

WIWYNN CORPORATION
2021 ANNUAL GENERAL SHAREHOLDERS' MEETING
MINUTES
(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the minutes of 2021 Annual Shareholders' Meeting shall govern any and all matters related to the interpretation of the subject matter stated herein.

Time : 9:00 a.m., Thursday, July 8, 2021

Place : Conference Room on the 2nd Floor, Building C, Oriental Science Park

(2F., No. 94, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221411, Taiwan (R.O.C.))

Total outstanding shares of Wiyynn Corporation : 174,840,791 shares

Total shares represented by shareholders present in person or by proxy : 148,320,923 shares

Percentage of shares held by shareholders present in person or by proxy : 84.83%

Directors present : Simon Lin, Emily Hong, Sunlai Chang

Chairman : Simon Lin, Chairman of the Board of Directors

Recorder : Zora Wang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Address (omitted)

1. Report Items

- (1) Report the business of 2020. (Please refer to Attachment 1)
- (2) Audit Committee's review report. (Please refer to Attachment 2)
- (3) Report 2020 employees' profit sharing and directors' compensation.

Explanation:

A. According to Article 21 of the "Articles of Incorporation": If the Company has profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation) such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.

a. No less than five percent (5%) of profit as employees' compensation. The employees' compensation may be distributed in the form of shares or in cash. The qualification requirements of employees, including the employees from the Company's controlling companies or subsidiaries, which are entitled to receive compensation, shall be determined by the Board of Directors;

b. No more than one percent (1%) of profit as the compensation in cash to the directors.

B. The Company's third-term fourth Compensation Committee Meeting and the second Board Meeting of 2021 approved the proposal of 2020 employees' profit sharing and directors' compensation. The employees' profit sharing and Board Directors' compensation are to be

distributed in accordance with the “Articles of Incorporation.”

- a. The total amount of employees’ 2020 profit sharing is NT\$571,500,000, distributed in cash.
- b. The total amount of Board Directors’ 2020 compensation is NT\$25,025,040, distributed in cash.

(4) Report the status of domestic unsecured corporate bonds.

Explanation: In order to strength the operating capital, the Company issued domestic unsecured ordinary corporate bonds. Details as follows:

Tranche / Category	Wiwynn Corporation 1 st Unsecured Corporate Bond issue in 2020
Date of Approval	2020.10.08
Date of Issuance	2020.10.20
Date of Expiration	2025.10.20
Total issuance Amount	NTD 5 billion
Face value	NTD 1 million
Issue price	100% of par value
Issuance Period	5 years ; From 2020.10.20 to 2025.10.20
Coupon rate	Fixed rate at 0.83%
Way of Reimbursement	50% respectively for the 4 th and 5 th year.
Interest Payment	The interest is calculated with simple interest based on the coupon rate and distributed annually.
Trustees	Bank SinoPac
Debt Service Agency	Bank SinoPac Taipei Branch
Exercise of the Issuance	Fully exercised in Q4 2020

2. Ratification Items and Discussion Items

Item 1

Proposal : Ratification of the Business Report and Financial Statements of 2020.

(Proposed by the Board of Directors)

Explanation :

1. The Company’s business report and financial statements for 2020 (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been adopted by the Board of Directors with resolution and examined by the Audit Committee, and are hereby submitted for ratification. (Please refer to Attachment 1)
2. Submission for ratification.

Resolution

Shares represented at the time of voting : 148,320,923 (including votes casted electronically : 137,473,532)

Voting Results	% of the total represented share present
Approval votes : 140,455,777 (including 129,611,386 votes through e-voting)	94.69 %
Disapproval votes : 10,168 (including 10,168 votes through e-voting)	0 %
Invalid votes : 0 (including 0 votes through e-voting)	0 %
Abstention votes/ No votes : 7,854,978 (including 7,851,978 votes through e-voting)	5.31 %

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 2

Proposal : Ratification of the proposal for distribution of 2020 profits.

(Proposed by the Board of Directors)

Explanation :

1. The unappropriated retained earnings at the beginning of the year is NT\$4,211,387,617 in 2020. After adding up the 2020 net income of NT\$8,609,657,363, then deducting the legal reserve of NT\$860,476,056 and special reserve retained for the net debit balance of other equity interest in this year of NT\$237,894,491 and remeasurements of defined benefit obligation of NT\$4,896,800, therefore the total amount of retained earnings available for distribution is NT\$11,717,777,633. It is proposed to distribute NT\$5,594,905,312 as the dividends to the shareholders in cash. (NT\$32 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, it is proposed the Shareholders' Meeting to authorize the Chairman with the power to set the ex-dividend date and other relevant matters.
3. Before the ex-dividend date, due to the amendment of laws or regulations, or the change to the Company's common shares (i.e. repurchasing the Company's shares or cancellation, capital increase by cash and executing the employee stock warrants to issuance new shares etc.), which results in changes in shareholders' allotment of cash dividend, the Chairman is to be authorized to adjust accordingly.
4. 2020 Statements of Profit Appropriation as follows:
5. Submission for ratification.

