

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD.**

**Parent Company Only Financial Statements**

**With Independent Auditors' Report  
For the Years Ended December 31, 2024 and 2023**

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The independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements, the Chinese version shall prevail.

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## Independent Auditors' Report

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

### Opinion

We have audited the financial statements of WINWAY TECHNOLOGY Co., Ltd. ("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Revenue recognition

Please refer to note 4(n) "Revenue recognition" for accounting policy and note 6(w) "Revenue from contracts with customers".

**Description of Key Audit Matter:**

The Company determines the timing of transferring control over the goods and recognizes its revenue depending on whether the specified sales terms in each individual contract are met. Since inappropriate revenue recognition may occur due to the specified sales terms in each individual contract and the sales revenue before or after the financial reporting date has a significant impact on the financial statements, revenue recognition is the key areas our audit focused on.

**How the matter was addressed in our audit:**

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding and testing the internal controls of sales and collection cycle; testing selected sales samples and agreeing to sales contract or customer orders, evaluating whether the sales terms have an impact on revenue recognition; for transactions incurred within a certain period before or after the balance sheet date, test selected sales samples by reviewing related documentation supporting sales recognition, evaluate whether the revenue was recorded in proper period; as well as assess whether the Company has disclosed all information related to revenue.

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

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

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Lung, Hsu and Guo-Yang, Tzang.

KPMG

Taipei, Taiwan (Republic of China)  
February 26, 2025

#### Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements, the Chinese version shall prevail.

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**WINWAY TECHNOLOGY CO., LTD.****Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

| Assets  | December 31, 2024   |            | December 31, 2023 |            | Liabilities and Equity   | December 31, 2024   |            | December 31, 2023 |            |
|---|---------------------|------------|-------------------|------------|--|---------------------|------------|-------------------|------------|
|   | Amount              | %          | Amount            | %          |  | Amount              | %          | Amount            | %          |
| <b>Current assets:</b>  |                     |            |                   |            | <b>Current liabilities:</b>  |                     |            |                   |            |
| Cash and cash equivalents (note 6(a))   | \$ 955,215          | 13         | 564,626           | 12         | Current contract liabilities (note 6(w))                           | \$ 186,091          | 2          | 96,553            | 2          |
| Current financial assets at fair value through profit or loss (notes 6(b)(n)) | 157                 | -          | 80,187            | 2          | Accounts payable   | 732,497             | 10         | 412,328           | 9          |
| Financial assets measured at amortized cost (note 6(c))                       | 1,093,700           | 14         | 179,700           | 4          | Accounts payable to related parties (note 7)                       | 7,705               | -          | 159               | -          |
| Accounts receivable, net (notes 6(d)(w))                                      | 1,414,180           | 19         | 552,713           | 11         | Other payables (note 6(r))   | 575,994             | 8          | 264,580           | 5          |
| Accounts receivable due from related parties, net (notes 6(d)(w) and 7)       | 383,759             | 5          | 274,270           | 6          | Other payables to related parties (note 7)                         | 4,876               | -          | 4,140             | -          |
| Other receivables (note 6(e))   | 2,159               | -          | 580               | -          | Current provisions (note 6(o))                                     | 17,112              | -          | 6,850             | -          |
| Other receivables due from related parties, net (notes 6(e) and 7)            | 12,286              | -          | 2,244             | -          | Current lease liabilities (note 6(p))                              | 7,650               | -          | 6,801             | -          |
| Inventories, net (note 6(f))  | 720,483             | 10         | 523,842           | 11         | Current tax liabilities  | 189,441             | 3          | 95,353            | 2          |
| Other current assets (note 6(l))  | 216,804             | 3          | 23,068            | -          | Long-term liabilities, current portion (notes 6(m)(n) and 8)       | 31,143              | -          | 57,730            | 2          |
| <b>Total current assets</b>   | <b>4,798,743</b>    | <b>64</b>  | <b>2,201,230</b>  | <b>46</b>  | Current deferred revenue (notes 6(m)(q))                           | 701                 | -          | 1,850             | -          |
| <b>Non-current assets:</b>  |                     |            |                   |            | <b>Total current liabilities</b>                                   | <b>1,753,210</b>    | <b>23</b>  | <b>946,344</b>    | <b>20</b>  |
| Investments accounted for using equity method, net (notes 6(g) and 7)         | 304,744             | 4          | 249,877           | 5          | <b>Non-Current liabilities:</b>                                    |                     |            |                   |            |
| Property, plant and equipment (notes 6(h) and 8)                              | 2,150,395           | 29         | 2,007,277         | 42         | Long-term borrowings (notes 6(m) and 8)                            | 146,971             | 2          | 337,437           | 7          |
| Right-of-use assets (note 6(i))   | 91,938              | 1          | 104,163           | 2          | Deferred tax liabilities (note 6(s))                               | 6,898               | -          | -                 | -          |
| Intangible assets (note 6(j))   | 36,882              | -          | 46,708            | 1          | Non-current lease liabilities (note 6(p))                          | 46,661              | 1          | 58,356            | 1          |
| Deferred tax assets (note 6(s))   | 75,353              | 1          | 72,305            | 1          | Long-term deferred revenue (notes 6(m)(q))                         | 7,025               | -          | 8,103             | -          |
| Refundable deposits   | 2,407               | -          | 2,926             | -          | Guarantee deposits   | 200                 | -          | -                 | -          |
| Other non-current financial assets (notes 6(k) and 8)                         | 1,533               | -          | 51,752            | 1          | <b>Total non-current liabilities</b>                               | <b>207,755</b>      | <b>3</b>   | <b>403,896</b>    | <b>8</b>   |
| Other non-current assets (note 6(l))  | 38,874              | 1          | 103,436           | 2          | <b>Total liabilities</b>   | <b>1,960,965</b>    | <b>26</b>  | <b>1,350,240</b>  | <b>28</b>  |
| <b>Total non-current assets</b>   | <b>2,702,126</b>    | <b>36</b>  | <b>2,638,444</b>  | <b>54</b>  | <b>Equity attributable to owners of parent (notes 6(t)(u)(v)):</b> |                     |            |                   |            |
|   |                     |            |                   |            | Capital stock  | 358,238             | 5          | 347,726           | 7          |
|   |                     |            |                   |            | Capital surplus  | 3,105,988           | 41         | 1,989,414         | 41         |
|   |                     |            |                   |            | Retained earnings  | 2,152,597           | 29         | 1,344,738         | 28         |
|   |                     |            |                   |            | Other equity   | (76,919)            | (1)        | (192,444)         | (4)        |
|   |                     |            |                   |            | <b>Total equity</b>  | <b>5,539,904</b>    | <b>74</b>  | <b>3,489,434</b>  | <b>72</b>  |
| <b>Total assets</b>   | <b>\$ 7,500,869</b> | <b>100</b> | <b>4,839,674</b>  | <b>100</b> | <b>Total liabilities and equity</b>                                | <b>\$ 7,500,869</b> | <b>100</b> | <b>4,839,674</b>  | <b>100</b> |

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD.****Statement of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

|  | <b>2024</b>         |           | <b>2023</b>      |           |
|--|---------------------|-----------|------------------|-----------|
|  | <b>Amount</b>       | <b>%</b>  | <b>Amount</b>    | <b>%</b>  |
| <b>Operating revenue (notes 6(w) and 7)</b>  | \$ 5,480,486        | 100       | 3,228,532        | 100       |
| <b>Operating costs (notes 6(f)(j)(o)(p)(r)(u)(x), 7 and 12)</b>  | <u>3,095,824</u>    | <u>56</u> | <u>2,037,696</u> | <u>63</u> |
| <b>Gross profit</b>  | <u>2,384,662</u>    | <u>44</u> | <u>1,190,836</u> | <u>37</u> |
| Add: Realized profit (loss) from sales   | <u>7,240</u>        | <u>-</u>  | <u>75,480</u>    | <u>2</u>  |
| <b>Gross profit</b>  | <u>2,391,902</u>    | <u>44</u> | <u>1,266,316</u> | <u>39</u> |
| <b>Operating expenses (notes 6(d)(j)(p)(r)(u)(x), 7 and 12):</b>   |                     |           |                  |           |
| Selling expenses   | 409,142             | 7         | 287,527          | 9         |
| General and administrative expenses  | 340,772             | 6         | 190,155          | 6         |
| Research and development expenses  | 346,642             | 6         | 231,882          | 7         |
| Expected credit impairment (gain) losses   | <u>(17,120)</u>     | <u>-</u>  | <u>6,924</u>     | <u>-</u>  |
| <b>Total operating expenses</b>  | <u>1,079,436</u>    | <u>19</u> | <u>716,488</u>   | <u>22</u> |
| <b>Net operating income</b>  | <u>1,312,466</u>    | <u>25</u> | <u>549,828</u>   | <u>17</u> |
| <b>Non-operating income and expenses (notes 6(b)(c)(m)(n)(q)(y)):</b>  |                     |           |                  |           |
| Interest income  | 21,539              | -         | 13,543           | -         |
| Other gains and losses   | 77,316              | 1         | 340              | -         |
| Share of profit (loss) of associates and joint ventures accounted for using equity method (note 6(g))                  | 36,918              | 1         | (7,989)          | -         |
| Finance costs (notes 6(m)(p))  | <u>(14,097)</u>     | <u>-</u>  | <u>(3,026)</u>   | <u>-</u>  |
| <b>Total non-operating income and expenses</b>   | <u>121,676</u>      | <u>2</u>  | <u>2,868</u>     | <u>-</u>  |
| <b>Profit before income tax</b>  | <u>1,434,142</u>    | <u>27</u> | <u>552,696</u>   | <u>17</u> |
| <b>Income tax expenses (note 6(s))</b>   | <u>248,305</u>      | <u>5</u>  | <u>88,658</u>    | <u>3</u>  |
| <b>Profit</b>  | <u>1,185,837</u>    | <u>22</u> | <u>464,038</u>   | <u>14</u> |
| <b>Other comprehensive income (note 6(s)):</b>   |                     |           |                  |           |
| <b>Items that may be reclassified subsequently to profit or loss</b>   |                     |           |                  |           |
| Exchange differences on translation of foreign financial statements  | 10,664              | -         | (4,983)          | -         |
| Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(s)) | <u>-</u>            | <u>-</u>  | <u>-</u>         | <u>-</u>  |
| <b>Other comprehensive income</b>  | <u>10,664</u>       | <u>-</u>  | <u>(4,983)</u>   | <u>-</u>  |
| <b>Comprehensive income</b>  | <u>\$ 1,196,501</u> | <u>22</u> | <u>459,055</u>   | <u>14</u> |
| <b>Earnings per share (note 6(v)):</b>   |                     |           |                  |           |
| <b>Basic earnings per share (in New Taiwan Dollars)</b>  | <u>\$ 34.31</u>     |           | <u>13.52</u>     |           |
| <b>Diluted earnings per share (in New Taiwan Dollars)</b>  | <u>\$ 33.61</u>     |           | <u>13.35</u>     |           |

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

## WINWAY TECHNOLOGY CO., LTD.

## Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

|  | Retained earnings |                  |                |                 |                                  |                         | Total other equity interest   |  | Total equity     |
|--|-------------------|------------------|----------------|-----------------|----------------------------------|-------------------------|---|--|------------------|
|  | Ordinary shares   | Capital surplus  | Legal reserve  | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unearned stock-based employee compensation |                  |
| <b>Balance at January 1, 2023</b>                    | <b>\$ 345,380</b> | <b>1,794,485</b> | <b>221,962</b> | <b>10,315</b>   | <b>1,402,891</b>                 | <b>1,635,168</b>        | <b>(5,059)</b>  | <b>(74,432)</b>                            | <b>3,695,542</b> |
| Profit   | -                 | -                | -              | -               | 464,038                          | 464,038                 | -   | -  | 464,038          |
| Other comprehensive income                           | -                 | -                | -              | -               | -                                | -                       | (4,983)   | -  | (4,983)          |
| Total comprehensive income                           | -                 | -                | -              | -               | 464,038                          | 464,038                 | (4,983)   | -  | 459,055          |
| Appropriation and distribution of retained earnings: |                   |                  |                |                 |                                  |                         |   |  |                  |
| Legal reserve appropriated                           | -                 | -                | 110,023        | -               | (110,023)                        | -                       | -   | -  | -                |
| Reversal of special reserve                          | -                 | -                | -              | (5,257)         | 5,257                            | -                       | -   | -  | -                |
| Cash dividends of ordinary share                     | -                 | -                | -              | -               | (754,468)                        | (754,468)               | -   | -  | (754,468)        |
| Restricted Stock Awards                              | 2,500             | 201,750          | -              | -               | -                                | -                       | -   | (204,250)                                  | -                |
| Restricted Stock Awards write-down                   | (154)             | 154              | -              | -               | -                                | -                       | -   | -  | -                |
| Restricted Stock Awards compensation cost            | -                 | (7,235)          | -              | -               | -                                | -                       | -   | 96,280                                     | 89,045           |
| Donation from shareholders                           | -                 | 260              | -              | -               | -                                | -                       | -   | -  | 260              |
| <b>Balance at December 31, 2023</b>                  | <b>347,726</b>    | <b>1,989,414</b> | <b>331,985</b> | <b>5,058</b>    | <b>1,007,695</b>                 | <b>1,344,738</b>        | <b>(10,042)</b>   | <b>(182,402)</b>                           | <b>3,489,434</b> |
| Profit   | -                 | -                | -              | -               | 1,185,837                        | 1,185,837               | -   | -  | 1,185,837        |
| Other comprehensive income                           | -                 | -                | -              | -               | -                                | -                       | 10,664  | -  | 10,664           |
| Total comprehensive income                           | -                 | -                | -              | -               | 1,185,837                        | 1,185,837               | 10,664  | -  | 1,196,501        |
| Appropriation and distribution of retained earnings: |                   |                  |                |                 |                                  |                         |   |  |                  |
| Legal reserve appropriated                           | -                 | -                | 46,404         | -               | (46,404)                         | -                       | -   | -  | -                |
| Special reserve appropriated                         | -                 | -                | -              | 4,984           | (4,984)                          | -                       | -   | -  | -                |
| Cash dividends of ordinary share                     | -                 | -                | -              | -               | (377,978)                        | (377,978)               | -   | -  | (377,978)        |
| Restricted stock Awards compensation write-down      | (520)             | 520              | -              | -               | -                                | -                       | -   | -  | -                |
| Restricted stock Awards compensation cost            | -                 | (11,395)         | -              | -               | -                                | -                       | -   | 104,861                                    | 93,466           |
| Issuance of convertible bonds                        | -                 | 219,337          | -              | -               | -                                | -                       | -   | -  | 219,337          |
| Conversion of convertible bonds                      | 11,032            | 908,112          | -              | -               | -                                | -                       | -   | -  | 919,144          |
| <b>Balance at December 31, 2024</b>                  | <b>\$ 358,238</b> | <b>3,105,988</b> | <b>378,389</b> | <b>10,042</b>   | <b>1,764,166</b>                 | <b>2,152,597</b>        | <b>622</b>  | <b>(77,541)</b>                            | <b>5,539,904</b> |

See accompanying notes to financial statements.



