of the Company.

Note 3: 60% of the Company's net assets value.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

**(14) Segment information:**

The Group has one reportable segment. This segment is mainly the manufacturing and sales of optoelectronic products test fixtures. Accounting policies for the operating segments correspond to those stated in note 4. The profit before tax of the operating segment of the Group is measured by using the earnings before tax as the basis for performance measurement.

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