Winstek Semiconductor Co., Ltd., and its Subsidiaries

Consolidated financial Report and Independent Auditor's Report

2023 and 2022

(Stock code 3265)

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Winstek Semiconductor Co., Ltd., and its Subsidiaries

The 2023 and 2022 Consolidated Financial Report and Independent Auditor's Report

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Winstek Semiconductor Co., Ltd.

Declaration on Consolidated Financial Statements of Affiliated Enterprises

The companies to be included in the Company's 2023 (from January 1, 2023 to December 31, 2023) related party consolidated financial statements in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Reports, and Relation Reports" and the companies to be included in the parent-subsidiary consolidated financial statements in accordance with IFRS 10 are the same; also, the information that should be disclosed in the related party consolidated financial statements has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the related party consolidated financial statements will not be prepared separately.

Sincerely yours,

Company: Winstek Semiconductor Co., Ltd.

Responsible Person: Shin-Yang Huang

February 26, 2024

Independent Auditor's Report

(113) PWCR 23002979

To: Winstek Semiconductor Co., Ltd.

Independent Auditor's opinion

We have audited the accompanying consolidated balance sheet of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022 and the consolidated statements of income, retained earnings, cash flows and notes (including the summary of material accounting policies) to the consolidated financial statements for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Winstek Semiconductor Co., Ltd. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission.

Basis of an audit opinion

We conducted our audit on the consolidated financial statements in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditors under these standards will be further explained in the audit performed on the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Winstek Semiconductor Co., Ltd. in accordance with the Code of Ethics and have performed other responsibilities of the Code of Ethics. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The key audit matters refer to the most important matters in auditing the 2023

consolidated financial statements of Winstek Semiconductor Co., Ltd. in accordance with the professional judgment of the independent auditors. These matters have been handled during the process of reviewing the consolidated financial statements as a whole with audit opinions formed. The CPA does not express an independent opinion on these matters.

The key audit matters on the 2023 consolidated financial reports of Winstek Semiconductor Co., Ltd. to be communicated are as follow

Property, plant and equipment capitalization review

Description of key audit matters:

Increase of capital expenditures derived from the operation of Winstek Semiconductor Co., Ltd. and its subsidiaries. Please refer to Note IV (XIII) of the consolidated financial statements for the accounting policies of property, plant and equipment in details. Please refer to Note VI (V) of the consolidated financial statement for property, plant and equipment in details. The capital expenditures for property, plant and equipment are excessive this year; therefore, the independent auditor has the property, plant and equipment capitalization review included as key review matters.

Corresponding auditing procedures:

The main auditing procedures implemented by the CPAs for the aforementioned key audit matters are as follows:
Evaluate and test the effectiveness of the internal control system for the transactions of property, plant and equipment. Randomly check the relevant purchase orders, invoices, etc. so to confirm the proper approval of the transactions and the correctness of the amount booked. Randomly check the relevant inspection and acceptance documents so to confirm that the assets met the standards for use, and check the adequateness of the capitalization time point (the time when depreciation is appropriated).

Other Matters - Standalone Financial Reports

Winstek Semiconductor Co., Ltd. has prepared the 2023 and 2022 standalone financial statements with an unqualified opinion obtained from the CPA and an independent auditor’s report filed for future reference.

The responsibility of the management and governance unit for the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement approved and announced by the Financial Supervisory Commission. Also, maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from frauds or errors.

The responsibility of the management in preparing the consolidated financial statements also includes evaluating the continuing operation of Winstek Semiconductor Co., Ltd., the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Winstek Semiconductor Co., Ltd. or cease the business operation, or there is lack of any option except for liquidation or suspension.

The governance unit (Audit Committee) of Winstek Semiconductor Co., Ltd. is responsible for supervising the financial reporting process.

CPA's responsibility for auditing the consolidated financial statements

The CPAs' auditing the consolidated financial statements is for the purpose of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement arising from frauds or errors and with an audit report issued. Reasonable assurance means high assurance. However, the audit conducted in accordance with generally accepted auditing standards does not guarantee having any material misstatement in the consolidated financial statements detected. Material misstatement could arise from frauds or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the readers of the consolidated financial statements, it is considered material.

The CPAs when conducting the audit in accordance with generally accepted auditing

standards shall exercise professional judgment and maintain professional suspicion. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of material misstatement of the consolidated financial statements arising from frauds or errors; design and implement proper responsive measures for the assessed risks; also, obtain sufficient and adequate audit evidences for forming an audit opinion. Frauds may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of not detecting a material misrepresentation resulting from fraud is higher than one resulting from error.
2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Winstek Semiconductor Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not the events or circumstances causing material doubts to the continuing operation ability of Winstek Semiconductor Co., Ltd. are with material uncertainties. If the CPAs believe that such events or circumstances are with material uncertainties, it is necessary to remind the readers of the consolidated financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the CPAs is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Winstek Semiconductor Co., Ltd. to continue business operation.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the relevant notes) and whether or not the relevant transactions and events in the consolidated financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidence on the consolidated financial

information of the business entities within the Group in order to express an opinion on the consolidated financial statements. The CPA is responsible for guiding, supervising, and implementing the auditing process; also, is responsible for forming an audit opinion on the Group.

The matters communicated by the CPAs to the governing unit include the scope and timing of the planned audit, and the material findings (including the major nonconformities of internal controls identified in the auditing process).

The CPAs have provided to the governing unit the declaration of independence of the CPA Firm personnel subject to the Code of Ethics; also, has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the CPAs.

The CPA has based on the communications with the governing unit to determine the key audit matters to be performed on the 2023 consolidated financial statements of Winstek Semiconductor Co., Ltd. The CPA shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed, or, in rare cases, the CPA decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public gains.

PwC Taiwan

Chih-Cheng Hsieh

CPAs

Tsai-Yen Chiang

Former Financial Supervisory Commission, Executive Yuan

Certificate No.: Jiang-Kwong-Zheng-Shen-Zi No. 0990042599

Financial Supervisory Commission

Certificate No.: Jiang-Kowng-Zheng-Shen-Zi No. 1060025097

February 26, 2024

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI (I)	$ 1,298,093	17	$ 1,719,592	23
1136	Financial assets measured at amortized cost – current	VI (II)	2,133,520	28	1,233,850	17
1140	Contract Assets – Current	VI (XV)	34,216	1	35,202	1
1170	Accounts receivable – net	VI (III)	916,181	12	915,405	12
1180	Accounts receivable – related party – net	VI (III) and VII	721	-	2,088	-
1200	Other Receivables		10,030	-	11,952	-
130X	Inventories	VI (IV)	78,661	1	97,808	1
1410	Prepayments		21,987	-	27,336	-
1470	Other current assets		6,816	-	9,043	-
11XX	**Total current assets**		4,500,225	59	4,052,276	54
	Noncurrent assets					
1535	Financial assets measured at amortized cost – noncurrent	VI (II) and VIII	21,700	-	21,700	-
1600	Property, Plant and Equipment	VI (V)	2,925,682	38	3,144,227	42
1755	Right-of-use assets	VI (VI)	7,527	-	8,085	-
1780	Intangible assets	VI (VIII)	129,416	2	157,910	2
1840	Deferred income tax assets	VI (XXII)	29,661	1	24,679	1
1900	Other noncurrent assets	VI (XXIV)	9,316	-	44,998	1
15XX	**Total noncurrent assets**		3,123,302	41	3,401,599	46
1XXX	**Total assets**		$ 7,623,527	100	$ 7,453,875	100

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Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2130	Contract liabilities - current	VI (XV)	$ -	-	$ 4,861	-
2170	Accounts payable		94,878	1	72,120	1
2200	Other payables	VI (IX)	477,679	6	448,485	6
2220	Other payable – related party	VII	454	-	239	-
2230	Income tax liability - current		212,892	3	165,023	2
2250	Liability reserves – current		964	-	11,066	-
2280	Lease liability - current		1,989	-	1,844	-
2320	Long-term liabilities due within one year or one operating cycle	VI (X)	287,558	4	53,180	1
2399	Other current liabilities – others		9,740	-	5,668	-
21XX	**Total current liabilities**		1,086,154	14	762,486	10
	Noncurrent liabilities					
2540	Long-term loans	VI (X)	505,262	7	792,820	11
2570	Deferred income tax liability	VI (XXII)	17,474	-	14,577	-
2580	Lease liability - noncurrent		5,348	-	6,001	-
2640	Net defined benefit liability - noncurrent	VI (XI)	14,822	-	17,628	-
2670	Other noncurrent liability – others		339	-	6,447	-
25XX	**Total noncurrent liabilities**		543,245	7	837,473	11
2XXX	**Total liabilities**		1,629,399	21	1,599,959	21
	Equity					
	Capital stock	VI (XII)				
3110	Common capital stock		1,362,617	18	1,362,617	18
	Additional paid-in capital	VI (XIII)				
3200	Additional paid-in capital		366,243	5	366,243	5
	Retained earnings	VI (XIV)				
3310	Legal reserve		845,288	11	752,782	10
3320	Special reserve		-	-	282,069	4
3350	Unappropriated earnings		3,355,509	44	3,005,929	41
	Other equities					
3400	Other equities		64,471	1	84,276	1
3XXX	**Total equity**		5,994,128	79	5,853,916	79
	Material commitments and contingencies	IX				
	Material post events	XI				
3X2X	**Total liabilities and equity**		$ 7,623,527	100	$ 7,453,875	100

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	VI (XV) and VII	$ 3,667,818	100	$ 3,947,152	100
5000	Operating cost	VI (IV)	(2,564,284)	(70)	(2,641,788)	(67)
5950	Gross profit – net		1,103,534	30	1,305,364	33
	Operating expenses	VI (XX) (XXI)				
6100	Marketing expenses		(27,316)	(1)	(25,544)	(1)
6200	Management expenses		(199,961)	(5)	(211,420)	(5)
6300	R&D expenses		(17,393)	(1)	(11,534)	-
6450	Expected credit impairment losses		(9,691)	-	-	-
6000	Total operating expenses		(254,361)	(7)	(248,498)	(6)
6900	Operating profits		849,173	23	1,056,866	27
	Non-operating income and expenses					
7100	Interest income	VI (XVI)	126,250	4	32,025	1
7010	Other income	VI (XVII)	5,960	-	4,182	-
7020	Other gains and losses	VI (XVIII) and VII	42,840	1	30,239	1
7050	Financial costs	VI (XIX)	(14,578)	-	(11,380)	(1)
7000	Total non-operating income and expenses		160,472	5	55,066	1
7900	**Net income before tax**		1,009,645	28	1,111,932	28
7950	Income tax expenses	VI (XXII)	(169,802)	(5)	(194,465)	(5)
8200	**Net income**		$ 839,843	23	$ 917,467	23
	Other comprehensive profits and losses					
	Items not reclassified to profit or loss					
8311	Remeasurement amount of defined benefit plans	VI (XI)	$ 1,482	-	$ 7,594	-
8310	Total amount of the items not reclassified to profit or loss		1,482	-	7,594	-
	Items that may be subsequently reclassified to profit or loss					
8361	Exchange difference from conversion of financial statements of foreign operation		(19,805)	(1)	366,346	10
8360	Total amount of the items that may be subsequently reclassified to profit or loss		(19,805)	(1)	366,346	10
8300	**Other comprehensive profit or loss (net)**		($ 18,323)	(1)	$ 373,940	10
8500	**Total comprehensive profit or loss – current**		$ 821,520	22	$ 1,291,407	33
	Net income attributed to:					

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Income Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings per share in NT$)

