

**WIN SEMICONDUCTORS CORP.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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

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Independent Auditors' Review Report

To the Board of Directors of WIN Semiconductors Corp.:

Introduction

We have reviewed the accompanying consolidated balance sheets of WIN Semiconductors Corp. and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of WIN Semiconductors Corp. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chen, Ya-Ling and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
May 10, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WIN Semiconductors Corp. and Subsidiaries

Consolidated Balance Sheets

March 31, 2024, December 31, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

| Assets | | March 31, 2024 | | December 31, 2023 | | March 31, 2023 | | Liabilities and Equity | | March 31, 2024 | | December 31, 2023 | | March 31, 2023 | |
|----------------------------|---|----------------------|------------|-------------------|------------|-------------------|------------|-----------------------------|--|----------------------|------------|-------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % | Amount | % | | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | | Current liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (Note 6(a)) | \$ 5,592,016 | 9 | 10,325,709 | 15 | 10,406,167 | 15 | 2100 | Short-term borrowings (Notes 6(n), 6(ad) and 8) | \$ 5,651 | - | 21,129 | - | 15,957 | - |
| 1110 | Current financial assets at fair value through profit or loss (Note 6(b)) | 142,395 | - | 143,327 | - | 121,756 | - | 2120 | Current financial liabilities at fair value through profit or loss (Notes 6(b) and 6(p)) | - | - | 231,774 | - | 306,682 | 1 |
| 1136 | Current financial assets at amortized cost (Note 6(b)) | 135,930 | - | - | - | - | - | 2130 | Current contract liabilities (Note 6(x)) | 497,636 | 1 | 563,765 | 1 | 309,002 | 1 |
| 1170 | Notes and accounts receivable, net (Notes 6(c) and 6(x)) | 1,187,921 | 2 | 1,148,666 | 2 | 777,521 | 1 | 2170 | Notes and accounts payable | 1,543,946 | 2 | 1,362,255 | 2 | 724,935 | 1 |
| 1310 | Inventories (Note 6(e)) | 5,314,115 | 8 | 5,111,206 | 8 | 5,297,351 | 8 | 2200 | Other payables (Note 6(y)) | 2,184,497 | 4 | 2,483,014 | 4 | 3,010,200 | 4 |
| 1400 | Current biological assets (Note 6(f)) | 52,468 | - | 147,945 | - | 162,331 | - | 2280 | Current lease liabilities (Notes 6(q) and 6(ad)) | 104,587 | - | 103,105 | - | 108,544 | - |
| 1470 | Other current assets (Notes 6(d) and 6(m)) | 272,144 | 1 | 286,474 | - | 254,295 | 1 | 2321 | Bonds payable, current portion (Notes 6(p) and 6(ad)) | - | - | 4,743,834 | 7 | 10,568,792 | 15 |
| | Total current assets | <u>12,696,989</u> | <u>20</u> | <u>17,163,327</u> | <u>25</u> | <u>17,019,421</u> | <u>25</u> | 2322 | Long-term borrowings, current portion (Notes 6(o), 6(ad) and 8) | 4,600,680 | 7 | 2,996,728 | 4 | 2,473,067 | 4 |
| Non-current assets: | | | | | | | | 2399 | Other current liabilities | 211,357 | - | 218,030 | - | 220,451 | - |
| 1510 | Non-current financial assets at fair value through profit or loss (Note 6(b)) | 1,836,406 | 3 | 1,844,595 | 3 | 1,872,783 | 3 | | Total current liabilities | <u>9,148,354</u> | <u>14</u> | <u>12,723,634</u> | <u>18</u> | <u>17,737,630</u> | <u>26</u> |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 6(b)) | 4,197,845 | 6 | 3,652,534 | 5 | 2,196,107 | 3 | | Non-current liabilities: | | | | | | |
| 1550 | Investments accounted for using equity method (Note 6(g)) | 10,773,043 | 17 | 10,564,024 | 15 | 10,906,111 | 16 | 2540 | Long-term borrowings (Notes 6(o), 6(ad) and 8) | 17,943,041 | 28 | 20,029,576 | 30 | 16,168,030 | 24 |
| 1600 | Property, plant and equipment (Notes 6(i) and 8) | 30,643,992 | 47 | 31,312,139 | 45 | 31,662,171 | 46 | 2570 | Deferred tax liabilities | 4,164 | - | - | - | 4,320 | - |
| 1755 | Right-of-use assets (Note 6(j)) | 1,018,662 | 2 | 1,015,126 | 1 | 1,075,205 | 1 | 2580 | Non-current lease liabilities (Notes 6(q) and 6(ad)) | 866,990 | 1 | 854,968 | 1 | 904,742 | 1 |
| 1760 | Investment property (Note 6(k)) | 1,041,986 | 2 | 1,043,315 | 1 | 1,047,303 | 1 | 2600 | Other non-current liabilities (Notes 6(s), 6(ad) and 7) | 193,033 | - | 210,526 | - | 211,282 | - |
| 1780 | Intangible assets (Note 6(l)) | 522,580 | 1 | 527,488 | 1 | 557,560 | 1 | | Total non-current liabilities | <u>19,007,228</u> | <u>29</u> | <u>21,095,070</u> | <u>31</u> | <u>17,288,374</u> | <u>25</u> |
| 1830 | Non-current biological assets (Note 6(f)) | 92,059 | - | 107,330 | - | 235,816 | - | | Total liabilities | <u>28,155,582</u> | <u>43</u> | <u>33,818,704</u> | <u>49</u> | <u>35,026,004</u> | <u>51</u> |
| 1840 | Deferred tax assets | 1,206,721 | 2 | 1,129,073 | 2 | 821,615 | 1 | | Equity (Notes 6(b), 6(g), 6(h), 6(p), 6(u) and 6(v)): | | | | | | |
| 1915 | Prepayments for business facilities | 291,593 | - | 382,096 | 1 | 1,160,742 | 2 | 3110 | Ordinary shares | 4,239,404 | 7 | 4,239,404 | 6 | 4,239,404 | 6 |
| 1990 | Other non-current assets (Notes 6(m) and 8) | 423,235 | - | 426,988 | 1 | 559,800 | 1 | 3200 | Capital surplus | 9,967,931 | 15 | 9,967,188 | 14 | 9,965,055 | 14 |
| | Total non-current assets | <u>52,048,122</u> | <u>80</u> | <u>52,004,708</u> | <u>75</u> | <u>52,095,213</u> | <u>75</u> | 3300 | Retained earnings | 17,618,442 | 27 | 17,212,996 | 25 | 16,889,749 | 24 |
| | Total assets | <u>\$ 64,745,111</u> | <u>100</u> | <u>69,168,035</u> | <u>100</u> | <u>69,114,634</u> | <u>100</u> | 3400 | Other equity interests | 3,478,420 | 6 | 2,535,609 | 4 | 1,194,221 | 2 |
| | | | | | | | | | Total equity attributable to owners of parent | <u>35,304,197</u> | <u>55</u> | <u>33,955,197</u> | <u>49</u> | <u>32,288,429</u> | <u>46</u> |
| | | | | | | | | 36XX | Non-controlling interests | 1,285,332 | 2 | 1,394,134 | 2 | 1,800,201 | 3 |
| | | | | | | | | | Total equity | <u>36,589,529</u> | <u>57</u> | <u>35,349,331</u> | <u>51</u> | <u>34,088,630</u> | <u>49</u> |
| | | | | | | | | | Total liabilities and equity | <u>\$ 64,745,111</u> | <u>100</u> | <u>69,168,035</u> | <u>100</u> | <u>69,114,634</u> | <u>100</u> |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WIN Semiconductors Corp. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

| | | For the three months ended March 31 | | | |
|------|--|-------------------------------------|-------------|--------------------|-------------|
| | | 2024 | | 2023 | |
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (Notes 6(b), 6(g) and 6(x)) | \$ 4,442,401 | 100 | 2,859,558 | 100 |
| 5000 | Operating costs (Notes 6(e), 6(f), 6(g), 6(i), 6(q), 6(s), 6(v), 6(y), 7 and 12) | <u>(3,447,733)</u> | <u>(78)</u> | <u>(2,533,460)</u> | <u>(88)</u> |
| | Gross profit from operating | <u>994,668</u> | <u>22</u> | <u>326,098</u> | <u>12</u> |
| | Operating expenses (Notes 6(c), 6(i), 6(q), 6(s), 6(v), 6(y), 7 and 12): | | | | |
| 6100 | Selling expenses | (107,022) | (2) | (103,845) | (4) |
| 6200 | Administrative expenses | (292,835) | (7) | (311,968) | (11) |
| 6300 | Research and development expenses | (411,262) | (9) | (504,116) | (18) |
| 6450 | Gains (losses) on expected credit impairment | <u>16</u> | <u>-</u> | <u>(922)</u> | <u>-</u> |
| | Total operating expenses | <u>(811,103)</u> | <u>(18)</u> | <u>(920,851)</u> | <u>(33)</u> |
| | Net operating income (loss) | <u>183,565</u> | <u>4</u> | <u>(594,753)</u> | <u>(21)</u> |
| | Non-operating income and expenses (Notes 6(b), 6(g), 6(i), 6(p), 6(q), 6(z), 6(ad) and 7): | | | | |
| 7100 | Interest income | 29,525 | 1 | 53,944 | 2 |
| 7010 | Other income | 17,320 | - | 17,262 | 1 |
| 7020 | Other gains and losses | 281,954 | 6 | 122,445 | 4 |
| 7050 | Finance costs | (199,819) | (4) | (138,580) | (5) |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method, net | <u>(3,825)</u> | <u>-</u> | <u>(15,939)</u> | <u>(1)</u> |
| | Total non-operating income and expenses | <u>125,155</u> | <u>3</u> | <u>39,132</u> | <u>1</u> |
| 7900 | Profit (loss) before tax | 308,720 | 7 | (555,621) | (20) |
| 7950 | Tax benefit (expense) (Note 6(t)) | <u>(41,757)</u> | <u>(1)</u> | <u>76,998</u> | <u>3</u> |
| | Profit (loss) | <u>266,963</u> | <u>6</u> | <u>(478,623)</u> | <u>(17)</u> |
| 8300 | Other comprehensive income: | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss (Notes 6(g) and 6(u)) | | | | |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 573,289 | 13 | 354,727 | 13 |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss | (2,011) | - | - | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Total components of other comprehensive income (loss) that will not be reclassified to profit or loss | <u>571,278</u> | <u>13</u> | <u>354,727</u> | <u>13</u> |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss (Notes 6(g) and 6(u)) | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 198,094 | 4 | 40,797 | 1 |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss | 200,948 | 5 | 35,555 | 1 |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | Total components of other comprehensive income (loss) that will be reclassified to profit or loss | <u>399,042</u> | <u>9</u> | <u>76,352</u> | <u>2</u> |
| 8300 | Other comprehensive income, net | <u>970,320</u> | <u>22</u> | <u>431,079</u> | <u>15</u> |
| 8500 | Total comprehensive income | <u>\$ 1,237,283</u> | <u>28</u> | <u>(47,544)</u> | <u>(2)</u> |
| | Profit (loss) attributable to: | | | | |
| 8610 | Profit (loss) attributable to owners of parent | \$ 406,726 | 9 | (401,811) | (14) |
| 8620 | Loss attributable to non-controlling interests | <u>(139,763)</u> | <u>(3)</u> | <u>(76,812)</u> | <u>(3)</u> |
| | | <u>\$ 266,963</u> | <u>6</u> | <u>(478,623)</u> | <u>(17)</u> |
| | Comprehensive income (loss) attributable to: | | | | |
| 8710 | Comprehensive income, attributable to owners of parent | \$ 1,348,257 | 30 | 18,777 | - |
| 8720 | Comprehensive loss, attributable to non-controlling interests | <u>(110,974)</u> | <u>(2)</u> | <u>(66,321)</u> | <u>(2)</u> |
| | | <u>\$ 1,237,283</u> | <u>28</u> | <u>(47,544)</u> | <u>(2)</u> |
| | Earnings per common share (expressed in New Taiwan dollars) (Note 6(w)) | | | | |
| 9750 | Basic earnings per share | <u>\$ 0.96</u> | | <u>(0.95)</u> | |
| 9850 | Diluted earnings per share | <u>\$ 0.96</u> | | <u>(1.14)</u> | |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WIN Semiconductors Corp. and Subsidiaries
Consolidated Statement of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | Other equity interests | | | | | Total equity |
|---|---|------------------|------------------|----------------------------------|-------------------------|---|---|------------------------------|---|---------------------------|-------------------|
| | Retained earnings | | | | | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total other equity interests | Total equity attributable to owners of parent | Non-controlling interests | |
| | Ordinary shares | Capital surplus | Legal reserve | Unappropriated retained earnings | Total retained earnings | | | | | | |
| Balance at January 1, 2023 | \$ 4,239,404 | 9,964,088 | 3,892,688 | 14,458,723 | 18,351,411 | 61,004 | 712,629 | 773,633 | 33,328,536 | 1,861,008 | 35,189,544 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | |
| Cash dividends of ordinary shares | - | - | - | (1,059,851) | (1,059,851) | - | - | - | (1,059,851) | - | (1,059,851) |
| Losses for the three months ended March 31, 2023 | - | - | - | (401,811) | (401,811) | - | - | - | (401,811) | (76,812) | (478,623) |
| Other comprehensive income for the three months ended March 31, 2023 | - | - | - | - | - | 65,861 | 354,727 | 420,588 | 420,588 | 10,491 | 431,079 |
| Total comprehensive income (loss) for the three months ended March 31, 2023 | - | - | - | (401,811) | (401,811) | 65,861 | 354,727 | 420,588 | 18,777 | (66,321) | (47,544) |
| Changes in equity of associates accounted for using equity method | - | 967 | - | - | - | - | - | - | 967 | - | 967 |
| Stock option compensation cost of subsidiary | - | - | - | - | - | - | - | - | - | 5,514 | 5,514 |
| Balance at March 31, 2023 | \$ 4,239,404 | 9,965,055 | 3,892,688 | 12,997,061 | 16,889,749 | 126,865 | 1,067,356 | 1,194,221 | 32,288,429 | 1,800,201 | 34,088,630 |
| Balance at January 1, 2024 | \$ 4,239,404 | 9,967,188 | 4,070,984 | 13,142,012 | 17,212,996 | (12,053) | 2,547,662 | 2,535,609 | 33,955,197 | 1,394,134 | 35,349,331 |
| Profit (losses) for the three months ended March 31, 2024 | - | - | - | 406,726 | 406,726 | - | - | - | 406,726 | (139,763) | 266,963 |
| Other comprehensive income for the three months ended March 31, 2024 | - | - | - | - | - | 370,276 | 571,255 | 941,531 | 941,531 | 28,789 | 970,320 |
| Total comprehensive income (loss) for the three months ended March 31, 2024 | - | - | - | 406,726 | 406,726 | 370,276 | 571,255 | 941,531 | 1,348,257 | (110,974) | 1,237,283 |
| Changes in equity of associates accounted for using equity method | - | 743 | - | - | - | - | - | - | 743 | - | 743 |
| Stock option compensation cost of subsidiary | - | - | - | - | - | - | - | - | - | 2,172 | 2,172 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | (1,280) | (1,280) | - | 1,280 | 1,280 | - | - | - |
| Balance at March 31, 2024 | \$ 4,239,404 | 9,967,931 | 4,070,984 | 13,547,458 | 17,618,442 | 358,223 | 3,120,197 | 3,478,420 | 35,304,197 | 1,285,332 | 36,589,529 |

See accompanying notes to consolidated financial statements.