Wiwynn Corporation Profit Appropriation Statement for 2020

Unit : NTD\$

Unappropriated Retained Earnings at beginning of the year	4,211,387,617
Plus :	
Net Income of 2020	8,609,657,363
Less :	
Legal Reserve	(860,476,056)
Special Reserve retained for the net debit balance of other equity interest in this year	(237,894,491)
Remeasurements of defined benefit obligation	(4,896,800)
Retained Earnings Available for Distribution	11,717,777,633
Distribution Items :	
Stock Dividends to Common Shareholders	0
Cash Dividends to Common Shareholders	(5,594,905,312)
Unappropriated Retained Earnings at the end of the year	6,122,872,321

Note: Profit appropriation for 2020 is calculated based on 174,840,791 shares, the number of shares outstanding on the Company's second board resolution day in 2021 (March 08, 2021). Cash dividends distribute to common shareholders is NT\$32 per share. Cash dividends will be

rounded down to the nearest NT\$1 with the sum of all fractional dividends less than NT\$1 being recognized as other income of the Company.

Chairman:
Simon Lin

President:
Emily Hong

Accounting Officer:
Wenifred Wen

Resolution

Shares represented at the time of voting : 148,320,923 (including votes casted electronically : 137,473,532)

Voting Results	% of the total represented share present
Approval votes : 140,392,782 (including 129,548,391 votes through e-voting)	94.65 %
Disapproval votes : 118,163 (including 118,163 votes through e-voting)	0.07 %
Invalid votes : 0 (including 0 votes through e-voting)	0 %
Abstention votes/ No votes : 7,809,978 (including 7,806,978 votes through e-voting)	5.28 %

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 3

Proposal : Discussion of amendments to the “Rules and Procedures of Shareholders’ Meeting.”
(Proposed by the Board of Directors)

Explanation :

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the “Rules and Procedures of Shareholders’ Meeting.” Please refer to Attachment 3 for the before and after revision chart.
2. Please discuss.

Supplemental instruction: The revision date of this proposal should be based on the actual date of the shareholders’ meeting, so the revision date of Article 25 was revised to July 8, 2021.

Resolution

Shares represented at the time of voting : 148,320,923 (including votes casted electronically : 137,473,532)

Voting Results	% of the total represented share present
Approval votes : 139,298,677 (including 128,454,286 votes through e-voting)	93.91 %
Disapproval votes : 10,268 (including 10,268 votes through e-voting)	0 %
Invalid votes : 0 (including 0 votes through e-voting)	0 %
Abstention votes/ No votes : 9,011,978 (including 9,008,978 votes through e-voting)	6.09 %

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 4

Proposal : Discussion of amendments to the “The Election Regulations of Directors.”
(Proposed by the Board of Directors)

Explanation :

1. In order to comply with government rules and regulations, it is proposed to make amendments to

the “The Election Regulations of Directors.” Please refer to Attachment 4 for the before and after revision chart.

2. Please discuss.

Supplemental instruction: The revision date of this proposal should be based on the actual date of the shareholders’ meeting, so the revision date of Article 12 was revised to July 8, 2021.

Resolution

Shares represented at the time of voting : 148,320,923 (including votes casted electronically : 137,473,532)

Voting Results	% of the total represented share present
Approval votes : 139,298,677 (including 128,454,286 votes through e-voting)	93.91 %
Disapproval votes : 10,268 (including 10,268 votes through e-voting)	0 %
Invalid votes : 0 (including 0 votes through e-voting)	0 %
Abstention votes/ No votes : 9,011,978 (including 9,008,978 votes through e-voting)	6.09 %

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 5

Proposal : Discussion of the removal of the non-compete restrictions on directors and their corporate representatives.

(Proposed by the Board of Directors)

Explanation :

1. Pursuant to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the Company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. To draw on the expertise and relevant experience of directors, pursuant to Article 209 of the Company Act, it is proposed to release the prohibition on directors and their corporate representatives, who participate in the operations of another company that engages in the same or similar business scope as the Company.
3. The concurrent position of director is shown as follows:

Title	Name	Company Name and Concurrent Position	The Business which is similar to the Company’s	
			Business Category Code	Business Item
Chairman	Wistron Corporation Representative : Simon Lin	Independent Director of Powerchip Semiconductor Manufacturing Corp.	CC01080	Electronics Components Manufacturing
			F401010	International Trade
			I599990	Other Designing

4. Please discuss.

Resolution

Shares represented at the time of voting : 148,320,923 (including votes casted electronically : 137,473,532)

Voting Results	% of the total represented share present
Approval votes : 129,190,877 (including 118,346,486 votes through e-voting)	87.1 %
Disapproval votes : 10,040,981 (including 10,040,981 votes through e-voting)	6.76 %
Invalid votes : 0 (including 0 votes through e-voting)	0 %

Abstention votes/ No votes : 9,089,065 (including 9,086,065 votes through e-voting)	6.14 %
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RESOLVED, that the above proposal be and hereby was approved as proposed.