8610	Parent company's shareholders		$ 839,843	23	$ 917,467	23
	Total comprehensive profit or loss attributed to:					
8710	Parent company's shareholders		$ 821,520	22	$ 1,291,407	33
	Earnings per share	VI (XXIII)				
9750	Basic earnings per share		$ 6.16		$ 6.73	
9850	Diluted earnings per share		$ 6.12		$ 6.66	

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Statements of Shareholders' Equity
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	Equity attributable to shareholders of the parent company						
				Retained earnings				
		Common capital stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Finance of foreign operation Conversion of financial reports Differences	Total equity
January 1 – December 31, 2022								
Balance – 1/1/2022		$ 1,362,617	$ 366,243	$ 713,519	$ 203,472	$ 2,512,130	($ 282,070)	$ 4,875,911
Net income		-	-	-	-	917,467	-	917,467
Other comprehensive profit or loss – current	VI (XI)	-	-	-	-	7,594	366,346	373,940
Total comprehensive profit or loss – current		-	-	-	-	925,061	366,346	1,291,407
The 2021 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	39,263	-	(39,263)	-	-
Appropriation of special reserve		-	-	-	78,597	(78,597)	-	-
Cash dividend		-	-	-	-	(313,402)	-	(313,402)
Balance – 12/31/2022		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
January 1 – December 31, 2023								
Balance – 1/1/2023		$ 1,362,617	$ 366,243	$ 752,782	$ 282,069	$ 3,005,929	$ 84,276	$ 5,853,916
Net income		-	-	-	-	839,843	-	839,843
Other comprehensive profit or loss – current	VI (XI)	-	-	-	-	1,482	(19,805)	(18,323)
Total comprehensive profit or loss – current		-	-	-	-	841,325	(19,805)	821,520

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Statements of Shareholders' Equity
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to shareholders of the parent company						
				Retained earnings				
	Notes	Common capital stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Finance of foreign operation Conversion of financial reports Differences	Total equity
The 2022 earnings appropriation and distribution	VI (XIV)							
Appropriation of legal reserve		-	-	92,506	-	(92,506)	-	-
Reversal of special reserve		-	-	-	(282,069)	282,069	-	-
Cash dividend		-	-	-	-	(681,308)	-	(681,308)
Balance – 12/31/2023		$ 1,362,617	$ 366,243	$ 845,288	$ -	$ 3,355,509	$ 64,471	$ 5,994,128

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
Cash flow from operating activities			
Net income before tax		$ 1,009,645	$ 1,111,932
Adjustments			
Profits or losses			
Expected credit impairment losses	XII (II)	9,691	-
Depreciation expense	VI (V) (VI) (XX)	597,819	599,950
Amortized expense	VI (VIII) (XX)	45,750	39,452
Interest expense	VI (VI) (XIX)	14,578	11,380
Interest income	VI (XVI)	(126,250)	(32,025)
Gains from the disposal of property, plant, and equipment	VI (XVIII)	(3,439)	(3,045)
Impairment losses of property, plant and equipment	VI (V) (XVIII)	-	15,516
Income from government grants	VI (X)	(3,656)	(3,738)
Changes in assets/liabilities from operating activities			
Net change in assets from operating activities			
Contract assets		744	(11,588)
Accounts receivables		(12,822)	(94,458)
Accounts receivable – related party		1,346	(1,027)
Other Receivables		(67)	(612)
Other Receivables – related party		-	2,249
Inventories		19,411	17,972
Prepayments		5,429	12,428
Other current assets		1,908	(1,611)
Other noncurrent assets		(12)	-
Net change in liabilities from operating activities			
Contract liabilities		(4,931)	4,717
Accounts payable		23,109	(36,789)
Accounts payable – related party		-	(2,448)
Other payables		9,616	58,114
Other payables – related party		215	(1,913)
Liability reserve		(10,248)	894
Other current liabilities		4,121	(20)
Net defined benefit liability		(1,324)	(1,416)
Cash inflow from operating activities		1,580,633	1,683,914
Interest received		128,346	17,365
Interest paid		(14,537)	(11,168)
Income tax paid		(157,876)	(86,453)
Net cash inflow from operating activities		1,536,566	1,603,658

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Winstek Semiconductor Co., Ltd., and its Subsidiaries
Consolidated Cash Flow Statement
January 1 – December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	January 1, 2023 December 31, 2023	January 1, 2022 December 31, 2023
Cash flow from investing activities			
Acquisition of financial assets measured at amortized cost		($ 7,122,115)	($ 2,916,240)
Disposal of financial assets measured at amortized cost		6,229,660	2,569,081
Acquisition of property, plant and equipment	VI (XXIV)	(326,222)	(996,472)
Acquisition of intangible assets	VI (VIII)	(17,190)	(74,246)
Proceeds from the disposal of property, plant and equipment		3,439	4,367
Increase in guarantee deposits & margins paid		(897)	(1,014)
Decrease in guarantee deposits & margins paid		1,906	27
Net cash outflow from investing activities		(1,231,419)	(1,414,497)
Cash flow from financing activities			
Long-term loans	VI (XXV)	-	100,000
Repayment of long-term loans	VI (XXV)	(53,180)	-
Increase in guarantee deposits & margins received	VI (XXV)	82	6,191
Decrease in guarantee deposits & margins received	VI (XXV)	(49)	(85)
Lease principal repayment amount	VI (XXV)	(2,276)	(2,785)
Distribution of cash dividends	VI (XIV)	(681,308)	(313,402)
Net cash outflow from financing activities		(736,731)	(210,081)
Exchange rate effect		10,085	137,099
Increase (decrease) in cash and cash equivalents for the current period		(421,499)	116,179
Cash and cash equivalent amount - beginning	VI (I)	1,719,592	1,603,413
Cash and cash equivalent amount - ending	VI (I)	$ 1,298,093	$ 1,719,592

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial report, which shall be referred to jointly.

Winstek Semiconductor Co., Ltd., and its Subsidiaries
Notes to the Consolidated Financial Statements
2023 and 2022

Unit: NT$ thousand
(unless otherwise specified)

I. Company profile

Winstek Semiconductor Co., Ltd. (hereinafter referred to as the "Company") was established on April 26, 2000 in Taiwan. The Company's stocks were listed for trading on Taipei Exchange (TPEx) in August 2005. The Company and its subsidiaries (hereinafter referred to as the "Group") are mainly engaged in the business operation of integrated circuits testing and packing services of wafer bumping and wafer.

Temasek Holding Limited is the ultimate parent company of the Company. SIGURD MICROELECTRONICS CORP. (hereinafter referred to as "SIGURD") obtained control of the Company's parent company, Bloomeria Limited, on October 13, 2017, and indirectly acquired 51.88% equity of the Company, then becomes the ultimate parent company of the Company.

Bloomeria Limited, the parent company of the Company for the sake of the overall operating efficiency of the Group, had transferred all the shareholding of the Company it held to SIGWIN Corporation (hereinafter referred to as "SIGWIN"), a controlled subsidiary of SIGURD MICROELECTRONICS CORP. on July 6, 2020, then SIGWIN Corporation became the parent company of the Group. SIGWIN Corporation held 51.9% of the Company's equity as of December 31, 2023.

II. Date of and procedure for the approval of the financial statements

This consolidated financial report was released after the approval of the board of directors on February 26, 2024.

III. Application of the newly announced and amended regulations and interpretations

i. The effect of adopting the newly announced and amended IFRS standards approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized and announced by the Financial Supervisory Commission and became effective in 2023 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to International Accounting Standards No. 1 "Disclosure of Accounting Policies"	January 1, 2023

Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IAS 12 “Deferred income tax related to assets and liabilities arising from a single transaction”	January 1, 2023
Amendments to International Accounting Standards No. 12 “International Tax Reformation – accounting for deferred taxes arising from OECD Pillar Two Model Rules”	May 23, 2023

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

ii. The impact of the newly announced and revised IFRS accounting standards approved by the Financial Supervisory Commission that have not yet been adopted

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were recognized by the Financial Supervisory Commission and became effective in 2024 are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 16 “Lease Liabilities Arising from Sale and Leaseback Transactions”	January 1, 2024
Amendments to IAS 1 “Classification of Current or Noncurrent Liabilities”	January 1, 2024
Amendments to IAS 1 “Noncurrent liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

iii. The effect of IFRS and IAS accounting standards that have been issued by the International Accounting Standards Board but have not yet been recognized by the FSC

The newly announced, amended, and revised IFRS and IAS standards and interpretations that were announced by the IASB but not yet recognized by the Financial Supervisory Commission are summarized as follows:

Newly announced/amended/revised standards and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its joint venture or associate”	Yet to be determined by the International Accounting Standards

	Board
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has evaluated and concluded that the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

IV. Summary of significant accounting policies

The major accounting policies applied in the consolidated financial statements are summarized and explained as follows. Unless otherwise stated, the following accounting policies have been consistently applied to the consolidated financial statements throughout the reporting period.

i. Statement of compliance

The consolidated financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” (hereinafter referred to as the “Regulations”) and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Announcement (hereinafter referred to as the “IFRSs”) recognized and announced by the Financial Supervisory Commission.

ii. Preparation basis for financial statements

1. Except for the following important items, the consolidated financial statements are prepared on the basis of historical cost.

   Defined benefit liabilities are recognized as the net amount of pension assets deducting the present value of defined benefit obligations.

2. The preparation of financial reports in compliance with IFRSs requires the use of some important accounting estimates. In the process of applying the Group’s accounting policies, management also needs to use its judgment, involving projects with high judgment or complexity, or involving material assumptions in the consolidated financial reports, and estimated items. Please refer to Note V for details.

iii. Consolidation basis

1. Principles for preparing consolidated financial statements:

   (1) The Group includes all subsidiaries as entities in preparing the consolidated financial reports. A subsidiary refers to an entity controlled by the Group. When the Group is exposed to variable returns from its participation in the business entity or has rights to such variable returns and has the ability to affect such returns through its power over the

business entity, then the Group has controlled the business entity. Subsidiaries are included in the consolidated financial report from the date the Group obtains control, and are excluded from the consolidated financial report from the date the Group loses control over the subsidiaries.

(2) The transactions, balance amount, and unrealized profit or loss among the consolidated business entities within the Group have been completely written-off. The financial policies of the subsidiaries have been appropriately adjusted to be consistent with the accounting policies of the Group.

(3) Profit and loss and other components of comprehensive profit and loss belong to the shareholders of the parent company and non-controlling interests; the total comprehensive profit and loss also belongs to the shareholders of the parent company and non-controlling interests, even if it results in a loss balance for the non-controlling interests.

(4) If the change in the shareholdings over the subsidiary does not result in a loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the shareholders. The difference between the adjustment amount for non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control over a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and treated as the fair value of the financial assets originally recognized or the cost of the investment in an affiliated enterprise or joint venture originally recognized. The amount of difference between fair value and book value is recognized as profit or loss for the current period. The amount previously recognized in other comprehensive profit and loss related to the subsidiary will be accounted for on the same basis as if the Group had directly disposed of the relevant assets or liabilities, that is, if the gain or loss previously recognized in other comprehensive profit or loss, it will be reclassified as profit or loss when the relevant assets or liabilities are disposed of. So, when the control over the subsidiary is lost, the profit or loss will be reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Investing company Name	Subsidies Name	Nature of business	Shareholding ratio		Remarks
			December 31, 2023	December 31, 2022	
The Company	Winstek Semiconductor Co., Ltd.	Packing services of wafer bumping and wafer	100%	100%	Notes
The Company	Winstek Semiconductor Technology Co., Ltd.	Plant development and leasing services	100%	100%	-

Note: Winstek Semiconductor Co., Ltd. had capital reduction arranged on October 17, 2022 with an amount of $1,000,000 refunded to the Company in cash. The capital reduction

ratio is 32.25%.