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

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statement of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| | For the three months ended March 31 | |
|---|-------------------------------------|-------------------|
| | 2024 | 2023 |
| Cash flows from (used in) operating activities: | | |
| Profit (loss) before tax | \$ 308,720 | (555,621) |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expense | 1,169,538 | 1,077,185 |
| Amortization expense | 27,369 | 29,444 |
| Losses on (reversal of) expected credit impairment | (16) | 922 |
| Net losses (gains) on financial assets or liabilities at fair value through profit or loss | 47,856 | (340,267) |
| Interest expense | 199,819 | 138,580 |
| Interest income | (29,525) | (53,944) |
| Dividend income | (19,809) | (17,293) |
| Share-based payments | 2,172 | 5,514 |
| Share of loss (profit) of associates and joint ventures accounted for using equity method | 15,934 | (3,035) |
| Losses on disposal of property, plant and equipment | - | 22,826 |
| Changes in biological assets at fair value | 44,469 | 14,520 |
| Unrealized foreign exchange losses (gains) | 149,564 | (83,446) |
| Gains on repurchases of bonds payable | - | (15,316) |
| Gains on financial liabilities at amortised cost | (253,828) | - |
| Total adjustments to reconcile profit (loss) | 1,353,543 | 775,690 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Decrease in financial assets at fair value through profit or loss | - | 14,500 |
| (Increase) decrease in notes and accounts receivable | (39,240) | 138,176 |
| (Increase) decrease in inventories | (202,980) | 122,903 |
| Decrease (increase) in biological assets | 58,813 | (72,197) |
| Decrease in other current assets | 27,114 | 23,676 |
| Total changes in operating assets | (156,293) | 227,058 |
| Changes in operating liabilities: | | |
| (Decrease) increase in contract liabilities | (66,129) | 73,693 |
| Increase (decrease) in notes and accounts payable | 181,691 | (291,781) |
| Decrease in other payables | (215,073) | (657,474) |
| (Decrease) increase in other current liabilities | (6,673) | 6,475 |
| (Decrease) increase in other non-current liabilities | (16,862) | 523 |
| Total changes in operating liabilities | (123,046) | (868,564) |
| Total changes in operating assets and liabilities | (279,339) | (641,506) |
| Cash flows (used in) generated from operations | 1,382,924 | (421,437) |
| Dividends received | - | 10,543 |
| Income taxes paid | (64,535) | (30,539) |
| Net cash flows from (used in) operating activities | 1,318,389 | (441,433) |
| Cash flows from (used in) investing activities: | | |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 30,300 | - |
| Acquisition of financial assets at amortized cost | (135,930) | - |
| Acquisition of financial assets at fair value through profit or loss | (26,345) | (15,490) |
| Proceeds from capital reduction of financial assets at fair value through profit or loss | 8,116 | 2,208 |
| Acquisition of investments accounted for using equity method | - | (14,498) |
| Acquisition of property, plant and equipment | (260,411) | (489,317) |
| Proceeds from disposal of property, plant and equipment | - | 209 |
| Acquisition of intangible assets | (16,190) | (34,349) |
| Decrease (increase) in other non-current assets | 3,753 | (73,471) |
| Increase in prepayments for business facilities | (42,438) | (46,966) |
| Interest received | 29,294 | 49,211 |
| Dividends received | 7,331 | 6,750 |
| Net cash flows used in investing activities | (402,520) | (615,713) |
| Cash flows from (used in) financing activities: | | |
| Increase in short-term loans | 5,651 | 15,957 |
| Decrease in short-term loans | (21,129) | - |
| Proceeds from long-term debt | 558,210 | 1,679,764 |
| Repayments of long-term debt | (1,391,097) | (590,000) |
| Repayments of lease liabilities | (17,742) | (19,259) |
| (Decrease) increase in other non-current liabilities | (631) | 48 |
| Interest paid | (175,988) | (13,248) |
| Redemption of bonds payable | (4,724,694) | - |
| Net cash flows (used in) from financing activities | (5,767,420) | 1,073,262 |
| Effect of exchange rate changes on cash and cash equivalents | 117,858 | 10,339 |
| Net (decrease) increase in cash and cash equivalents | (4,733,693) | 26,455 |
| Cash and cash equivalents at beginning of period | 10,325,709 | 10,379,712 |
| Cash and cash equivalents at end of period | \$ 5,592,016 | 10,406,167 |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history:

WIN Semiconductors Corp. (the “Company”) was incorporated on October 16, 1999 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 69, Keji 7th Rd., Hwaya Technology Park, Guishan Dist., Taoyuan City, Taiwan.

The main operations of the Company and its subsidiaries (together referred to as “the Group”) are as follows:

- (a) Researching, developing, manufacturing, and selling of GaAs wafers.
- (b) Developing hog farming technology and trading.
- (c) Researching, manufacturing and selling of high-density gene chips, biochip optical readers, micro-electrophoresis analyzers and diagnostic tool for endometrial cancer.

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

These consolidated financial statements was authorized for issue by the Board of Directors as of May 10, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

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

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

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|--------------------------------|
| 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"> ● 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. ● 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. ● 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. | January 1, 2027 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(a) Statement of compliance

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

(b) Basis of consolidation

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

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Remark |
|------------------|--|---|----------------|-------------------|----------------|--------|
| | | | March 31, 2024 | December 31, 2023 | March 31, 2023 | |
| The Company | WIN SEMI. USA, INC. | Marketing | 100.00 % | 100.00 % | 100.00 % | |
| The Company | Win Semiconductors Cayman Islands Co., Ltd. (abbrev. Win Cayman) | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| The Company | WIN Venture Capital Corp. (abbrev. WVC) | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| The Company | Phalanx Biotech Group, Inc. (abbrev. PBL) | Researching, manufacturing and selling of high-density gene chips and testing service | 73.67 % | 73.67 % | 73.67 % | |
| The Company | WIN Earn Investment Corp. | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| The Company | WIN Chance Investment Corp. | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| WVC | Phalanx Biotech Group, Inc. | Researching, manufacturing and selling of high-density gene chips and testing service | 1.54 % | 1.54 % | 1.54 % | |
| Win Cayman | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. (abbrev. Chainwin Cayman) | Investment activities | 81.23 % | 81.23 % | 81.23 % | |

(Continued)

WIN Semiconductors Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Remark |
|----------------------|---|--|----------------|-------------------|----------------|----------|
| | | | March 31, 2024 | December 31, 2023 | March 31, 2023 | |
| Chainwin Cayman | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Developing hog farming technology and trading | 97.70 % | 100.00 % | 100.00 % | (Note 1) |
| Chainwin Cayman | Jiangsu Win Chance Agriculture Development Co., Ltd. (abbrev. Jiangsu Win Chance) | Developing hog farming technology and trading | - | - | 100.00 % | (Note 1) |
| Chainwin Cayman | Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. (abbrev. Jiangsu Chainwin) | Farm feed development and trading | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | Jiangsu Win Yield Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | Win Lux Biotech (Cayman Islands) Co., Ltd. | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | Jiangsu Win Shine Agriculture Development Co., Ltd. | Logistics management service | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | i-Chainwin Technology Co., Ltd. | Information software services | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | Win Lux Biotech Co., Ltd. | Biotechnology service and pharmaceutical testing | 100.00 % | 100.00 % | 100.00 % | |
| Chainwin Cayman | Jiangsu Win Sunlight Agriculture Development Co., Ltd. (abbrev. Jiangsu Win Sunlight) | Developing hog farming technology and trading | - | - | 100.00 % | (Note 1) |
| Chainwin Cayman | Jiangsu Win Fortune Agriculture Development Co., Ltd. | Developing hog farming technology and trading | - | - | 100.00 % | (Note 1) |
| Chainwin Cayman | Jiangsu Win Advane Bio-Assay Co., Ltd. | Biotechnology testing service | - | - | 100.00 % | (Note 1) |
| Chainwin Cayman | Jiangsu Win Lux Biotech Co., Ltd. | Biotech research and development and bioassay | 100.00 % | 100.00 % | 100.00 % | |
| Jiangsu Win Chance | Jiangsu Win Wonder Agriculture Development Co., Ltd. | Developing farming technology and trading | 100.00 % | 100.00 % | 100.00 % | |
| Jiangsu Win Chance | Jiangsu Merit Runfu Agriculture Development Co., Ltd. | Developing hog farming technology and trading | - | 100.00 % | 100.00 % | (Note 2) |
| Jiangsu Chainwin | Jiangsu Win Boutique Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 100.00 % | 100.00 % | 100.00 % | |
| Jiangsu Chainwin | Jiangsu Win Honor Management Technology Co., Ltd. | Logistics management service | 100.00 % | 100.00 % | 100.00 % | |
| Jiangsu Chainwin | Chainwin (Huaian) AloT Co., Ltd. | Information software services | 100.00 % | 100.00 % | 100.00 % | |
| Jiangsu Chainwin | Jiangsu Win Sunlight Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 100.00 % | 100.00 % | - | (Note 1) |
| Jiangsu Chainwin | Jiangsu Win Chance Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 100.00 % | 100.00 % | - | (Note 1) |
| Jiangsu Chainwin | Jiangsu Win Fortune Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 100.00 % | 100.00 % | - | (Note 1) |
| Jiangsu Chainwin | Jiangsu Win Advane Bio-Assay Co., Ltd. | Biotechnology testing service | 100.00 % | 100.00 % | - | (Note 1) |
| Jiangsu Win Sunlight | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Developing hog farming technology and trading | 2.30 % | - | - | (Note 1) |
| PBL | PhalanxBio, Inc. | Selling of high-density gene chips and testing service | 100.00 % | 100.00 % | 100.00 % | |
| PBL | Phalanx Biotech Limited. (abbrev. PBL (HK)) | Investment activities | 100.00 % | 100.00 % | 100.00 % | |
| PBL | Guzip Biomarkers Corporation | Developing and selling of diagnostic tool for endometrial cancer | 100.00 % | 100.00 % | 100.00 % | |
| PBL (HK) | Onearray Biotech (Kunshan) Co., Ltd. | Selling of high-density gene chips and testing service | 100.00 % | 100.00 % | 100.00 % | |

Note 1: Changes in organizational structure.

Note 2: The liquidation process is completed in 1st quarter of 2024.

Note 3: The aforementioned subsidiaries were recognized based on the reviewed financial statements by the certified public accountant.

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

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(c) Employee benefits

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

(d) Income taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has considered the economic implications of climate change on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(a) Judgment of whether the Group has significant influence on its investee. Please refer to Note 6(b).

(b) Judgment of whether the Group has substantive control over its investee. Please refer to Note 6(g).

(6) Explanation of significant accounts:

Except for the following disclosure, the significant account disclosure in the consolidated financial statements for the three months ended March 31, 2024, which compare with the consolidated financial statements for the year ended December 31, 2023, was not changed significantly. For the related information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2023.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---------------|---------------------------------|------------------------------------|---------------------------------|
| Cash on hand | \$ 251 | 261 | 230 |
| Cash in bank | 5,329,765 | 9,818,732 | 7,053,986 |
| Time deposits | <u>262,000</u> | <u>506,716</u> | <u>3,351,951</u> |
| | <u>\$ 5,592,016</u> | <u>10,325,709</u> | <u>10,406,167</u> |

Please refer to Note 6(aa) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial instruments

(i) Financial assets and liabilities at fair value through profit or loss:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---------------------------------|------------------------------------|---------------------------------|
| Mandatorily measured at financial assets at fair value through profit or loss: | | | |
| Non-derivative financial assets | | | |
| Publicly traded stocks (Note 1) | \$ 439,989 | 516,759 | 482,729 |
| Money market funds | 137,527 | 137,088 | 111,617 |
| Private fund (Note 1)(Note 2) | <u>1,401,285</u> | <u>1,334,075</u> | <u>1,400,193</u> |
| Total | <u>\$ 1,978,801</u> | <u>1,987,922</u> | <u>1,994,539</u> |
| Current | \$ 142,395 | 143,327 | 121,756 |
| Non-current | <u>1,836,406</u> | <u>1,844,595</u> | <u>1,872,783</u> |
| | <u>\$ 1,978,801</u> | <u>1,987,922</u> | <u>1,994,539</u> |

Note 1: As of March 31, 2024, December 31 and March 31, 2023, part of the private fund and publicly traded stocks were during the lock-up period.

Note 2: The 32.88% shares of the Group in NFC Fund II L.P. is deemed as mutual fund. Since the Group is only a limited partner of the fund, it cannot be allowed any representative to take part in the decision making of the policy of NFC Fund II L.P. As a result, the Group has no significant influence over the company.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>March 31,</u> <u>2023</u> |
|---|---------------------------------|------------------------------------|---------------------------------|
| Mandatorily measured at current financial liabilities at fair value through profit or loss | | | |
| Convertible bonds with embedded derivatives | \$ <u>-</u> | <u>231,774</u> | <u>306,682</u> |

The derivative financial instruments arose from the issuance of overseas convertible bonds of the Group disclosed in Note 6(p).

Refer to Note 6(z) for the amount of re-measurement at fair value recognized in profit or loss.

(ii) Current financial assets at amortized cost

| | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>March 31,</u> <u>2023</u> |
|---------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Time deposits over three months | \$ <u>135,930</u> | <u>-</u> | <u>-</u> |

The Group has assessed that these financial assets are held to maturity to collect contract 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.

(iii) Non-current financial assets at fair value through other comprehensive income (FVOCI):

| | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>March 31,</u> <u>2023</u> |
|-----------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Stocks listed on domestic markets | \$ 647,691 | 707,122 | 82,524 |
| Stocks listed on US markets | 3,180,984 | 2,571,003 | 1,465,117 |
| Non-public stocks | <u>369,170</u> | <u>374,409</u> | <u>648,466</u> |
| | <u>\$ 4,197,845</u> | <u>3,652,534</u> | <u>2,196,107</u> |

The Group decided to hold these equity instruments, which are not held for trading, at fair value through other comprehensive income.

For the three months ended March 31, 2024 and 2023, the Group received dividend income \$14,329 thousand and \$12,236 thousand, respectively, of the equity investment designated at fair value through other comprehensive income.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024, the Group disposed its equity investments designated at fair value through other comprehensive income, which is currently acquired by other, at a fair value of \$30,300 thousand, resulting in the loss on disposal, accumulated in other equity of \$1,280 thousand to be reclassified from other equity to retained earnings upon derecognition.

For the three months ended March 31, 2023, there were no disposals of equity investments at fair value through other comprehensive income, and the gains and losses accumulated in other equity were not transferred to retained earnings during the period.

(iv) Sensitivity analysis in the equity price risk:

If the equity price changes, the impact to comprehensive income, using the sensitivity analysis based on the same variables except for the price index for both periods, will be as follows:

| Prices of securities at the reporting date | For the three months ended March 31, 2024 | | For the three months ended March 31, 2023 | |
|---|--|------------------------------------|--|------------------------------------|
| | After-tax other comprehensive income | After-tax profit (loss) | After-tax other comprehensive income | After-tax profit (loss) |
| Increasing 3% | \$ <u>125,935</u> | <u>13,200</u> | <u>65,883</u> | <u>14,482</u> |
| Decreasing 3% | \$ <u>(125,935)</u> | <u>(13,200)</u> | <u>(65,883)</u> | <u>(14,482)</u> |

(v) As of March 31, 2024, December 31 and March 31, 2023, the financial assets were not pledged. For information on the Group's credit risk, currency risk, and fair value information was disclosed in Note 6(aa).