3. Extemporany Motion : None.

4. Adjournment : 09:35 a.m., July 8, 2021

Note : This document is extracted from the meeting; the details are subject to the audio and video recording.

Wiwynn Corporation Business Report

1. Management Policy and Implementation Overview

The whole world was under the threat of COVID-19 pandemic in 2020. After Chinese New Year in 2020, the first challenge encountered was the shortage of part of materials due to the shutdown of supply chains in China. It then followed by the outbreak of epidemic in Europe and America. Many countries implemented measures of lockdown, and it further led to difficulties in operations and logistics. Fortunately, Wiwynn was able to present our value as a professional system integrator with the efforts from all the employees.

Other than the threat of COVID-19, climate change has caused extreme climate all over the world in 2020. As a citizen of the earth, Wiwynn has signed the purchase contract of green power with electricity retailer. Wiwynn became the first information service industry in Taiwan to directly purchase green power from electricity retailer through the Renewable Power Purchase Agreement (PPA) to achieve complete environmental benefits after the amendment of The Electricity Act. Wiwynn plans to use 10% green power at the headquarters in Taipei from 2021 as well as to devote more resources in the future in order to enhance the overall percentage of green power utilization. Along with our customers with hyperscale data center announce one after another their goal of achieving carbon neutrality or using 100% renewable energy, Wiwynn also starts from the operation to promote energy saving and carbon reduction step by step. The Company also obtained outstanding performance of A- (top 24 among enterprises in Taiwan) for the topic of climate change in Carbon Disclosure Project (CDP).

Not long after the establishment in 2019, Wiwynn Tainan Factory started to introduce authorized economic operator (AEO) system actively. Under the full promotion and participation of all the employees, Wiwynn was successfully awarded the certificate of authorized economic operator in March 2020. Other than continuing advancing each security policy of AEO in the future to focus on maintaining global supply chain security as our corporate social responsibility, we will work with reliable business partners to provide our customers safe and convenient service quality.

Wiwynn published the first “Corporate Sustainability Report” in 2020 and is committed to sustainable operation and corporate social responsibility. Besides, we assigned a corporate governance director in August as well as started to publish important messages in English on Market Observation Post System in order to respond to the increasing shareholding ratio of foreign investment. Moreover, we disclosed the 2020 financial self-assessed value early in January 2021 to enhance transparency to stakeholders and meet the blueprint towards corporate governance required by the competent authority as early as possible. Environment, society, and corporate governance (ESG) are our priority targets as well as the maintenance of long-term stable profiting to protect the best interest of the shareholders.

2. Business Results

The consolidated operating revenue at the Company in 2020 was NT\$186,927,647,000, and it increased 14.26% compared to that in the previous year. The net profit after tax was \$8,609,657,000 with huge increase of 39.56% compared to that in the previous year. The net profit margin after tax was 4.61%, and it also enhanced 0.83% from the previous year. The basic earnings per share (EPS) was \$49.25, and the return on equity (ROE) achieved 38.49%. Other than the enhancement of net profit after tax, the overall financial structure was improving gradually. For example, the current ratio enhanced from 168.58% in 2019 to 212.77% in 2020 while the quick ratio also enhanced from 104.97% in 2019 to 132.38% in 2020. The above operational performance still remains the trend of growth especially under the situation of strong

appreciation on New Taiwan Dollar (NTD) towards United States Dollar (USD) in 2020; it was an extraordinary achievement.

3. Technology Development

Under the raging epidemic all over the world in 2020, lifestyle of human beings has been changed and stay-at-home economy has been booming, like work from home, distance learning, online or conference meeting, virtual exhibition, online shopping, and streaming media. Wiwynn focuses on the cloud infrastructure of the above application. We have a series of cloud servers and latest technology of two-phase immersion liquid cooling as well as continue developing power converter and cooling solution with high efficiency of energy saving and carbon reduction. We aim to speed up the change of energy-saving ecology with innovative technology to enhance the efficiency of energy used by data centers. Meanwhile, it can also satisfy the demands from data centers in the future on workload optimization and advanced cooling technology.