3. Subsidiaries not included in the consolidated financial statements: None

4. Adjustments and treatments for different accounting periods of subsidiaries: None

5. Material restrictions: None

6. Subsidiaries with material non-controlling interests in the Group: None

iv. Foreign currency translation

Items included in the financial reports of each entity within the Group are measured in the currency of the primary economic environment in which the entity operates (i.e. the functional currency). This consolidated financial report is presented using the Company's functional currency "New Taiwan Dollar" as the currency of expression.

1. Foreign currency transactions and amount

(1) Foreign currency transactions are converted into functional currencies in accordance with the spot exchange rate on the trade date or measurement date, and the differences arising from such conversion of transactions are recognized as profits and losses for the current period.

(2) The balance of monetary assets and liabilities in foreign currency is adjusted based on the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as profit or loss for the current period.

(3) The balance of non-monetary assets and liabilities in foreign currency that are measured at fair value through profit and loss is evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit and loss; however, if it is measured at fair value of other comprehensive profit and loss, it will be evaluated and adjusted based on the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustments will be recognized in other comprehensive profit and loss; also, if it is not measured at fair value, it will be adjusted based on the historical exchange rate on the initial trading day.

(4) All exchange profits and losses are booked in the "Other gains and losses" account of the income statement.

2. Conversion of foreign operation

For all group entities, affiliated enterprises, and joint agreements whose functional currency is different from the expression currency, the operating results and financial position will be converted into the expression currency as follows:

(1) The assets and liabilities on each balance sheet are translated at the closing exchange rate on that balance sheet date.

(2) The income and expenses and losses on each comprehensive income statement are

converted at the average exchange rate for the period; and

(3) All exchange differences arising from translation are recognized as other comprehensive profits and losses.

v. Classification criteria for classifying assets and liabilities as current and noncurrent

1. Assets that meet one of the following criteria are classified as current assets:

(1) The assets that are expected to be realized in the normal business cycle or intend to be sold or consumed;

(2) Assets held primarily for trading purposes;

(3) The assets that are expected to be realized within 12 months after the balance sheet date;

(4) Cash or cash equivalents, except for those that will be exchanged or used to pay-off liabilities within 12 months after the balance sheet date, or those with other restrictions;

The Group classifies all assets that do not meet the above conditions as noncurrent.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) The liabilities that are expected to be liquidated in the normal business cycle;

(2) Assets held primarily for trading purposes;

(3) The liabilities that are expected to be liquidated within 12 months after the balance sheet date;

(4) Liabilities that cannot be extended unconditionally for at least 12 months after the balance sheet date; According to the terms of the liability, it may be liquidated by issuing equity instruments at the choice of the counterparty; however, it does not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as noncurrent.

vi. Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time, which is subject to minimal risk of changes in value. Time deposits that meet the aforementioned definition with a sole purpose of fulfilling short-term cash commitments are classified as cash equivalents.

vii. Financial assets measured at amortized cost

1. Refers to those that meet the following conditions at the same time:

(1) The financial asset is held under an operating model with the purpose of collecting contractual cash flows.

(2) The financial asset in a signed contract is for the purpose of generating cash flow on a specific date in order to pay for the principal and interest of the outstanding principal entirely.

2. The Group adopts trade date accounting for financial assets measured at amortized cost that comply with trading practices.

3. The Group measures the fair value plus transaction costs at the time of initial recognition.

Subsequently, the Group adopts the effective interest method and amortization procedures to recognize interest income and impairment losses during the circulation period, and has the profits or losses recognized in profit or loss when having it derecognized.

4. The Group holds time deposits that do not qualify as cash equivalents. The said "time deposits" is measured by the investment amount since it is for a short holding period and the impact of discounting is insignificant.

viii. Receivables

1. Refers to an account that, according to the contract, has the unconditional right to receive the consideration amount in exchange for the transfer of goods or services.
2. The Group has the "short-term accounts receivable without interest accrual" measured by the original invoice amount since the impact of discounting is insignificant.

ix. Impairment of financial assets

For the financial assets measured at amortized cost that are without a significant increase in credit risk since the original recognition, the Group after considering all reasonable and substantiated information (including forward-looking information) measures the allowance for loss based on the 12-month expected credit loss amount on each balance sheet date; however, for those with a significant increase in credit risk since the original recognition, the Group shall measure the allowance for loss based on the expected credit losses amount during the duration; furthermore, for accounts receivable that do not include significant financial components or contract assets, the allowance for loss should be measured based on the expected credit loss during the duration.

x. Derecognition of financial assets

Financial assets are derecognized when the Group's contractual rights to receive cash flows from the financial assets expire.

xi. Operating lease (lessor)

Lease income from operating leases, net of any incentives given to the lessee, is amortized on a straight-line basis over the lease period and recognized as current profit and loss.

xii. Inventories

Inventories are booked at the acquisition cost, and are mainly consumed in the process of providing services and are booked in the "cost of goods sold" account. Inventories are measured at the lower of cost and net realizable value; also, the cost is determined based on the weighted average method. The lower of cost or net realizable value is compared by an itemized comparison method. Net realizable value refers to the estimated selling price in the normal course of business minus the estimated costs required to complete the project and the estimated costs required to complete the sale.

xiii. Property, Plant and Equipment

1. Property, plant and equipment are booked at the acquisition cost; also, the relevant interest accrued during the acquisition and construction period is capitalized.

2. Subsequent costs will only be included in the book value of the asset or recognized as a separate asset when the future economic benefits related to the project are likely to flow to the Group and the cost of the project can be measured reliably. The book value of the replacement should be derecognized. All other maintenance expenses are recognized as current profits and losses when incurred.

3. Property, plant and equipment is subsequently measured in accordance with the cost method. No depreciation will be appropriated for land. Property, plant and equipment is depreciated based on the estimated useful life and in accordance with the straight-line method. The depreciation of the significant component of property, plant and equipment should be appropriated separately.

4. The Group reviews the residual value, useful life, and depreciation method of each asset at the end of each financial year. If the residual value and useful life is different from the expectation, or the consumption pattern of the future economic benefits contained in the asset differs from the expectation, it shall be handled in accordance with the provisions on changes in accounting estimates as stated in IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of the change occurred. The useful life of each asset is as follows:

   Houses and construction equipment 5~25 years

   Machinery and equipment 3~8 years

   Office and other equipment 3~8 years

xiv. Lessee’s lease transaction – right-of-use asset/lease liability

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available to be used by the Group. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payments are recognized as expenses over the lease period in accordance with the straight-line method.

2. Lease liabilities are recognized at the present value of the unpaid lease amount discounted at the Group’s incremental loan rate on the lease commencement date. The lease payments are fixed payments, minus any lease incentives that can be collected.

   The said lease liabilities shall be subsequently measured at the amortized cost in accordance with the interest method; also, interest expenses are accrued during the lease period. When the lease period or lease payments are changed due to non-contract modifications, the lease liability will be re-evaluated and the remeasurement amount will be adjusted to the right-of-use assets.

3. Right-of-use assets are recognized at cost on the lease commencement date, and the cost includes:

(1) The original measured amount of the lease liability; and
(2) Any original direct cost incurred.
The right-of-use assets will be subsequently measured at the cost; also, the depreciation expenses are accrued when the useful life of the right-of-use asset expires or when the lease term expires, whichever is earlier. When the lease liability is re-evaluated, the remeasurement amount will be adjusted to the right-of-use assets.

xv. Intangible assets

Computer software is recognized at the acquisition cost and amortized over the 3~5 useful years in accordance with the straight-line method.

xvi. Impairment of non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than its book amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value deducting costs of disposal or its value in use. When the circumstances causing asset impairment recognized in previous years are no longer in existence or are eased, the impairment loss shall be reversed. However, the increase in the asset's book amount resulted from the aforementioned reversal of the impairment loss shall not exceed the amount of the asset before recognizing impairment loss but after deducting depreciation or amortization.

xvii. Loans

1. Refers to the long-term and short-term loans borrowed from banks. The Group measures the loan at the fair value net of the transaction costs for the initial recognition. Subsequently, the interest expense of the difference amount between the price net of the transaction costs and the redemption value is recognized in profit or loss in accordance with the effective interest method and the amortization procedure throughout the circulation period.

2. Regarding the fees paid when establishing a credit line, when it is very likely that part or all of the credit line will be applied, the fees will be recognized as the transaction cost of the loan and will be deferred until the operating expenses are incurred and recognized as an adjustment to the effective interest rate; however, when it is unlikely that part or all of the credit line will be applied, the fees will be recognized as a prepayment and amortized throughout the credit line period.

xviii. Accounts payable

1. Refers to debts incurred due to the purchase of raw materials, goods, or services on credit and accounts payable arising from business and non-business operations.

2. The Group measures accounts payable based on the invoice amount since it is short-term accounts payable without interest accrual and the impact of discounting is insignificant.

xix. Derecognition of financial liabilities

The Group has financial liabilities derecognized when contractual obligations have been fulfilled, cancelled, or expired.

xx. Liability reserve

Liability reserves are recognized when there is a current legal or constructive obligation due to a past event; also, it is likely that an outflow of resources with economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Liability reserves are measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is a pre-tax discount rate that reflects the current market assessment of the time value of money and specific risks of liabilities. The amortization of the discount is recognized as interest expense. Future operating losses shall not be with liability reserve recognized.

xxi. Employee welfare

1. Short-term employee welfare

Short-term employee welfare is measured with the undiscounted amount expected to be paid and is recognized as an expense when the related services are provided.

2. Pension

(1) Defined contribution plan

For defined contribution plans, the amount of pension fund should be appropriated on an accrual basis and recognized as the pension cost of the current period. Prepaid provisions are recognized as assets to the extent that they can be refunded in cash or can be used to reduce future payments.

(2) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employee by providing services in the current period or in the past, and subtracting the fair value of the plan assets from the present value of the defined benefit obligation on the balance sheet date. The net defined benefit obligation is calculated annually by the actuary with the estimated unit benefit method; also, the discount rate is the market yield rate of government bonds (on the balance sheet date).

B. Remeasurement amounts arising from defined benefit plans are recognized in other comprehensive profits and losses in the current period and are booked in retained earnings.

3. Employee remuneration and director remuneration

Employee remuneration and director remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual distribution amount determined subsequently is different from the estimated amount, it will be treated as a change in accounting estimate.

xxii. Income tax

1. Income tax expenses include current and deferred income taxes. Income taxes are recognized in profit or loss, except for income taxes related to items that are included in other comprehensive profit or loss or directly booked in equity should be processed the same way.
2. The Group calculates current income tax based on the tax rate that has been enacted or has been substantively enacted on the balance sheet date in the country where it operates and generates taxable income. Management regularly evaluates the status of income tax returns filing in accordance with the applicable income tax-related regulations; also, where applicable, estimates income tax liabilities based on the expected tax amount payable to tax authorities. Income tax on unappropriated earnings is levied in accordance with the Income Tax Act. After the profit distribution proposal is resolved in the shareholders' meeting in the year following the year in which the earnings are generated, the unappropriated earnings income tax expense will be recognized based on the actual distribution of earnings.
3. Deferred income tax is recognized based on the temporary differences arising from the tax bases of assets and liabilities and their book value in the consolidated balance sheet in accordance with the balance sheet method. Deferred income tax liabilities arising from the original recognition of goodwill will not be recognized. If the deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business mergers), and does not affect accounting profits or taxable income (tax losses) at the time conducting the transaction; also, does not generate equivalent taxable and deductible temporary differences, it will not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or has been substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized to the extent that the temporary differences are likely to be used to offset future taxable income; also, unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date. .
5. The deferred amount of the outstanding income tax credit arising from the purchase of equipment or technology and research and development expenditures is recognized as deferred income tax assets to the extent of the possible future taxable income for the

outstanding income tax credit.

xxiii. Capital stock

Common stock is classified as equity. The incremental costs after tax directly attributable to the issuance of new shares or share options are debited to equity.

xxiv. Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial report when it is resolved in the shareholders' meeting to distribute dividends. Cash dividends are recognized as liabilities.

xxv. Revenue recognition

Labor service income

The Group provides integrated circuits testing and packing services of wafer bumping and wafer. When fulfill any of the following conditions: (a) the enterprise's performing the contract enables the customer to obtain and consume the benefits provided by the enterprise at the same time, (b) the enterprise's performing the contract creates or enhances an asset and the customer controls the asset throughout the performance process, (c) the enterprise's performing the contract does not create assets that can be used for other purposes, and has enforceable rights to the amounts for which performance has been completed so far, the enterprise gradually transfers control of the goods or services over time; therefore, gradually meets the performance obligations over time and recognizes income. The testing and packing services provided by the Group meet the aforementioned condition (b), so the Group should recognize revenues gradually over time and recognize income based on the completion of performance obligations.