(c) Notes and accounts receivable, net

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|----------------------|---------------------------|------------------------------|---------------------------|
| Notes receivable | \$ 1,544 | 1,351 | 839 |
| Accounts receivable | 1,186,437 | 1,148,140 | 778,610 |
| Less: loss allowance | <u>(60)</u> | <u>(825)</u> | <u>(1,928)</u> |
| | <u>\$ 1,187,921</u> | <u>1,148,666</u> | <u>777,521</u> |

The Group applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

The loss allowance provision was determined as follows:

(i) The segment of foundry and agriculture technology:

| | March 31, 2024 | | |
|-----------------------------|----------------------------------|---|--|
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 1,145,507 | 0% | - |
| Past due 1~60 days | 34,271 | 0% | - |
| Past due 61~120 days | 349 | 0% | - |
| Past due 121~180 days | - | 8.82%~23.75% | - |
| Past due more than 181 days | - | 100% | - |
| | \$ 1,180,127 | | - |
| | December 31, 2023 | | |
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 1,079,886 | 0% | - |
| Past due 1~60 days | 61,409 | 0% | - |
| Past due 61~120 days | 1,125 | 0% | - |
| Past due 121~180 days | - | 8.82%~23.75% | - |
| Past due more than 181 days | - | 100% | - |
| | \$ 1,142,420 | | - |
| | March 31, 2023 | | |
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 734,368 | 0% | - |
| Past due 1~60 days | 35,600 | 0% | - |
| Past due 61~120 days | 2,436 | 0% | - |
| Past due 121~180 days | - | 1.02%~4.35% | - |
| Past due more than 181 days | 1,155 | 100% | 1,155 |
| | \$ 773,559 | | 1,155 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(ii) The segment of gene chip testing service:

| | March 31, 2024 | | |
|-----------------------------|----------------------------------|---|--|
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 6,076 | 0%~2.64% | - |
| Past due 1~60 days | 1,206 | 0%~4.80% | - |
| Past due 61~120 days | 508 | 0%~7.24% | 33 |
| Past due 121~180 days | 42 | 0%~38.89% | 5 |
| Past due more than 181 days | 22 | 100% | 22 |
| | \$ 7,854 | | 60 |
| | | December 31, 2023 | |
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 4,407 | 0%~2.64% | - |
| Past due 1~60 days | 1,821 | 0%~4.80% | 13 |
| Past due 61~120 days | 31 | 0%~7.24% | - |
| Past due 121~180 days | - | 0%~38.89% | - |
| Past due more than 181 days | 812 | 100% | 812 |
| | \$ 7,071 | | 825 |
| | | March 31, 2023 | |
| | Gross carrying amount | Weighted- average expected loss rate | Lifetime expected credit loss allowance |
| Not past due | \$ 3,972 | 0%~2.64% | 1 |
| Past due 1~60 days | 988 | 0%~7.57% | 6 |
| Past due 61~120 days | 176 | 0%~15.58% | 15 |
| Past due 121~180 days | 4 | 0%~44.44% | 1 |
| Past due more than 181 days | 750 | 100% | 750 |
| | \$ 5,890 | | 773 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

The movements of loss allowance were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|--|--|--|
| Beginning balance | \$ 825 | 985 |
| Impairment losses recognized (gains on reversal of impairment) | (16) | 922 |
| Amounts written off | (750) | - |
| Effect of changes in foreign exchange rates | <u>1</u> | <u>21</u> |
| Ending balance | <u>\$ 60</u> | <u>1,928</u> |

As of March 31, 2024, December 31 and March 31, 2023, the notes and accounts receivable were not discounted nor pledged.

(d) Other receivables (recognized as other current assets)

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|----------------------|---------------------------|------------------------------|---------------------------|
| Other receivables | \$ 31,431 | 19,999 | 42,076 |
| Less: loss allowance | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 31,431</u> | <u>19,999</u> | <u>42,076</u> |

As of March 31, 2024, December 31 and March 31, 2023, other receivables were not past due nor impaired.

The information on the Group's credit risk was disclosed in Note 6(aa).

(e) Inventories

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|----------------------------|------------------------------|---------------------------|
| Raw materials, supplies and spare parts | \$ 3,770,782 | 3,697,213 | 4,177,392 |
| Work in process | 972,958 | 1,062,116 | 657,805 |
| Finished goods | <u>570,375</u> | <u>351,877</u> | <u>462,154</u> |
| | <u>\$ 5,314,115</u> | <u>5,111,206</u> | <u>5,297,351</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|---|--|--|
| Losses on valuation of inventories and obsolescence | <u>\$ 39,683</u> | <u>110,018</u> |
| Unallocated overheads | <u>\$ 160,042</u> | <u>17,531</u> |
| Revenue from sale of scraps | <u>\$ (6,924)</u> | <u>(6,758)</u> |
| Losses on physical inventory count | <u>\$ 44</u> | <u>2,076</u> |

As of March 31, 2024, December 31 and March 31, 2023, the inventories were not pledged.

(f) Biological assets

(i) List of biological assets:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|------------------------------|---------------------------|------------------------------|---------------------------|
| Consumable biological assets | <u>\$ 52,468</u> | <u>147,945</u> | <u>162,331</u> |
| Bearer biological assets | <u>\$ 92,059</u> | <u>107,330</u> | <u>235,816</u> |

(ii) Movements in biological assets:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|---|--|--|
| Beginning balance | \$ 255,275 | 366,922 |
| Increase due to purchase | 9,076 | - |
| Input costs | 191,644 | 218,117 |
| Depreciation expenses | (10,879) | (28,323) |
| Decrease due to sales and disposals | (259,533) | (145,920) |
| Changes in fair value less costs to sell due to price changes | (44,469) | (14,520) |
| Effect of changes in foreign exchange rates | 3,413 | 1,871 |
| Ending balance | <u>\$ 144,527</u> | <u>398,147</u> |
| Current | \$ 52,468 | 162,331 |
| Non-current | <u>92,059</u> | <u>235,816</u> |
| | <u>\$ 144,527</u> | <u>398,147</u> |

For the three months ended March 31, 2024 and 2023, the losses of \$44,469 thousand and \$14,520 thousand, respectively, were recognized as operating costs of the consolidated statement of comprehensive income as a result of the remeasurement of biological assets at the higher of its carrying amount or fair value less costs to sell.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(iii) The numbers of the Group's biological assets were as follows:

Unit: head

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---------------------------|---------------------------|------------------------------|---------------------------|
| Farrow, hogs and breeders | 18,834 | 39,672 | 45,101 |

(iv) Fair value

There were no significant addition regarding the fair value of the Group's biological assets. For the related information, please refer to Note 6(f) of the consolidated financial statements for the year ended December 31, 2023.

(v) As of March 31, 2024, December 31 and March 31, 2023, the biological assets were not pledged.

(g) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|------------|---------------------------|------------------------------|---------------------------|
| Associates | \$ 10,773,043 | 10,564,024 | 10,906,111 |

(i) Associates

Associates which are material to the Group consisted of the followings:

| Name of Associates | Main Businesses and Products | Main Operating Location/ Registered Country of the Company | Proportion of Shareholding and Voting Rights | | |
|---|--|---|---|------------------------------|---------------------------|
| | | | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Jiangsu CM/Chainwin Agriculture Development Co., Ltd. (abbrev. Jiangsu CM/Chainwin) | Developing hog farming technology and trading | China | 49 % | 49 % | 49 % |
| ITEQ Corporation (abbrev. ITEQ) | Manufactures and sells mass lamination boards, copper-clad laminates, prepreg, and electronic components | Taiwan | 23.79 % | 23.79 % | 23.79 % |

(Continued)

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The fair value of significant associate listed on the Taiwan Stock Exchange Corporation (TWSE) which is material to the Group is as follows:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|------|---------------------------|------------------------------|---------------------------|
| ITEQ | \$ 8,487,343 | 7,321,736 | 6,760,518 |

The following consolidated financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates.

- 1) The consolidated financial information of Jiangsu CM/Chainwin:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|----------------------------|--|--|
| Current assets | \$ 141,937 | 134,735 | 285,097 |
| Non-current assets | 1,155,834 | 1,140,896 | 1,155,254 |
| Current liabilities | (153,209) | (116,239) | (72,002) |
| Non-current liabilities | (29,925) | (29,003) | (30,068) |
| Net assets | <u>\$ 1,114,637</u> | <u>1,130,389</u> | <u>1,338,281</u> |
| | | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
| Operating revenue | | <u>\$ 84,289</u> | <u>229,376</u> |
| Losses | | \$ (36,998) | (68,700) |
| Other comprehensive income | | - | - |
| Total comprehensive loss | | <u>\$ (36,998)</u> | <u>(68,700)</u> |
| | | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
| Carrying amount of equity of Jiangsu CM/Chainwin attributable to the Group at the beginning | | \$ 552,336 | 684,221 |
| Losses attributable to the Group | | (18,129) | (33,663) |
| Exchange differences on translation of foreign financial statements attributable to the Group | | (13,779) | 9,642 |
| Shares of net assets of Jiangsu CM/Chainwin at the end | | 520,428 | 660,200 |
| Add: Effect of changes in foreign exchange rates | | 24,134 | (5,984) |
| Carrying amount of equity of Jiangsu CM/Chainwin attributable to the Group at the end | | <u>\$ 544,562</u> | <u>654,216</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

2) The consolidated financial information of ITEQ:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|-----------------------------|--|--|
| Current assets | \$ 21,492,904 | 21,306,421 | 21,478,590 |
| Non-current assets | 12,686,688 | 12,073,219 | 12,075,808 |
| Current liabilities | (10,481,779) | (10,539,833) | (11,102,363) |
| Non-current liabilities | <u>(3,820,539)</u> | <u>(3,399,959)</u> | <u>(3,252,067)</u> |
| Net assets | <u>\$ 19,877,274</u> | <u>19,439,848</u> | <u>19,199,968</u> |
| | | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
| Operating revenue | | <u>\$ 6,154,685</u> | <u>6,259,655</u> |
| Profit | | \$ 153,612 | 73,983 |
| Other comprehensive income | | <u>825,128</u> | <u>99,991</u> |
| Total comprehensive income | | <u>\$ 978,740</u> | <u>173,974</u> |
| | | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
| Carrying amount of equity of ITEQ attributable to the Group at the beginning | | \$ 9,977,473 | 10,143,903 |
| Profit attributable to the Group | | 14,304 | 23,396 |
| Comprehensive income attributable to the Group | | 212,716 | 25,913 |
| Changes in capital surplus of associates | | <u>743</u> | <u>967</u> |
| Carrying amount of equity of ITEQ attributable to the Group at the end | | 10,205,236 | 10,194,179 |
| Less: Goodwill and other | | <u>(5,339,924)</u> | <u>(5,359,849)</u> |
| Shares of net assets of ITEQ at the end | | <u>\$ 4,865,312</u> | <u>4,834,330</u> |

Summary of financial information for the individually insignificant investments in associates accounted for using equity method were as follows. The aforementioned financial information was included in the consolidated financial statements of the Group:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|---------------------------|------------------------------|---------------------------|
| Total equity of the individually insignificant investments in associates | <u>\$ 23,245</u> | <u>34,215</u> | <u>57,716</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
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| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|-----------------------------------|--|--|
| Attributable to the Group: | | |
| Profit (losses) | \$ (12,109) | 13,302 |
| Other comprehensive income | <u>-</u> | <u>-</u> |
| Total comprehensive income (loss) | <u>\$ (12,109)</u> | <u>13,302</u> |

(ii) Pledge to secure

As of March 31, 2024, December 31 and March 31, 2023, the investments accounted for using equity method were not pledged.

(iii) Judgment of whether the Group has substantive control over its investee

The Group holds 49% of the outstanding voting shares of Rainbow Star Group Limited and is the single largest shareholder of the investee. The remaining 51% of Rainbow Star Group Limited's shares are concentrated within specific shareholders, and therefore the Group cannot obtain more than half of the total number of Rainbow Star Group Limited directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. As a result, it is determined that the Group has significant influence but not control over Rainbow Star Group Limited.

The Group holds 23.79% of the outstanding voting shares of ITEQ Corporation (hereinafter referred to as "ITEQ") and is the single largest shareholder of the investee. Although the remaining 76.21% of ITEQ's shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of ITEQ directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. As a result, it is determined that the Group has significant influence but not control over ITEQ.

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

| Subsidiaries | Registration | Percentage of non-controlling interests | | |
|---------------------|---------------------|--|------------------------------|---------------------------|
| | | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Chainwin Cayman | Cayman Islands | 18.77 % | 18.77 % | 18.77 % |

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in the information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intergroup transactions were not eliminated in this information.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|---------------------------|---------------------------------------|---------------------------------------|
| Current assets | \$ 2,589,562 | 2,857,317 | 3,853,385 |
| Non-current assets | 12,577,548 | 12,529,682 | 13,691,154 |
| Current liabilities | (249,915) | (277,307) | (449,392) |
| Non-current liabilities | <u>(8,703,457)</u> | <u>(8,348,181)</u> | <u>(8,267,608)</u> |
| Net assets | <u>\$ 6,213,738</u> | <u>6,761,511</u> | <u>8,827,539</u> |
| Non-controlling interests | <u>\$ 1,166,544</u> | <u>1,269,380</u> | <u>1,657,249</u> |
| | | For the three months ended | For the three months ended |
| | | March 31, 2024 | March 31, 2023 |
| Operating revenue | | <u>\$ 104,358</u> | <u>110,438</u> |
| Losses | | \$ (700,900) | (351,556) |
| Other comprehensive income | | <u>153,127</u> | <u>55,871</u> |
| Total comprehensive loss | | <u>\$ (547,773)</u> | <u>(295,685)</u> |
| Losses attributable to non-controlling interests | | <u>\$ (131,584)</u> | <u>(66,000)</u> |
| Comprehensive loss, attributable to non-controlling interests | | <u>\$ 28,748</u> | <u>(55,511)</u> |
| | | For the three months ended | For the three months ended |
| | | March 31, 2024 | March 31, 2023 |
| Net cash flows used in operating activities | | \$ (101,929) | (113,818) |
| Net cash flows used in investing activities | | (149,213) | (159,808) |
| Net cash flows from financing activities | | (189,649) | 1,014,147 |
| Effect of changes in foreign exchange rate | | <u>160,416</u> | <u>(45,954)</u> |
| (Decrease) increase in cash and cash equivalents | | <u>\$ (280,375)</u> | <u>694,567</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

The movements in property, plant and equipment were as follows:

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Machinery and equipment</u> | <u>Factory and equipment</u> | <u>Other equipment</u> | <u>Construction in progress and inspection-awaited devices</u> | <u>Total</u> |
|---|---------------------|---------------------------------|--------------------------------|------------------------------|------------------------|--|-------------------|
| Cost: | | | | | | | |
| Balance as of January 1, 2024 | \$ 3,761,153 | 11,358,474 | 17,643,557 | 8,215,687 | 493,129 | 5,515,934 | 46,987,934 |
| Additions | - | - | 30,683 | 43,031 | 2,261 | 58,853 | 134,828 |
| Reclassification (Note) | - | - | 118,105 | 54,403 | 361 | (56,005) | 116,864 |
| Disposals | - | - | (208,583) | (24,301) | (6,101) | - | (238,985) |
| Effect of changes in foreign exchange rates | - | 158,646 | 7,621 | 20,038 | 2,495 | 42,489 | 231,289 |
| Balance as of March 31, 2024 | <u>\$ 3,761,153</u> | <u>11,517,120</u> | <u>17,591,383</u> | <u>8,308,858</u> | <u>492,145</u> | <u>5,561,271</u> | <u>47,231,930</u> |
| Balance as of January 1, 2023 | \$ 2,546,534 | 9,478,472 | 17,648,311 | 6,689,192 | 668,701 | 9,406,592 | 46,437,802 |
| Additions | - | 2,885 | 141,136 | 13,777 | 8,193 | 279,506 | 445,497 |
| Reclassification (Note) | - | 1,582,325 | 2,018,450 | 143,876 | 14,902 | (3,108,593) | 650,960 |
| Disposals | - | (15,076) | (1,152,041) | (500,600) | (96,267) | - | (1,763,984) |
| Effect of changes in foreign exchange rates | - | 51,718 | 590 | 3,519 | 554 | 8,066 | 64,447 |
| Balance as of March 31, 2023 | <u>\$ 2,546,534</u> | <u>11,100,324</u> | <u>18,656,446</u> | <u>6,349,764</u> | <u>596,083</u> | <u>6,585,571</u> | <u>45,834,722</u> |
| Accumulated depreciation and impairment losses: | | | | | | | |
| Balance as of January 1, 2024 | \$ - | 1,717,763 | 10,638,635 | 2,964,965 | 236,515 | 117,917 | 15,675,795 |
| Depreciation | - | 139,143 | 749,221 | 215,129 | 27,716 | - | 1,131,209 |
| Disposals | - | - | (208,583) | (24,301) | (6,101) | - | (238,985) |
| Effect of changes in foreign exchange rates | - | 11,562 | 418 | (1,760) | 1,375 | 8,324 | 19,919 |
| Balance as of March 31, 2024 | <u>\$ -</u> | <u>1,868,468</u> | <u>11,179,691</u> | <u>3,154,033</u> | <u>259,505</u> | <u>126,241</u> | <u>16,587,938</u> |
| Balance as of January 1, 2023 | \$ - | 1,193,693 | 10,327,673 | 3,073,301 | 297,129 | - | 14,891,796 |
| Depreciation | - | 121,871 | 699,160 | 157,676 | 42,076 | - | 1,020,783 |
| Disposals | - | (15,076) | (1,151,300) | (500,600) | (73,973) | - | (1,740,949) |
| Effect of changes in foreign exchange rates | - | 583 | (2) | 113 | 227 | - | 921 |
| Balance as of March 31, 2023 | <u>\$ -</u> | <u>1,301,071</u> | <u>9,875,531</u> | <u>2,730,490</u> | <u>265,459</u> | <u>-</u> | <u>14,172,551</u> |
| Carrying amount: | | | | | | | |
| Balance as of January 1, 2024 | <u>\$ 3,761,153</u> | <u>9,640,711</u> | <u>7,004,922</u> | <u>5,250,722</u> | <u>256,614</u> | <u>5,398,017</u> | <u>31,312,139</u> |
| Balance as of March 31, 2024 | <u>\$ 3,761,153</u> | <u>9,648,652</u> | <u>6,411,692</u> | <u>5,154,825</u> | <u>232,640</u> | <u>5,435,030</u> | <u>30,643,992</u> |
| Balance as of January 1, 2023 | <u>\$ 2,546,534</u> | <u>8,284,779</u> | <u>7,320,638</u> | <u>3,615,891</u> | <u>371,572</u> | <u>9,406,592</u> | <u>31,546,006</u> |
| Balance as of March 31, 2023 | <u>\$ 2,546,534</u> | <u>9,799,253</u> | <u>8,780,915</u> | <u>3,619,274</u> | <u>330,624</u> | <u>6,585,571</u> | <u>31,662,171</u> |

Note: Inventories and prepayments for business facilities were reclassified as property, plant and equipment.