(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD.****Statement of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

|   | <b>2024</b>        | <b>2023</b>        |
|---|--------------------|--------------------|
| <b>Cash flows from (used in) operating activities:</b>                          |                    |                    |
| Profit before income tax  | \$ 1,434,142       | 552,696            |
| <b>Adjustments:</b>   |                    |                    |
| Adjustments to reconcile profit (loss):   |                    |                    |
| Depreciation expenses   | 193,545            | 86,986             |
| Amortization expenses   | 14,085             | 12,483             |
| Expected credit impairment (gains) losses                                       | (17,120)           | 6,924              |
| Losses (gains) on financial assets at fair value through profit or loss         | 1,930              | (187)              |
| Gain on disposal of financial assets at fair value through profit or loss       | (437)              | (497)              |
| Interest expenses   | 14,097             | 3,026              |
| Interest income   | (21,539)           | (13,543)           |
| Share-based payment transactions  | 93,466             | 89,045             |
| Share of (profit) loss of accounted for using equity method                     | (36,918)           | 7,989              |
| Gains losses on disposal of property, plant and equipment                       | (224)              | 223                |
| Unrealized profit from sales  | (7,240)            | (75,480)           |
| <b>Total adjustments to reconcile profit</b>                                    | <b>233,645</b>     | <b>116,969</b>     |
| <b>Changes in operating assets and liabilities:</b>                             |                    |                    |
| <b>Changes in operating assets:</b>   |                    |                    |
| (Increase) decrease in accounts receivable                                      | (844,347)          | 443,323            |
| (Increase) decrease in accounts receivable due from related parties             | (109,489)          | 469,316            |
| (Increase) decrease in other receivables  | (746)              | 47                 |
| Decrease (increase) in other receivable due from related parties                | 2,244              | (2,244)            |
| (Increase) decrease in inventories  | (196,641)          | 61,708             |
| (Increase) decrease in other current assets                                     | (193,736)          | 9,945              |
| <b>Total changes in operating assets</b>  | <b>(1,342,715)</b> | <b>982,095</b>     |
| <b>Changes in operating liabilities:</b>  |                    |                    |
| Increase (decrease) in accounts payable   | 320,169            | (581,073)          |
| Increase (decrease) in accounts payable to related parties                      | 7,546              | (221)              |
| Increase (decrease) in other payables   | 324,014            | (250,167)          |
| Increase (decrease) in other payable to related parties                         | 736                | (12,541)           |
| Increase (decrease) in current provisions                                       | 10,262             | (8,403)            |
| Increase in current contract liabilities  | 89,538             | 41,620             |
| Decrease in long-term deferred revenue  | (423)              | (425)              |
| <b>Total changes in operating liabilities</b>                                   | <b>751,842</b>     | <b>(811,210)</b>   |
| <b>Total changes in operating assets and liabilities</b>                        | <b>(590,873)</b>   | <b>170,885</b>     |
| <b>Total adjustments</b>  | <b>(357,228)</b>   | <b>287,854</b>     |
| Cash inflow generated from operations   | 1,076,914          | 840,550            |
| Interest received   | 20,706             | 13,563             |
| Interest paid   | (5,116)            | (2,799)            |
| Income taxes paid   | (150,367)          | (286,560)          |
| <b>Net cash flows from operating activities</b>                                 | <b>942,137</b>     | <b>564,754</b>     |
| <b>Cash flows from (used in) investing activities:</b>                          |                    |                    |
| Acquisition of financial assets at fair value through profit or loss            | (20,000)           | (680,000)          |
| Proceeds from disposal of financial assets at fair value through profit or loss | 100,437            | 600,497            |
| Increase in financial assets at amortized cost                                  | (914,000)          | (150,000)          |
| Acquisition of property, plant and equipment                                    | (179,935)          | (672,788)          |
| Proceeds from disposal of property, plant and equipment                         | 1,275              | 3,008              |
| Decrease in refundable deposits   | 519                | 2,271              |
| Acquisition of intangible assets  | (2,983)            | (10,342)           |
| Decrease (increase) in other financial assets                                   | 50,219             | (108)              |
| Increase in prepayments for equipment   | (110,726)          | (171,143)          |
| <b>Net cash flows used in investing activities</b>                              | <b>(1,075,194)</b> | <b>(1,078,605)</b> |
| <b>Cash flows from (used in) financing activities:</b>                          |                    |                    |
| Proceeds from issuing bonds   | 1,158,689          | -                  |
| Proceeds from long-term borrowings  | 150,000            | 400,000            |
| Repayments of long-term borrowings  | (400,000)          | -                  |
| Increase (decrease) in guarantee deposits                                       | 200                | (200)              |
| Payments of lease liabilities   | (7,265)            | (6,817)            |
| Cash dividends paid   | (377,978)          | (754,468)          |
| <b>Net cash flows from (used in) financing activities</b>                       | <b>523,646</b>     | <b>(361,485)</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                     | <b>390,589</b>     | <b>(875,336)</b>   |
| <b>Cash and cash equivalents at the beginning of period</b>                     | <b>564,626</b>     | <b>1,439,962</b>   |
| <b>Cash and cash equivalents at the end of period</b>                           | <b>\$ 955,215</b>  | <b>\$ 564,626</b>  |

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**WINWAY TECHNOLOGY CO., LTD.**

**Notes to the Parent Company Only Financial Statements**

**For the years ended December 31, 2024 and 2023**

**(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 is 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 financial statements:**

These parent company financial statements were authorized for issuance by the Board of Directors on February 26, 2025.

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

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only 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 Company, 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.**  
**Notes to the Parent Company Only Financial Statements**

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

The Company 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 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”
- 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:**

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

**(a) Statement of compliance**

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**(b) Basis of preparation**

**(i) Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for financial instruments that have been measured at fair value.

**(ii) Functional and presentation currency**

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

**(c) Foreign currencies**

**(i) Foreign currency transactions**

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(Continued)



**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

- (i) It is expected to be settled in the normal operating cycle;
  - (ii) It is held primarily for the purpose of trading;
  - (iii) It is due to be settled within twelve months after the reporting period; or
  - (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.
- (e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

- (f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

- (i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

- 1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(Continued)

## WINWAY TECHNOLOGY CO., LTD.

### Notes to the Parent Company Only Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### 2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### 3) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes :

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows, such that it would not meet this condition. In making this assessment, the Company considers :

- contingent events that would change the amount or timing of cash flows ;
- terms that may adjust the contractual coupon rate, including variable rate features ;
- prepayment and extension features ; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL :

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment, as well as forward-looking information.

(Continued)

## **WINWAY TECHNOLOGY CO., LTD.**

### **Notes to the Parent Company Only Financial Statements**

The Company considers that the credit risk on a financial asset has increased significantly and considers a financial asset to be in default when the financial asset is more than 30 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **6) Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)



**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of the parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

|    |                         |            |
|----|-------------------------|------------|
| 1) | Buildings               | 5~50 years |
| 2) | Machinery and equipment | 1~10 years |
| 3) | Other equipment         | 2~20 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise an extension or termination option; or
- 5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment, and staff dorm that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- 1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- 2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- 3) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and there is no substantive change in other terms and conditions of the lease. In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(k) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

The estimated useful lives for current and comparative periods are as follows:

- |    |                        |            |
|----|------------------------|------------|
| 1) | Patents                | 7 years    |
| 2) | Customer software cost | 3~10 years |
| 3) | Trademark              | 10 years   |

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs) .

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales of goods are made, with a credit term of 30~150 days, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

Contract liability is primarily generated from advanced receipts of commodity sales contract. The Group will recognize revenue when deliver commodity to customers.

2) Customer loyalty program

The Company operates a customer loyalty program for its customers, which provides material rights to customers in future purchases. The transaction price is allocated to the product and the program on a relative stand-alone selling price basis. The transaction price allocated to the products is recognized as revenue when control of the products has been transferred, the remaining received price is recognized as contract liabilities.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
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customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(o) Government grants

The Company recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

For loan obtained from a financial institution in accordance with the government's project narrowing policy, the Company recognizes the difference between the fair valued of the loan, caculated at market rate, and the proceed received as deferred revenue, which is amortized as other income on a systematic basis.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable the future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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**WINWAY TECHNOLOGY CO., LTD.**  
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Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration, convertible bonds and employee stock options of restricted stock awards.

(t) Operating segments

The Company has disclosed the information on operating segments in its consolidated financial statements. Hence, no further information is disclosed in the parent company only financial statements.

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

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**WINWAY TECHNOLOGY CO., LTD.**  
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Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to note 6(f) for further description of the valuation of inventories.

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

(a) Cash and cash equivalents

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Cash and cash on hand                                    | \$ 292                       | 326                          |
| Demand deposits  | 708,213                      | 483,678                      |
| Time deposits  | 50,000                       | 30,705                       |
| Cash equivalents   | <u>196,710</u>               | <u>49,917</u>                |
| Cash and cash equivalents in the statement of cash flows | <b><u>\$ 955,215</u></b>     | <b><u>564,626</u></b>        |

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

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

|   | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|---|------------------------------|------------------------------|
| Financial assets mandatorily measured at fair value through profit or loss — current: |                              |                              |
| Open-end mutual funds   | \$ -                         | 80,187                       |
| Unsecure convertible bonds-redemption option  | <u>157</u>                   | <u>-</u>                     |
|   | <b><u>\$ 157</u></b>         | <b><u>80,187</u></b>         |

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

The Company'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>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|------------------------|------------------------------|------------------------------|
| Domestic time deposits | <b><u>\$ 1,093,700</u></b>   | <b><u>179,700</u></b>        |

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**WINWAY TECHNOLOGY CO., LTD.**  
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The Company 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 Company's financial assets measured at amortized costs were not restricted nor pledged as collateral.

(d) Accounts receivable

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Accounts receivable—measured as amortized cost                         | \$ 1,416,008                 | 571,661                      |
| Accounts receivable from related parties—measured<br>as amortized cost | 383,759                      | 274,270                      |
| Less: Loss allowance   | <u>(1,828)</u>               | <u>(18,948)</u>              |
|  | <b><u>\$ 1,797,939</u></b>   | <b><u>826,983</u></b>        |

The Company 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, accounts receivables 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 provisions were determined as follows:

|                             | <b>December 31, 2024</b>  |                                       |                                     |
|-----------------------------|---|---------------------------------------|-------------------------------------|
|                             | <b>Gross carrying<br/>amount— accounts<br/>receivable from<br/>operating activities</b> | <b>Weighted-average<br/>loss rate</b> | <b>Loss allowance<br/>provision</b> |
| Current                     | \$ 1,735,415  | -                                     | -                                   |
| 1 to 30 days past due       | 48,791  | -                                     | -                                   |
| 31 to 60 days past due      | 9,491   | -                                     | -                                   |
| 61 to 90 days past due      | 138   | -                                     | -                                   |
| 91 to 180 days past due     | 4,003   | -                                     | -                                   |
| 181 to 365 days past due    | -   | -                                     | -                                   |
| More than 365 days past due | <u>1,929</u>  | 94.76 %                               | <u>1,828</u>                        |
|                             | <b><u>\$ 1,799,767</u></b>  |                                       | <b><u>1,828</u></b>                 |

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**WINWAY TECHNOLOGY CO., LTD.**  
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|                             | <b>December 31, 2023</b>  |                                       |                                     |
|-----------------------------|---|---------------------------------------|-------------------------------------|
|                             | <b>Gross carrying<br/>amount— accounts<br/>receivable from<br/>operating activities</b> | <b>Weighted-average<br/>loss rate</b> | <b>Loss allowance<br/>provision</b> |
| Current                     | \$ 673,455  | 0.09 %                                | 656                                 |
| 1 to 30 days past due       | 69,986  | 2.05 %                                | 1,432                               |
| 31 to 60 days past due      | 40,379  | 12.23 %                               | 4,939                               |
| 61 to 90 days past due      | 46,281  | 17.81 %                               | 8,241                               |
| 91 to 180 days past due     | 13,850  | 21.18 %                               | 2,934                               |
| 181 to 365 days past due    | 1,680   | 26.55 %                               | 446                                 |
| More than 365 days past due | 300   | 100.00 %                              | 300                                 |
|                             | <u><u>\$ 845,931</u></u>  |                                       | <u><u>18,948</u></u>                |

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

|                              | <b>2024</b>            | <b>2023</b>          |
|------------------------------|------------------------|----------------------|
| Balance at January 1         | \$ 18,948              | 12,024               |
| Impairment losses recognized | -                      | 6,924                |
| Impairment losses reversed   | (17,120)               | -                    |
| Balance at December 31       | <u><u>\$ 1,828</u></u> | <u><u>18,948</u></u> |

The Company's accounts receivable were not restricted nor pledged as collateral.