Since the time interval between transferring the promised goods or services to the customer and customer's paying for it does not exceed one year, the Group has not adjusted the transaction price to reflect the time value of money.

xxvi. Government grants

Government grants are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government grants and will receive the grants. If the nature of the government grants is to compensate for the expenses incurred by the Group, the government grants will be recognized as current profits and losses on a systematic basis during the period when the relevant expenses are incurred.

xxvii. Operating department

Information from the Group's operating departments shall be reported in a manner consistent with the internal management reports provided by the key operating decision-maker. The key operating decision-maker is responsible for allocating resources to

operating departments and evaluating their performance.

V. Material accounting judgment, estimation, and the main source of assumption uncertainties

When the Group prepares this consolidated financial report, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events accordingly on the balance sheet date. The material accounting estimates and assumptions made may be different from the actual results; therefore, evaluation and adjustment will be made continuously by taking into account the historical experience and other factors. The said estimates and assumptions are with the risk of causing material adjustments to the book amount of assets and liabilities in the next financial year. Please refer to the description of the material accounting judgment, estimation, and the main source of assumption uncertainties as follows:

i. Important judgments in the adoption of accounting policies

None

ii. Important accounting estimates and assumptions

None

VI. Description of important accounting matters

i. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 100	$ 100
Demand deposit	1,175,173	865,292
Time deposit	122,820	854,200
Sum	$ 1,298,093	$ 1,719,592

1. The credit quality of the financial institutions that the Group deals with is good, and the Group deals with a number of financial institutions to diversify credit risks, and the possibility of default is expected to be very low.

2. The Group has not pledged cash or cash equivalents.

ii. Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time Deposit	$ 2,133,520	$ 1,233,850
Noncurrent items:		
Pledged time deposit	$ 21,700	$ 21,700

1. The details of financial assets measured at amortized cost recognized in profit or loss are as follows:

	2023	2022
Interest income	$ 80,483	$ 17,078

2. The time deposits restricted for tariff guarantee purposes on December 31, 2023 and 2022 amounted to $21,700, respectively, and booked in “Financial assets measured at amortized cost - noncurrent.” Please refer to Note VIII for details.

3. Please refer to Note XII (II) for the information on credit risk.

iii. Receivables

	December 31, 2023	December 31, 2022
Receivables	$ 925,640	$ 915,405
Accounts receivable – related party	721	2,088
Subtotal	926,361	917,493
Less: Allowance for losses	(9,459)	-
	$ 916,902	$ 917,493

The Group does not have any account amount pledged as collateral.

1. The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not overdue	$ 868,556	$ 739,685
Within 30 days	43,972	52,582
31-90 days	1,777	124,664
91-180 days	2,597	25
Over 181 days	9,459	537
	$ 926,361	$ 917,493

The aforementioned aging analysis is based on the number of days overdue.

2. The balances of accounts receivable as of December 31, 2023 and 2022 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts was $762,938 as of January 1, 2022.

3. Under the precondition of not considering the enhancement of other credits, the maximum exposure amounts that best represent the credit risk of the Group’s accounts receivable were $916,902 and $917,493 as of December 31, 2023 and 2022, respectively.

4. Please refer to Note XII (II) for the information on credit risk.

iv. Inventories

	December 31, 2023	December 31, 2022
Raw material	$ 83,013	$ 107,054
Allowance for loss in value	(4,352)	(9,246)
Book amount	$ 78,661	$ 97,808

The inventory cost recognized as expense and loss by the Group in the current period:

	2023	2022
Cost of inventory consumed and various labor costs	$ 2,569,178	$ 2,637,231
(Reversal profit) Loss in value	(4,872)	3,840
Exchange rate effect	(22)	717
	$ 2,564,284	$ 2,641,788

The Group had consumed the inventories that were with loss on inventory appropriated previously in 2023; therefore, the provision for loss on inventory appropriated in the prior period was reversed and it was debited to the operating cost.

v. Property, Plant and Equipment

	2023					
	Land	House and building	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Sum
January 1						
Cost	$ 240,469	$ 865,801	$ 12,955,908	$ 1,612,519	$ 7,411	$15,682,108
Accumulated depreciation	-	(806,897)	(10,448,063)	(1,282,921)	-	(12,537,881)
	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227
January 1	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227
Addition	1,503	18,179	234,875	130,310	-	384,867
Reclassification	-	-	5,454	1,969	(7,423)	-
Depreciation expense	-	(14,399)	(471,970)	(109,074)	-	(595,443)
Net exchange differences	-	-	(3,350)	(4,631)	12	(7,969)
December 31	$ 241,972	$ 62,684	$ 2,272,854	$ 348,172	$ -	$ 2,925,682
December 31						
Cost	$ 241,972	$ 877,253	$ 12,978,993	$ 1,670,602	$ -	$ 15,768,820
Accumulated depreciation and impairment	-	(814,569)	(10,706,139)	(1,322,430)	-	(12,843,138)
	$ 241,972	$ 62,684	$ 2,272,854	$ 348,172	$ -	$ 2,925,682

	2022					
	Land	House and building	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Sum
January 1						
Cost	$ 194,924	$ 855,179	$ 11,532,717	$ 1,460,234	$ 40,010	$ 14,083,064
Accumulated depreciation	-	(795,057)	(9,514,835)	(1,106,053)	-	(11,415,945)
	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	$ 40,010	$ 2,667,119
January 1	$ 194,924	$ 60,122	$ 2,017,882	$ 354,181	$ 40,010	$ 2,667,119
Addition	45,545	10,467	833,635	39,326	7,423	936,396
Disposal	-	-	-	(1,322)	-	(1,322)
Reclassification	-	155	17,354	23,716	(41,225)	-
Depreciation expense	-	(11,840)	(476,040)	(109,355)	-	(597,235)
Impairment loss	-	-	(15,516)	-	-	(15,516)
Net exchange differences	-	-	130,530	23,052	1,203	154,785
December 31	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227
December 31						
Cost	$ 240,469	$ 865,801	$ 12,955,908	$ 1,612,519	$ 7,411	$ 15,682,108
Accumulated depreciation and impairment	-	(806,897)	(10,448,063)	(1,282,921)	-	(12,537,881)
	$ 240,469	$ 58,904	$ 2,507,845	$ 329,598	$ 7,411	$ 3,144,227

There is no interest capitalization occurred to the property, plant, and equipment.

vi. Lease Transaction - Lessee

1. The subject assets leased by the Group include buildings and official vehicles. The lease contract period is usually for 2~10 years. Lease contracts are negotiated individually with different terms and conditions agreed upon. No other restrictions are imposed except that the leased assets cannot be used as collateral for loans.

2. The lease period of the buildings and transportation equipment by the Group does not exceed 12 months, and the underlying assets leased are low-value buildings and machinery equipment.

3. Information on the book amount of right-of-use assets and recognized depreciation expenses is as follows:

	December 31, 2023	December 31, 2022
	Book amount	Book amount
House and building	$ 5,318	$ 6,043
Transportation equipment (official vehicles)	2,209	2,042
	$ 7,527	$ 8,085

	2023	2022
	Depreciation expense	Depreciation expense
House and building	$ 735	$ 584
Transportation equipment (official vehicles)	1,641	2,131
	$ 2,376	$ 2,715

4. The Group's addition of the right-of-use assets was $1,797 and $2,477 in 2023 and 2022, respectively.

5. Information on profit and loss items related to the lease contract is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 84	$ 76
Fees for short-term lease contracts	18,788	32,997
Fees for leasing low-value assets	9,162	8,050

6. The Group's total leasing cash outflows were $30,310 and $43,908 in 2023 and 2022, respectively.

vii. Lease Transaction – Lessor

1. The underlying assets leased out by the Group include buildings. The term of the lease contract is usually for 5 years. The lease contract is negotiated individually with different terms and conditions agreed upon.

2. The Group recognized rental income of $482 and $444 in 2023 and 2022, respectively, based on the operating lease contract, which did not include variable lease payments.

3. The maturity date of the lease payments for the operating lease arranged by the Company is analyzed as follows:

	December 31, 2023		December 31, 2022
2024	$ 463	2023	$ 463
2025	434	2024	463
2026	291	2025	434
2027	234	2026	291
2028	-	2027	234
Sum	$ 1,423	Sum	$ 1,885

viii. Intangible assets

	2023	2022
	Computer software	Computer software
January 1		
Cost	$ 376,394	$ 289,606
Accumulated amortization and impairment	(218,484)	(167,614)
	$ 157,910	$ 121,992
January 1	$ 157,910	$ 121,992
Addition	17,190	74,246
Amortized expense	(45,750)	(39,452)
Net exchange differences	66	1,124
December 31	$ 129,416	$ 157,910
December 31		
Cost	$ 393,553	$ 376,394
Accumulated amortization and impairment	(264,137)	(218,484)
	$ 129,416	$ 157,910

The amortization of intangible assets is detailed as follows:

	2023	2022
Operating cost	$ 42,174	$ 35,743
Management expenses	3,576	3,709
	$ 45,750	$ 39,452

ix. Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 181,736	$ 186,453
Employee remuneration and director remuneration payable	107,425	104,858
Equipment payable	68,873	45,336
Others	119,645	111,838
	$ 477,679	$ 448,485

x. Long-term loans

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	Note	December 31, 2023
Long-term bank loans					
Credit loans	It is to be repaid in installments according to the agreed period from December 2, 2020 to November 15, 2025.	1.300%	None	Notes	$ 180,320
Credit loans	It is to be repaid in installments according to the agreed period from February 8, 2021 to January 15, 2026.	1.300%	None	Notes	100,000
Credit loans	It is to be repaid in installments according to the agreed period from April 8, 2021 to April 15, 2026.	1.293%	None	Notes	112,500
Credit loans	It is to be repaid in installments according to the agreed period from April 22, 2021 to April 15, 2026.	1.230%	None	Notes	300,000
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.800%	None		100,000
					792,820
Less: Long-term loans due within one year or one operating cycle					(287,558)
					$ 505,262

Nature of loans	Loan period and repayment method	Interest rate range	Collateral	Note	December 31, 2022
Long-term bank loans					
Credit loans	It is to be repaid in installments according to the agreed period from December 2, 2020 to November 15, 2025.	1.175%	None	Notes	$ 196,000
Credit loans	It is to be repaid in installments according to the agreed period from February 8, 2021 to January 15, 2026.	1.175%	None	Notes	100,000
Credit loans	It is to be repaid in installments according to the agreed period from April 8, 2021 to April 15, 2026.	1.161%	None	Notes	150,000
Credit loans	It is to be repaid in installments according to the agreed period from April 22, 2021 to April 15, 2026.	1.105%	None	Notes	300,000
Credit loans	It is to be repaid in installments according to the agreed period from July 19, 2022 to July 19, 2027.	1.550%	None		100,000
					846,000
Less: Long-term loans due within one year or one operating cycle					(53,180)
					$ 792,820

The loan interest expenses were $14,470 and $11,290 recognized in 2023 and 2022, respectively.