(i) Pledge to secure

As of March 31, 2024, December 31 and March 31, 2023, the property, plant and equipment were subject to a registered debenture to secured bank loans and line of credit, the collateral for these long-term borrowings was disclosed in Note 8.

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WIN Semiconductors Corp. and Subsidiaries
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(ii) Property, plant and equipment under construction

The Group leased certain parcels pieces of land for the construction of its new factories, with the total amounts of \$5,113,948 thousand and \$5,207,421 thousand as of March 31, 2024 and 2023, respectively.

(iii) For the three months ended March 31, 2024 and 2023, capitalized interest expenses amounted to \$19,886 thousand and \$50,954 thousand, respectively. The annual interest rates at which these interest expenses were capitalized ranged from 1.50%~5.88% and 1.14%~5.76%, respectively.

(j) Right-of-use assets

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Other equipment</u> | <u>Total</u> |
|-------------------------------|-------------|---|----------------------------|------------------|
| Carrying amount: | | | | |
| Balance as of January 1, 2024 | \$ 683,460 | 317,860 | 13,805 | <u>1,015,125</u> |
| Balance as of March 31, 2024 | \$ 694,735 | 311,444 | 12,483 | <u>1,018,662</u> |
| Balance as of January 1, 2023 | \$ 747,948 | 341,753 | 10,028 | <u>1,099,729</u> |
| Balance as of March 31, 2023 | \$ 735,399 | 331,013 | 8,793 | <u>1,075,205</u> |

There were no significant additions, recognition and reversal of impairment losses of right-of-use assets for the three months ended March 31, 2024 and 2023. As of March 31, 2024, depreciation of right-of-use assets was disclosed in Note 12(a). Other information was disclosed in Note 6(j) of the consolidated financial statements for the year ended December 31, 2023.

(k) Investment property

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Total</u> |
|-------------------------------|-------------|-------------------------------------|---------------------|
| Carrying amount: | | | |
| Balance as of January 1, 2024 | \$ 963,127 | 80,188 | <u>1,043,315</u> |
| Balance as of March 31, 2024 | \$ 963,127 | 78,859 | <u>1,041,986</u> |
| Balance as of January 1, 2023 | \$ 963,127 | 85,505 | <u>1,048,632</u> |
| Balance as of March 31, 2023 | \$ 963,127 | 84,176 | <u>1,047,303</u> |
| Fair value: | | | |
| Balance as of January 1, 2024 | | | \$ <u>1,130,325</u> |
| Balance as of March 31, 2024 | | | \$ <u>1,127,502</u> |
| Balance as of March 31, 2023 | | | \$ <u>1,172,669</u> |

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There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2024 and 2023. As of March 31, 2024, depreciation of investment property was disclosed in Note 12(a). Other information was disclosed in Note 6(k) of the consolidated financial statements for the year ended December 31, 2023.

When measuring the fair value of its investment property, the Group considered the present value of net cash flows to be generated from leasing the property. The expected net cash flows were discounted using the yield to reflect its specified inherit risk on the net cash flows. The inputs to the valuation technique used for measuring fair value were categorized as a Level 2 fair value. As of March 31, 2024, December 31 and March 31, 2023, the yield applied to the net annual rentals to determine fair value of property for which current prices in an active market were unavailable, was as follows:

| <u>Location</u> | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-----------------|---------------------------|------------------------------|---------------------------|
| Hsinchu | 0.54% | 0.83% | 0.25% |

As of March 31, 2024, December 31 and March 31, 2023, the investment properties were not pledged.

(l) Intangible assets

| | <u>Technical know-how</u> | <u>Computer software and information systems</u> | <u>Goodwill</u> | <u>Others</u> | <u>Total</u> |
|-------------------------------|-------------------------------|--|-----------------|---------------|--------------|
| Carrying amount: | | | | | |
| Balance as of January 1, 2024 | \$ 29,927 | 158,047 | 324,962 | 14,552 | 527,488 |
| Balance as of March 31, 2024 | \$ 28,714 | 152,365 | 330,308 | 11,193 | 522,580 |
| Balance as of January 1, 2023 | \$ 35,792 | 201,522 | 324,962 | 29 | 562,305 |
| Balance as of March 31, 2023 | \$ 34,355 | 199,298 | 323,885 | 22 | 557,560 |

There was no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. As of March 31, 2024, amortization of intangible assets was disclosed in Note 12(a). Other information was disclosed in Note 6(l) of the consolidated financial statements for the year ended December 31, 2023.

As of March 31, 2024, December 31 and March 31, 2023, the intangible assets were not pledged.

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

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|-------------------------------------|---------------------------|------------------------------|---------------------------|
| Tax refund receivables | \$ 59,854 | 65,808 | 52,103 |
| Other receivables | 31,431 | 19,999 | 42,076 |
| Prepayments to suppliers | 4,210 | 501 | 845 |
| Prepaid expenses | 121,261 | 144,837 | 104,459 |
| Offset against business tax payable | 44,193 | 43,915 | 43,699 |
| Restricted assets | 241,626 | 243,819 | 342,976 |
| Refundable deposits | 93,388 | 94,425 | 148,445 |
| Long-term prepayments to suppliers | 75,239 | 75,239 | 55,424 |
| Others | 24,177 | 24,919 | 24,068 |
| | <u>\$ 695,379</u> | <u>713,462</u> | <u>814,095</u> |

(n) Short-term borrowings

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|----------------------------|------------------------------|---------------------------|
| Secured short-term borrowings (in RMB) | <u>\$ 5,651</u> | <u>21,129</u> | <u>15,957</u> |
| Unsecured short-term borrowings | <u>\$ -</u> | <u>-</u> | <u>-</u> |
| Unused bank credit lines for short-term borrowings | <u>\$ 1,534,349</u> | <u>1,649,521</u> | <u>1,650,793</u> |
| Unused bank credit lines for short-term and long-term borrowings | <u>\$ 4,056,595</u> | <u>4,342,636</u> | <u>2,899,000</u> |
| Annual interest rate | <u>3.70%</u> | <u>3.70%</u> | <u>3.70%</u> |

The collateral for these short-term borrowings were disclosed in Note 8.

(o) Long-term borrowings

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Secured long-term borrowings (in TWD) | \$ 1,200,000 | 1,200,000 | - |
| Secured long-term syndicated borrowings (in USD) | 8,433,331 | 8,083,027 | 7,983,850 |
| Unsecured long-term borrowings (in TWD) | 12,910,390 | 13,743,277 | 10,657,247 |
| Less: Current portion | (4,600,680) | (2,996,728) | (2,473,067) |
| Total | <u>\$ 17,943,041</u> | <u>20,029,576</u> | <u>16,168,030</u> |
| Unused bank credit lines for long-term borrowings | <u>\$ 8,758,500</u> | <u>9,582,867</u> | <u>11,643,250</u> |
| Annual interest rate | <u>1.00%~5.83%</u> | <u>1.00%~5.84%</u> | <u>0.88%~5.31%</u> |
| Expiry date | <u>2025/02/15~2038/08/14</u> | <u>2025/02/15~2038/08/14</u> | <u>2024/05/17~2029/01/20</u> |

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As of March 31, 2024, the remaining balances of the borrowing due were as follows:

| <u>Redemption period</u> | <u>Amount</u> |
|------------------------------|-----------------------------|
| April 1, 2024~March 31, 2025 | \$ 4,600,680 |
| April 1, 2025~March 31, 2026 | 12,353,919 |
| April 1, 2026~March 31, 2027 | 2,278,792 |
| April 1, 2027~March 31, 2028 | 1,518,792 |
| April 1, 2028 and after | <u>1,791,538</u> |
| | <u><u>\$ 22,543,721</u></u> |

- (i) The unused bank credit lines for short-term and long-term borrowings at the reporting date were disclosed in Note 6(n).
- (ii) The collateral for these long-term borrowings were disclosed in Note 8.
- (iii) In December 2021, the Group entered into a three-year syndicated loan agreement with Far Eastern International Bank and other ten banks. The total credit facility under this loan agreement is US\$300,000 thousand.

The related financial covenants and restrictions for the syndicated loans mentioned above were as follows:

- 1) At the end of reporting period, current ratio (current assets / current liabilities): shall not lower than 100%;
- 2) Interest coverage ratio [(profit before tax + depreciation + amortization + interest expense) / interest expense]: shall not be lower than 100%; and
- 3) Tangible net assets value (equity – intangible assets): shall not be lower than NT\$20,000,000 thousand.

After the guarantor signs the loan agreement, the aforementioned financial ratio and criteria will be reviewed semi-annually, which are based on the year-end consolidated financial statements audited by the Certified Public Accountants (CPAs) that are approved by the leading bank, as well as the semi-annual consolidated financial statements reviewed by the CPAs.

Although the Group breached the above restriction of the current ratio in the second quarter of 2023, the Group was able to obtain a waiver letter in June 2023 after negotiating with the banks. Hence, the Group need not have to repay the loans immediately.

For the year ended December 31, 2023, the Group were in compliance with the above financial covenants and restrictions.

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(p) Bonds payable

The details of bonds payable were as follows:

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|---|---------------------------|------------------------------|---------------------------|
| Overseas convertible bonds issuance balance | \$ - | 4,869,216 | 10,952,937 |
| Less: Unamortized discounted bonds payable | - | (125,382) | (384,145) |
| Current portion | - | (4,743,834) | (10,568,792) |
| | <u>\$ -</u> | <u>-</u> | <u>-</u> |
| Proceeds from issuance (less transaction cost amounted to \$89,226 thousand) | | | \$ 13,902,774 |
| Equity components (less transaction cost amortized to equity component of \$4,147 thousand) | | | (639,583) |
| Embedded derivatives instruments — put/ call options | | | <u>(139,920)</u> |
| Liability components at the issuance date (less transaction cost allocated to liability component of \$85,079 thousand) | | | 13,123,271 |
| Interest expense at an effective interest rate of 1.28% | | | 419,158 |
| Repurchases/ redeems of bonds payable | | | <u>(13,542,429)</u> |
| Liability components at March 31, 2024 | | | <u>\$ -</u> |

The Company resolved to issue the first unsecured overseas convertible bonds, as proposed in the Board of Directors meeting held on November 27, 2020, which had been approved by the Financial Supervisory Commission with approval No.1090377907 on December 25, 2020 and been issued on the Singapore Exchange Securities Trading Limited on January 14, 2021. The Company issued the 5 years unsecured convertible bond, amounting to US\$500,000 thousand without coupon rate, with the maturity dates on January 14, 2026.

Unless previously redeemed, repurchased, and cancelled or converted, regulations and except during the closed period, the bonds may be converted into the Company's common shares pursuant to the applicable laws and regulations and the indenture at any time starting from the next day immediately after three months from the issue date to (1) the 10 day prior to the maturity date or (2) the 5 business day prior to the applicable redemption date on which a bondholder exercises its put right or the applicable date (other than the maturity date) on which the Company exercises its redemption right.

The conversion price was 140% of the closing price of the Company's common shares on the Taipei Exchange on the pricing date, which was NT\$497. The number of common shares to be delivered upon conversion of any bond will be determined with the principal amount of the bonds multiplied by the fixed exchange rate, which is NT\$27.984 to US\$1, which as determined on the pricing date and divided by the conversion price in effect on the date of conversion. After the issuance of the bonds, the conversion price shall be adjusted in accordance with the relevant anti-dilution provisions of the indenture.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
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The above-mentioned convertible bonds included liabilities and equity components. The equity component was accounted under the capital surplus-stock option. The effective interest rate originally recognized for the liability component was 1.28%.

For the three months ended March 31, 2024, the Company had redeemed its convertible bonds, at the principal amount of USD\$161,000 thousand, due to requirements of the bondholders. On February 23, 2024, as more than 90% of the bonds had been redeemed, the Company redeemed in advanced the remaining bonds, at the principal amount of USD\$13,000 thousand, in accordance with the indenture, resulting in the gains, amounting \$253,828 thousand, to be recognized as other gains and losses. Please refer to note 6(z).

For the three month ended March 31, 2023, the Company has repurchased the first issued unsecured overseas convertible bonds in 2020 at the principle amount of US\$5,000 thousand, consequently, derecognized the related derivative financial liabilities. The difference between the repurchased amount and the carrying amount was recognized under other gains and losses, please refer to Note 6(z). There was no such transaction for the three month ended March 31, 2023.

(q) Lease liabilities

The carrying amounts of lease liabilities were as follow:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|-------------|---------------------------|------------------------------|---------------------------|
| Current | <u>\$ 104,587</u> | <u>103,105</u> | <u>108,544</u> |
| Non-current | <u>\$ 866,990</u> | <u>854,968</u> | <u>904,742</u> |

For the maturity analysis, please refer to Note 6(aa).

The amounts recognized in profit or loss were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|--|--|--|
| Interest expenses on lease liabilities | <u>\$ 5,693</u> | <u>5,982</u> |
| Expenses relating to short-term leases | <u>\$ 2,525</u> | <u>1,094</u> |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u>\$ 379</u> | <u>395</u> |

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

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|-------------------------------|--|--|
| Total cash outflow for leases | <u>\$ 23,493</u> | <u>24,358</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(i) Land, buildings and structures leases

The Group leases land, buildings and structures for its plants, parking lots and staff dormitories. The leases of them typically run for a period of 3 to 50 years.

(ii) Other leases

The Group leases printer and transportation equipment, with lease terms of 2 to 10 years.

(iii) Others

Parts of the leases of transportation equipment, machinery and equipment, office and staff dormitories are with contract terms of less than one year. These leases are short-term. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. Also, some leases contain cancellation options exercisable by the Group. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(r) Operating lease

There were no significant changes in operating lease for the three months ended March 31, 2024 and 2023. Please refer to Note 6(r) of the consolidated financial statements for the year ended December 31, 2023 for other related information.

(s) Employee benefits

(i) Defined benefit plans

At the end of the prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate as of December 31, 2023 and 2022.

The Group's expenses recognized in profit or loss were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|--------------------|--|--|
| Operating costs | \$ - | - |
| Operating expenses | <u>552</u> | <u>591</u> |
| | <u><u>\$ 552</u></u> | <u><u>591</u></u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2024 and 2023 were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|--------------------|--|--|
| Operating costs | \$ 23,675 | 23,926 |
| Operating expenses | <u>8,353</u> | <u>7,841</u> |
| | <u>\$ 32,028</u> | <u>31,767</u> |

(iii) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. For the three months ended March 31, 2024 and 2023, the Group recognized the pension costs in accordance with the pension regulations and amounted to \$2,473 thousand and \$4,720 thousand, respectively.

(t) Income tax

(i) The amount of income tax expense (benefit) was as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|------------------------------|--|--|
| Income tax expense (benefit) | <u>\$ 41,757</u> | <u>(76,998)</u> |

(ii) There was no income tax expense recognized in other comprehensive income for the three months ended March 31, 2024 and 2023.