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

(e) Other receivables

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Other receivables                      | \$ 2,159                     | 580                          |
| Other receivables from related parties | 12,286                       | 2,244                        |
| Less: Loss allowance                   | -                            | -                            |
|  | <u><u>\$ 14,445</u></u>      | <u><u>2,824</u></u>          |

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

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**WINWAY TECHNOLOGY CO., LTD.**  
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(f) Inventories

|                            | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|----------------------------|------------------------------|------------------------------|
| Raw materials and supplies | \$ 393,962                   | 289,839                      |
| Work in progress           | 264,142                      | 177,137                      |
| Finished goods             | <u>62,379</u>                | <u>56,866</u>                |
|                            | <b><u>\$ 720,483</u></b>     | <b><u>523,842</u></b>        |

The details of the cost of sales were as follows:

|   | <b>2024</b>                | <b>2023</b>             |
|---|----------------------------|-------------------------|
| Recognized as operating costs and expenses          | \$ 3,088,222               | 1,913,729               |
| Write-down (reversal of write-downs) of inventories | (46,910)                   | 45,528                  |
| Loss on scrap                                       | 11,937                     | 16,792                  |
| Income from sale of scrap and wastes                | (16,749)                   | (10,781)                |
| Others  | <u>59,324</u>              | <u>72,428</u>           |
|   | <b><u>\$ 3,095,824</u></b> | <b><u>2,037,696</u></b> |

As of December 31, 2024 and 2023, the Company did not provide any inventories as collateral or restricted.

During the year ended December 31, 2024, the reversal of write-downs were due to destocking of inventories.

(g) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

|                                      | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--------------------------------------|------------------------------|------------------------------|
| WINWAY INTERNATIONAL CO., LTD        | \$ 269,559                   | 235,337                      |
| WINWAY TECHNOLOGY INTERNATIONAL INC. | <u>35,185</u>                | <u>14,540</u>                |
|                                      | <b><u>\$ 304,744</u></b>     | <b><u>249,877</u></b>        |

For the related information, please refer to the consolidated financial statements for the year ended December 31, 2024.

As of December 31, 2024 and 2023, the Company did not provide any investment accounted for using equity method as collateral or restricted.

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(h) Property, plant and equipment

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

|                              | <u>Land</u>      | <u>Buildings</u> | <u>Machinery and<br/>equipment</u> | <u>Other<br/>equipment</u> | <u>Construction<br/>in progress</u> | <u>Total</u>     |
|------------------------------|------------------|------------------|------------------------------------|----------------------------|-------------------------------------|------------------|
| Cost or deemed cost:         |                  |                  |                                    |                            |                                     |                  |
| Balance at January 1, 2024   | \$ -             | 1,040,385        | 617,997                            | 265,315                    | 579,741                             | 2,503,438        |
| Additions                    | -                | 33,358           | 60,200                             | 36,165                     | 37,666                              | 167,389          |
| Disposal                     | -                | (2,701)          | (1,691)                            | (24,243)                   | -                                   | (28,635)         |
| Reclassifications (note)     | <u>83,770</u>    | <u>531,673</u>   | <u>159,248</u>                     | <u>14,913</u>              | <u>(615,592)</u>                    | <u>174,012</u>   |
| Balance at December 31, 2024 | <u>\$ 83,770</u> | <u>1,602,715</u> | <u>835,754</u>                     | <u>292,150</u>             | <u>1,815</u>                        | <u>2,816,204</u> |
| Balance at January 1, 2023   | \$ -             | 217,401          | 460,250                            | 250,839                    | 797,660                             | 1,726,150        |
| Additions                    | -                | 4,144            | 35,461                             | 19,844                     | 612,068                             | 671,517          |
| Disposal                     | -                | (9,958)          | (8,000)                            | (31,964)                   | -                                   | (49,922)         |
| Reclassification (note)      | <u>-</u>         | <u>828,798</u>   | <u>130,286</u>                     | <u>26,596</u>              | <u>(829,987)</u>                    | <u>155,693</u>   |
| Balance at December 31, 2023 | <u>\$ -</u>      | <u>1,040,385</u> | <u>617,997</u>                     | <u>265,315</u>             | <u>579,741</u>                      | <u>2,503,438</u> |
| Accumulated depreciation:    |                  |                  |                                    |                            |                                     |                  |
| Balance at January 1, 2024   | \$ -             | 85,987           | 258,624                            | 151,550                    | -                                   | 496,161          |
| Depreciation                 | -                | 82,811           | 67,196                             | 34,894                     | -                                   | 184,901          |
| Disposal                     | -                | (2,701)          | (1,136)                            | (11,416)                   | -                                   | (15,253)         |
| Reclassifications            | <u>-</u>         | <u>415</u>       | <u>2,224</u>                       | <u>(2,639)</u>             | <u>-</u>                            | <u>-</u>         |
| Balance at December 31, 2024 | <u>\$ -</u>      | <u>166,512</u>   | <u>326,908</u>                     | <u>172,389</u>             | <u>-</u>                            | <u>665,809</u>   |
| Balance at January 1, 2023   | \$ -             | 86,455           | 222,006                            | 155,926                    | -                                   | 464,387          |
| Depreciation                 | -                | 8,653            | 42,365                             | 27,403                     | -                                   | 78,421           |
| Disposal                     | <u>-</u>         | <u>(9,121)</u>   | <u>(5,747)</u>                     | <u>(31,779)</u>            | <u>-</u>                            | <u>(46,647)</u>  |
| Balance at December 31, 2023 | <u>\$ -</u>      | <u>85,987</u>    | <u>258,624</u>                     | <u>151,550</u>             | <u>-</u>                            | <u>496,161</u>   |
| Carrying amounts:            |                  |                  |                                    |                            |                                     |                  |
| Balance at December 31, 2024 | <u>\$ 83,770</u> | <u>1,436,203</u> | <u>508,846</u>                     | <u>119,761</u>             | <u>1,815</u>                        | <u>2,150,395</u> |
| Balance at January 1, 2023   | <u>\$ -</u>      | <u>130,946</u>   | <u>238,244</u>                     | <u>94,913</u>              | <u>797,660</u>                      | <u>1,261,763</u> |
| Balance at December 31, 2023 | <u>\$ -</u>      | <u>954,398</u>   | <u>359,373</u>                     | <u>113,765</u>             | <u>579,741</u>                      | <u>2,007,277</u> |

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

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

As of December 31, 2023, the property, plant and equipment of the Company has been pledged as collateral for long-term borrowings and credit line, please refer to note 8.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(i) Right-of-use assets

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

|                              | <u>Land</u>             | <u>Buildings</u>     | <u>Total</u>          |
|------------------------------|-------------------------|----------------------|-----------------------|
| Cost :                       |                         |                      |                       |
| Balance at January 1, 2024   | \$ 92,818               | 62,234               | 155,052               |
| Additions                    | -                       | 1,794                | 1,794                 |
| Write-off                    | <u>(5,375)</u>          | <u>-</u>             | <u>(5,375)</u>        |
| Balance at December 31, 2024 | <u><b>\$ 87,443</b></u> | <u><b>64,028</b></u> | <u><b>151,471</b></u> |
| Balance at January 1, 2023   | \$ 92,818               | 45,189               | 138,007               |
| Additions                    | <u>-</u>                | <u>17,045</u>        | <u>17,045</u>         |
| Balance at December 31, 2023 | <u><b>\$ 92,818</b></u> | <u><b>62,234</b></u> | <u><b>155,052</b></u> |
| Accumulated depreciation :   |                         |                      |                       |
| Balance at January 1, 2024   | \$ 6,889                | 44,000               | 50,889                |
| Depreciation                 | <u>1,797</u>            | <u>6,847</u>         | <u>8,644</u>          |
| Balance at December 31, 2024 | <u><b>\$ 8,686</b></u>  | <u><b>50,847</b></u> | <u><b>59,533</b></u>  |
| Balance at January 1, 2023   | \$ 4,979                | 37,345               | 42,324                |
| Depreciation                 | <u>1,910</u>            | <u>6,655</u>         | <u>8,565</u>          |
| Balance at December 31, 2023 | <u><b>\$ 6,889</b></u>  | <u><b>44,000</b></u> | <u><b>50,889</b></u>  |
| Carrying amounts :           |                         |                      |                       |
| Balance at December 31, 2024 | <u><b>\$ 78,757</b></u> | <u><b>13,181</b></u> | <u><b>91,938</b></u>  |
| Balance at January 1, 2023   | <u><b>\$ 87,839</b></u> | <u><b>7,844</b></u>  | <u><b>95,683</b></u>  |
| Balance at December 31, 2023 | <u><b>\$ 85,929</b></u> | <u><b>18,234</b></u> | <u><b>104,163</b></u> |

(j) 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, 2024   | \$ 126,441               | 140,970               | 67,666               | 3,400               | 338,477               |
| Additions                    | 2,983                    | -                     | -                    | -                   | 2,983                 |
| Reclassifications (note)     | <u>1,276</u>             | <u>-</u>              | <u>-</u>             | <u>-</u>            | <u>1,276</u>          |
| Balance at December 31, 2024 | <u><b>\$ 130,700</b></u> | <u><b>140,970</b></u> | <u><b>67,666</b></u> | <u><b>3,400</b></u> | <u><b>342,736</b></u> |
| Balance at January 1, 2023   | \$ 100,112               | 140,970               | 67,666               | 3,400               | 312,148               |
| Additions                    | 10,342                   | -                     | -                    | -                   | 10,342                |
| Reclassification (note)      | <u>15,987</u>            | <u>-</u>              | <u>-</u>             | <u>-</u>            | <u>15,987</u>         |
| Balance at December 31, 2023 | <u><b>\$ 126,441</b></u> | <u><b>140,970</b></u> | <u><b>67,666</b></u> | <u><b>3,400</b></u> | <u><b>338,477</b></u> |

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

|  | <u>Software</u>  | <u>Patent</u>  | <u>Trademark</u> | <u>Other</u> | <u>Total</u>   |
|--|------------------|----------------|------------------|--------------|----------------|
| Accumulated amortization and Impairment losses : |                  |                |                  |              |                |
| Balance at January 1, 2024                       | \$ 83,637        | 140,970        | 67,162           | -            | 291,769        |
| Amortization for the period                      | <u>13,581</u>    | <u>-</u>       | <u>504</u>       | <u>-</u>     | <u>14,085</u>  |
| Balance at December 31, 2024                     | <u>\$ 97,218</u> | <u>140,970</u> | <u>67,666</u>    | <u>-</u>     | <u>305,854</u> |
| Balance at January 1, 2023                       | \$ 71,772        | 140,970        | 66,557           | -            | 279,299        |
| Amortization for the period                      | 11,878           | -              | 605              | -            | 12,483         |
| Reclassification                                 | <u>(13)</u>      | <u>-</u>       | <u>-</u>         | <u>-</u>     | <u>(13)</u>    |
| Balance at December 31, 2023                     | <u>\$ 83,637</u> | <u>140,970</u> | <u>67,162</u>    | <u>-</u>     | <u>291,769</u> |
| Carrying value :                                 |                  |                |                  |              |                |
| Balance at December 31, 2024                     | <u>\$ 33,482</u> | <u>-</u>       | <u>-</u>         | <u>3,400</u> | <u>36,882</u>  |
| Balance at January 1, 2023                       | <u>\$ 28,340</u> | <u>-</u>       | <u>1,109</u>     | <u>3,400</u> | <u>32,849</u>  |
| Balance at December 31, 2023                     | <u>\$ 42,804</u> | <u>-</u>       | <u>504</u>       | <u>3,400</u> | <u>46,708</u>  |

Note: Reclassifications are transferred from other non-current assets-prepayments for equipment.

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

|                    | <u>2024</u>      | <u>2023</u>   |
|--------------------|------------------|---------------|
| Costs of sales     | \$ 3,521         | 3,797         |
| Operating expenses | <u>10,564</u>    | <u>8,686</u>  |
| Total              | <u>\$ 14,085</u> | <u>12,483</u> |

As of December 31, 2024 and 2023, the Company did not provide any intangible assets as collateral or restricted.

(k) Other financial assets

|                                 | <u>December 31,<br/>2024</u> | <u>December 31,<br/>2023</u> |
|---------------------------------|------------------------------|------------------------------|
| Restricted deposits-non-current | <u>\$ 1,533</u>              | <u>51,752</u>                |

Please refer to note 8 for details of collateral.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

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

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

|                                     | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------------------------------|------------------------------|------------------------------|
| Prepaid expenses                    | \$ 10,298                    | 5,513                        |
| Prepayments                         | 190,389                      | 1,006                        |
| Offset against business tax payable | 12,409                       | 15,593                       |
| Prepayments for equipment           | 38,874                       | 103,436                      |
| Other                               | <u>3,708</u>                 | <u>956</u>                   |
|                                     | <b><u>\$ 255,678</u></b>     | <b><u>126,504</u></b>        |
| Current                             | \$ 216,804                   | 23,068                       |
| Non-current                         | <u>38,874</u>                | <u>103,436</u>               |
|                                     | <b><u>\$ 255,678</u></b>     | <b><u>126,504</u></b>        |

(m) Long-term borrowings

The details for long-term borrowings were as follows:

|                               | <b>December 31, 2024</b> |             |                      |                            |
|-------------------------------|--------------------------|-------------|----------------------|----------------------------|
|                               | <b>Currency</b>          | <b>Rate</b> | <b>Maturity date</b> | <b>Amount</b>              |
| Unsecured bank loans          | NTD                      | 1.925%      | February 15, 2031    | \$ 146,971                 |
| Less: current portion         |                          |             |                      | -                          |
| Total                         |                          |             |                      | <b><u>\$ 146,971</u></b>   |
| Unused long-term credit lines |                          |             |                      | <b><u>\$ 1,789,447</u></b> |

  

|                               | <b>December 31, 2023</b> |             |                                    |                            |
|-------------------------------|--------------------------|-------------|------------------------------------|----------------------------|
|                               | <b>Currency</b>          | <b>Rate</b> | <b>Maturity date</b>               | <b>Amount</b>              |
| Unsecured bank loans          | NTD                      | 1.8%        | May 15, 2028~<br>November 15, 2028 | \$ 395,167                 |
| Less: current portion         |                          |             |                                    | (57,730)                   |
| Total                         |                          |             |                                    | <b><u>\$ 337,437</u></b>   |
| Unused long-term credit lines |                          |             |                                    | <b><u>\$ 1,960,000</u></b> |

A. Collateral

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

(Continued)



**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

**B. Government low-interest loan**

In 2024 and 2023, the Company 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 December 31, 2024 and 2023, the loan amount is \$150,000 and \$400,000, respectively; 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, please refer to Note 4(o).