Note: The Ministry of Economic Affairs implemented the “Accelerating Investment Action Plan for Enterprises Rooting in Taiwan” on July 1, 2019. Enterprises can apply for subsidized loans from financial institutions for legitimate investment projects at preferential interest rates of 0.58%~0.80%. The Group has been qualified by the Ministry of Economic Affairs for project loans and signed a loan contract with a financial institution to obtain a total financing line of NT$746 million for a credit period of five years. The aforementioned loans are to be used for the purchase of new machinery and equipment, working capital, etc. The Group recognized the loan project grants income of $3,656 and $3,738 (booked in the “other income” account) in 2023 and 2022, respectively,

Credit loans

According to the provisions of the signed credit contract, it is necessary to maintain the financial ratios and agreements before the debts of each credit line are fully paid off during the duration of the loan, which is summarized as follows:

1. Current ratio: The net current assets in the consolidated financial report divided by the

net current liabilities should not be less than 100%.

2. Debt ratio: The total net liabilities in the consolidated financial report plus contingent liabilities and then divided by tangible net worth, which should not be higher than 100%.

3. Times interest earned ratio: The net income before tax in the consolidated financial report plus interest expenses, depreciation expense, and amortization expense and then divided by the interest expenses, which should be no less than 10 times.

4. The shareholding of SIGURD MICROELECTRONICS CORP. in Winstek Semiconductor Co., Ltd. shall not be less than 51%; also, must maintain majority seats of the board of directors. Winstek Semiconductor Co., Ltd. shall hold no less than 100% of the shares in Winstek Semiconductor Co., Ltd.

5. The tangible net worth shall not be less than NT$3.8 billion.

6. The total average deposit amount of Winstek Group in the contracted bank in the most recent three months is not less than NT$60 million.

The aforementioned financial commitment ratios are calculated based on the interim consolidated financial reports reviewed or reviewed by the CPA. The Group's 2023 and 2022 consolidated financial reports complied with the financial ratio restrictions.

xi. Pension

1. (1) The Company has a retirement policy with defined benefits stipulated in accordance with the provisions of the "Labor Standards Act," which is applicable to the service years of all formal employees accumulated before the implementation of the "Labor Pension Act" on July 1, 2005, and the subsequent service years of employees who choose to be subject to the Labor Standards Act after the implementation of the Labor Pension Act. The pension payment to the employees who meet the retirement conditions is calculated based on the service years and the average salary in the 6 months prior to the retirement. Two basis points are granted to each full year of service within the first 15 years (inclusive) and one basis point is granted to each full year of service thereafter for a maximum of 45 basis points in total. The Company appropriates a pension amount equivalent to 2% of the total salary, which is deposited in the Bank of Taiwan under the name of "Labor Pension Reserve Committee."

(2) The amounts recognized on the balance sheet are as follows:

	December 31, 2023	December 31, 2022
The present value of defined benefit obligations	$ 44,859	$ 48,472
Fair value of plan assets	(30,037)	(30,844)
Net defined benefit liability	$ 14,822	$ 17,628

(3) Changes in net defined benefit liabilities are as follows:

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance – 1/1	$ 48,472	($ 30,844)	$ 17,628
Interest expense (income)	667	(436)	231
	49,139	(31,280)	17,859
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-	(210)	(210)
Impact of changes in financial assumptions	624	-	624
Experience adjustment	(1,896)	-	(1,896)
	(1,272)	(210)	(1,482)
Appropriation of pension	-(	1,555)	(1,555)
Pension payment	(3,008)	3,008	-
Balance – 12/31	$ 4,859	($ 30,037)	$ 14,822

	The present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance – 1/1	$ 53,897	($ 27,259)	$ 26,638
Interest expense (income)	404	(211)	193
	54,301	(27,470)	26,831
Remeasurement amount:			
Return on plan assets (excluding the amounts included in interest income or expenses)	-(	2,044)	(2,044)
Impact of changes in financial assumptions	(3,771)	-	(3,771)
Experience adjustment	(1,779)	-	(1,779)
	(5,550)	(2,044)	(7,594)
Appropriation of pension	-	(1,609)	(1,609)
Pension payment	(279)	279	-
Balance – 12/31	$ 48,472	($ 30,844)	$ 17,628

(4) The Company's defined benefit retirement plan fund assets are managed by the Bank of Taiwan within the ratio and amount of the entrusted operating projects specified in the annual fund investment and utilization plan in accordance with Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposited with domestic and foreign financial institutions, investment in domestic and foreign listed, OTC, or private equity securities, investment in domestic and foreign real estate securitization, etc.), and the relevant applications are supervised by the Labor Pension Fund Supervisory Committee. The minimum income distributed from the annual final settlement for the use of this fund shall not be less than the income calculated based on the two-year time deposit interest rate of the local bank. The insufficient fund, when occurred, shall be made up by the national treasury with the approval of the competent authority. The Company has no right to participate in the operation and management of the said fund; therefore, the Company is unable to disclose the classification of the fair value of the plan assets in accordance with paragraph 142 of International Accounting Standard 19. Please refer to the Annual Labor Pension Fund Operation Report announced by the government for the fair value of the total fund assets as of December 31, 2023 and 2022.

(5) The actuarial assumptions regarding pension benefits are summarized as follows:

	2023	2022
Discount Rate	1.250%	1.375%
Future salary increase rate	3.000%	3.000%

The assumptions about future mortality rates in 2023 and 2022 were estimated based on Taiwan Standard Ordinary Sixth Experience Mortality Table.

The present value of defined benefit obligations affected by changes in the main actuarial assumptions is analyzed as follows:

	Discount Rate		Future salary increase rate	
	Increased by 0.25%	Decreased by 0.25%	Increased by 0.25%	Decreased by 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	($ 1,236)	$ 1,288	$ 1,244	($ 1,200)
December 31, 2022				
Impact on the present value of defined benefit obligations	($ 1,400)	$ 1,460	$ 1,413	($ 1,362)

The aforementioned sensitivity analysis is to analyze the impact of changes in a single assumption while others remain unchanged. In reality, changes in many

assumptions may be linked. The sensitivity analysis is consistent with the approach adopted to calculate the net pension liability on the balance sheet. The methods and assumptions adopted in preparing the sensitivity analysis for this period are the same as those for the previous period.

(6) The Company's estimated provision for the retirement plan in 2024 is $1,574.

(7) The weighted average duration of the retirement plan was 11.2 years as of December 31, 2023. The maturity of pension payment is analyzed as follows:

Less than 1 year	$	5,843
1-2 years		1,402
2-5 years		4,463
5-10 years		9,347
	$	21,055

2. (1) The Company and its subsidiaries have established a defined contribution plan in accordance with the "Labor Pension Act" since July 1, 2005, which is applicable to employees of Taiwan nationality. The pension system set by the Company and its domestic subsidiaries for the employees who choose to be subject to the "Labor Pension Act" is with an amount equivalent to 6% of the monthly salary appropriated and deposited in each employee's personal account with the Bureau of Labor Insurance. The pension payment is made to employees in the manner of monthly payment or lump sum payment based on the employee's personal pension account and the accumulated income.

(2) The Group recognized the pension cost for an amount of $30,457 and $29,216 in 2023 and 2022, respectively, in accordance with the aforementioned plan.

xii. Capital stock

The Company's authorized capital was $4,000,000, divided into 400,000 shares on December 31, 2023, and the paid-in capital was $1,362,617 with a NT$10 par. The Company has collected the proceeds for all the shares issued.

The Company's outstanding shares at the beginning and ending of the year is adjusted as follows:

Unit: Thousand shares

	2023	2022
January 1 / December 31	136,262	136,262

xiii. Additional paid-in capital

According to the provisions of the Company Act, the amount collected from the issuance of stock shares issued at a premium and the additional paid-in capital received from the gifted income can be used to make up for losses; also, when the Company has no accumulated losses, new shares can be issued to shareholders proportionally to their original shareholdings, or cash can be distributed. In addition, according to the relevant provisions of the Securities and Exchange Act, when the aforementioned additional

paid-in capital is allocated to capital, the total appropriation amount shall not exceed 10% of the paid-in capital every year. When there is insufficient surplus reserve to make up for the capital loss, the Company may apply additional paid-in capital to make up for it.

	2023	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

	2022	
	Stock premium	The difference between the actual acquisition or disposal of subsidiary equity and the book amount
January 1 / December 31	$ 250,734	$ 115,509

xiv. Retained earnings

1. According to the Company's articles of association, the net income, if any, should be applied to make up for accumulated losses, appropriation of 10% of the remaining amount as legal reserve, and a special reserve may be appropriated, when necessary. If there remains balance amount afterwards, the board of directors shall draft an earnings distribution proposal for the distribution of shareholder dividends to be resolved in the shareholders' meeting, together with the accumulated unappropriated earnings from previous years; also, a portion of the balance amount may be reserved depending on the business operation. The board of directors is authorized to reach a special resolution to have dividends and bonuses distribute in the form of cash totally or partially, which should be reported to the shareholders' meeting.

2. According to the Company's dividend distribution policy, dividends should be distributed in accordance with the Company's current profit status and future investment environment, capital needs, capital budget planning, operating plans, etc.; and should also take into account the financial structure and earnings dilution. The dividend distributed should be for an amount not less than 10% of the net income; however, if the earnings per share is less than NT$0.5 or dividend distribution will lead to a breach of contract, the earnings can be retained and no distribution will be arranged. The Company may have earnings distribution arranged in the form of stock dividends or cash dividends, of which, cash dividends shall not be less than 10% of the total dividends.

3. The Company's board of directors may prepare business reports, financial statements, and proposals for profit distribution or loss compensation at the end of each fiscal year for the review of the Audit Committee, and the resolution of the board of directors. Tax payables should be estimated and retained, losses should be compensated, and legal reserves should be appropriated lawfully before having earnings distributed. However, this does not apply when the legal reserve reaches the amount of paid-in capital. The aforementioned earnings distribution that is carried out with new shares issued should be handled in accordance with Article 240 of the Company Act; also, a cash distribution is subject to the resolution of the board of directors.

4. The legal reserve can only be used to make up for the Company's losses, issue new shares to shareholders proportionally to their original shareholding, or distribute cash. However, if new shares or cash are distributed, it is limited to the portion of the legal reserve 25% of the paid-in capital.