(iii) Assessment

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

(u) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2024 and 2023. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

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WIN Semiconductors Corp. and Subsidiaries
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(i) Capital surplus

Balance of capital surplus at the reporting date were as follows:

| | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>March 31,</u> <u>2023</u> |
|--|---------------------------------|------------------------------------|---------------------------------|
| Additional paid-in capital | \$ 9,234,813 | 9,234,813 | 9,234,813 |
| Equity component of convertible bonds | 639,583 | 639,583 | 639,583 |
| Changes in ownership interests in subsidiaries | 85,565 | 85,565 | 85,565 |
| Changes in equity of associates accounted for using equity method | 4,725 | 3,982 | 1,849 |
| Employee stock options | <u>3,245</u> | <u>3,245</u> | <u>3,245</u> |
| | <u><u>\$ 9,967,931</u></u> | <u><u>9,967,188</u></u> | <u><u>9,965,055</u></u> |

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the balance of annual income or earnings after deducting accumulated deficit, if any, must be set aside as a legal reserve and a special capital reserve is likewise appropriated or the annual income or earnings are retained in accordance with the relevant laws or regulations or as requested by the authorities, but the balance of such legal reserve reaches an amount equal to the paid-in capital, the appropriation to legal reserves is discontinued. Otherwise, the Company shall set aside at least 50% for shareholder, the distribution of remaining balance of the earnings should be further proposed by the Board of Directors and resolved by the shareholders' meeting. And the cash dividends should not lower than 10% of the total stockholders' dividends.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in appropriating its remaining earnings as its dividend policy in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth.

The appropriation of earning for 2022 had been approved in the meeting of Board of Directors held on March 9, 2023. The appropriation and dividends were as follows:

| | |
|----------------|------------------------------------|
| Cash dividends | <u>2022</u> <u>\$ 1,059,851</u> |
|----------------|------------------------------------|

The related information mentioned above can be found on websites such as the Market Observation Post System.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(w) Earnings per share (“EPS”)

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|--|--|--|
| Basic earnings per share: | | |
| Profit (loss) belonging to common shareholders | \$ <u>406,726</u> | <u>(401,811)</u> |
| Weighted-average number of outstanding shares of common stock (in thousands shares) | <u>423,940</u> | <u>423,940</u> |
| Basic earnings per share (in dollars) | \$ <u>0.96</u> | <u>(0.95)</u> |
| Diluted earnings per share: | | |
| Profit (loss) belonging to common shareholders | \$ 406,726 | (401,811) |
| Interest expense and other gains and losses on convertible bonds, net of tax | <u>-</u> | <u>(107,001)</u> |
| Profit (loss) belonging to common shareholders (diluted) | <u>\$ 406,726</u> | <u>(508,812)</u> |
| Weighted-average number of outstanding shares of common stock (in thousands shares) | 423,940 | 423,940 |
| Effect of potentially dilutive common stock | | |
| Employee remuneration (in thousands shares) | 206 | - |
| Effect of conversion of convertible bonds (in thousands shares) | <u>-</u> | <u>23,905</u> |
| Weighted-average number of common stock (diluted) (in thousands shares) | <u>424,146</u> | <u>447,845</u> |
| Diluted earnings per share (in dollars) | \$ <u>0.96</u> | <u>(1.14)</u> |

For the three months ended March 31, 2024, the convertible bonds had anti-diluted effects if the bonds were converted, and hence the convertible was not included in the calculation of effect on potentially diluted common stock. Furthermore, for the three months ended March 31, 2023, the employee compensation had anti-diluted effects, and hence the employee compensation was not included in the calculation of effect on potentially diluted common stock.

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

| | For the three months ended March 31, 2024 | | | |
|-------------------------------|--|--|---------------------------------------|------------------|
| | Segment- Foundry | Segment- Agriculture technology | Segment- Others (Note) | Total |
| Primary geographical markets: | | | | |
| Asia | \$ 3,114,047 | 102,231 | 1,390 | 3,217,668 |
| Americas | 767,057 | - | 12,478 | 779,535 |
| Taiwan | 240,226 | 1,675 | 26,452 | 268,353 |
| Europe | 176,845 | - | - | 176,845 |
| | <u>\$ 4,298,175</u> | <u>103,906</u> | <u>40,320</u> | <u>4,442,401</u> |
| Main product/ services lines: | | | | |
| Foundry | \$ 4,292,227 | - | - | 4,292,227 |
| Others | 5,948 | 103,906 | 40,320 | 150,174 |
| | <u>\$ 4,298,175</u> | <u>103,906</u> | <u>40,320</u> | <u>4,442,401</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | For the three months ended March 31, 2023 | | | |
|-------------------------------|--|--|---------------------------------------|------------------|
| | Segment- Foundry | Segment- Agriculture technology | Segment- Others (Note) | Total |
| Primary geographical markets: | | | | |
| Asia | \$ 1,592,954 | 109,647 | 184,939 | 1,887,540 |
| Americas | 643,063 | - | 10,543 | 653,606 |
| Taiwan | 120,892 | 791 | 23,431 | 145,114 |
| Europe | 159,996 | - | 13,302 | 173,298 |
| | \$ 2,516,905 | 110,438 | 232,215 | 2,859,558 |
| Main product/ services lines: | | | | |
| Foundry | \$ 2,516,129 | - | - | 2,516,129 |
| Others | 776 | 110,438 | 232,215 | 343,429 |
| | \$ 2,516,905 | 110,438 | 232,215 | 2,859,558 |

Note: Segment-others were mainly general investment businesses, and their net investment profits and losses were recognized as operating revenue.

(ii) Balance of contracts

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|----------------------|---------------------------|------------------------------|---------------------------|
| Notes receivable | \$ 1,544 | 1,351 | 839 |
| Accounts receivable | 1,186,437 | 1,148,140 | 778,610 |
| Less: loss allowance | (60) | (825) | (1,928) |
| | \$ 1,187,921 | 1,148,666 | 777,521 |
| Contract liabilities | \$ 497,636 | 563,765 | 309,002 |

For details of notes and accounts receivable and allowance for impairment, please refer to Note 6(c).

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that was included in the contract liabilities balance at the beginning of the period was \$391,787 thousand and \$157,375 thousand, respectively.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(y) Employees' and directors' remuneration

According to the Company's Article of Incorporation, if there is any net profit after closing of a fiscal year, it shall be allocated according to the following principles:

- (i) Employees' remuneration: not less than 5% but no more than 10% shall be distributed in the form of shares or cash. Stock-type employee remuneration may be distributed to qualified employees of affiliates of the Company.
- (ii) Directors's remuneration: no more than 3%.

However, if there are any accumulated losses of the Company, the Company shall pre-reserve the amount to offset the loss. The distribution of employees' remuneration and directors's remuneration shall follow the special resolution by Board of Directors, and report it to the shareholders' meeting.

The Company estimated its employees' and directors' remuneration as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|-------------------------|--|--|
| Employees' remuneration | \$ 30,100 | - |
| Directors' remuneration | <u>6,300</u> | <u>-</u> |
| | <u>\$ 36,400</u> | <u>-</u> |

The amount of employees' remuneration, and directors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, deduct the accumulated loss and multiplied by the rule of Company's Article of Incorporation. The above remuneration was included in the operating costs and operating expenses of for the three months ended March 31, 2024. For the year end December 31, 2023, no remunerations to employees and directors were accrued due to the net loss before income tax incurred by the Company. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

For the year ended December 31, 2022, the Company accrued and recognized its employees' remuneration amounting to \$149,000 thousand, and directors' remuneration amounting to \$38,000 thousand. There were no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements. The related information mentioned above can be found on websites such as the Market Observation Post System.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(z) Non-operating income and expenses

(i) Interest income

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|------------------------------------|--|--|
| Interest income from bank deposits | \$ 29,481 | 53,911 |
| Other interest income | 44 | 33 |
| Interest income | <u>\$ 29,525</u> | <u>53,944</u> |

(ii) Other income

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|-----------------|--|--|
| Dividend income | \$ 7,330 | 6,750 |
| Rent income | 9,990 | 10,512 |
| Other income | <u>\$ 17,320</u> | <u>17,262</u> |

(iii) Other gains and losses

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|---|--|--|
| Losses on disposals of property, plant and equipment | \$ - | (22,826) |
| Foreign exchange losses | (20,690) | (6,447) |
| Gains on financial assets or liabilities at fair value through profit or loss | 47,609 | 155,785 |
| Gains on repurchases of bonds payable | - | 15,316 |
| Gains on financial liabilities measured at amortized cost | 253,828 | - |
| Others | 1,207 | (19,383) |
| Other gains and losses | <u>\$ 281,954</u> | <u>122,445</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(iv) Finance costs

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|----------------------------|--|--|
| Interest expenses | | |
| Bank borrowings | \$ 210,901 | 149,213 |
| Bonds payable | 2,914 | 34,178 |
| Lease liabilities | 5,693 | 5,982 |
| Less: capitalized interest | <u>(19,886)</u> | <u>(50,954)</u> |
| Subtotal | 199,622 | 138,419 |
| Other finance costs | <u>197</u> | <u>161</u> |
| Finance costs | <u>\$ 199,819</u> | <u>138,580</u> |

(aa) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to Note 6(aa) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Receivables and debt securities

For information on credit risk regarding notes and accounts receivable, please refer to Note 6(c).

Other financial assets measured at amortized cost include other receivables and time deposits. For related information of investment and impairment, please refer to Note 6(b) and Note 6(d).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited 12 months expected losses.

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities:

| | Carrying amount | Contractual cash flows | Within 1 year | 1-2 years | 2-5 years | Over 5 years |
|--------------------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| As of March 31, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured bank loans | \$ 9,638,982 | 10,411,191 | 524,241 | 8,596,419 | 338,440 | 952,091 |
| Unsecured bank loans | 12,910,390 | 13,278,206 | 4,778,618 | 3,972,790 | 4,526,798 | - |
| Notes and accounts payable | 1,543,946 | 1,543,946 | 1,543,946 | - | - | - |
| Other payables | 1,820,401 | 1,820,401 | 1,820,401 | - | - | - |
| Guarantee deposits received | 118,926 | 118,926 | 349 | 8,577 | 110,000 | - |
| Lease liabilities | 971,577 | 1,150,903 | 124,185 | 113,598 | 239,862 | 673,258 |
| | <u>\$ 27,004,222</u> | <u>28,323,573</u> | <u>8,791,740</u> | <u>12,691,384</u> | <u>5,215,100</u> | <u>1,625,349</u> |

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Within 1 year</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|--------------------------------------|------------------------|-------------------------------|----------------------|-------------------|-------------------|---------------------|
| As of December 31, 2023 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured bank loans | \$ 9,304,156 | 10,432,864 | 521,175 | 8,592,189 | 339,854 | 979,646 |
| Unsecured bank loans | 13,743,277 | 14,127,706 | 3,181,583 | 6,427,642 | 4,143,481 | 375,000 |
| Bonds payable | 4,743,834 | 4,724,953 | 4,724,953 | - | - | - |
| Notes and accounts payable | 1,362,255 | 1,362,255 | 1,362,255 | - | - | - |
| Other payables | 2,169,969 | 2,169,969 | 2,169,969 | - | - | - |
| Guarantee deposits received | 119,557 | 119,557 | 1,141 | 8,416 | 110,000 | - |
| Lease liabilities | 958,073 | 1,139,070 | 113,567 | 110,939 | 249,701 | 664,863 |
| | <u>\$ 32,401,121</u> | <u>34,076,374</u> | <u>12,074,643</u> | <u>15,139,186</u> | <u>4,843,036</u> | <u>2,019,509</u> |
| As of March 31, 2023 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Secured bank loans | \$ 7,999,807 | 8,946,710 | 430,832 | 414,397 | 8,101,481 | - |
| Unsecured bank loans | 10,657,247 | 10,904,091 | 2,601,907 | 5,330,022 | 2,751,925 | 220,237 |
| Bonds payable | 10,568,792 | 10,628,430 | 10,628,430 | - | - | - |
| Accounts payable | 724,935 | 724,935 | 724,935 | - | - | - |
| Other payables | 2,900,174 | 2,900,174 | 2,900,174 | - | - | - |
| Guarantee deposits received | 119,347 | 119,347 | 612 | 8,735 | - | 110,000 |
| Lease liabilities | 1,013,286 | 1,212,615 | 119,520 | 105,755 | 268,842 | 718,498 |
| | <u>\$ 33,983,588</u> | <u>35,436,302</u> | <u>17,406,410</u> | <u>5,858,909</u> | <u>11,122,248</u> | <u>1,048,735</u> |

The Group did not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure to foreign currency risk were as follows:

| | <u>March 31, 2024</u> | | | <u>December 31, 2023</u> | | | <u>March 31, 2023</u> | | | |
|---------------------------|-------------------------|----------------------|-------------|--------------------------|----------------------|-------------|-------------------------|----------------------|-------------|---------------------|
| | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>NT\$</u> | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>NT\$</u> | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>NT\$</u> | |
| Financial assets | | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | | |
| USD | \$ | 123,992 | 32.00 | 3,967,748 | 277,939 | 30.71 | 8,535,521 | 291,188 | 30.45 | 8,866,668 |
| EUR | | 296 | 34.46 | 10,199 | 70 | 34.02 | 2,390 | 81 | 33.15 | 2,699 |
| JPY | | 470,263 | 0.2115 | 99,461 | 210,115 | 0.2173 | 45,658 | 377,197 | 0.2288 | 86,303 |
| GBP | | 11 | 40.39 | 450 | 11 | 39.18 | 435 | 11 | 37.67 | 416 |
| HKD | | 58 | 4.089 | 238 | 59 | 3.931 | 242 | 58 | 3.879 | 226 |
| RMB | | 65 | 4.41 | 289 | 66 | 4.33 | 285 | 66 | 4.43 | 290 |
| SGD | | 1 | 23.72 | 21 | 1 | 23.31 | 20 | 1 | 22.91 | 20 |
| | | | | <u>\$ 4,078,406</u> | | | <u>\$ 8,584,551</u> | | | <u>\$ 8,956,622</u> |
| <u>Non-monetary items</u> | | | | | | | | | | |
| USD | \$ | 15,927 | 32.00 | 509,421 | 15,265 | 30.71 | 468,788 | 18,186 | 30.45 | 553,774 |
| RMB | | 222,538 | 4.41 | 979,683 | 245,907 | 4.33 | 1,062,856 | 254,679 | 4.43 | 1,126,806 |
| | | | | <u>\$ 1,489,104</u> | | | <u>\$ 1,531,644</u> | | | <u>\$ 1,680,580</u> |

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | March 31, 2024 | | | December 31, 2023 | | | March 31, 2023 | | |
|------------------------------|---------------------|------------------|---------------------|---------------------|------------------|---------------------|---------------------|------------------|---------------------|
| | Foreign currency | Exchange rate | NT\$ | Foreign currency | Exchange rate | NT\$ | Foreign currency | Exchange rate | NT\$ |
| <u>Financial liabilities</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | \$ 240,029 | 32.00 | 7,680,943 | 236,181 | 30.71 | 7,253,131 | 236,627 | 30.45 | 7,205,307 |
| EUR | 353 | 34.46 | 12,150 | 452 | 34.02 | 15,386 | 139 | 33.15 | 4,610 |
| JPY | 491,911 | 0.2115 | <u>104,039</u> | 665,539 | 0.2173 | <u>144,622</u> | 342,224 | 0.2288 | <u>78,301</u> |
| | | | <u>\$ 7,797,132</u> | | | <u>\$ 7,413,139</u> | | | <u>\$ 7,288,218</u> |

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, financial assets at fair value through profit or loss, notes and accounts payable, other payables, long-term borrowings, etc. that are denominated in foreign currency. A strengthening (weakening) 5 % of appreciation (depreciation) of the TWD against the USD, EUR, GBP, JPY, HKD, RMB, SGD, etc. for the three months ended March 31, 2024 and 2023 would have increased (decreased) the net profit after tax by \$110,718 thousand and \$88,887 thousand, respectively. The analysis assumes that all other variables remain constant.

3) Exchange gains or losses

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For three months ended March 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$20,690 thousand and \$6,447 thousand, respectively.