As of December 31, 2024 and 2023, the balance of deferred assistance profits was \$3,029 and \$4,833, recognized as other current liabilities— other \$701 and \$1,850; long-term deferred revenue \$2,328 and \$2,983, respectively.

**(n) Bonds payable**

The details of unsecured convertible bonds were as follows:

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

In 2024, the information regarding the conversion of convertible bonds into common stock by bondholders, please refer to note 6(t).

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

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

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:

- a. 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.
- b. When the Company pays cash dividends of ordinary shares.
- c. 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.
- d. 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.

8. The Company's redemption option:

- (1) 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.
- (2) 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.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(o) Provisions

|   | <b>Provisions for<br/>warrant</b> |
|---|-----------------------------------|
| Balance at January 1, 2024                    | \$ 6,850                          |
| Provisions made during the period             | 17,112                            |
| Provision used and reversed during the period | <u>(6,850)</u>                    |
| Balance at December 31, 2024                  | <u><b>\$ 17,112</b></u>           |
| Balance at January 1, 2023                    | \$ 15,253                         |
| Provisions made during the period             | 6,850                             |
| Provision used and reversed during the period | <u>(15,253)</u>                   |
| Balance at December 31, 2023                  | <u><b>\$ 6,850</b></u>            |

The provision for warranties relates mainly to goods sold during the years ended December 31, 2024 and 2023. The provision is based on estimates made from historical warranty data associated with similar products and services. The Company expects to settle the majority of the liability over the next year.

(p) Lease liabilities

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

|             | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------|------------------------------|------------------------------|
| Current     | <u><b>\$ 7,650</b></u>       | <u><b>6,801</b></u>          |
| Non-current | <u><b>\$ 46,661</b></u>      | <u><b>58,356</b></u>         |

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

The amounts recognized in profit or loss were as follows:

|  | <b>2024</b>            | <b>2023</b>         |
|--|------------------------|---------------------|
| Interests on lease liabilities         | <u><b>\$ 677</b></u>   | <u><b>595</b></u>   |
| Expenses relating to short-term leases | <u><b>\$ 4,018</b></u> | <u><b>5,680</b></u> |

The amounts recognized in the statement of cash flows for the Company was as follows:

|                               | <b>2024</b>             | <b>2023</b>          |
|-------------------------------|-------------------------|----------------------|
| Total cash outflow for leases | <u><b>\$ 11,960</b></u> | <u><b>13,092</b></u> |

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(i) Land and buildings leases

The Company 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.

(ii) Other leases

The Company 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 Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(q) Deferred revenue

|             | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------|------------------------------|------------------------------|
| Current     | \$ 701                       | 1,850                        |
| Non-current | 7,025                        | 8,103                        |
|             | <b><u>\$ 7,726</u></b>       | <b><u>9,953</u></b>          |

In 2022, the Company 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 for the years ended December 31, 2024 and 2023, due to amortization of deferred revenue were \$423 and \$425, respectively.

In 2023, the Company 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 company recognized as long-term deferred revenue. The amounts of revenue recognized for the years ended December 31, 2024 and 2023, due to amortization of deferred revenue were \$1,239 and \$833, please refer to Note 6(y).

(r) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

|  | <b>December 31,<br/>2024</b> |
|--|------------------------------|
| Present value of the defined benefit obligations | \$ 64                        |
| Fair value of plan assets                        | (58)                         |
| Net defined benefit liabilities                  | <b><u>\$ 6</u></b>           |

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for its employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$58 as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

|  | <u>2024</u>         |
|--|---------------------|
| Defined benefit obligations at January 1   | \$ -                |
| Current service costs and interest cost    | <u>64</u>           |
| Defined benefit obligations at December 31 | <u><u>\$ 64</u></u> |

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

|  | <u>2024</u>         |
|--|---------------------|
| Fair value of plan assets at January 1   | \$ -                |
| Interest income                          | -                   |
| Contribution paid by the employer        | <u>58</u>           |
| Fair value of plan assets at December 31 | <u><u>\$ 58</u></u> |

4) Expenses recognized in profit or loss

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

|  | <u>2024</u>         |
|--|---------------------|
| Current service costs  | \$ 64               |
| Net interest of net liabilities (assets) for defined benefit obligations | <u>-</u>            |
|  | <u><u>\$ 64</u></u> |
| Operating cost   | \$ 23               |
| General and administrative expenses                                      | <u>41</u>           |
|  | <u><u>\$ 64</u></u> |

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

|                             | <u>2024.12.31</u> |
|-----------------------------|-------------------|
| Discount rate               | 2.375 %           |
| Future salary increase rate | 5.000 %           |

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2024 is \$1,202.

The weighted-average duration of the defined benefit plan is 33 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

|  | <b>Influences of defined benefit obligations</b> |                        |
|--|--|------------------------|
|  | <u>Increased 0.25%</u>                           | <u>Decreased 0.25%</u> |
| As of December 31, 2024                |  |                        |
| Discount rate (2.375%)                 | \$ 83  | (91)                   |
| Future salary increasing rate (5.000%) | (88)   | 81                     |

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

(ii) Defined contribution plans

The Company 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.

For the years ended December 31, 2024 and 2023, the Company recognized the pension costs under the defined contributed method amounting to \$26,439 and \$26,786, respectively; and the payments that have yet to be made to the Bureau of Labor Insurance at year-end amounted to \$6,933 and \$6,801, respectively, which were recognized as other payables in the consolidated balance sheets.

(iii) Short-term benefit obligation

As of December 31, 2024 and 2023, the Company's short-term benefit liabilities for paid leave were \$19,527 and \$16,994, respectively, which were recognized as other payables in the balance sheets.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(s) Income taxes

(i) The components of income tax for the Company in the years 2024 and 2023 were as follows:

|   | <u>2024</u>              | <u>2023</u>          |
|---|--------------------------|----------------------|
| Current tax expense                                 |                          |                      |
| Current period                                      |                          |                      |
| Corporate income tax                                | \$ 247,441               | 96,671               |
| Global minimum top-up tax                           | -                        | -                    |
| Adjustment for prior periods                        | <u>(2,986)</u>           | <u>(3,845)</u>       |
|   | <u>244,455</u>           | <u>92,826</u>        |
| Deferred tax expense (benefit)                      |                          |                      |
| Origination and reversal of temporary differences   | <u>3,850</u>             | <u>(4,168)</u>       |
| Income tax expense                                  | <u><u>\$ 248,305</u></u> | <u><u>88,658</u></u> |
| Income tax recognized in other comprehensive income | <u><u>\$ -</u></u>       | <u><u>-</u></u>      |
| Income tax recognized in equity                     | <u><u>\$ -</u></u>       | <u><u>-</u></u>      |

Reconciliation of income tax and profit before tax for 2024 and 2023 was as follows:

|  | <u>2024</u>                | <u>2023</u>           |
|--|----------------------------|-----------------------|
| Profit excluding income tax  | <u><u>\$ 1,434,142</u></u> | <u><u>552,696</u></u> |
| Income tax using the Company's domestic tax rate                   | \$ 286,828                 | 110,539               |
| Domestic investment gain under the equity method                   | (7,383)                    | 1,598                 |
| Adjustment for prior period  | (2,986)                    | (3,845)               |
| Tax incentives   | (16,802)                   | (19,847)              |
| Current-year losses for which no deferred tax asset was recognized | (10,979)                   | -                     |
| Others   | <u>(373)</u>               | <u>213</u>            |
|  | <u><u>\$ 248,305</u></u>   | <u><u>88,658</u></u>  |

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024, the management considers it probable that temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Aggregate amount of temporary differences related to investments in subsidiaries | <b>\$ 101,653</b>            | <b>-</b>                     |
| Tax of unrecognized deferred tax liabilities                                     | <b>\$ 20,331</b>             | <b>-</b>                     |

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Aggregate amount of temporary differences related to investments in subsidiaries | <b>\$ -</b>                  | <b>824</b>                   |
| Tax of unrecognized deferred tax assets  | <b>\$ -</b>                  | <b>164</b>                   |

As of December 31, 2023, the Company considered the recoverability of these temporary differences to be unpredictable and therefore did not recognize the tax effect as deferred tax assets.

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

|                                     | <b>Inventory<br/>valuation<br/>loss</b> | <b>Provision<br/>for doubtful<br/>accounts</b> | <b>Impairment<br/>loss</b> | <b>Unrealized<br/>sales profit</b> | <b>Others</b>                               | <b>Total</b>  |
|-------------------------------------|---|--|----------------------------|------------------------------------|---|---------------|
| <b>Deferred tax assets:</b>         |   |  |                            |                                    |   |               |
| <b>Balance at January 1, 2024</b>   | \$ 35,891                               | 2,098  | 1,370                      | 5,515                              | 27,431                                      | 72,305        |
| (Debit) credit profit or loss       | (9,382)                                 | (2,098)  | (1,027)                    | (1,448)                            | 17,003                                      | 3,048         |
| <b>Balance at December 31, 2024</b> | <b>\$ 26,509</b>                        | <b>-</b>                                       | <b>343</b>                 | <b>4,067</b>                       | <b>44,434</b>                               | <b>75,353</b> |
| <b>Balance at January 1, 2023</b>   | \$ 26,785                               | 722  | 2,602                      | 20,611                             | 17,417                                      | 68,137        |
| (Debit) credit profit or loss       | 9,106                                   | 1,376  | (1,232)                    | (15,096)                           | 10,014                                      | 4,168         |
| <b>Balance at December 31, 2023</b> | <b>\$ 35,891</b>                        | <b>2,098</b>                                   | <b>1,370</b>               | <b>5,515</b>                       | <b>27,431</b>                               | <b>72,305</b> |
|                                     |   |  |                            |                                    | <b>Unrealized foreign<br/>exchange gain</b> |               |
| <b>Deferred tax liabilities:</b>    |   |  |                            |                                    |   |               |
| <b>Balance at January 1, 2024</b>   |   |  |                            |                                    | \$ -  |               |
| Debit (credit) profit or loss       |   |  |                            |                                    |   | 6,898         |
| <b>Balance at December 31, 2024</b> |   |  |                            |                                    | <b>\$ 6,898</b>                             |               |

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**WINWAY TECHNOLOGY CO., LTD.**  
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(iii) Assessments of tax

The Company's tax returns for the years through 2022 were assessed by the ROC tax authorities.

(t) Capital and other equities

As of December 31, 2024 and 2023, the authorized shares capital of the Company was \$100,000 and \$500,000, with a par value of \$10 per share, included 35,824 thousand shares and 34,773 thousand shares, respectively. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for 2024 and 2023 were as follows:

| (in thousands of shares)        | <b>Ordinary Shares</b> |                      |
|---------------------------------|------------------------|----------------------|
|                                 | <b>2024</b>            | <b>2023</b>          |
| Balance on January 1            | 34,773                 | 34,538               |
| Issued restricted stock         | -                      | 250                  |
| Canceled restricted stock       | (52)                   | (15)                 |
| Conversion of convertible bonds | 1,103                  | -                    |
| Balance on December 31          | <u><b>35,824</b></u>   | <u><b>34,773</b></u> |

(i) Ordinary shares

On June 24, 2022, the shareholders' meeting approved the issuance of 500 thousand restricted stocks to employees. The issuance was authorized on July 22, 2022. The base dates for the capital increase are August 12, 2022, and July 21, 2023, respectively, with 250 thousand common stocks issued on each date. The subscription price was \$0 per share. The registration procedures have been completed.

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, in which the legal registration procedure for 288 thousand shares have been completed on December 31, 2024.

(ii) Cancellation of ordinary share

The Company's Board of Directors resolved the cancellation of restricted stocks issued to employees, totaling 52 thousand shares and 21 thousand shares for the year ended December 31, 2024 and 2023, respectively. As of December 31, 2024 due to the incomplete registration procedure, 7 thousand shares for a total amount of \$71 was recorded as share capital awaiting retirement. The legal registration procedures have been completed for the other 45 thousand shares and 21 thousand shares on December 31, 2024.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(iii) Capital surplus

The balances of capital surplus were as follows:

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Additional paid-in capital             | \$ 1,762,144                 | 1,700,604                    |
| Premium from converting bonds          | 1,120,276                    | -                            |
| Employee stock options                 | 21,517                       | 21,517                       |
| Employee stock options-expired         | 3,047                        | 3,047                        |
| Restricted stock                       | 191,572                      | 263,986                      |
| Donation from shareholders             | 260                          | 260                          |
| Conversion option of convertible bonds | 7,172                        | -                            |
|  | <b><u>\$ 3,105,988</u></b>   | <b><u>1,989,414</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.

(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 reverse 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.

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**WINWAY TECHNOLOGY CO., LTD.**  
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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.

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 December 31, 2024 and 2023, the balance of special reserve amounted to \$10,042 and \$5,058, respectively.