5. The Company's earnings distribution proposals for the year of 2022 and 2021 were resolved in the shareholders' meeting on June 6, 2023 and June 8, 2022, respectively, as follows:

	2022		2021	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Appropriation of legal reserve	$ 92,506	$ -	$ 39,263	$ -
Appropriation (reversal) of special reserve	(282,069)	-	78,597	-
Cash dividend	681,308	5.00	313,402	2.30
Sum	$ 491,745	$ 5.00	$431,262	$ 2.30

6. The Company's earnings distribution proposals for the year of 2023 was resolved in the shareholders' meeting on February 26, 2024 as follows; however, the proposal is yet to be approved by the shareholders' meeting:

	2023	
	Amount	Dividend per share (NT$)
Appropriation of legal reserve	$ 84,132	$ -
Cash dividend (note)	654,056	4.80
Sum	$738,188	$ 4.80

Note: Please visit the Market Observation Post System to check the information on earnings distribution.

xv. Operating income

	2023	2022
Revenue from customer contracts	$ 3,667,818	$ 3,947,152

1. Classification of customer contract revenue

The Group's revenue comes from the labor services provided gradually over time. Revenue can be classified into the following main product lines:

2023	Testing revenue:	Packing income	Others Labor service income	Sum
Departmental income	$1,593,949	$2,060,449	$ 13,420	$3,667,818
External customer contract revenue	$1,593,949	$2,060,449	$ 13,420	$3,667,818

2022	Testing revenue:	Packing income	Others Labor service income	Sum
Departmental income	$1,806,954	$2,096,664	$ 43,534	$3,947,152
External customer contract revenue	$1,806,954	$2,096,664	$ 43,534	$3,947,152

2. Contract assets and contract liabilities

The contract assets and contract liabilities related to the customer contract revenue recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract Assets - Packing test	$ 34,216	$ 35,202	$ 22,510
Contract liability:			
Contract liability －Advance sales receipts	$ -	$ 4,861	$ -

The beginning contract liabilities are recognized as income in the current period:

	2023	2022
Contract liabilities - Advance sales receipts	$ 4,861	$ -

xvi. Interest income

	2023	2022
Bank deposit interest	$ 45,767	$ 14,947
Interest income from financial assets measured at amortized cost	80,483	17,078
	$ 126,250	$ 32,025

xvii. Other income

	2023	2022
Rental income	$ 482	$ 444
Income from government grants	5,478	3,738
	$ 5,960	$ 4,182

xviii. Other gains and losses

	2023	2022
Gains from the disposal of property, plant, and equipment	$ 3,439	$ 3,045
Foreign currency exchange gains	32,434	39,274
Impairment losses of property, plant and equipment	-	(15,516)
Other gains	6,967	3,436
	$ 42,840	$ 30,239

xix. Financial costs

	2023	2022
Interest expense	$ 14,470	$ 11,290
Lease liability	84	76
Other financial expenses	24	14
	$ 14,578	$ 11,380

xx. Additional information on the nature of expenses

	2023	2022
Employee benefits expenses	$ 992,320	$ 990,327
Depreciation expense of property, plant and equipment and right-of-use assets	$ 597,819	$ 599,950
Amortization expense of intangible assets	$ 45,750	$ 39,452

xxi. Employee benefits expenses

	2023	2022
Payroll expense	$ 847,790	$ 856,876
Labor and health insurance expense	73,719	67,072
Pension expense	30,688	29,409
Other personnel expenses	40,123	36,970
	$ 992,320	$ 990,327

1. According to the Company's articles of association, the Company shall appropriate an amount equivalent to 0.1% to 15% of the earnings, if any, as employee remuneration. When employee remuneration is distributed in the form of stocks or cash, the employees of the controlled companies or affiliated companies who meet certain conditions are also entitled to the said benefits. However, an amount equivalent to the Company's accumulated losses, if any,

should be reserved in advance. The Company shall appropriate an amount not more than 3% of the earnings, if any, depending on business conditions as director remuneration. However, an amount equivalent to the Company's accumulated losses, if any, should be reserved in advance.

2. The Company's estimated employee remuneration were $63,164 and $66,002 in 2023 and 2022, respectively; also, the estimated director remuneration amounted to $0, respectively, and the aforementioned amounts are booked in the "payroll expenses" account. The employee remuneration and director remuneration were estimated at 6.24% and 0% in 2023, respectively, based on the profit generated in the year.

   The employee remuneration and director remuneration resolved by the board of directors for 2023 and 2022 are consistent with the amounts recognized in the 2023 and 2022 financial reports.

   Please feel free to visit the Market Observation Post System to inquire the information related to employee remuneration and director remuneration approved by the Company's board of directors.

xxii. Income tax

1. Income tax expenses

   Income tax expense components:

	2023	2022
Current income tax:		
Income tax on current income	$ 204,830	$ 210,352
Additional tax levy on the unappropriated earnings	21,666	-
Overestimated income tax on the income generated in previous years	(54,609)	(27,001)
Total income tax for the current period	171,887	183,351
Deferred income tax:		
The original occurrence and reversal of temporary differences	(2,085)	11,114
Total deferred income tax	(2,085)	11,114
Income tax expenses	$ 169,802	$ 194,465

2. The relationship between income tax expenses and accounting profits

	2023	2022
Income tax on net income before tax is calculated based on statutory tax rate (Note)	$ 201,929	$ 222,386
Expenses that should be exempted according to tax laws	-	713
Overestimated income tax on the income generated in previous years	(54,609)	(27,001)
Additional tax levy on the unappropriated earnings	21,666	-
Others	816	(1,633)
Income tax expenses	$ 169,802	$ 194,465

Note: The basis of applicable tax rate is calculated based on the 20% tax rate applicable to the income generated in Taiwan.

3. The amount of each deferred income tax asset or liability arising from temporary differences is as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,792	$ 595	$ 13,387
Unrealized exchange loss	4,812	7,385	12,197
Compensation for losses	2,213	(2,020)	193
Allowance for loss on inventory	1,759	(978)	781
Asset impairment losses	3,103	-	3,103
Subtotal	24,679	4,982	29,661
-Deferred income tax liabilities:			
Unrealized exchange gains	(14,444)	(2,631)	(17,075)
Others	(133)	(266)	(399)
Subtotal	(14,577)	(2,897)	(17,474)
Sum	$ 10,102	$ 2,085	$ 12,187

	2022		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences:			
Fiscal and tax differences of depreciation expense	$ 12,197	$ 595	$ 12,792
Unrealized exchange loss	6,386	(1,574)	4,812
Compensation for losses	1,829	384	2,213
Allowance for loss on inventory	991	768	1,759
Asset impairment losses	-	3,103	3,103
Others	151	(151)	-
Subtotal	21,554	3,125	24,679
-Deferred income tax liabilities:			
Unrealized exchange gains	(338)	(14,106)	(14,444)
Others	-	(133)	(133)
Subtotal	(338)	(14,239)	(14,577)
Sum	$ 21,216	($ 11,114)	$ 10,102

4. The Company's business income tax has been audited and approved by the tax collection agency up to the year of 2021

xxiii. Earnings per share

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company	$ 839,843	136,262	$ 6.16
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company	839,843	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	911	
Net income attributable to common stock shareholders of the parent company plus the impact of potential common stock	$ 839,843	137,173	$ 6.12

	2022		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company	$ 917,467	136,262	$ 6.73
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company	917,467	136,262	
Impact of potential common stock with dilutive effect			
Employee remuneration	-	1,595	
Net income attributable to common stock shareholders of the parent company plus the impact of potential common stock	$ 917,467	137,857	$ 6.66

xxiv. Cash Flow Supplementary Information

Investing activities with only partial cash payments:

	2023	2022
Acquisition of property, plant and equipment	$ 384,867	$ 936,396
Add: Equipment payable - beginning	45,336	181,244
Add: Prepaid equipment - ending (note)	4,400	39,508
Less: Equipment payable - ending	(68,873)	(45,336)
Less: Prepaid equipment - beginning (note)	(39,508)	(115,070)
Cash paid in current period	$ 326,222	$ 996,742

Note: Booked in the “Other noncurrent assets” account

xxv. Changes in the liabilities from financing activities

	2023			
	Lease liability	Long-term loans (Note)	Guarantee deposits & margins received	Total liabilities from financing activities
January 1	$ 7,845	$ 846,000	$ 6,447	$ 860,292
Changes in the cash flow from financing activities	(2,276)	(53,180)	33	(55,423)
Interest paid	(84)	-	-	(84)
Other non-cash changes:				
Interest expense	84	-	-	84
Exchange rate effect	(29)	-	87	58
Additions in this period	1,797	-	-	1,797
Others	-	-	(6,228)	(6,228)
December 31	$ 7,337	$ 792,820	$ 339	$ 800,496

	2022			
	Lease liability	Long-term loans (Note)	Guarantee deposits & margins received	Total liabilities from financing activities
January 1	$ 8,077	$ 746,000	$ 266	$ 754,343
Changes in the cash flow from financing activities	(2,785)	100,000	6,106	103,321
Other non-cash changes:				
Interest expense	76	-	-	76
Exchange rate effect	-	-	75	75
Additions in this period	2,477	-	-	2,477
December 31	$ 7,845	$ 846,000	$ 6,447	$ 860,292

Note: Includes long-term loans due within one year.

VII. Related party transaction

(I) Parent company and ultimate controller

The Group was originally controlled by Bloomeria Limited (registered in Singapore). Bloomeria Limited had its shareholdings transferred on July 6, 2020, the Group has been controlled by SIGWIN Corporation since with 51.90% shareholdings obtained. SIGURD MICROELECTRONICS CORP. (registered in Taiwan) is the ultimate parent company and ultimate controller of the Group.

(II) Name of and relationship with the related parties

Name of the related party	Relationship with the Group
SIGURD MICROELECTRONICS CORP.	Ultimate parent company
Bloomeria Limited	Parent company (before July 6, 2020)；Fellow subsidiaries (after July 6, 2020)
SIGWIN Corporation	Parent company (after July 6, 2020)
Sirize Technology(Suzhou) Corporation	Brother company
Sigurd UTC Corporation	Brother company

(3) Material transactions conducted with related parties

1. Operating income

	2023	2022
Operating income:		
Ultimate parent company	$ 896	$ 8,735
Brother company	446	-
Subtotal	$ 1,342	$ 8,735

The labor service income is handled in accordance with the general transaction price and conditions, and the payment conditions are 30 days open account.

2. Amounts receivable - related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Ultimate parent company	$ 721	$ 2,088

Accounts receivable from related parties is mainly for labor services provided and the machinery and equipment components sold. The said accounts receivable is without mortgage and interest accrual.

3. Amounts payable - related parties

	December 31, 2023	December 31, 2022
Other payables - lease:		
Ultimate parent company	$ -	$ 239
Brother company	454	-
	$ 454	$ 239

Accounts payable to related parties is mainly for lease service provided by the related parties. The said accounts payable is without interest accrual.

4. Other transactions

		Transaction amount	
	Bookkeeping item	2023	2022
Ultimate parent company	Rental expense	$ -	$ 3,066
Ultimate parent company	Processing expense	$ 3,608	$ 12,434
Ultimate parent company	Other expenses	$ 220	$ -
Brother company	Other expenses	$ 5,568	$ -
Parent company	Dividend expense	$ 353,632	$ 162,671

(IV) Information on the remuneration of key management levels

	2023	2022
Short-term employee benefits	$ 32,504	$ 28,109
Post-employment benefits	523	450
Total	$ 33,027	$ 28,559

VIII. Pledged assets

The Group's assets provided as collateral are detailed as follows:

	Book amount		
Assets	December 31, 2023	December 31, 2022	Guarantee purpose
Pledged time deposits (booked in the "Financial assets measured at amortized cost – noncurrent" account)	$ 21,700	$ 21,700	Tariff Guarantee
Intangible assets	-	-	Long-term loans

IX. Material contingent liabilities and unrecognized contractual commitments

Capital expenditures contracted but not yet incurred

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 25,169	$ 106,408

X. Material disaster losses

None

XI. Material post events

The Company's 2023 earnings distribution proposal was resolved by the board of directors on February 26, 2024. Please refer to Note VI (XIV) for details.