(iv) Interest rate risk

Please refer to the attached note for the liquidity risk and the Group's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.5%, the Group's net profit after tax would have increased (decreased) by \$24,413 thousand and \$18,668 thousand for the three months ended March 31, 2024 and 2023, respectively, all other variable factors that remain constant. This is mainly due to the Group's borrowing in floating rates.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(v) Fair value

1) Financial instrument classifications and fair values

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

| | March 31, 2024 | | | | |
|---|----------------------|------------------|----------|------------------|------------------|
| | Carrying value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets at fair value through profit or loss | | | | | |
| Stocks listed on domestic markets | \$ 439,989 | 439,989 | - | - | 439,989 |
| Funds and investment | 137,527 | 137,527 | - | - | 137,527 |
| Private fund | 1,401,285 | - | - | 1,401,285 | 1,401,285 |
| Subtotal | <u>\$ 1,978,801</u> | <u>577,516</u> | <u>-</u> | <u>1,401,285</u> | <u>1,978,801</u> |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic and foreign markets | \$ 3,828,675 | 3,828,675 | - | - | 3,828,675 |
| Non-public stocks | 369,170 | - | - | 369,170 | 369,170 |
| Subtotal | <u>\$ 4,197,845</u> | <u>3,828,675</u> | <u>-</u> | <u>369,170</u> | <u>4,197,845</u> |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents (Note) | \$ 5,592,016 | - | - | - | - |
| Financial assets at amortized cost (Note) | 135,930 | - | - | - | - |
| Notes and accounts receivable (Note) | 1,187,921 | - | - | - | - |
| Other receivables (Note) | 31,431 | - | - | - | - |
| Other non-current assets (Note) | 335,014 | - | - | - | - |
| Subtotal | <u>\$ 7,282,312</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (Note) | \$ 22,549,372 | - | - | - | - |
| Notes and accounts payable (Note) | 1,543,946 | - | - | - | - |
| Other payables (Note) | 1,820,401 | - | - | - | - |
| Guarantee deposits received (Note) | 118,926 | - | - | - | - |
| Lease liabilities (Note) | 971,577 | - | - | - | - |
| Subtotal | <u>\$ 27,004,222</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | | December 31, 2023 | | | |
|---|----------------------|-------------------|----------------|------------------|------------------|
| | | Fair value | | | |
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Stocks listed on domestic markets | \$ 516,759 | 516,759 | - | - | 516,759 |
| Funds and investment | 137,088 | 137,088 | - | - | 137,088 |
| Private fund | 1,334,075 | - | - | 1,334,075 | 1,334,075 |
| Subtotal | <u>\$ 1,987,922</u> | <u>653,847</u> | <u>-</u> | <u>1,334,075</u> | <u>1,987,922</u> |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic and foreign markets | \$ 3,278,125 | 3,278,125 | - | - | 3,278,125 |
| Non-public stocks | 374,409 | - | - | 374,409 | 374,409 |
| Subtotal | <u>\$ 3,652,534</u> | <u>3,278,125</u> | <u>-</u> | <u>374,409</u> | <u>3,652,534</u> |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents (Note) | \$ 10,325,709 | - | - | - | - |
| Notes and accounts receivable (Note) | 1,148,666 | - | - | - | - |
| Other receivables (Note) | 19,999 | - | - | - | - |
| Other non-current assets (Note) | 338,244 | - | - | - | - |
| Subtotal | <u>\$ 11,832,618</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative financial liabilities | <u>\$ 231,774</u> | <u>-</u> | <u>231,774</u> | <u>-</u> | <u>231,774</u> |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (Note) | \$ 23,047,433 | - | - | - | - |
| Bonds payable (Note) | 4,743,834 | - | - | - | - |
| Notes and accounts payable (Note) | 1,362,255 | - | - | - | - |
| Other payables (Note) | 2,169,969 | - | - | - | - |
| Guarantee deposits received (Note) | 119,557 | - | - | - | - |
| Lease liabilities (Note) | 958,073 | - | - | - | - |
| Subtotal | <u>\$ 32,401,121</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | March 31, 2023 | | | |
| | | Fair value | | | |
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Stocks listed on domestic markets | \$ 482,729 | 482,729 | - | - | 482,729 |
| Funds and investment | 111,617 | 111,617 | - | - | 111,617 |
| Private fund | 1,400,193 | - | - | 1,400,193 | 1,400,193 |
| Subtotal | <u>\$ 1,994,539</u> | <u>594,346</u> | <u>-</u> | <u>1,400,193</u> | <u>1,994,539</u> |
| Financial assets at fair value through other comprehensive income | | | | | |
| Stocks listed on domestic and foreign markets | \$ 1,547,641 | 1,547,641 | - | - | 1,547,641 |
| Non-public stocks | 648,466 | - | - | 648,466 | 648,466 |
| Subtotal | <u>\$ 2,196,107</u> | <u>1,547,641</u> | <u>-</u> | <u>648,466</u> | <u>2,196,107</u> |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents (Note) | \$ 10,406,167 | - | - | - | - |
| Notes and accounts receivable (Note) | 777,521 | - | - | - | - |
| Other receivables (Note) | 42,076 | - | - | - | - |
| Other non-current assets (Note) | 491,421 | - | - | - | - |
| Subtotal | <u>\$ 11,717,185</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative financial liabilities | <u>\$ 306,682</u> | <u>-</u> | <u>306,682</u> | <u>-</u> | <u>306,682</u> |

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | March 31, 2023 | | | | |
|--|----------------------|------------|----------|----------|----------|
| | Carrying value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans (Note) | \$ 18,657,054 | - | - | - | - |
| Bonds payable (Note) | 10,568,792 | - | - | - | - |
| Accounts payable (Note) | 724,935 | - | - | - | - |
| Other payables (Note) | 2,900,174 | - | - | - | - |
| Guarantee deposits received (Note) | 119,347 | - | - | - | - |
| Lease liabilities (Note) | 1,013,286 | - | - | - | - |
| Subtotal | <u>\$ 33,983,588</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Note: The information on fair value is not disclosed since the carrying amount is a reasonable approximation of fair value.

2) Valuation techniques of financial instrument not valued at fair value

The valuation techniques of the Group's financial instruments not valued at fair value by using the methods and assumptions are as follows:

- Financial assets measured at amortized cost and financial liabilities measured at amortized cost.

If recent transaction prices or market maker quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.

3) Valuation techniques of financial instruments valued at fair value

a) Non-derivative instruments

The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

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WIN Semiconductors Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

When the financial instrument of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

- Financial assets and liabilities with standard terms and conditions and traded in an active market, for example, investment in stock of listed companies: the fair value is based on the market quoted price.
- Close-end funds with standard terms and conditions, such as money market funds; investors can require the investment trust company to redeem the fund at any time. The fair value is based on the net value of the fund.

Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counter-party. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share and its sales revenue per share. Also, the fair value is discounted for its lack of liquidity in the market.
- The fair value is determined by using the asset-based approach, whose assumptions are based on the market approach, income approach, cost approach or other valuation methods according to the nature of the assets or liabilities of the subject companies.

b) Derivative instruments

The fair value is determined by using the models that are acceptable to the market participants, for example, discounted cash flow analyses or option pricing models. Forward exchange contracts are measured using quoted forward exchange rates. The fair value of structured interest derivative financial instruments is determined by using the proper option pricing models, such as Black-Scholes model, or other valuation technique, such as Monte Carlo simulation.

4) Level transfers of financial instruments

For the three months ended March 31, 2024 and 2023, there was no transfer of financial instrument.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

5) Movement of level 3

| | <u>Fair value through profit or loss</u> | <u>Fair value through other comprehensive income</u> |
|---|--|--|
| | <u>Private fund</u> | <u>Unquoted equity instruments</u> |
| Balance as of January 1, 2024 | \$ 1,334,075 | 374,409 |
| Total gains or losses: | | |
| Recognized in profit and loss | 48,981 | - |
| Recognized in other comprehensive income | - | 24,190 |
| Purchased | 26,345 | - |
| Disposals | - | (30,300) |
| Capital reduction | (8,116) | - |
| Effect of changes in foreign exchange rates | - | 871 |
| Balance as of March 31, 2024 | <u>\$ 1,401,285</u> | <u>369,170</u> |
| Balance as of January 1, 2023 | \$ 1,369,943 | 480,320 |
| Total gains or losses: | | |
| Recognized in profit and loss | 16,968 | - |
| Recognized in other comprehensive income | - | 168,405 |
| Purchased | 15,490 | - |
| Capital reduction | (2,208) | - |
| Effect of changes in foreign exchange rates | - | (259) |
| Balance as of March 31, 2023 | <u>\$ 1,400,193</u> | <u>648,466</u> |

The preceding gains and losses were recognized as “other gains and losses” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”. As of March 31, 2024 and 2023, the related information of the assets which were still held by the Group were as follows:

| | <u>For the three months ended March 31, 2024</u> | <u>For the three months ended March 31, 2023</u> |
|---|--|--|
| Total gains or losses | | |
| Profit or loss (recognized as other gains and losses) | \$ 48,981 | 16,968 |
| Other comprehensive income (recognized as unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income) | (5,239) | 168,405 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

- 6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets at fair value through profit or loss – private funds" and "financial assets at fair value through other comprehensive income – equity investments."

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

| <u>Item</u> | <u>Valuation technique</u> | <u>Significant unobservable inputs</u> | <u>Inter-relationships between significant unobservable inputs and fair value measurement</u> |
|---|---|---|---|
| Financial assets at fair value through other comprehensive income – equity investments without an active market | <ul style="list-style-type: none"> • Comparable companies approach • Net asset value method | <ul style="list-style-type: none"> • Price-book ratio (as of March 31, 2024, December 31 and March 31, 2023 were 1.61~2.19, 1.71~4.24 and 1.68~4.81, respectively) • Market liquidity discount rate (as of March 31, 2024, December 31 and March 31, 2023 were both 20%) • Net asset value | <ul style="list-style-type: none"> • The higher the price-book ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value • The higher the net assets value, the higher the fair value |
| Financial assets at fair value through profit or loss – private fund | <ul style="list-style-type: none"> • Net asset value method | <ul style="list-style-type: none"> • Net asset value | <ul style="list-style-type: none"> • The higher the net assets value, the higher the fair value |

- 7) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The fair value measurements of the Group's financial instruments are reasonable. However, changes in the use of valuation models or valuation variables may affect the estimations. For fair value measurements in Level 3, a fluctuation in the valuation variable by 5% would have the following effect:

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

| | Inputs | Increase or decrease | Effects of changes in fair value on profit or loss | | Effects of changes in fair value on other comprehensive income | |
|--|--------------------------------|----------------------|--|-------------|--|-------------|
| | | | Favorable | Unfavorable | Favorable | Unfavorable |
| March 31, 2024 | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Private fund | Net asset value | 5% | \$ 70,064 | (70,064) | - | - |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Price-book ratio | 5% | - | - | 11,922 | (11,922) |
| " | Market liquidity discount rate | 5% | - | - | 11,922 | (11,922) |
| " | Net asset value | 5% | - | - | 6,537 | (6,537) |
| December 31, 2023 | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Private fund | Net asset value | 5% | 66,704 | (66,704) | - | - |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Price-book ratio | 5% | - | - | 12,021 | (12,021) |
| " | Market liquidity discount rate | 5% | - | - | 12,021 | (12,021) |
| " | Net asset value | 5% | - | - | 6,700 | (6,700) |
| March 31, 2023 | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Private fund | Net asset value | 5% | 70,010 | (70,010) | - | - |
| Financial assets at fair value through other comprehensive income | | | | | | |
| Equity investments without an active market | Price-book ratio | 5% | - | - | 23,585 | (23,585) |
| " | Market liquidity discount rate | 5% | - | - | 23,585 | (23,585) |
| " | Net asset value | 5% | - | - | 8,838 | (8,838) |

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter-relationships with another input.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(ab) Management of financial risk

There was no significant change in the Group's objective and policies for the management of financial risk of the consolidated financial statements for the three months ended March 31, 2024 which compared with the consolidated financial statements Note 6(ab) for the year ended December 31, 2023.

(ac) Capital management

The Board of Directors policy is to maintain a strong capital base to maintain to confidence of investors, creditors and market, and to sustain future development of the business. For the goal of business sustainability, the Group monitors the expansion plan as well as the level of dividends to ordinary shareholders.

As of March 31, 2024, December 31 and March 31, 2023, the Group's return on common equity was 4.70%, (0.24)% and (4.90)%, respectively. The Group's debt ratio at the reporting date were as follows:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|------------|---------------------------|------------------------------|---------------------------|
| Debt ratio | 43.49 % | 48.89 % | 50.68 % |

(ad) Financing activity

Reconciliations of liabilities arising from financing activities were as follows:

| | | <u>January 1, 2024</u> | <u>Cash flows</u> | Non-cash changes | | | <u>March 31, 2024</u> |
|---|----|------------------------|--------------------|------------------|----------------|---|-----------------------|
| | | | | Interest expense | Others | Amortization of arranger fee of syndicated loan | |
| Short-term borrowings | \$ | 21,129 | (15,478) | - | - | - | 5,651 |
| Long-term borrowings | | 23,026,304 | (832,887) | - | 339,719 | 10,585 | 22,543,721 |
| Bonds payable | | 4,743,834 | (4,724,694) | 2,914 | (22,054) | - | - |
| Guarantee deposit received | | 119,557 | (631) | - | - | - | 118,926 |
| Lease liabilities | | 958,073 | (20,589) | 5,693 | 28,400 | - | 971,577 |
| Total liabilities from financing activity | \$ | 28,868,897 | (5,594,279) | 8,607 | 346,065 | 10,585 | 23,639,875 |

| | | <u>January 1, 2023</u> | <u>Cash flows</u> | Non-cash changes | | | <u>March 31, 2023</u> |
|---|----|------------------------|-------------------|------------------|------------------|---|-----------------------|
| | | | | Interest expense | Others | Amortization of arranger fee of syndicated loan | |
| Short-term borrowings | \$ | - | 15,957 | - | - | - | 15,957 |
| Long-term borrowings | | 17,601,445 | 1,089,764 | - | (59,118) | 9,006 | 18,641,097 |
| Bonds payable | | 10,669,555 | - | 34,178 | (134,941) | - | 10,568,792 |
| Guarantee deposit received | | 119,299 | 48 | - | - | - | 119,347 |
| Lease liabilities (Note) | | 1,028,402 | (22,869) | 5,982 | 1,771 | - | 1,013,286 |
| Total liabilities from financing activity | \$ | 29,418,701 | 1,082,900 | 40,160 | (192,288) | 9,006 | 30,358,479 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

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

| <u>Name of related party</u> | <u>Relationship with the Group</u> |
|---|------------------------------------|
| Jiangsu CM/Chainwin Agriculture Development Co., Ltd. (abbrev. Jiangsu CM/Chainwin) | Associates |
| ITEQ Corporation (abbrev. ITEQ) | Associates |
| Taoyuan i-Fare Charity Foundation | Other related parties |

(b) Significant transactions with related parties

(i) Operating expenses

The amounts of operating expenses by the Group from related parties were as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|-----------------------|--|--|
| Other related parties | \$ <u> -</u> | <u> 3,161</u> |

(ii) Guarantee

As of March 31, 2024, December 31, and March 31, 2023, Chainwin Cayman had provided a guarantee for loans amounting to US\$7,350 thousand (\$235,200 thousand, \$225,719 thousand and \$223,808 thousand, respectively) to its associate, Jiangsu CM/Chainwin.

(iii) Leases

The Group leased the office and factories to its associate, ITEQ, and the rent income received monthly is based on the nearby office and factories rental rates. The amount of rent income is \$7,943 thousand and \$7,717 thousand for the three months ended March 31, 2024 and 2023, respectively. The preceding rent payment has been received. The guarantee deposits received amounted to \$110,000 thousand as of March 31, 2024, December 31, and March 31, 2023.

(c) Transactions with key management personnel

Key management personnel compensation was comprised as below:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 |
|------------------------------|--|--|
| Short-term employee benefits | \$ 61,986 | 41,960 |
| Post-employment benefits | <u> 314</u> | <u> 314</u> |
| | \$ <u> 62,300</u> | <u> 42,274</u> |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

| <u>Pledged assets</u> | <u>Pledged to secure</u> | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-------------------------------|--|---------------------------|------------------------------|---------------------------|
| Other non-current assets | Land, plant, and dormitory lease guarantee | \$ 23,556 | 23,556 | 23,556 |
| Other non-current assets | Bank borrowings | 192,389 | 184,630 | 170,275 |
| Other non-current assets | Gas deposits | 4,700 | 4,700 | 4,700 |
| Other non-current assets | Customs guarantee with its interest | 20,981 | 20,981 | 20,736 |
| Other non-current assets | Seized funds and court security deposits | - | 9,952 | 123,709 |
| Property, plant and equipment | Bank borrowings | <u>3,524,864</u> | <u>3,549,899</u> | <u>2,132,518</u> |
| Total | | <u>\$ 3,766,490</u> | <u>3,793,718</u> | <u>2,475,494</u> |

(9) Commitments and contingencies:

(a) Contingencies: None.