3) Earnings distribution

The following are the appropriations of earnings in 2023 and 2022 which were approved in the Board of Directors' meeting held on March 6, 2024 and February 22, 2023. These earnings were appropriated as follows:

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**WINWAY TECHNOLOGY CO., LTD.**  
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|   | <b>2023</b>             |                       | <b>2022</b>             |                       |
|---|-------------------------|-----------------------|-------------------------|-----------------------|
|   | <u>Amount per share</u> | <u>Total amount</u>   | <u>Amount per share</u> | <u>Total amount</u>   |
| Dividends distributed to ordinary shareholders: |                         |                       |                         |                       |
| Cash  | \$ 11.00                | <u><b>377,978</b></u> | 22.00                   | <u><b>754,468</b></u> |

The amounts of cash dividends on the appropriations of earnings for 2024 had been approved during the board meeting on February 26, 2025 as follows:

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

(v) Other equity interest

|  | <u>Exchange differences on foreign operations</u> | <u>Unearned stock-based Employee compensation</u> | <u>Total</u>            |
|--|---|---|-------------------------|
| Balance at January 1, 2024                 | \$ (10,042)                                       | (182,402)   | (192,444)               |
| Exchange differences on foreign operations | 10,664  | -   | 10,664                  |
| Unearned Stock-Based Employee compensation | -   | 104,861   | 104,861                 |
| Balance at December 31, 2024               | <u><b>\$ 622</b></u>                              | <u><b>(77,541)</b></u>                            | <u><b>(76,919)</b></u>  |
| Balance at January 1, 2023                 | \$ (5,059)  | (74,432)  | (79,491)                |
| Exchange differences on foreign operations | (4,983)   | -   | (4,983)                 |
| Unearned Stock-Based Employee compensation | -   | (107,970)   | (107,970)               |
| Balance at December 31, 2023               | <u><b>\$ (10,042)</b></u>                         | <u><b>(182,402)</b></u>                           | <u><b>(192,444)</b></u> |

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**WINWAY TECHNOLOGY CO., LTD.**  
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(u) Share-based payment

(i) Employee restricted stock awards

On June 24, 2022, the shareholders' meeting approved the issuance of 500,000 restricted stocks to those full-time employees who meet the Company's requirements. The restricted stock has been registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On August 5, 2022, the board of directors issued 250,000 restricted stocks. The fair value on the grant date was \$403 per share, which was the closing price less the issue price. The restricted stock has been registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On July 21, 2023, the board of directors issued 250,000 restricted stocks. The fair value on the grant date was \$817 per share, which was the closing price less the issue price.

Full-time employees who are granted restricted shares as mentioned above shall receive the granted shares without consideration and shall remain in service with the Company for one, two and three years from the grant date, and shall receive 30%, 30% and 40% of the restricted shares each year, depending on the achievement of the Company's overall and individual performance targets for that year, respectively. All of the restricted stocks shall be delivered to the Company's designated trustee for safekeeping until the vesting conditions are met, and shall not be sold, pledged, transferred, gifted or otherwise disposed of. The voting rights of the stocks shall be exercised by the trustee in accordance with the relevant laws and regulations during the period when the stocks are delivered to the trustee for safekeeping. If any employee fails to meet the vesting conditions after subscribing for the new stocks, the Company will take back his/her shares without consideration and cancel the stocks in accordance with the law.

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

|                             | <b>2024</b>  | <b>2023</b>  |
|-----------------------------|--|--|
|                             | <b>Number of<br/>restricted stock<br/>(in thousands)</b> | <b>Number of<br/>restricted stock<br/>(in thousands)</b> |
| Outstanding at January 1    | 411  | 244  |
| Granted during the period   | -  | 250  |
| Forfeited during the period | (52)   | (15)   |
| Exercised during the period | (100)  | (68)   |
| Outstanding at December 31  | <b>259</b>   | <b>411</b>   |

For the year ended December 31, 2024 and 2023, the Company incurred expenses were \$93,466 and \$89,045 for each of the restricted stock, respectively, which were recognized as operating costs and operating expenses.

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**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(v) Earnings per share

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

|  | <u>2024</u>         | <u>2023</u>    |
|--|---------------------|----------------|
| <b>Basic earnings per share (expressed in New Taiwan dollars)</b>            |                     |                |
| Profit attributable to ordinary shareholders of the Company                  | \$ <u>1,185,837</u> | <u>464,038</u> |
| Weighted average number of ordinary shares outstanding (shares in thousands) | <u>34,566</u>       | <u>34,312</u>  |
| <b>Basic earnings per share</b>  | \$ <u>34.31</u>     | <u>13.52</u>   |
| <b>Diluted earnings per share (expressed in New Taiwan dollars)</b>          |                     |                |
| Profit attributable to ordinary shareholders of the Company (basic)          | 1,185,837           | 464,038        |
| Interest expense on convertible bonds, net of tax                            | <u>7,292</u>        | <u>-</u>       |
| Profit attributable to ordinary shareholders of the Company (diluted)        | \$ <u>1,193,129</u> | <u>464,038</u> |
| Weighted average number of ordinary shares outstanding (shares in thousands) | 34,566              | 34,312         |
| Effect of dilutive potential ordinary shares (shares in thousands)           |                     |                |
| Effect of employee stock bonus   | 179                 | 285            |
| Effect of conversion of convertible bonds                                    | 502                 | -              |
| Effect of employee restricted stock  | <u>254</u>          | <u>154</u>     |
| Weighted average number of ordinary shares (diluted) (shares in thousands)   | <u>35,501</u>       | <u>34,751</u>  |
| <b>Diluted earnings per share</b>  | \$ <u>33.61</u>     | <u>13.35</u>   |

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

|                               | <u>2024</u>         | <u>2023</u>      |
|-------------------------------|---------------------|------------------|
| Primary geographical markets: |                     |                  |
| Taiwan                        | \$ 1,607,925        | 918,477          |
| America                       | 2,152,812           | 830,006          |
| China                         | 1,210,800           | 735,607          |
| Asia                          | 470,645             | 713,679          |
| Europe                        | 18,073              | 17,493           |
| Canada                        | <u>20,231</u>       | <u>13,270</u>    |
|                               | \$ <u>5,480,486</u> | <u>3,228,532</u> |

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**WINWAY TECHNOLOGY CO., LTD.**  
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|                                | <u>2024</u>                | <u>2023</u>             |
|--------------------------------|----------------------------|-------------------------|
| Major products/services lines: |                            |                         |
| Test Socket                    | \$ 3,612,020               | 2,117,023               |
| Contact Element                | 809,256                    | 632,980                 |
| Probe Card                     | 640,742                    | 250,881                 |
| Other                          | <u>418,468</u>             | <u>227,648</u>          |
|                                | <u><b>\$ 5,480,486</b></u> | <u><b>3,228,532</b></u> |

(ii) Contract balances

|   | <u>December 31, 2024</u>   | <u>December 31, 2023</u> | <u>January 1, 2023</u>  |
|---|----------------------------|--------------------------|-------------------------|
| Accounts receivable (including<br>receivables from related parties) | \$ 1,799,767               | 845,931                  | 1,758,570               |
| Less: loss allowance  | <u>(1,828)</u>             | <u>(18,948)</u>          | <u>(12,024)</u>         |
|   | <u><b>\$ 1,797,939</b></u> | <u><b>826,983</b></u>    | <u><b>1,746,546</b></u> |
| Contract liabilities-advance collections                            | \$ 699                     | 360                      | 282                     |
| Contract liabilities-customer loyalty<br>program                    | <u>185,392</u>             | <u>96,193</u>            | <u>54,651</u>           |
|   | <u><b>\$ 186,091</b></u>   | <u><b>96,553</b></u>     | <u><b>54,933</b></u>    |

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

The amounts of revenue recognized for the years ended December 31, 2024 and 2023, that were included in the contract liability balance at the beginning of the each period were \$53,190 and \$3,703, respectively.

(x) 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 years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$160,205 and \$30,376, and directors' remuneration amounting to \$8,010, and \$3,038, 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 during 2024 and 2023. Related information would be available at the Market Observation Post System website. The amount, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2024 and 2023.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(y) Non-operating income and expenses

(i) Interest income

Details of interest income of the Company were as follows:

|                 | <u>2024</u>      | <u>2023</u>   |
|-----------------|------------------|---------------|
| Interest income |                  |               |
| Bank deposits   | \$ 19,129        | 13,508        |
| Others          | 2,410            | 35            |
|                 | <u>\$ 21,539</u> | <u>13,543</u> |

(ii) Other gains and losses

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

|   | <u>2024</u>      | <u>2023</u> |
|---|------------------|-------------|
| Foreign exchange gains (losses)   | \$ 69,189        | (4,431)     |
| (Gains) losses on financial assets at fair value through profit or loss | (1,493)          | 684         |
| Gains (losses) on disposals of property, plant and equipment            | 224              | (223)       |
| Government grants   | 5,630            | 2,445       |
| Others  | 3,766            | 1,865       |
|   | <u>\$ 77,316</u> | <u>340</u>  |

(iii) Finance costs

Details of finance costs of the Company were as follows:

|   | <u>2024</u>      | <u>2023</u>  |
|---|------------------|--------------|
| Interest expenses                         |                  |              |
| Bank loans                                | \$ 4,306         | 2,431        |
| Lease liabilities                         | 677              | 595          |
| Amortization of discount on bonds payable | 9,114            | -            |
|   | <u>\$ 14,097</u> | <u>3,026</u> |

(z) Financial Instruments

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

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**WINWAY TECHNOLOGY CO., LTD.**  
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Besides, the Company monitors and reviews the recoverable amount of the trade receivable to ensure the uncollectible amount are recognized appropriately as impairment loss.

As of December 31, 2024 and 2023, 83.74% and 74.12% respectively, of trade receivables were seven and five 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:

|   | December 31, 2024 |                                  |                              |
|---|-------------------|----------------------------------|------------------------------|
|   | At amortized cost |                                  |                              |
|   | 12-month ECL      | Lifetime ECL-not credit-impaired | Lifetime ECL-credit-impaired |
| Other receivables<br>(including receivables from parties) | \$ 14,445         | -                                | -                            |
| Refundable deposits                                       | 2,407             | -                                | -                            |
| Other financial assets                                    | 1,533             | -                                | -                            |
| Loss allowance  | -                 | -                                | -                            |
| Amortized cost  | \$ 18,385         | -                                | -                            |
| Carrying amount   | \$ 18,385         | -                                | -                            |
|   | December 31, 2023 |                                  |                              |
|   | At amortized cost |                                  |                              |
|   | 12-month ECL      | Lifetime ECL-not credit-impaired | Lifetime ECL-credit-impaired |
| Other receivables<br>(including receivables from parties) | \$ 2,824          | -                                | -                            |
| Refundable deposits                                       | 2,926             | -                                | -                            |
| Other financial assets                                    | 51,752            | -                                | -                            |
| Loss allowance  | -                 | -                                | -                            |
| Amortized cost  | \$ 57,502         | -                                | -                            |
| Carrying amount   | \$ 57,502         | -                                | -                            |

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**WINWAY TECHNOLOGY CO., LTD.**  
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The movements in the allowance for impairment for debt investments at amortized cost were as follows:

| <b>For the years ended December 31, 2023</b> |                     |   |   |              |
|--|---------------------|---|---|--------------|
|  | <b>12-month ECL</b> | <b>Lifetime ECL-<br/>not credit-<br/>impaired</b> | <b>Lifetime ECL-<br/>credit-<br/>impaired</b> | <b>Total</b> |
| Balance at January 1, 2023                   | \$ -                | -   | 3,609   | 3,609        |
| Written off                                  | -                   | -   | (3,609)                                       | (3,609)      |
| Balance at December 31, 2023                 | <u>\$ -</u>         | <u>-</u>  | <u>-</u>                                      | <u>-</u>     |

(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<br/>amount</b> | <b>Contracted<br/>cash flows</b> | <b>Due within 6<br/>months</b> | <b>Due in 6-12<br/>months</b> | <b>Due in 1-2<br/>years</b> | <b>Due in 2-5<br/>years</b> | <b>over 5<br/>years</b> |
|---|----------------------------|----------------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|-------------------------|
| <b>December 31, 2024</b>  |                            |                                  |                                |                               |                             |                             |                         |
| Non-derivative financial liabilities  |                            |                                  |                                |                               |                             |                             |                         |
| Notes and accounts payable (including payables to related parties) (non-interest-bearing) | \$ 740,202                 | 740,202                          | 740,202                        | -                             | -                           | -                           | -                       |
| Other payables (including payables to related parties) (non-interest-bearing)             | 580,870                    | 580,870                          | 580,870                        | -                             | -                           | -                           | -                       |
| Bonds payable (included due within one year)  | 31,143                     | 32,700                           | 32,700                         | -                             | -                           | -                           | -                       |
| Long-term borrowings (floating rate)  | 146,971                    | 158,206                          | 975                            | 975                           | 1,950                       | 110,201                     | 44,105                  |
| Lease liabilities (included due within one year) (fix interest rate)                      | 54,311                     | 64,922                           | 4,092                          | 4,126                         | 6,741                       | 4,099                       | 45,864                  |
| Guarantee deposits(non-interest-bearing)  | 200                        | 200                              | -                              | 200                           | -                           | -                           | -                       |
|   | <u>\$ 1,553,697</u>        | <u>1,577,100</u>                 | <u>1,358,839</u>               | <u>5,301</u>                  | <u>8,691</u>                | <u>114,300</u>              | <u>89,969</u>           |
| <b>December 31, 2023</b>  |                            |                                  |                                |                               |                             |                             |                         |
| Non-derivative financial liabilities  |                            |                                  |                                |                               |                             |                             |                         |
| Notes and accounts payable (including payables to related parties) (non-interest-bearing) | \$ 412,487                 | 412,487                          | 412,487                        | -                             | -                           | -                           | -                       |
| Other payables (including payables to related parties) (non-interest-bearing)             | 268,720                    | 268,720                          | 268,720                        | -                             | -                           | -                           | -                       |
| Long-term borrowings (including due within the year) (floating rate)                      | 395,167                    | 412,924                          | 14,838                         | 47,888                        | 102,332                     | 247,866                     | -                       |
| Lease liabilities (included due within one year) (fix interest rate)                      | 65,157                     | 78,145                           | 3,831                          | 3,697                         | 7,434                       | 9,689                       | 53,494                  |
|   | <u>\$ 1,141,531</u>        | <u>1,172,276</u>                 | <u>699,876</u>                 | <u>51,585</u>                 | <u>109,766</u>              | <u>257,555</u>              | <u>53,494</u>           |

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

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
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(iii) Currency risk

1) Exposure to foreign currency risk

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

|                       | December 31, 2024   |                  |        | December 31, 2023   |                  |        |         |
|-----------------------|---------------------|------------------|--------|---------------------|------------------|--------|---------|
|                       | Foreign<br>currency | Exchange<br>rate | TWD    | Foreign<br>currency | Exchange<br>rate | TWD    |         |
| Financial assets      |                     |                  |        |                     |                  |        |         |
| <u>Monetary items</u> |                     |                  |        |                     |                  |        |         |
| USD                   | \$                  | 40,779           | 32.785 | 1,336,938           | 25,800           | 30.705 | 792,177 |
| JPY                   |                     | 195,247          | 0.2099 | 40,982              | 185,176          | 0.2172 | 40,220  |
| Financial liabilities |                     |                  |        |                     |                  |        |         |
| <u>Monetary items</u> |                     |                  |        |                     |                  |        |         |
| USD                   |                     | 12,637           | 32.785 | 414,292             | 7,655            | 30.705 | 235,042 |
| JPY                   |                     | 327,059          | 0.2099 | 68,650              | 260,131          | 0.2172 | 56,501  |

2) Sensitivity analysis

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 December 31, 2024 and 2023, 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 \$7,160 and \$4,327, for the years ended December 31, 2024 and 2023, respectively. The method of analysis remains the same as 2023.