XII. Others

(一) Capital management

The Group's strategy in 2023 remains the same as in 2022, which is to forcefully reduce the debt-to-capital ratio to a reasonable risk level. The Group's debt-to-capital ratio on December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Total loan amount	$ 792,820	$ 846,000
Less: Cash and cash equivalents	(1,298,093)	(1,719,592)
Net debt amount	(505,273)	(873,592)
Total equity	5,994,128	5,853,916
Total capital	$ 5,488,855	$ 4,980,324
Debt to capital ratio	-	-

(二) Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Cash and cash equivalents	$ 1,298,093	$ 1,719,592
Financial assets measured at amortized cost (including noncurrent)	2,155,220	1,255,550
Receivables	916,181	915,405
Accounts receivable – related party	721	2,088
Other Receivables	10,030	11,952
Guarantee deposits & margins paid	4,480	5,490
	$ 4,384,725	$ 3,910,077

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts payable	$ 94,878	$ 72,120
Other payables	477,679	448,485
Other payables – related party	454	239
Long-term loans (including due within one year)	792,820	846,000
Guarantee deposits & margins received	339	6,447
	$ 1,366,170	$ 1,373,291
Lease liabilities (including noncurrent)	$ 7,337	$ 7,845

2. Risk management policy

(1) The Board of Directors is solely responsible for establishing and supervising the Group's risk management structure in order to develop and control the Group's risk management policies.

(2) The establishment of the Group's risk management policy is for identifying and analyzing the risks faced by the Group, for setting appropriate risk limits and controls, and for monitoring risks and compliance with risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations. The Group develops a disciplined and constructive control environment through training, management standards, and operating procedures so to help all employees understand their roles and responsibilities.

(3) The management personnel of the Group's Audit Committee supervise the compliance of the Group's risk management policies and procedures, and review the appropriateness of the Group's management structure for the risks encountered. Internal auditors assist the Group's Audit Committee in performing supervision responsibility. Those personnel review the risk management controls and procedures; also, report review results to the Audit Committee.

3. Nature and extent of material financial risks

(1) Market risk

Exchange rate risk

A. New Taiwan Dollar is the functional currency of the Company while US Dollar is the functional currency of the subsidiaries, which is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities that are severely affected by exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 42,260	30.705	$ 1,297,593
NTD : USD	565,912	0.033	565,912
Financial liabilities			
Monetary items			
USD : NTD	$ 374	30.705	$ 11,484
NTD : USD	1,056,300	0.033	1,056,300

	December 31, 2022		
	Foreign currency (NT$ thousand)	Exchange rate	Book amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 38,161	30.710	$ 1,171,924
NTD : USD	272,797	0.033	272,797
Financial liabilities			
Monetary items			
USD : NTD	$ 513	30.710	$ 15,754
NTD : USD	1,035,997	0.033	1,035,997

B. The Group's monetary item was with disclosed exchange gains for an amount of $32,434 and $39,274 recognized in 2023 and 2022, respectively, due to the material impact of exchange rate fluctuations.

C. The Group's foreign currency market risk due to material exchange rate fluctuations is analyzed as follows:

	2023		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 12,976	$ -
NTD : USD	1%	5,659	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 115)	$ -
NTD : USD	1%	(10,563)	-

	2022		
	Sensitivity Analysis		
	Range of change	Impact on profit (loss)	Impact on other comprehensive profit and loss
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 11,719	$ -
NTD : USD	1%	2,728	-
Financial liabilities			
Monetary items			
USD : NTD	1%	($ 158)	$ -
NTD : USD	1%	(10,360)	-

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from long-term loans issued at floating interest rates, which has the Group exposed to cash flow interest rate risk. The Group's loans issued at floating interest rates in 2023 and 2022 were mainly denominated in New Taiwan Dollars.

B. The Group's loans are measured at amortized cost, which will be updated every year according to the contract signed. Therefore, the Group is exposed to the risk of changes in future market interest rates.

C. When the loan interest rate is increased or decreased by 1% while other factors remain unchanged, the net income before tax of 2023 and 2022 will be increased by $7,928 and $8,460, respectively, mainly due to the changes in interest expenses resulted from the floating interest rate fluctuations.

(2) Credit risk

A. The Group's credit risk is the risk of financial losses caused by the inability of customers or counterparties of financial instruments in performing contractual obligations. It mainly comes from the inability of counterparties in paying off accounts receivable that are to be paid according to the collection terms; also, it is classified as the investment contract cash flow of debt instrument that is measured at amortized cost.

B. The Group establishes credit risk management from a group perspective. It is defined to only deal with the banks and financial institution with good credit ratings. According to the internally defined credit policy, it is necessary to analyze management and credit risk before setting the terms and conditions for payment and product delivery. An internal risk control refers to assess the credit quality of customers by considering their financial status, past experience, and other factors. Individual risk limits are set based on internal or external ratings; also, the use of credit limits is regularly monitored.

C. According to the credit risk management procedures of the Group, when the counterparty fails to comply with the payment terms agreed upon in the contract for a certain period of time, it will be deemed as a breach of contract.

D. The Group has customers' accounts receivable and contract assets grouped according to the characteristics of customer ratings, and estimates expected credit losses based on the provision matrix in accordance with a simplified method.

E. The Group provides the following assumptions in accordance with the provision of IFRS 9 to determine whether the credit risk of financial instruments has increased significantly since the original recognition:
When the contract payment is overdue for more than 30 days according to the agreed payment terms, the credit risk of the financial asset is deemed to have increased significantly since the original recognition.

F. The criteria used by the Group to determine the credit impairment of debt instrument investments are as follows:

(A) The issuer is more likely to encounter material financial difficulties or enter bankruptcy or other financial reorganization.

(B) The active market for the financial assets disappears due to the financial difficulties encountered by the issuer.

(C) The issuer delays or fails to pay interest or principal.

(D) Adverse changes in national or regional economic conditions that lead

to the issuer's committing a breach of contract.

G. The Group mainly provides specific customers with packing and testing services for semiconductor wafers. Therefore, the Group, for future consideration, has adjusted the loss rate that is established based on historical and current information for a specific period in order to estimate the allowance for loss of accounts receivable and contract assets. The provision matrix on December 31, 2023 and 2022 is as follows:

	Not overdue	Within 30 days overdue	31-90 days overdue	91-180 days overdue	More than 181 days overdue	Sum
December 31, 2023						
Expected loss rate	0.00%	0.56%	4.81%~42.25%	49.2%~87.3%	100%	
Total book amount	$ 902,772	$ 43,972	$ 1,777	$ 2,597	$ 9,459	$ 960,577
Allowance for losses	$ -	$ -	$ -	$ -	($ 9,459)	($ 9,459)
December 31, 2022						
Expected loss rate	0.33%	0.32%~0.58%	23.66%~24.79%	50%	50%~100%	
Total book amount	$ 774,887	$ 52,582	$ 124,664	$ 25	$ 537	$ 952,695
Allowance for losses	$ -	$ -	$ -	$ -	$ -	$ -

H. The Group's concise statement of changes in allowances for accounts receivable and contract assets is as follows:

	2023
	Accounts receivable and contract assets
January 1	$ -
Appropriation of impairment losses	9,691
Exchange rate effect	(232)
December 31	$ 9,459

	2022
	Accounts receivable and contract assets
January 1 / December 31	$ -

I. The Group had no debts that had been written off as of December 31, 2023 and 2022.

J. For the Group's debt instrument investment measured at amortized cost, the credit risk rating information is as follows:

	December 31, 2023			
	By duration			
	by 12 months	For credit risk that has increased significantly	Those suffered with credit impairment	Sum
Financial assets measured at amortized cost	$ 2,155,220	$ -	$ -	$2,155,220

	December 31, 2022			
	By duration			
	by 12 months	For credit risk that has increased significantly	Those suffered with credit impairment	Sum
Financial assets measured at amortized cost	$ 1,255,550	$ -	$ -	$1,255,550

The Group's financial assets measured at amortized cost are bank time deposits and pledged time deposits with original maturities of more than three months, and there are no material abnormalities found in credit risk ratings.

(3) Liquidity risk

A. The Group's outstanding credit line is detailed as follows:

	December 31, 2023	December 31, 2022
Floating rate		
Due within one year	$ 941,530	$ 589,340
Due in more than one year	500,000	700,000
	$ 1,441,530	$ 1,289,340

B. The Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross amount are grouped according to relevant maturity dates as shown below. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2023	Under 6 months	6 months - 1 year	1 - 2 years	More than 2 years
Non-derivative financial liabilities:				
Accounts payable	$ 94,878	$ -	$ -	$ -
Other payables	477,679	-	-	-
Other payables – related party	454			
Lease liability	1,105	949	1,482	4,004
Guarantee deposits & margins received	-	-	-	339
Long-term loans (including those due within one year)	119,502	177,240	343,327	168,599

December 31, 2022	Under 6 months	6 months - 1 year	1 - 2 years	More than 2 years
Non-derivative financial liabilities:				
Accounts payable	$ 72,120	$ -	$ -	$ -
Other payables	448,485	-	-	-
Other payables – related party	239	-	-	-
Lease liability	1,058	852	1,441	4,738
Guarantee deposits & margins received	-	-	-	6,448
Long-term loans (including those due within one year)	17,443	45,656	295,882	511,360

(三) Fair value information

1. The Group has no financial instruments measured at fair value.

2. Financial instruments not measured at fair value

The book amount of the Group's cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost, guarantee deposits & margins paid, short-term loans, accounts payable (including related parties), other payables (including related parties), long-term liabilities due within one-year, long-term liabilities, and

guarantee deposits & margins received are reasonable approximations of fair value.

XIII. Special disclosures

(一) Material transaction related information

1. Loaning of funds: None
2. Making of endorsements and guarantees: Please refer to Table 1
3. The marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises, and joint venture equity): None
4. The cumulative amount of buying or selling one security for an amount exceeding NT$300 million or 20% of the paid-in capital: None
5. The property acquired for an amount exceeding NT$300 million or 20% of the paid-in capital: None
6. The property disposed for an amount exceeding NT$300 million or 20% of the paid-in capital: None
7. The quantity of goods purchased from and sold to the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: Please refer to Table 2
8. The receivables from the related party for an amount exceeding NT$100 million or 20% of the paid-in capital: None
9. Engaged in derivative transactions: None
10. Business relationship and important transactions between the parent company and subsidiaries and among subsidiaries: Please refer to Table 3

(二) Investment related information

Relevant information such as the name of the invested company, the region where it is located (excluding invested companies in China): Please refer to Table 4

(三) Information on the investment in Mainland China

None

(四) Information of major shareholders

Please refer to Table 5 for details

XIV. Operating department information

(一) General information

The Group's management has applied the reported information used by the Board of Directors in making decisions to identify the reportable departments. There are three reportable departments within the Group: Testing business unit, packing business unit, and factory development business unit.

The Group's corporate composition, the basis for department division, and the basis

for measuring department information for current year is without any significant change found.

(二) Measurement of departmental information

The Group has allocated non-recurring gains and losses to the reportable departments. In addition, all profits and losses of the reportable departments include material non-cash items other than depreciation and amortization. Amounts included in the departmental information reported are consistent with the amounts in the reports used by operating decision makers. The accounting policies of the operating departments are the same as the Group's important accounting policies. The profit and loss of the Group's operating department are measured at the operating income and net income before tax, which is applied as the basis to evaluate departmental performance.