(b) Commitment:

(i) The unrecognized commitment of acquisition of plant expansion and machinery equipment was as follows:

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-------------------------|---------------------------|------------------------------|---------------------------|
| The unrecognized amount | <u>\$ 4,183,710</u> | <u>4,332,398</u> | <u>5,479,883</u> |

(ii) The unused letters of credit was as follows:

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|------------------------------|---------------------------|------------------------------|---------------------------|
| The unused letters of credit | <u>\$ 3,405</u> | <u>17,493</u> | <u>-</u> |

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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WIN Semiconductors Corp. and Subsidiaries
Notes to the Consolidated Financial Statements

(12) Other:

- (a) The followings were the summary statement of employee benefits, depreciation and amortization expenses by function:

| | For the three months ended March 31, 2024 | | | For the three months ended March 31, 2023 | | |
|----------------------------|--|--|-----------|--|--|-----------|
| | Classified as operating costs | Classified as operating expenses | Total | Classified as operating costs | Classified as operating expenses | Total |
| Employee benefits | | | | | | |
| Salaries | 592,376 | 250,708 | 843,084 | 535,583 | 235,112 | 770,695 |
| Labor and health insurance | 56,776 | 19,331 | 76,107 | 60,843 | 20,814 | 81,657 |
| Pension | 24,644 | 10,409 | 35,053 | 25,749 | 11,329 | 37,078 |
| Director remuneration | - | 9,362 | 9,362 | - | 12 | 12 |
| Others | 24,721 | 7,815 | 32,536 | 25,438 | 6,005 | 31,443 |
| Depreciation | 953,570 | 215,968 | 1,169,538 | 862,993 | 214,192 | 1,077,185 |
| Amortization | 7,544 | 19,825 | 27,369 | 7,819 | 21,625 | 29,444 |

- (b) Seasonality of operations:

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

(13) Other disclosures:

- (a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2024:

- (i) Loans to other parties: Please refer to schedule A.
- (ii) Guarantees and endorsements for other parties: Please refer to schedule B.
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to schedule C.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the Company's paid-in capital: None.
- (v) Information on acquisition of real estate with purchase amount exceeding the lower of NT\$300 million or 20% of the Company's paid-in capital: Please refer to schedule D.
- (vi) Information on disposal of real estate with amounts exceeding the lower of NT\$300 million or 20% of the Company's paid-in capital: None.

(Continued)

WIN Semiconductors Corp. and Subsidiaries
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- (vii) Information regarding related-parties purchases and/or sales with amounts exceeding the lower of NT\$100 million or 20% of the Company's paid-in capital: None.
- (viii) Information regarding receivables from related-parties exceeding the lower of NT\$100 million or 20% of the Company's paid-in capital: Please refer to schedule E.
- (ix) Information regarding trading in derivative financial instruments: Please refer to Note 6(b).
- (x) Business relationships and significant intercompany transactions: Please refer to schedule F.
- (b) Information on investments: Please refer to schedule G.
- (c) Information on investment in mainland China: Please refer to schedule H.
- (d) Information on major shareholders: Please refer to schedule I.

(14) Segment information:

- (a) The Group's reportable segment is the foundry segment, and agriculture technology segment. The segment engages separately in researching, developing, manufacturing, selling of GaAs wafers and developing hog farming technology and trading, etc., respectively.

Other operating segments are mainly engaged in investment activities and gene chip and testing, which do not exceed the quantitative thresholds to be reported.

- (b) Operating segment profit or loss (includes reportable segment revenue and expenses), segment assets, segment liabilities, and their measurement and reconciliations for the three months ended March 31, 2024 and 2023, the reportable amount is same as that in the report used by the operating decision maker and the operating segment accounting policies are same as the ones described in Note 4 "significant accounting policies" were as follows:

| For the three months ended March 31, 2024 | Foundry | Agriculture technology | Others | Reconciliation and elimination | Total |
|---|-------------------|-----------------------------------|------------------|---|----------------|
| Revenue: | | | | | |
| Revenue from external customers | \$ 4,298,175 | 103,906 | 40,320 | - | 4,442,401 |
| Interest expenses | \$ 47,491 | 150,699 | 1,629 | - | 199,819 |
| Depreciation and amortization | \$ 996,454 | 192,405 | 8,048 | - | 1,196,907 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | \$ 10,836 | (18,129) | (8,641) | - | (15,934) |
| Other material non-cash items: | | | | | |
| Reportable segment profit or loss | \$ 656,624 | (340,424) | (132,635) | - | 183,565 |
| Assets: | | | | | |
| Capital expenditures in non-current assets | \$ 281,998 | 36,393 | 648 | - | 319,039 |

(Continued)

WIN Semiconductors Corp. and Subsidiaries
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| For the three months ended March 31, 2023 | Foundry | Agriculture technology | Others | Reconciliation and elimination | Total |
|---|---------------------|-----------------------------------|----------------|---|------------------|
| Revenue: | | | | | |
| Revenue from external customers | \$ 2,516,905 | 110,438 | 232,215 | - | 2,859,558 |
| Interest expenses | \$ 48,510 | 88,460 | 1,610 | - | 138,580 |
| Depreciation and amortization | \$ 921,919 | 175,887 | 8,823 | - | 1,106,629 |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | \$ 17,724 | (33,663) | 18,974 | - | 3,035 |
| Reportable segment profit or loss | \$ (546,063) | (211,615) | 162,925 | - | (594,753) |
| Assets: | | | | | |
| Capital expenditures in non-current assets | \$ 444,332 | 121,975 | 4,325 | - | 570,632 |

For the three months ended March 31, 2024 and 2023, reportable segment profit or loss excludes non-operating income and expenses, amounting to \$125,155 thousand and \$39,132 thousand, respectively.

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Schedule A Loans to other parties:

(In thousands of Dollars)

| Number (Note 1) | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period (Note 2) | Ending balance (Note 2) | Actual amount drawn down | Interest rate | Purposes of fund financing for the borrower (Note 3) | Transaction amount | Reasons for short-term financing | Allowance for bad debts | Collateral | | Individual funding loan limits (Note 4) | Maximum limit of fund financing (Note 4) | Remark |
|--------------------|--|---|-------------------|---------------|--|---------------------------|---------------------------|---------------|--|--------------------|----------------------------------|-------------------------|------------|-------|---|--|----------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Other receivables | Y | 896,000 (USD 28,000) | 896,000 (USD 28,000) | 896,000 (USD 28,000) | 1% | 2 | - | Working Capital | - | None | - | Net equity 20%= 1,242,747 | Net equity 40%= 2,485,495 | (Note 6) |

Note 1: Company numbering as follows:

Issuer—0

Investee starts from 1

Note 2: The credit amount to lending.

Note 3: Purposes of lending were as follows:

1. Business relationship
2. Short-term financing

Note 4: Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.'s operating procedures of financing to other parties:

1. The loan limit to an individual party:(1) the total amount for lending to a company having business relationship with Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. shall not exceed their previous or current's total purchasing or sales amount (whichever is higher).
(2) the total amount for lending to a company having short-term funding needs shall not exceed 20% of Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.'s equity based on its most recent audited or reviewed financial statements by a certified accountant.
2. The maximum loans to other parties limit provided by Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. to other parties should not exceed 40% of its equity based on its most recent audited or reviewed financial statements by a certified accountant.

Note 5: The aforementioned amount was translated at the exchange rate on the balance sheet date from USD to TWD for TWD 32.00.

Note 6: The amount of the transaction had been offset in the consolidated financial statements.

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Schedule B Guarantees and endorsements for other parties:

(In thousands of Dollars)

| Number (Note 1) | Name of guarantor | Counter-party of guarantee and endorsement | | Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)(Note 4) | Highest balance of guarantees and endorsements during the period (Note 3) | Balance of guarantees and endorsements as of reporting date | Actual usage amount | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements (Note 3)(Note 4) | Parent company endorsements/ guarantees to subsidiary (Note 6) | Subsidiary endorsements/ guarantees to parent company (Note 6) | Endorsements/ guarantees to the companies in mainland China (Note 6) |
|--------------------|--|---|--|--|---|---|----------------------|---|---|---|--|--|--|
| | | Name | Relationship with the Company (Note 2) | | | | | | | | | | |
| 0 | The Company | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | 2 | 17,652,098 | 2,114,560 | 2,114,560 | 1,600,000 | - | 5.99% | Net equity 50%= 17,652,098 | Y | - | - |
| 0 | " | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | 2 | 17,652,098 | 2,162,176 | 2,162,176 | 1,920,000 | - | 6.12% | Net equity 50%= 17,652,098 | Y | - | Y |
| 0 | " | Jiangsu Win Yield Agriculture Development Co., Ltd. | 2 | 17,652,098 | 3,641,088 | 3,641,088 | 3,520,000 | - | 10.31% | Net equity 50%= 17,652,098 | Y | - | Y |
| 0 | " | Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | 2 | 17,652,098 | 1,591,360 | 1,591,360 | 1,440,000 | - | 4.51% | Net equity 50%= 17,652,098 | Y | - | Y |
| 0 | " | Jiangsu Win Fortune Agriculture Development Co., Ltd. | 2 | 17,652,098 | 30,272 | 30,272 | - | - | 0.09% | Net equity 50%= 17,652,098 | Y | - | Y |
| 0 | " | Jiangsu Win Boutique Agriculture Development Co. Ltd. | 2 | 17,652,098 | 30,272 | 30,272 | - | - | 0.09% | Net equity 50%= 17,652,098 | Y | - | Y |
| 0 | " | Jiangsu Win Sunlight Agriculture Development Co. Ltd. | 2 | 17,652,098 | 30,272 | 30,272 | - | - | 0.09% | Net equity 50%= 17,652,098 | Y | - | Y |
| 1 | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu CM/Chainwin Agriculture Development Co., Ltd. | 6 | 1,864,121 (USD 58,253) | 235,200 (USD 7,350) | 235,200 (USD 7,350) | - | - | 3.79% | Net equity 50%= 3,106,869 | - | - | Y |
| 1 | " | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | 2 | 1,864,121 (USD 58,253) | 57,600 (USD 1,800) | 57,600 (USD 1,800) | 5,651 (USD 177) | 64,000 (USD 2,000) | 0.93% | Net equity 50%= 3,106,869 | - | - | Y |

Note 1: Company numbering as follows:

1. Issuer—0
2. Investee starts from 1

Note 2: The 7 types of relationship between the guarantee and the guarantor were as follows:

1. For entities the guarantor has business transaction with.
2. For entities in which the guarantor, directly or indirectly, owned more than 50% of their shares.
3. For entities who owned, directly or indirectly, more than 50% in total of the guarantor's shares.
4. For entities in which the guarantor, directly or indirectly, owned more than 90% of their shares.
5. Fulfillment of contractual obligation by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. For entities who are guaranteed and endorsed by all capital contributing shareholders in proportion to each of their shareholder's percentage.
7. Performance guarantee in which entities within the same industry provide among themselves joint and several securities by entering into sales agreement with each other for pre-construction project pursuant to Company Protection Act.

Note 3: The Company's operating procedures of guarantee and endorsement were as follows:

1. The guarantees and endorsements limit provided by the Company to other parties should not exceed 50% of its equity based on the most recent audited or reviewed financial statement by a certified accountant. The individual guarantee amount should not exceed 50% of its equity based on the most recent audited or reviewed financial statement by a certified accountant.
2. The guarantees and endorsements limit provided by the Company and its subsidiaries to other parties should not exceed 50% of its equity based on the most recent audited or reviewed financial statement by a certified accountant. The individual guarantee amount should not exceed 50% of its equity based on the most recent audited or reviewed financial statement by a certified accountant.
3. The Company endorses and guarantees the bank loans of its subsidiaries, including Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd., Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd., Jiangsu Win Yield Agriculture Development Co., Ltd., Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd., Jiangsu Win Fortune Agriculture Development Co., Ltd., Jiangsu Win Boutique Agriculture Development Co. Ltd. and Jiangsu Win Sunlight Agriculture Development Co. Ltd., with the total amount not exceeding US\$300,000 thousand. In the second quarter of 2023, the applications of adjustment for the individual amount of each subsidiary had been approved by the banks, without changing the overall total amount of the guarantee and endorsement, resulting in the highest balance of guarantees and endorsements during the period of each company to be based on the ratio of each borrower's balance of guarantees and endorsements to the total amount as of the reporting date.

Note 4: Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.'s operating procedures of guarantee and endorsement were as follows:

1. The individual guarantee amount should not exceed 30% of its equity based on the most recent audited or reviewed financial statement by a certified accountant.
2. The guarantees and endorsements limit provided by Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. to other parties should not exceed 50% of its equity based on the most recent audited or reviewed financial statement by a certified accountant.

Note 5: The aforementioned amount was translated at the exchange rate on the balance sheet date from USD to TWD and RMB to USD for TWD 32.00 and USD 0.1378, respectively.

Note 6: Fill in "Y" for those cases of provision of endorsements/ guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in mainland China.

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Schedule C Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of New Taiwan Dollars)

| Name of holder | Category and name of security | Relationship with the company | Account name | Ending balance | | | | Remark |
|---|---|-------------------------------|---|------------------------------|------------------|-----------------------------|------------------|----------|
| | | | | Shares/ Units (in thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| The Company | Lin BioScience, Inc./Stock | None | Current financial assets at fair value through profit or loss | 55 | 4,868 | 0.07 | 4,868 | |
| WIN Venture Capital Corp. | Capital Money Market Fund | " | " | 3,763 | 62,618 | - | 62,618 | |
| WIN Chance Investment Corp. | Capital Money Market Fund | " | " | 1,102 | 18,342 | - | 18,342 | |
| WIN Earn Investment Corp. | Capital Money Market Fund | " | " | 3,399 | 56,567 | - | 56,567 | |
| | | | | | 142,395 | | 142,395 | |
| The Company | MagiCapital Fund II L.P. | " | Non-current financial assets at fair value through profit or loss | - | 299,096 | 5.81 | 299,096 | |
| " | CDIB Capital Growth Partners L.P. | " | " | - | 151,405 | 3.30 | 151,405 | |
| " | CDIB Capital Healthcare Ventures II L.P. | " | " | - | 59,665 | 1.61 | 59,665 | |
| " | Fuh Hwa Oriental Fund | " | " | 15,000 | 22,080 | - | 22,080 | |
| " | Fuh Hwa Smart Energy Fund | " | " | 12,000 | 38,496 | - | 38,496 | |
| " | LeaSun Winion L.P. | " | " | - | 39,902 | 12.47 | 39,902 | |
| " | NFC Fund II L.P. | " | " | - | 210,325 | 32.88 | 210,325 | |
| " | Foryou Venture Capital L.P. | " | " | - | 41,100 | 5.77 | 41,100 | |
| " | Renaissance Capital Limited Partnership | " | " | - | 112,228 | 12.82 | 112,228 | |
| " | Lian Ding Capital Investments Limited Partnership | " | " | - | 283,233 | 10.23 | 283,233 | |
| " | NFC Fund III, L.P. | " | " | - | 143,755 | 19.90 | 143,755 | |
| Win Semiconductors Cayman Islands Co., Ltd. | Vanchip (Tianjin) Technology Co., Ltd./Stock | Client | " | 1,800 | 435,121 | 0.43 | 435,121 | |
| | | | | | 1,836,406 | | 1,836,406 | |
| The Company | Sino-American Silicon Products Inc./Stock | None | Non-current financial assets at fair value through other comprehensive income | 529 | 113,471 | 0.09 | 113,471 | |
| " | Inventec Solar Energy Corporation/Stock | " | " | 34,000 | - | 10.51 | - | (Note 1) |
| " | CDIB Capital Creative Industries Limited/Stock | " | " | 2,717 | 15,404 | 3.33 | 15,404 | (Note 2) |
| " | MagiCap Venture Capital Co., Ltd./Preferred Stock A | " | " | 543 | 12,195 | 18.28 | 12,195 | |
| " | New Future Capital Co., Ltd./Stock | " | " | 8,900 | 80,456 | 15.87 | 80,456 | |
| " | Barits Biofund Inc./Stock | " | " | 2,200 | 22,682 | 1.10 | 22,682 | (Note 3) |
| " | NFC I Renewable Power Co., Ltd./Stock | " | " | 16,200 | 237,681 | 15.00 | 237,681 | |
| " | Gogolook Co., Ltd./Stock | " | " | 3,550 | 534,220 | 11.09 | 534,220 | |
| Win Semiconductors Cayman Islands Co., Ltd. | Broadcom Ltd./Stock | Client | " | 75 | 3,180,984 | 0.02 | 3,180,984 | |
| WIN Venture Capital Corp. | MOAI Green Power Corporation/Stock | None | " | 90 | - | 0.23 | - | |
| " | Merit Biotech INC./Stock | " | " | 1,320 | - | 2.93 | - | (Note 4) |
| " | Winresp INC./Stock | " | " | 2,896 | - | 11.71 | - | |
| Phalanx Biotech Group, Inc. | BioGenius Biotech, Co., Ltd./Stock | " | " | 72 | 752 | 18.65 | 752 | |
| | | | | | 4,197,845 | | 4,197,845 | |

Note 1: Inventec Solar Energy Corporation had declared bankruptcy to the Company in December 2021. The relevant procedures on the declaration of bankruptcy was still in progress at the court as of March 31, 2024.