3) Foreign exchange gains and losses of monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$69,189 and \$(4,431), respectively.

(iv) Interest rate analysis

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

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 Company's assessment on the reasonably possible 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 \$118 and \$316, for the years ended December 31, 2024 and 2023 which would be mainly resulted from the borrowings with variable interest rates.

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**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(v) Other market price risk

For the years ended December 31, 2023, the sensitivity analyses for the change in the securities price at the reporting date were performed using same basis for the profit and loss as illustrated below:

| <u>Prices of securities at the reporting date</u> | <u>2023</u>                                 |                   |
|---|---|-------------------|
|   | <u>Other comprehensive income after tax</u> | <u>Net income</u> |
| Increasing 3%                                     | \$ -  | <u>1,924</u>      |
| Decreasing 3%                                     | \$ -  | <u>1,924</u>      |

(vi) 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 Company'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:

|   | <u>December 31, 2024</u> |                   |                |                |              |
|---|--------------------------|-------------------|----------------|----------------|--------------|
|   | <u>Book Value</u>        | <u>Fair Value</u> |                |                | <u>Total</u> |
|   |                          | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |              |
| <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   | 955,215                  | -                 | -              | -              | -            |
| Domestic-time deposits  | 1,093,700                | -                 | -              | -              | -            |
| Accounts receivables (including receivables from related parties) | 1,797,939                | -                 | -              | -              | -            |
| Other receivables (including receivables from related parties)    | 14,445                   | -                 | -              | -              | -            |
| Other financial assets  | 1,533                    | -                 | -              | -              | -            |
| Refundable deposits   | 2,407                    | -                 | -              | -              | -            |
| Subtotal  | <u>3,865,239</u>         |                   |                |                |              |
| <b>Total</b>  | <u>\$ 3,865,396</u>      |                   |                |                |              |
| <b>Financial liabilities measured at amortized cost</b>           |                          |                   |                |                |              |
| Borrowings from bank  | \$ 146,971               | -                 | -              | -              | -            |
| Accounts payables (including payables to related parties)         | 740,202                  | -                 | -              | -              | -            |
| Other payables (including payables to related parties)            | 580,870                  | -                 | -              | -              | -            |
| Lease liabilities   | 54,311                   | -                 | -              | -              | -            |
| Bonds payable   | 31,143                   | -                 | 31,143         | -              | 31,143       |
| Guarantee deposits  | 200                      | -                 | -              | -              | -            |
| <b>Total</b>  | <u>\$ 1,553,697</u>      |                   |                |                |              |

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**WINWAY TECHNOLOGY CO., LTD.**  
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|   | December 31, 2023   |            |         |         |        |
|---|---------------------|------------|---------|---------|--------|
|   | Book Value          | Fair Value |         |         | Total  |
|   |                     | Level 1    | Level 2 | Level 3 |        |
| <b>Financial assets at fair value through profit or loss</b>      |                     |            |         |         |        |
| Open fund   | \$ 80,187           | 80,187     | -       | -       | 80,187 |
| <b>Financial assets measured at amortized cost</b>                |                     |            |         |         |        |
| Cash and cash equivalents   | \$ 564,626          | -          | -       | -       | -      |
| Domestic-time deposits  | 179,700             | -          | -       | -       | -      |
| Accounts receivables (including receivables from related parties) | 826,983             | -          | -       | -       | -      |
| Other receivables (including receivables from related parties)    | 2,824               | -          | -       | -       | -      |
| Other financial assets  | 51,752              | -          | -       | -       | -      |
| Refundable deposits   | 2,926               | -          | -       | -       | -      |
| Subtotal  | 1,628,811           |            |         |         |        |
| <b>Total</b>  | <b>\$ 1,708,998</b> |            |         |         |        |
| <b>Financial liabilities measured at amortized cost</b>           |                     |            |         |         |        |
| Borrowings from bank  | \$ 395,167          | -          | -       | -       | -      |
| Accounts payables (including payables to related parties)         | 412,487             | -          | -       | -       | -      |
| Other payables (including payables to related parties)            | 268,720             | -          | -       | -       | -      |
| Lease liabilities   | 65,157              | -          | -       | -       | -      |
| <b>Total</b>  | <b>\$ 1,141,531</b> |            |         |         |        |

When the Company evaluated its assets and liabilities, it used market observable input values as much as possible. The fair value of different levels were classified based on the input values used in the evaluation technology as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
  - b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).
- 2) Valuation techniques of financial instruments not measured at fair value

The Company'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.

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**WINWAY TECHNOLOGY CO., LTD.**  
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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.

(aa) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Company's finance management department provides business services. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

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**WINWAY TECHNOLOGY CO., LTD.**  
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The risk management policies were set to identify and analyze the risks that the Company is exposed to, evaluate influences of financial risks, and implement related policies to avoid financial risks. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and bank deposits.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

According to the credit policy, the Company has to evaluate the credit of each new customer before setting the payment and delivery terms. The evaluations include external credit ratings, if available, and bank references. The Company reviewed credit limits periodically and required customers to pay in advance when the customers' credit ratings did not meet the benchmark.

2) Investment

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policies are to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2024, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2024 and 2023, the Company's unused credit line were amounted to \$2,386,977 and \$2,560,087, respectively.

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**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company, primarily the NTD. The currencies used in these transactions are the US dollar (USD) and Japanese Yen (JPY).

2) Interest rate risk

To Company adopts a policy to ensure the exposure of changes in interest rates on borrowings is evaluated based on the trend in market interest rates. The Company can manage its interest risk through maintaining an appropriate portfolio of floating interest rate and fixed interest rate.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity instruments and mutual funds that contain uncertainty of future prices risk. Therefore, the Company monitors and manages the equity investments by holding different investment portfolio and regularly updating the information of equity instruments and mutual funds investment.

(ab) Capital management

The Company must maintain sufficient capital to establish and expand production capacity and equipment. In consideration of the characteristic of the industry business cycle, the capital management of the Company is to ensure that it has sufficient and necessary financial resources to support its working capital requirements, capital expenditures, research and development activities, dividend payment, debt repayment and other business needs in the next 12 months.

(ac) Financing activities not affecting the current cash flow

Reconciliation of liabilities arising from financing activities was as follows:

|  | January 1,<br>2024 | Cash<br>flows  | Non-Cash changes                          |                                |   |  |                    | December<br>31, 2024 |
|--|--------------------|----------------|---|--------------------------------|---|--|--------------------|----------------------|
|  |                    |                | Increase<br>in right-<br>of-use<br>assets | Changes<br>in lease<br>payment | Changes in<br>deferred<br>revenue<br>payments | Amortizat<br>ion of<br>discount<br>on bonds<br>payable | Others             |                      |
| Long-term borrowings<br>(including due within one<br>year) | \$ 395,167         | (250,000)      | -   | -                              | 1,804   | -  | -                  | 146,971              |
| Lease liabilities  | 65,157             | (7,265)        | 1,794                                     | (5,375)                        | -   | -  | -                  | 54,311               |
| Bonds payable (including due<br>within one year)           | -                  | 1,158,689      | -   | -                              | -   | 9,114  | (1,136,660)        | 31,143               |
| Total liabilities from financing<br>activities             | <u>\$ 460,324</u>  | <u>901,424</u> | <u>1,794</u>                              | <u>(5,375)</u>                 | <u>1,804</u>                                  | <u>9,114</u>   | <u>(1,136,660)</u> | <u>232,425</u>       |

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|  | January 1,<br>2023 | Cash flows     | Non-Cash changes                      |                                   | December 31,<br>2023 |
|--|--------------------|----------------|---------------------------------------|-----------------------------------|----------------------|
|  |                    |                | Increase in<br>right-of-use<br>assets | Changes in<br>deferred<br>revenue |                      |
| Long-term borrowings (including due within one year) | \$ -               | 400,000        | -                                     | (4,833)                           | 395,167              |
| Lease liabilities                                    | 54,929             | (6,817)        | 17,045                                | -                                 | 65,157               |
| Total liabilities from financing activities          | <u>\$ 54,929</u>   | <u>393,183</u> | <u>17,045</u>                         | <u>(4,833)</u>                    | <u>460,324</u>       |

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

**(a) Names and relationship with related parties**

The followings are entities that have had transactions with the Company during the periods covered in the financial statements:

| <u>Name of related party</u>              | <u>Relationship with the Company</u>           |
|---|--|
| WINWAY TECHNOLOGY INTERNATIONAL INC.      | Subsidiary of the Company                      |
| WINWAY TECHNOLOGY (SUZHOU) LTD.           | Subsidiary of the Company                      |
| Kaohsiung City WinWay Charity Association | Same key management personnel with the Company |

**(b) Significant related party transactions**

**(i) Operating revenue**

The amounts of significant net sales by the Company to related parties were as follows:

|   | <u>2024</u>       | <u>2023</u>    |
|---|-------------------|----------------|
| Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD. | \$ <u>992,819</u> | <u>674,848</u> |

The selling prices for sales to subsidiaries were no significantly different from those for third-party customers. The collection terms were 150 days for subsidiaries, which were not significantly different from those of other customers.

**(ii) Purchases**

The amounts of significant purchases by the Company from related parties were as follows:

|   | <u>2024</u>      | <u>2023</u>  |
|---|------------------|--------------|
| Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD. | \$ <u>26,203</u> | <u>1,217</u> |

The purchases price of the Company to its related parties is not comparable to other purchases due to the different in the purchases of the goods. The payment terms for purchases to related parties were 60 days, which were not significantly different from those of the third parties.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(iii) Receivables from Related Parties

The receivables from related parties were as follows:

| <u>Account</u>      | <u>Relationship</u>                           | <u>December 31,<br/>2024</u> | <u>December 31,<br/>2023</u> |
|---------------------|---|------------------------------|------------------------------|
| Accounts Receivable | Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD. | \$ <u>383,759</u>            | <u>274,270</u>               |

(iv) Payables to Related Parties

The payables to related parties were as follows:

| <u>Account</u>   | <u>Relationship</u>                           | <u>December 31,<br/>2024</u> | <u>December 31,<br/>2023</u> |
|------------------|---|------------------------------|------------------------------|
| Accounts Payable | Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD. | \$ <u>7,705</u>              | <u>159</u>                   |

(v) Property transactions

The disposals of property, plant and equipment to related parties are summarized as follows:

|   | <u>2024</u>               |                                    | <u>2023</u>               |                                    |
|---|---------------------------|------------------------------------|---------------------------|------------------------------------|
|   | <u>Disposal<br/>price</u> | <u>Gain (loss)<br/>on disposal</u> | <u>Disposal<br/>price</u> | <u>Gain (loss)<br/>on disposal</u> |
| Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD. | \$ <u>13,304</u>          | <u>-</u>                           | <u>2,284</u>              | <u>-</u>                           |

In 2024 and 2023, the Company sold machinery equipment to its subsidiary. As of December 31, 2024 and 2023, the receivables due to above-mentioned transactions amounted to \$12,286 and \$2,244, respectively, which were recognized as other receivables from related parties.

(vi) Others

The amounts of sales commission paid to related parties and the outstanding balance are as follows:

|  |                  |               | <u>Other payable</u>         |                              |
|--|------------------|---------------|------------------------------|------------------------------|
|  |                  |               | <u>December 31,<br/>2024</u> | <u>December 31,<br/>2023</u> |
| Subsidiaries- WINWAY TECHNOLOGY INTERNATIONAL INC. | <u>2024</u>      | <u>2023</u>   |                              |                              |
|  | \$ 87,150        | 62,286        | 4,413                        | 3,759                        |
| Subsidiaries- WINWAY TECHNOLOGY (SUZHOU) LTD.      | <u>1,958</u>     | <u>2,069</u>  | <u>463</u>                   | <u>381</u>                   |
|  | <u>\$ 89,108</u> | <u>64,355</u> | <u>4,876</u>                 | <u>4,140</u>                 |

For the years ended December 31, 2023, the Company has donated \$1,000 which were recognized in operating expenses, to Kaohsiung City Winway Charity Association.

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**WINWAY TECHNOLOGY CO., LTD.**  
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(c) Key management personnel compensation

Key management personnel compensation comprised:

|                              | <u>2024</u>             | <u>2023</u>          |
|------------------------------|-------------------------|----------------------|
| Short-term employee benefits | \$ 69,940               | 47,235               |
| Post-employment benefits     | <u>324</u>              | <u>216</u>           |
|                              | <u><u>\$ 70,264</u></u> | <u><u>47,451</u></u> |

**(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>December 31,<br/>2024</u> | <u>December 31,<br/>2023</u> |
|------------------------------------|--------------------------------------|------------------------------|------------------------------|
| Other financial                    | Guarantee for customs duty           | \$ 1,533                     | 1,522                        |
| assets-non-current-demand deposits |                                      |                              |                              |
| Other financial                    | Construction of plant                | -                            | 50,230                       |
| assets-non-current-time deposits   |                                      |                              |                              |
| Property, plant, and equipment     | Bank borrowings                      | <u>-</u>                     | <u>129,750</u>               |
|                                    |                                      | <u><u>\$ 1,533</u></u>       | <u><u>181,502</u></u>        |

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

- (a) MPI Corporation (hereinafter referred to as MPI) filed a business secret civil lawsuit against the Company 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 Company, \$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 January 15, 2025.