(三) Information on departmental profits and losses, assets, and liabilities

Reportable departmental information provided to the key operating decision maker is as follows:

2023	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
External income	$1,606,099	$2,423,924	$ -	($362,205)	$3,667,818
Depreciation and amortization expenses	$ 339,080	$ 304,489	$ -	$ -	$ 643,569
Department profit and loss	$ 584,190	$ 265,177	($ 194)	$ -	$ 849,173
Departmental Assets - Capital expenditures	$ 86,838	$ 313,419	$ -	$ -	$ 400,257

2022	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
External income	$1,840,072	$2,536,326	$ -	($429,246)	$3,947,152
Depreciation and amortization expenses	$ 304,729	$ 334,673	$ -	$ -	$ 639,402
Department profit and loss	$ 856,682	$ 200,234	($ 50)	$ -	$1,056,866
Departmental Assets - Capital expenditures	$ 954,250	$ 56,392	$ -	$ -	$1,010,642

December 31, 2023	Testing Business Unit	Packing Business Unit	Factory Development Business	Adjustments and offset	Total

			Department		
Departmental assets	$ 3,791,307	$ 3,770,456	$ 201,658	($ 139,894)	$ 7,623,527

December 31, 2022	Testing Business Unit	Packing Business Unit	Factory Development Business Department	Adjustments and offset	Total
Departmental assets	$ 3,689,588	$ 3,718,800	$ 200,578	($ 155,091)	$ 7,453,875

（四）Product and labor service information

Please refer to Note VI (XV).

（五）Regional information

The Group’s regional information in 2023 and 2022 is as follows:

	2023		2022	
	Income	Noncurrent assets	Income	Noncurrent assets
Taiwan	$ 823,436	$ 3,062,625	$ 1,592,921	$ 3,310,222
USA	1,172,307	-	1,139,673	-
China	361,113	-	599,586	-
Singapore	1,258,113	-	409,992	-
Others	52,849	-	204,980	-
Sum	$ 3,667,818	$ 3,062,625	$ 3,947,152	$ 3,310,222

（六）Important customer information

The important customer information of the Group in 2023 and 2022 is as follows:

	2023	2022
	Income	Income
Customer B	$ 1,018,474	$ 922,392
Customer H	725,970	552,999
Customer E	510,717	681,505
Customer G	483,008	458,738
	$ 2,738,169	$ 2,615,634

Winstek Semiconductor Co., Ltd.

Making of Endorsements/Guarantees for Others

January 1 – December 31, 2023

Attached Table 1

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Endorser/Guarantor Company Name	Endorsed/Guaranteed Company: Name of company	Endorsed/Guaranteed Company: Relationship (Note 2)	Endorsement/guarantee limit for a single enterprise (Note 3)	Maximum endorsements/guarantees amount - current (Note 4)	Endorsement/guarantee amount - ending (Note 5)	Actual amount allocated to use (Note 6)	Endorsement guarantee amount guaranteed by property	The ratio of the cumulative endorsement/guarantee amounts to the net worth of the latest financial statements	The limited maximum amount of the making of endorsements/guarantees (Note 3)	It is an endorsement/guarantee made by the parent company for the subsidiary. (Note 7)	It is an endorsement/guarantee made by the subsidiary for the parent company. (Note 7)	The making of endorsements/guarantees for a company in China (Note 7)	Note
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	2	$ 5,994,128	$ 300,000	$ 300,000	$ -	$ -	5.00%	$ 5,994,128	Y	N	N	

Note 1: Description of number column is shown below:

(1). For issuer, fill in 0.

(2). Fill in names of companies invested from 1 according to alphabetical order.

Note 2: Specify one of the six relationship types in the making of endorsements/guarantees:

(1) Companies with business dealings.

(2) Companies where the Company owns more than 50% shares with the rights to make direct and indirect decisions.

(3) Companies that own more than 50% shares of the Company with the rights to make direct and indirect decisions.

(4) Companies where the Company owns more than 90% shares with the rights to make direct and indirect decisions.

(5) Companies that mutually make endorsements/guarantees for each other due to the need of construction contracts or agreements between the companies or joint issuers.

(6) Due to joint investment relationship, all shareholders who invest shall make endorsements/guarantees according to their investment percentage for companies invested.

(7) Joint endorsements/guarantees made for performance guarantees involving pre-selling house sales according to the Consumers Protection Act.

Note 3: The total amount of the making of endorsements/guarantees by the Company shall not exceed 50% of net value in the recent accounting year. The limited amount of the making of endorsements/guarantees for a single enterprise shall not exceed 20% of the net value of the making of endorsements/guarantees by the Company. However, there are exceptions for the endorsement/guarantee made between the Company and a company with 100% voting shares held by the Company directly or indirectly, or the endorsement/guarantee of the company that the Company has agreed to acquire and it will become a subsidiary with 100% shares held by the Company directly or indirectly with the approval of the board of directors obtained, in other words, they are not subject to the aforementioned total amount of external endorsement/guarantee limit and the endorsement/guarantee limit for a single enterprise. However, the amount of endorsement/guarantee for a single enterprise shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs. In addition, for the endorsement/guarantees made between the companies that directly and indirectly hold 100% of the voting shares of the Company, the total cumulative external endorsement/guarantee amount shall not exceed 100% of the net worth in the Company's latest financial report audited or reviewed by the CPAs.

Note 4: The maximum making of endorsement/guarantee amount in the current year

Note 5: When the Company signs an endorsement/guarantee agreement or a bill with a bank as of the end of the year is approved, it assumes the endorsement/guarantee responsibility. In addition, other related endorsements/guarantees should be included in the endorsement/guarantee amount.

Note 6: Please fill in the actual amount allocated to use within the range of balance amount of the making of endorsements/guarantees for companies endorsed and guaranteed.

Note 7: Fill "Y" for the making of endorsements/guarantees by the parent companies for subsidiaries, by the listed and OTC parent company for subsidiaries, and the making of endorsements/guarantees for companies in China.

Winstek Semiconductor Co., Ltd.

The amount of purchase and sales between related parties exceeds NT$100 million or 20% of paid-in capital

January 1 – December 31, 2023

Attached
Table 2

Unit: NT$ thousand

(unless otherwise specified)

Companies that sell and buy	Name of transaction party	Relationship	Transaction				Circumstances and reasons why transaction conditions are different from ordinary transactions (Note 1)		Notes and accounts receivable (payable)		
			Buying (selling)	Amount	Ratio to total purchases (sales)	Credit period	Unit price	Credit period	The balance amount	Ratio to total notes and accounts receivable (payable)	Note
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Subsidies	Sales	($ 359,859)	(22%)	Payment terms: 30 days	-	-	$ 53,982	15%	
Winstek Semiconductor Technology Co., Ltd.	Winstek Semiconductor Co., Ltd.	Parent company	Purchase	$ 359,859	18%	Payment terms: 30 days	-	-	(53,982)	(37%)	

Note 1: The transaction price and payment conditions agreed by the Company and related parties are not significantly different from those conducted with non-related parties. The transaction conditions are determined through negotiation between the two parties.

Winstek Semiconductor Co., Ltd.

Business relationships and important transactions and amounts between the parent company and its subsidiaries

January 1 – December 31, 2023

Attached Table 3

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Name of transaction party	Name of counterparty	Relationships with the counterparty (Note 2)	Situation of transactions			Ratio to the total consolidated revenue or total assets (Note 3)
				Name of accounts	Amount	Transaction terms	
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Sales revenue	$ 359,859	According to prices and conditions negotiated by both parties	9.81%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Receivables	53,982	According to prices and conditions negotiated by both parties	0.71%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Other Receivables	83,229	-	1.09%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Dividends revenue	203,677	-	5.55%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Overall business management revenue (Debited to operating cost and operating expense)	40,872	According to prices and conditions negotiated by both parties	1.11%
0	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	1	Business support expenses (Debited to operating cost and operating expenses)	20,326	-	0.55%

Note 1: Business dealings between the parent company and its subsidiaries shall be specified in no. columns according to the coding numbers below:

(1). Fill in 0 for the parent company.

(2). Number subsidiaries starting from 1.

Note 2: There are three following types of relationships of transaction parties (there is no need for repeated disclosure if the same transaction occurs between the parent company and its subsidiaries and among subsidiaries. For example, for a transaction between the parent company and its subsidiary, if the parent company has disclosed the transaction, the subsidiary does not need to repeatedly disclose it;

for a transaction between two subsidiaries, if one subsidiary has disclosed the transaction, the other does not need to repeatedly disclose it):

(1). Parent company to its subsidiary.

(2). Subsidiary to the parent company.

(3). Subsidiary to Subsidiary.

Note 3: For calculation of the percentage of transaction amount accounting for consolidated revenue or total assets, if the account belongs to Assets-Liabilities, end balance shall be calculated for the percentage accounting for consolidated revenue; if the account belongs to Profits-Losses, mid-term accumulated amount shall be calculated for the percentage accounting for consolidated revenue.

Note 4: Individual transaction amounts less than $20,000 will not be disclosed, and transactions with related parties will not be disclosed.

Winstek Semiconductor Co., Ltd.
Relevant information of name and location of area of company invested
(excluding those in China)

January 1 – December 31, 2023

Attached Table 4

Unit: NT$ thousand

(unless otherwise specified)

Name of investing company	Name of invested company (Note 1 and 2)	Area of location	Main items of business operations	Initial investment amount		Shareholdings - ending			Current profits and losses of company being invested (Note 2(2))	Investment loss and profit recognized in current period (Note 2(3))	Note
				End of current period	End of last year	Number of shares	Percentage	Book amount			
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Packing services of wafer bumping and wafer	$ 1,875,740	$ 1,875,740	210,000,000	100%	$ 2,552,776	$ 302,361	$ 302,361	
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Plant development and leasing services	200,000	200,000	20,000,000	100%	201,481	1,435	1,435	

Note 1: If a public company set up a foreign holding company and in compliance with local rules and regulations, it shall report with consolidated financial statements and for the disclosure of foreign company invested, it shall only disclose relevant information of the holding company.

Note 2: When there is no situation as stated in Note 1, please follow the rules below to fill in information:

(1) Columns of "Name of company invested," "area of location," "main business operation items," "initial investment amount" and "end shareholding" shall be filled according to the reinvestment situation of the Company (public company) and that of each directly and indirectly invested company. In the Note column, relationships of companies being invested in and the Company (public company) shall be specified (such as a subsidiary or a sub-subsidiary).

(2) The column of "Current profits and losses of company being invested" shall describe the current profit and loss amount of the company being invested in.

(3) In the column of "Current investment losses and profits recognized," subsidiaries recognized by the Company (public company) as direct re-investment and investment profit and loss accounted for using the equity method shall be described without other information. When filling in information of "Amount of current profit and loss of each subsidiary recognized as direct re-investment," please confirm that the current profit and loss amount of each subsidiary includes the investment loss and profit amount recognized according to rules and re-investment.

Winstek Semiconductor Co., Ltd.

Information of major shareholders

December 31

Attached Table 5

Unit: NT$ thousand

(unless otherwise specified)

Name of major shareholders	Number of shares	
	Number of shares owned	Percentage of ownership
SIGWIN Corporation	70,726,438	51.90%

Note 1: Information of major shareholders in this table is provided by TAIWAN DEPOSITORY and CLEARING CORPORATION that calculates ownership of shareholders who own more than 5% of the common and preferred stocks under the dematerialized issuance system (including treasury stocks). For recorded stocks on financial statements and actually registered complete stocks of the company under the dematerialized issuance system, due to a different calculation basis or discrepancy during compiling, they may be different.

Note 2: If the said information belongs to that transferred by shareholders to the trust, it shall be disclosed according to individually transferred accounts designated to the trust by the trustees. For share ownership declaration of insiders holding more than ten percent in compliance with the Securities and Exchange Act, shareholding includes shares owned by shareholders themselves as well as shares over which the owners have the right to determine uses transferred to the trust. For declaration of insider ownership, please refer to TWSE MOPS.