Note 2: The Board of Directors of CDIB Capital Creative Industries Limited had resolved to dissolve and liquidate the company in 2023. As of March 31, 2024, the company was still within the period of liquidation.

Note 3: On August, 2023, the shareholders' meeting approved a resolution to rename Grand Fortune Venture Corp. to Barits Biofund Inc.

Note 4: The Board of Directors of Merit Biotech INC. had resolved to dissolve and liquidate the company in 2017. As of March 31, 2024, the company was still within the period of liquidation.

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Schedule D Information on acquisition of real estate with purchase amount exceeding the lower of NT\$300 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

| 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 | Others |
|-----------------|-------------------|--------------------|--------------------|--|-------------------------------------|-------------------------------|---|-------------------------------|------------------|--------|----------------------------------|------------------------|--------|
| | | | | | | | Owner | Relationship with the Company | Date of transfer | Amount | | | |
| The Company | Factory buildings | 2021/4/6~2021/5/25 | 1,517,330 | As of March 31, 2024, the price paid \$1,345,045 thousand. | Chung-Lin General Contractors, Ltd. | - | N/A | N/A | N/A | N/A | Price negotiation | Operating purpose | None |
| " | Factory buildings | 2021/10/15 | 2,324,768 | As of March 31, 2024, the price paid \$1,520,258 thousand. | Chung-Lin General Contractors, Ltd. | - | N/A | N/A | N/A | N/A | Price negotiation | Operating purpose | None |
| " | Factory buildings | 2022/6/9 | 525,000 | As of March 31, 2024, the price paid \$225,377 thousand. | Chung-Lin General Contractors, Ltd. | - | N/A | N/A | N/A | N/A | Price negotiation | Operating purpose | None |

Schedule E Information regarding receivables from related-parties exceeding the lower of NT\$100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

| Name of company | Name of counter-party | Relationship | Ending balance | Turnover rate | Overdue | | Amounts received in subsequent period | Allowances for bad debts | Remark |
|--|---|--------------|----------------|---------------|---------|--------------|---------------------------------------|--------------------------|----------|
| | | | | | Amount | Action taken | | | |
| Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Affiliate | 900,007 | (Note 1) | - | - | - | - | (Note 2) |
| Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | Affiliate | 1,457,373 | (Note 1) | - | - | - | - | (Note 2) |

Note 1: The ending balance was other receivables, which was not applicable for the calculation of turnover rate.

Note 2: The amount of the transaction had been offset in the consolidated financial statements.

Schedule F Business relationships and significant inter-company transactions:

(In thousands of New Taiwan Dollars)

| Number (Note 1) | Name of company | Name of counter-party | Nature of relationship (Note 2) | Intercompany transactions | | | |
|-----------------|---|---|---------------------------------|--|-----------------|--|--|
| | | | | Account name | Amount (Note 3) | Trading terms | Percentage of the consolidated net revenue or total assets |
| 1 | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | 3 | Other receivables due from related parties | 900,007 | no difference with non-related parties | 1.39% |
| 2 | Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | 3 | Other payables due to related parties | 900,007 | no difference with non-related parties | 1.39% |
| 1 | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | 3 | Other receivables due from related parties | 1,457,373 | no difference with non-related parties | 2.25% |
| 3 | Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | 3 | Other payables due to related parties | 1,457,373 | no difference with non-related parties | 2.25% |

Note 1: Company numbering as follows:

Parent company—0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary—1

Subsidiary to parent company—2

Subsidiary to subsidiary—3

Note 3: The amount of the transaction had been offset in the consolidated financial statements.

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Notes to the Consolidated Financial Statements

Schedule G Information on investments:

The following is the information on investees as of March 31, 2024 (excluding information on investees in mainland China):

(In thousands of New Taiwan Dollars)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | The ending balance at this period | | | Net income (losses) of investee | Investment income (losses) | Remark |
|--|--|------------------------|--|-------------------------------|-------------------------------------|-----------------------------------|-------------------------|----------------|---------------------------------|----------------------------|----------|
| | | | | The ending balance at the end | The ending balance at the beginning | Shares (in thousands) | Percentage of ownership | Carrying value | | | |
| The Company | WIN SEMI. USA, INC. | California USA | Marketing | 8,203 | 8,203 | 1,000 | 100.00% | (2,150) | 2,062 | 2,062 | (Note 1) |
| " | Win Semiconductors Cayman Islands Co., Ltd. | Cayman Islands | Investment activities | 11,127,774 | 11,127,774 | 376,600 | 100.00% | 8,891,200 | (669,919) | (669,919) | (Note 1) |
| " | WIN Venture Capital Corp. | Taiwan | Investment activities | 1,040,000 | 1,040,000 | 104,000 | 100.00% | 1,052,332 | 1,083 | 1,083 | (Note 1) |
| " | Phalanx Biotech Group, Inc. | Taiwan | Researching, manufacturing and selling of high-density gene chips and testing service | 1,079,169 | 1,079,169 | 53,427 | 73.67% | 399,582 | (32,983) | (24,297) | (Note 1) |
| " | WIN Chance Investment Corp. | Taiwan | Investment activities | 830,000 | 830,000 | 87,350 | 100.00% | 918,736 | 1,316 | 1,316 | (Note 1) |
| " | WIN Earn Investment Corp. | Taiwan | Investment activities | 580,000 | 580,000 | 58,000 | 100.00% | 486,094 | 824 | 824 | (Note 1) |
| " | ITEQ Corporation | Taiwan | Manufactures and sells mass lamination boards, copper-clad laminates, prepreg, and electronic components | 6,120,993 | 6,120,993 | 65,409 | 18.02% | 7,884,510 | 153,612 | 10,836 | |
| WIN Venture Capital Corp. | Phalanx Biotech Group, Inc. | Taiwan | Researching, manufacturing and selling of high-density gene chips and testing service | 39,600 | 39,600 | 1,116 | 1.54% | 25,752 | (32,983) | (Note 2) | (Note 1) |
| " | ITEQ Corporation | Taiwan | Manufactures and sells mass lamination boards, copper-clad laminates, prepreg, and electronic components | 952,396 | 952,396 | 8,767 | 2.42% | 977,271 | 153,612 | (Note 2) | |
| Win Semiconductors Cayman Islands Co., Ltd. | Rainbow Star Group Limited | British Virgin Islands | Investment activities | 62,920 | 62,920 | 38 | 49.30% | 23,245 | (24,734) | (Note 2) | |
| " | Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Cayman Islands | Investment activities | 10,905,959 | 10,905,959 | 185,054 | 81.23% | 5,179,804 | (700,900) | (Note 2) | (Note 1) |
| Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. | Win Lux Biotech (Cayman Islands) Co., Ltd. | Cayman Islands | Investment activities | 15,010 | 15,010 | 500 | 100.00% | 12,013 | (47) | (Note 2) | (Note 1) |
| " | i-Chainwin Technology Co., Ltd. | Taiwan | Information software services | 220,000 | 220,000 | 22,000 | 100.00% | 120,595 | (3,014) | (Note 2) | (Note 1) |
| " | Win Lux Biotech Co., Ltd. | Taiwan | Biotechnology services and pharmaceutical testing | 250,000 | 250,000 | 25,000 | 100.00% | 62,463 | (19,861) | (Note 2) | (Note 1) |
| Phalanx Biotech Group, Inc. | Phalanx Biotech Limited | Hong Kong | Investment activities | 18,275 | 18,275 | - | 100.00% | 4,165 | 731 | (Note 2) | (Note 1) |
| " | PhalanxBio, Inc. | USA | Selling of high-density gene chip and testing service | 208,110 | 208,110 | 2,550 | 100.00% | 18 | - | (Note 2) | (Note 1) |
| " | Guzip Biomarkers Corporation | Taiwan | Development and sales of test reagents for endometrial cancer | 81,727 | 81,727 | 14,238 | 100.00% | 71,042 | (623) | (Note 2) | (Note 1) |
| WIN Chance Investment Corp. | ITEQ Corporation | Taiwan | Manufactures and sells mass lamination boards, copper-clad laminates, prepreg, and electronic components | 832,945 | 832,945 | 7,935 | 2.19% | 913,679 | 153,612 | (Note 2) | |
| WIN Earn Investment Corp. | ITEQ Corporation | Taiwan | Manufactures and sells mass lamination boards, copper-clad laminates, prepreg, and electronic components | 568,005 | 568,005 | 4,230 | 1.17% | 429,776 | 153,612 | (Note 2) | |

Note 1: The amount of the transaction had been offset in the consolidated financial statements.

Note 2: The share of profit (loss) of the investee company is not reflected herein as such amount is already included in the share of profit (loss) of the investor company.

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Schedule H Information on investment in mainland China:

(i) The names of investees in mainland China, the main businesses and products, and other information:

(In thousands of New Taiwan Dollars)

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan at the beginning of this year | Investment flows | | Accumulated outflow of investment from Taiwan at the March 31, 2024 | Net income (losses) of the investee | Direct/Indirect percentage of ownership by the Company | Investment income (losses) (Note 6)(Note 8) | Carrying value at the end of this period (Note 7) | Accumulated remittance of earnings in current period | Remark |
|---|---|---------------------------------|----------------------|---|------------------|--------|---|-------------------------------------|--|---|---|--|--------------------|
| | | | | | Outflow | Inflow | | | | | | | |
| Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd. | Developing hog farming technology and trading | 3,816,459 | (Note 5) | 3,309,022 | - | - | 3,309,022 | (252,709) | 81.23% | (252,709) | 1,485,019 | - | (Note 13) |
| Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd. | Farm feed developing and trading | 1,314,369 | (Note 1) | 1,291,505 | - | - | 1,291,505 | (68,303) | 81.23% | (68,303) | 715,001 | - | (Note 13) |
| Jiangsu CM/Chainwin Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 2,059,210 | (Note 1) | 1,122,874 | - | - | 1,122,874 | (36,998) | 39.80% | (18,129) | 544,562 | - | |
| Jiangsu Win Chance Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 610,094 | (Note 4) | 651,142 | - | - | 651,142 | (7,413) | 81.23% | (7,413) | 225,382 | - | (Note 13) |
| Jiangsu Merit/Cofcojoycome Agriculture Development Co., Ltd. | Developing hog farming technology and trading | - | (Note 1) | 149,664 | - | - | 149,664 | - | - | - | - | - | (Note 10) |
| Jiangsu Merit Runfu Agriculture Development Co., Ltd. | Developing hog farming technology and trading | - | (Note 3) | 41,009 | - | - | 41,009 | (85) | - | (85) | - | - | (Note 11)(Note 13) |
| Jiangsu Win Yield Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 2,655,955 | (Note 1) | 2,460,935 | - | - | 2,460,935 | (236,769) | 81.23% | (236,769) | 1,341,107 | - | (Note 13) |
| Jiangsu Win Shine Agriculture Development Co., Ltd. | Logistics management service | 345,130 | (Note 1) | 85,170 | - | - | 85,170 | (8,048) | 81.23% | (8,048) | 289,225 | - | (Note 13) |
| Jiangsu Win Boutique Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 288,100 | (Note 4) | - | - | - | - | (19,277) | 81.23% | (19,277) | 256,316 | - | (Note 13) |
| Jiangsu Win Sunlight Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 288,100 | (Note 4) | 86,430 | - | - | 86,430 | (12,103) | 81.23% | (12,103) | 268,226 | - | (Note 13) |
| Jiangsu Win Honor Management Technology Co., Ltd. | Logistics management service | 288,100 | (Note 4) | - | - | - | - | (8,796) | 81.23% | (8,796) | 296,856 | - | (Note 13) |
| Jiangsu Win Wonder Agriculture Development Co., Ltd. | Developing farming technology and trading | 88,173 | (Note 3) | - | - | - | - | (4,386) | 81.23% | (4,386) | 41,921 | - | (Note 13) |
| Jiangsu Win Fortune Agriculture Development Co., Ltd. | Developing hog farming technology and trading | 276,400 | (Note 4) | 221,120 | - | - | 221,120 | (29,713) | 81.23% | (29,713) | 262,878 | - | (Note 13) |
| Chainwin (Huaian) AIoT Co., Ltd. | Information software services | 27,860 | (Note 4) | 27,860 | - | - | 27,860 | (2,632) | 81.23% | (2,632) | 24,280 | - | (Note 13) |
| Jiangsu Win Advance Bio-Assay Co., Ltd. | Biotechnology testing service | 111,560 | (Note 4) | - | - | - | - | (686) | 81.23% | (686) | (6,022) | - | (Note 13) |
| Jiangsu Win Lux Biotech Co., Ltd. | Biotech research and development and bioassay | 27,680 | (Note 1) | 27,680 | - | - | 27,680 | 627 | 81.23% | 627 | 30,872 | - | (Note 13) |
| Onearray Biotech (Kunshan) Co., Ltd. | Selling of high density gene chip and testing service | 18,275 | (Note 2) | 18,275 | - | - | 18,275 | 730 | 75.21% | 730 | 4,091 | - | (Note 13) |

(ii) Limitation on investment in mainland China:

(In thousands of Dollars)

| Investor Company Name | Accumulated Investment in mainland China at the end (Note 9)(Note 10)(Note 11) | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment (Note 12) |
|------------------------------|--|--|-------------------------------------|
| The Company and subsidiaries | 9,754,106 (USD 331,189) | 11,035,706 (USD 344,866) | 21,953,717 |

Note 1: The Group invested in mainland China companies through Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd., which is established in a third region.

Note 2: The Group invested in mainland China companies through Phalanx Biotech Limited, which is established in a third region.

Note 3: The Company invested in mainland China companies through Jiangsu Win Chance Agriculture Development Co., Ltd.

Note 4: The Company invested in mainland China companies through Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd.

Note 5: The Group co-invested in a company in mainland China through Chainwin Biotech Agrotech (Cayman Islands) Co., Ltd., which was established in a third region, and Jiangsu Win Sunlight Agriculture Development Co., Ltd.

Note 6: The amount of net income (losses) was recognized based on the reviewed financial statements of the investee companies.

Note 7: Carrying value as of March 31, 2024 was with reference to the amount recognized by the investment through subsidiaries to subsidiaries established in a third region.

Note 8: Investment income (loss) recognized was translated into New Taiwan Dollars at the average exchange rate for the each month from January 1 to March 31, 2024.

Note 9: The Group acquired Vanchip (Tianjin) Technology Co., Ltd. through a third region, wherein the outflow of investment from Taiwan amounted US\$9,383 thousand (NT\$261,420 thousand).

Note10: Jiangsu Merit/Cofcojoycome Agriculture Development Co., Ltd. had been liquidated on January 25, 2019. However, according to the regulation of Investment Commission the remittance to mainland China amounting to US\$4,872 thousand (NT\$149,664 thousand) was included in the accumulated investment account.

Note11: Jiangsu Merit Runfu Agriculture Development Co., Ltd. had been liquidated on March 22, 2024. However, according to the regulation of Investment Commission the remittance to mainland China amounting to US\$1,335 thousand (NT\$41,009 thousand) was included in the accumulated investment account.

Note12: Amount of upper limit on investment was the higher between sixty percentage of total equity or total consolidated equity.

Note13: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

(iii) Significant transactions: Please refer Schedule A, Schedule B, Schedule E and Schedule F.

Schedule I Information on major shareholders:

(In shares)

| Shareholding | Shares | Percentage |
|---------------------------------|------------|------------|
| Shareholder's Name | | |
| Cathay Life Insurance Co., Ltd. | 22,698,000 | 5.35% |