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

The main products of the Company are highly customized, and the Company always respects intellectual property rights and is committed to the research and development of technology. The Company has passed the Taiwan Intellectual Property Managenemt 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) As at December 31, 2024 and 2023, significant outstanding purchase commitments for construction in progress, property, plant and equipment the amounts of \$0 and \$113,135.

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

**(11) Significant Subsequent Events:**

On February 26, 2025, the board of directors resolved to issue 200 thousand shares new employee restricted stocks.

**(12) Other:**

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

| By function<br>By item     | 2024          |                    |           | 2023          |                    |         |
|----------------------------|---------------|--------------------|-----------|---------------|--------------------|---------|
|                            | Cost of sales | Operating expenses | Total     | Cost of sales | Operating expenses | Total   |
| Employee benefits          |               |                    |           |               |                    |         |
| Salary                     | 520,753       | 634,173            | 1,154,926 | 353,354       | 383,586            | 736,940 |
| Labor and health insurance | 35,500        | 29,176             | 64,676    | 36,490        | 28,142             | 64,632  |
| Pension                    | 12,230        | 14,273             | 26,503    | 13,291        | 13,495             | 26,786  |
| Remuneration of directors  | -             | 8,178              | 8,178     | -             | 3,158              | 3,158   |
| Others                     | 21,256        | 21,313             | 42,569    | 17,441        | 15,363             | 32,804  |
| Depreciation               | 139,103       | 54,442             | 193,545   | 68,026        | 18,960             | 86,986  |
| Amortization               | 3,521         | 10,564             | 14,085    | 3,797         | 8,686              | 12,483  |

The additional information of number of employees and employee benefits in the year 2024 and 2023 was as follows:

|                                       | 2024            | 2023         |
|---------------------------------------|-----------------|--------------|
| Number of employees                   | <u>826</u>      | <u>768</u>   |
| Number of non-employee directors      | <u>6</u>        | <u>6</u>     |
| Average employee benefits             | <u>\$ 1,572</u> | <u>1,130</u> |
| Average employee salary               | <u>\$ 1,409</u> | <u>967</u>   |
| Adjustment of average employee salary | <u>45.71 %</u>  |              |
| Supervisor's remuneration             | <u>\$ -</u>     | <u>-</u>     |

The Company's remuneration policy including directors, managers and employees is as follows :

1. The remuneration to employees mainly includes salary (basic salary, meal allowance, special workplace allowance, etc.) yearend bonus, performance bonus, etc.

- (i) The Company draw up the salary standards for employees based on market salary level, its operating conditions and organization structure. Furthermore, the salary will be properly adjusted which depending on the market salary dynamics, changes in the overall economic and business conditions and government regulations.
- (ii) The remuneration to employees is based on their education, professional knowledge and technique skills, experience and personal performance, without distinction of age, sex, race, religion, political inclination, marital status and union.

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**WINWAY TECHNOLOGY CO., LTD.**  
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- (iii) The starting salary of the inexperience complied with the government regulations.
  - (iv) In accordance with the Articles of incorporation, the Company should contribute 5%~ 15% of the profit as employee remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.
2. The managers' remuneration including salary, addition pay, severance pay, various bonus, allowances, etc., is based on the business strategies and profitability of the Company, personal performance and contribution, as well as market salary level. Moreover, in accordance with the Articles of incorporation, the Company should contribute 5%~ 15% of the profit as employee remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.
3. Director's remuneration
- (i) The directors' remuneration by annual distribution does not include the independent directors' remuneration. Independent directors receive a fixed monthly remuneration.
  - (ii) In accordance with the Articles of incorporation, if the Company incurs profit for the year, the profit should first be used to offset any deficit. The remainder, if any, a maximum of 3% shall be distributed as directors' remuneration based on the contribution of each director to the Company.
  - (iii) A fixed transportation allowance is provided based on the number of directors' attendance.

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(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 Company for the years ended December 31, 2024.

(i) Lending to other parties:

| Name of lender | Name of borrower                     | Account name                      | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower | Transaction amount for business between two parties | Reasons for short-term financing | Allowance for bad debt | Collateral |       | Individual funding loan limits (Note 2) | Maximum limit of fund financing (Note 2) | Note |
|----------------|--------------------------------------|-----------------------------------|---------------|---|----------------|---------------------------------------|---|---|---|----------------------------------|------------------------|------------|-------|---|--|------|
|                |                                      |                                   |               |   |                |                                       |   |   |   |                                  |                        | Item       | Value |   |  |      |
| The Company    | WINWAY TECHNOLOGY INTERNATIONAL INC. | Other receivables-related parties | Yes           | 16,393  | -              | -                                     | 2.867%                                    | (Note 1)                                    | -   | Operating requirements           | -                      | -          | -     | 1,107,981                               | 2,215,962                                |      |

Note 1: WINWAY TECHNOLOGY INTERNATIONAL INC. requires a short-term financing with it.  
Note 2: The aggregate loan amount and the individual loans were limited to 40% and 20%, respectively, of the Company net equity.

- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

| Name of company | Category and name of security  | Account name  | Name of counter-party | Relationship with the company | Beginning Balance |        | Purchases    |        | Sales        |         |         |                         | Ending Balance |        |      |
|-----------------|--------------------------------|---|-----------------------|-------------------------------|-------------------|--------|--------------|--------|--------------|---------|---------|-------------------------|----------------|--------|------|
|                 |                                |   |                       |                               | Shares            | Amount | Shares       | Amount | Shares       | Price   | Cost    | Gain (loss) on disposal | Shares         | Amount | Note |
| The Company     | Taishin 1699 Money Market Fund | Financial assets at fair value through profit or loss | -                     | -                             | 5,751,289.15      | 80,187 | 1,431,116.78 | 20,000 | 7,182,405.93 | 100,437 | 100,000 | 437                     | -              | -      | -    |

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

| Name of company | Name of property                 | Transaction date | Transaction amount | Status of payment | Counter-party                   | Relationship with the Company | If the counter-party is a related party, disclose the previous transfer information |                               |                  |        | References for determining price | Purpose of acquisition and current condition | Others |
|-----------------|----------------------------------|------------------|--------------------|-------------------|---------------------------------|-------------------------------|---|-------------------------------|------------------|--------|----------------------------------|--|--------|
|                 |                                  |                  |                    |                   |                                 |                               | Owner   | Relationship with the Company | Date of transfer | Amount |                                  |  |        |
| The Company     | Hsinchu Tai-Yuan presold offices | January 27, 2021 | 279,113            | 279,113           | WEN SHENG DEVELOPMENT CO., LTD. | Non-related party             | -   | -                             | -                | -      | Bidding                          | Plant expansion                              |        |

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None

(vii) 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                | 992,819 | 18.11 %                             | 150 Days      | (Note 1)                                      | The main customers are 60 to 120 days | 383,759                             | 21.32 %   |      |
| WINWAY TECHNOLOGY (SUZHOU) LTD. | The Company                     | Parent Company         | Purchase            | 992,819 | 90.54 %                             | 150 Days      | (Note 1)                                      | The main suppliers are 60 to 120 days | (383,759)                           | 92.96 %   |      |

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

(viii) 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 \$383,759 | 301.76 %      | -       | -            | Accounts receivable \$127,290         | -                       |      |

(ix) Trading in derivative instruments: Please refer to note 6(b).

(Continued)

**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(b) Information on investments:

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

| Name of investor | Name of investee                     | Location | Main businesses and products   | Original investment amount |                   | Balance as of December 31, 2023 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note       |
|------------------|--------------------------------------|----------|--|----------------------------|-------------------|---------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|------------|
|                  |                                      |          |  | December 31, 2024          | December 31, 2023 | Shares                          | Percentage of ownership | Carrying value |                                 |                                     |            |
| The Company      | WINWAY INTERNATIONAL CO., LTD.       | SAMOA    | Investment holding   | 204,599                    | 204,599           | 6,580,000                       | 100 %                   | 269,559        | 17,662                          | 17,662                              | Subsidiary |
| The Company      | WINWAY TECHNOLOGY INTERNATIONAL INC. | America  | Sales of optoelectronic product test fixtures, integrated circuit test interfaces and fixtures | 18,889                     | 73,785            | 61,934                          | 100 %                   | 35,185         | 19,256                          | 19,256                              | Subsidiary |

(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, 2024 | Investment flows |        | Accumulated remittance from Taiwan as of December 31, 2024 | Net income (Losses) of investee (Note 2) | Indirect investment holding percentage | Share of profit/losses of investee | Book value | 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  | 17,661                                   | 100%                                   | 17,661                             | 289,893    | -  |

(Continued)



**WINWAY TECHNOLOGY CO., LTD.**  
**Notes to the Parent Company Only Financial Statements**

(ii) Limitation on investment in Mainland China:

| <b>Accumulated remittance<br/>from Taiwan to China<br/>as of December 31, 2024</b> | <b>Investment Amounts<br/>Authorized by Investment<br/>Commission, MOEA<br/>(Note 1)</b> | <b>Upper Limit on investment<br/>in Mainland China set by<br/>Investment Commission,<br/>Ministry of Economic<br/>Affairs</b> |
|--|--|---|
| 204,599<br>(USD6,580,000)  | 215,725<br>(USD6,580,000)  | 3,323,942   |

Note 1: The amounts denominated in foreign currencies were translated using the rate of exchange at December 31, 2024.

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

(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".

(d) Major shareholders:

| <b>Shareholder's Name</b>   | <b>Shareholding</b> | <b>Shares</b> | <b>Percentage</b> |
|---|---------------------|---------------|-------------------|
| HE WEI INVESTMENT CO., LTD.   |                     | 3,499,559     | 9.76 %            |
| The New Pension Fund's first fully entrusted investment account with Nomura in 2022 |                     | 1,922,200     | 5.36 %            |

Note: (1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered nonphysical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

Note: (2) If the aforementioned data contained shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor's separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares, as well as the shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

**(14) Segment information:**

Please refer to the consolidated financial statements for the years ended December 31, 2024.

(Continued)

**WINWAY TECHNOLOGY CO., LTD.****Statement of cash and cash equivalents****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>          | <b>Description</b>                         | <b>Foreign<br/>currency</b> | <b>Exchange<br/>rate</b> | <b>Amount</b>     |
|----------------------|--|-----------------------------|--------------------------|-------------------|
| Cash                 | Petty cash                                 | \$                          |                          | 260               |
|                      | Petty cash USD                             | 110.10                      | 32.7850                  | 4                 |
|                      | Petty cash CNY                             | 5,800.00                    | 4.4780                   | 26                |
|                      | Petty cash JPY                             | 10,970.00                   | 0.2099                   | 2                 |
| Cash in banks        | Demand deposit-TWD                         |                             |                          | 494,225           |
|                      | Demand deposit-USD                         | 5,273,359.87                | 32.7850                  | 172,887           |
|                      | Demand deposit-JPY                         | 195,236,026.00              | 0.2099                   | 40,980            |
|                      | Demand deposit-EUR                         | 3,552.04                    | 34.1400                  | 121               |
|                      | Time deposit-TWD<br>(Maturity Date 2025/2) | -                           | -                        | 50,000            |
| Cash and equivalents | Reverse repurchase bond                    | -                           | -                        | 196,710           |
|                      |  |                             |                          | <u>\$ 955,215</u> |

**Statement of financial assets at fair value through  
profit or loss - current**

Please refer to note 6(b).

**WINWAY TECHNOLOGY CO., LTD.****Statement of financial assets measured at amortized cost****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

Please refer to note 6(c).

**Statement of trade receivables**

| <b>Item</b>                                    | <b>Description</b> | <b>Amount</b>              |
|--|--------------------|----------------------------|
| <b>Accounts Receivable-Non-Related Parties</b> |                    |                            |
| 0010 Company                                   | Operating          | \$ 247,774                 |
| 0014 Company                                   | Operating          | 93,210                     |
| 0023(SZ) Company                               | Operating          | 331,498                    |
| 0113 Company                                   | Operating          | 118,684                    |
| 0213 Company                                   | Operating          | 201,977                    |
| 1289 Company                                   | Operating          | 130,280                    |
| Other (note)                                   | Operating          | 292,585                    |
| Less: Loss allowance                           |                    | <u>1,828</u>               |
| Net  |                    | <u><u>\$ 1,414,180</u></u> |
| <b>Accounts Receivable-Related Parties</b>     |                    |                            |
| WINWAY TECHNOLOGY (SUZHOU) LTD.                | Operating          | <u><u>\$ 383,759</u></u>   |
|  |                    | <u><u>\$ 1,797,939</u></u> |

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

**WINWAY TECHNOLOGY CO., LTD.****Statement of other receivables****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>          | <b>Description</b>                        | <b>Amount</b>    |
|----------------------|---|------------------|
| Non-related parties  |   |                  |
| Other receivables    | Income interest                           | \$ 1,409         |
| Other receivables    | Others                                    | 750              |
| Less: Loss allowance |   | -                |
| Net                  |   | <u>\$ 2,159</u>  |
| Related parties      |   |                  |
| Other receivables    | Receivables from sold machinery equipment | <u>\$ 12,286</u> |

**WINWAY TECHNOLOGY CO., LTD.**

**Statement of inventories**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>          | <b>Amount</b>     |                             | <b>Note</b> |
|----------------------|-------------------|-----------------------------|-------------|
|                      | <b>Cost</b>       | <b>Net realizable Value</b> |             |
| Finished goods       | \$ 71,151         | 103,062                     |             |
| Less: Loss allowance | (8,772)           |                             |             |
| Subtotal             | 62,379            |                             |             |
| Work in process      | 300,308           | 591,380                     |             |
| Less: Loss allowance | (36,166)          |                             |             |
| Subtotal             | 264,142           |                             |             |
| Materials            | 463,822           | 1,115,608                   |             |
| Less: Loss allowance | (84,243)          |                             |             |
| Subtotal             | 379,579           |                             |             |
| Supplies             | 17,746            | 17,865                      |             |
| Less: Loss allowance | (3,363)           |                             |             |
| Subtotal             | 14,383            |                             |             |
| <b>Total</b>         | <b>\$ 720,483</b> |                             |             |

**WINWAY TECHNOLOGY Co., Ltd.**

**Statement of other current assets**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>                         | <b>Description</b>  | <b>Amount</b>            |
|-------------------------------------|---|--------------------------|
| Prepaid expenses                    | Prepaid Insurance, Repairs and Maintenance for machinery and software, etc. | \$ 10,298                |
| Prepayments                         | Prepayments for suppliers   | 190,389                  |
| Offset against business tax payable | Input tax credit carry-forward  | 12,409                   |
| Other prepayments                   | Prepayments for the year-end party and tour expenses for customers          | 3,708                    |
|                                     |   | <u><u>\$ 216,804</u></u> |

**WINWAY TECHNOLOGY CO., LTD.**

**Statement of changes in investments accounted for using the equity method**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

| Name of investee                     | Beginning Balance |            | Addition |        | Decrease |        | Share of profit (loss) of subsidiaries accounted for using equity method | Foreign exchange differences arising from foreign operation | Unrealized profit (loss) from sale | Ending Balance |                         |         | Market Value or Net Assets Value |              | Collateral | Note   |
|--------------------------------------|-------------------|------------|----------|--------|----------|--------|--|---|------------------------------------|----------------|-------------------------|---------|----------------------------------|--------------|------------|--------|
|                                      | Shares            | Amount     | Shares   | Amount | Shares   | Amount |  |   |                                    | Shares         | Percentage of ownership | Amount  | Unit price                       | Total amount |            |        |
|                                      |                   |            |          |        |          |        |  |   |                                    |                |                         |         |                                  |              |            |        |
| WINWAY INTERNATIONAL CO., LTD.       | 6,580,000         | \$ 235,337 | -        | -      | -        | -      | 17,662   | 9,275   | 7,285                              | 6,580,000      | 100 %                   | 269,559 | 44.07                            | 289,956      | none       |        |
| WINWAY TECHNOLOGY INTERNATIONAL INC. | 241,934           | 14,540     | -        | -      | 180,000  | -      | 19,256   | 1,389   | -                                  | 61,934         | 100 %                   | 35,185  | 568.11                           | 35,185       | none       | (Note) |
|                                      |                   | \$ 249,877 |          | -      |          | -      | 36,918   | 10,664  | 7,285                              |                |                         | 304,744 |                                  | 325,141      |            |        |

Note: The decrease is a capital reduction of USD 1,800,000 to offset the losses of WINWAY TECHNOLOGY INTERNATIONAL INC.

**WINWAY TECHNOLOGY CO., LTD.****Statement of changes in property, plant and equipment  
and accumulated depreciation****For the year ended December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

Please refer to note 6(h).

**Statement of changes in right-of-use assets and  
accumulated depreciation**

Please refer to note 6(i).

**Statement of changes in intangible assets**

Please refer to note 6(j).



**WINWAY TECHNOLOGY CO., LTD.****Statement of refundable deposits****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>         | <b>Description</b>                  | <b>Amount</b>          |
|---------------------|-------------------------------------|------------------------|
| Refundable deposits | Factory, rental and parking deposit | \$ <u><u>2,407</u></u> |

**Statement of other non-current financial assets**

| <b>Item</b>                       | <b>Description</b>                 | <b>Amount</b>          |
|-----------------------------------|------------------------------------|------------------------|
| Other noncurrent financial assets | Guarantee for customs duty deposit | \$ <u><u>1,533</u></u> |

**Statement of other non-current assets**

| <b>Item</b>               | <b>Description</b>        | <b>Amount</b>           |
|---------------------------|---------------------------|-------------------------|
| Prepayments for equipment | Prepaid machine equipment | \$ <u><u>38,874</u></u> |

**WINWAY TECHNOLOGY CO., LTD.****Statement of accounts payables****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>                                 | <b>Description</b> | <b>Amount</b>            |
|---|--------------------|--------------------------|
| <b>Accounts Payable-Non-Related Parties</b> |                    |                          |
| 0018  | Operating          | \$ 288,720               |
| 0061  | Operating          | 51,851                   |
| 1625  | Operating          | 51,728                   |
| Others (note)                               | Operating          | 340,198                  |
|   |                    | <u><u>\$ 732,497</u></u> |
| <b>Accounts Payable-Related Parties</b>     |                    |                          |
| WINWAY TECHNOLOGY (SUZHOU) LTD.             | Operating          | <u><u>\$ 7,705</u></u>   |
| <b>Total</b>                                |                    | <u><u>\$ 740,202</u></u> |

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

**WINWAY TECHNOLOGY CO., LTD.****Statement of other payables****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>                             | <b>Description</b>                                       | <b>Amount</b>            |
|---|--|--------------------------|
| <b>Non-Related Parties:</b>             |  |                          |
| Remuneration to employees and directors | Remuneration to employees and directors                  | \$ 168,215               |
| Processing fee payable                  | Processing fee payable                                   | 74,132                   |
| Payroll payable                         | Employee salary in December 2024                         | 45,018                   |
| Bonus payable                           | Employee bonus and unpaid leave bonus                    | 133,552                  |
| Labor and health insurance payable      | Labor and health insurance in November and December 2024 | 10,514                   |
| Pension payable                         | Pension  | 6,939                    |
| Payables on equipment                   | Equipment  | 34,460                   |
| Payable for construction                | Construction   | 11,023                   |
| Others                                  | Labor service fee, labor and freight expense             | 92,141                   |
|   |  | <u><u>\$ 575,994</u></u> |
| <b>Related Parties:</b>                 |  |                          |
| WINWAY TECHNOLOGY INTERNATIONAL INC.    | Commissions and advance payment                          | \$ 4,413                 |
| WINWAY TECHNOLOGY (SUZHOU) LTD.         | Commissions  | 463                      |
|   |  | <u><u>\$ 4,876</u></u>   |

**Statement of current contract liabilities**

| <b>Item</b>      | <b>Description</b>       | <b>Amount</b>            |
|------------------|--------------------------|--------------------------|
| Advance receipt  | Advance collections      | \$ 699                   |
| Deferred revenue | Customer loyalty program | 185,392                  |
|                  |                          | <u><u>\$ 186,091</u></u> |

**WINWAY TECHNOLOGY CO., LTD.****Statement of lease liabilities****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b> | <b>Description</b>                             | <b>Lease term</b>    | <b>Discount rate</b> | <b>Ending Balance</b>   |
|-------------|--|----------------------|----------------------|-------------------------|
| Land        | Rent of Nanzi's plant land                     | 2010.9.1~2062.11.30  | 1.21%                | \$ 16,131               |
| Building    | Rent of Hsinchu's plant building               | 2023.11.1~2026.10.31 | 1.40%                | 10,225                  |
| Land        | Rent of Nanzi's plant land                     | 2020.11.6~2070.11.5  | 1.09%                | 24,932                  |
| Office      | Rent of Korea's plant office                   | 2024.4.20~2026.4.20  | 1.69%                | 670                     |
| Office      | Rent of Taipei World Trade Center plant office | 2022.2.7~2028.2.6    | 1.00%                | 1,565                   |
| Office      | Rent of Malaysia's plant office                | 2023.4.01~2026.3.31  | 1.40%                | 181                     |
| Office      | Rent of Taichung's plant office                | 2024.9.1~2026.8.31   | 1.69%                | 607                     |
|             |  |                      |                      | <b>\$ <u>54,311</u></b> |

**WINWAY TECHNOLOGY Co., Ltd.****Statement of long-term borrowings****December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <u>Creditor</u>       | <u>Summary</u>  | <u>Amount</u>     | <u>Contract period</u> | <u>Interest rate</u> | <u>Mortgages</u> |
|-----------------------|-----------------|-------------------|------------------------|----------------------|------------------|
| E.SUN Commercial Bank | Unsecured loans | \$ 146,971        | 2024.2.6-2031.2.15     | 1.925 %              | None             |
| Less: current portion |                 | -                 |                        |                      |                  |
|                       |                 | <u>\$ 146,971</u> |                        |                      |                  |

**.Statement of bonds payable**

Please refer to note 6(n).

WINWAY TECHNOLOGY CO., LTD.

Statement of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

| Item            | Quantity   | Unit    | Amount              |
|-----------------|------------|---------|---------------------|
| Test Socket     | 60,611     | PCS/SET | \$ 3,612,020        |
| Contact Element | 20,380,635 | PCS/SET | 809,256             |
| Probe Card      | 7,492      |         | 640,742             |
| Other           | -          |         | 418,468             |
|                 |            |         | <u>\$ 5,480,486</u> |

**WINWAY TECHNOLOGY CO., LTD.**

**Statement of operating costs**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

| <u>Item</u>   | <u>Amount</u>   |                         |
|---|-----------------|-------------------------|
| Raw materials   |                 | \$ 2,077,905            |
| Raw materials, beginning of year                        | \$ 404,897      |                         |
| Add: Raw materials purchased                            | 1,551,750       |                         |
| Less: Raw materials, end of year                        | (463,822)       |                         |
| Add: Transferred from Work in process                   | 1,030,487       |                         |
| Less: Raw materials sold                                | (391,819)       |                         |
| Transferred to expenses                                 | (46,949)        |                         |
| Scrapped  | <u>(6,639)</u>  |                         |
| Supplies  |                 | 16,684                  |
| Supplies, beginning of year                             | 17,933          |                         |
| Add: Raw supplies purchased                             | 110,210         |                         |
| Less: Supplies, end of year                             | (17,746)        |                         |
| Add: Transferred from Work in process                   | 2,013           |                         |
| Less: Supplies sold                                     | (440)           |                         |
| Scrapped  | (1,356)         |                         |
| Transferred to expenses                                 | <u>(93,930)</u> |                         |
| Direct labor  |                 | 353,387                 |
| Manufacturing expenses                                  |                 | <u>668,238</u>          |
| Manufacturing cost                                      |                 | 3,116,214               |
| Add: Work in process, beginning of year                 |                 | 214,193                 |
| Work in process purchased                               |                 | 742,545                 |
| Transferred to Cost of finished goods                   |                 | 57,144                  |
| Less: Work in process, end of year                      |                 | (300,308)               |
| Transferred to Raw materials                            |                 | (1,030,487)             |
| Transferred to Supplies                                 |                 | (2,013)                 |
| Work in process sold                                    |                 | (598,616)               |
| Transferred to expenses                                 |                 | (50,582)                |
| Scrapped  |                 | <u>(3,838)</u>          |
| Cost of finished goods                                  |                 | 2,144,252               |
| Add: Finished goods, beginning of year                  |                 | 66,272                  |
| Finished goods purchased                                |                 | 13,384                  |
| Less: Finished goods, end of year                       |                 | (71,151)                |
| Transferred to Work in process                          |                 | (57,144)                |
| Transferred to expenses                                 |                 | (8,542)                 |
| Scrapped  |                 | <u>(104)</u>            |
| Cost of finished goods sold                             |                 | 2,086,967               |
| Cost of raw materials sold                              |                 | 391,819                 |
| Cost of supplies sold                                   |                 | 440                     |
| Cost of work in process sold                            |                 | 598,616                 |
| Reversal of inventory valuation and obsolescence losses |                 | (46,910)                |
| Cost of scrapped  |                 | 11,937                  |
| Cost of provision                                       |                 | 10,262                  |
| Cost of idle capacity                                   |                 | 59,324                  |
| Revenue from scrap sold                                 |                 | (16,749)                |
| Other   |                 | 118                     |
| Operating cost  | \$              | <u><u>3,095,824</u></u> |

**WINWAY TECHNOLOGY CO., LTD.****Statement of selling expenses****For the year ended December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>          | <b>Description</b>   | <b>Amount</b>     |
|----------------------|--|-------------------|
| Salary               | Salary, bonus, pension, overtime, remuneration of employees and restricted stock awards compensation cost etc. | \$ 206,261        |
| Sample expenses      | Sample expense for sales   | 23,349            |
| Commissions          | Commissions  | 66,213            |
| Professional service | Technical expenses   | 35,266            |
| Others               | Advertising, depreciation, export expense and other expenses, etc.   | 78,053            |
|                      |  | <u>\$ 409,142</u> |



**WINWAY TECHNOLOGY CO., LTD.****Statement of administrative expenses****For the year ended December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>          | <b>Description</b>   | <b>Amount</b>     |
|----------------------|--|-------------------|
| Salary               | Salary, bonus, pension, overtime, remuneration of employees and directors and restricted stock awards compensation cost etc. | \$ 214,580        |
| Depreciation         | Depreciation of property, plant and equipment and right-of-use assets  | 29,577            |
| Professional service | Consultant, accountant and lawyer service fee, etc.  | 16,788            |
| Insurance            | Employee labor and health insurance, group insurance and property insurance  | 11,081            |
| Others               | Repairs and maintenance, utilities and miscellaneous, meal allowance, employee benefits and other expense, etc.              | 68,746            |
|                      |  | <u>\$ 340,772</u> |

**WINWAY TECHNOLOGY CO., LTD.****Statement of research and development expenses****For the year ended December 31, 2024****(Expressed in thousands of New Taiwan Dollars)**

| <b>Item</b>  | <b>Description</b>   | <b>Amount</b>     |
|--------------|--|-------------------|
| Salary       | Salary, bonus, pension, overtime, remuneration of employees and restricted stock awards compensation cost etc. | \$ 235,783        |
| Development  | Supplies for research and trial cost etc.  | 34,084            |
| Depreciation | Depreciation of property, plant and equipment and right-of-use assets.   | 16,903            |
| Amortization | Amortization of intangible assets  | 5,155             |
| Insurance    | Employee labor and health insurance, group insurance and property insurance                                    | 12,447            |
| Other        | Travelling expenses, other R&D expenses, meal allowance, and, utilities, etc.                                  | 42,270            |
|              |  | <u>\$ 346,642</u> |

**Statement of non-operating income and expenses**

Please refer to note 6(y).