We are also optimistic about the business opportunity combining with edge computing after entering the era of 5G. In November 2020, Wiwynn EP100 products cooperated with leading 5G software solution manufacturers and completed the 2nd global O-RAN ALLIANCE Plugfest test to accelerate the development of product interoperability among manufacturers in the industrial ecological chain. Wiwynn currently concentrates on the telecom operators in Europe and in America to expand the business and targets on 5G public network projects to carry out the communication of initial product specification demand and product PoC (proof of concept), which expect to accelerate growth momentum in the further.

In terms of improvement of internal operating process, Wiwynn was the first in the manufacturing industry in Taiwan to introduce cloud ERP in 2020 to strengthen the agility of supply chain deployment in order to comprehensively integrate enterprise resources and keep the process of cross-departmental collaboration open as well as control the progress of global supply chain in a smarter way. Through this, the operational pace during the turbulence of epidemic can still be adjusted flexibly to maintain production capacity. It not only can save management costs and enhance operational efficiency but also make the system deployment more agile and system expansion more flexible through the backup and disaster recovery done by the built-in service that the cloud supplier provided. Moreover, using cloud as the data center for the enterprise can speed up application innovation. With various services in cloud ERP, Wiwynn handles cross-area and cross-departmental data via intelligent analysis provided by the cloud provider to control the progress of global supply chain, promote production, and implement smart customer service.

In addition, Wiwynn responds to the biggest software company in the world to introduce blockchain technology and jointly establishes cloud service supply chain innovative platform. Through shared distributed database structure, the traceability of end-to-end goods and materials is hugely improved, the turnover and circulation cycles are shortened, and profit maximization is achieved. The revolutionary change not only brings transparent and reliable data exchange but also achieves the function of tracking materials. It fulfills active dynamic supply chain management and benefits the whole supply chain ecological system.

In addition to satisfying various different specification demands at the current stage from our existing customer, our company also continues developing new customers and optimizes customer portfolio. Moreover, we also work with suppliers, partners of key technology and customers to develop more products. In the meantime, we also carry out continuous training and recruiting excellent R&D talents. With the consistent advancement in product development done by the growing and strong R&D team, we are able to provide IT solutions containing the best total cost of ownership (TCO) and the optimal workload to data centers.

4. Outlook and Prospect

Looking into the future, cloud industry, 5G, edge computing, AI, and big data analysis will be the main trends. In the future, there will be more and more applications and services. In addition to continue enhancing product competitiveness, strengthening R&D strength, investing key core technology, implementing smart factory, and presenting the value of system integration supplier, we plan to introduce Taiwan Intellectual Property Management System (TIPS) and establish the protection awareness among employees towards intellectual property rights. Besides, we will also enhance the rigor of information security management and automatic protection.

“Forward-looking adventure”, “efficient implementation”, “extraordinary quality”, and “teamwork” are the four beliefs in Wiwynn. We are still advancing bravely with our beliefs and continue leading the company moving forward to the future and creating unlimited possibilities. We are marching in stable pace and work with our employees for the long-term future with our quality and policy of non-hazardous substance, making good use of resources to protect environment, caring for people, and providing a safe and healthy working environment to our employees in order to devote ourselves to sustainable operation.

Chairman:
Simon Lin

President:
Emily Hong

Accounting Officer:
Wenifred Wen

Independent Auditors' Report

To the Board of Directors of Wiyynn Corporation:

Opinion

We have audited the financial statements of Wiyynn Corporation ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Refer to note 4(m) "Revenue" and note 6(r) to the financial statements for the disclosure of revenue recognition.

Description of key audit matter

The Company is a listed Company in related to public interest, and the investors are highly expecting the financial performance, resulting in revenue recognition is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluate if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the related changes or differences; assessing and testing if the management obtained sufficient external evidence showing that the control of the products have been transferred to the customers to support the timing of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

2. Inventory valuation

Refer to note 4(g) "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and note 6(d) to the financial statements for the disclosure of valuation of inventory.

Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as one of the key Judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included analyze the change of inventory aging by assessing and testing the inventory aging report, understanding the sales price which is used to evaluate the inventory valuation by management and the subsequent market price information as well as selecting the original transition documentation in order to test the appropriateness of the net realize values reviewing if the estimation and assumption used for inventory valuation and other disclosure for inventories made by management were appropriateness.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2021

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Wiyynn Corporation

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (note 6(a))	\$ 22,200,585	45	7,810,888	20	2100	3,107,372	6	3,670,098
1170 Accounts receivable, net (notes 6(b)(r))	5,880,759	11	5,166,681	13	2130	2,297,417	5	861,503
1180 Accounts receivable - related parties, net (notes 6(b)(r) and 7)	12,260,466	25	15,121,332	39	2170	1,010,184	2	3,606,202
1200 Other receivables (note 6(c))	2,927	-	3,099	-	2180	9,725,040	20	7,065,132
1210 Other receivables-related parties (notes 6(c) and 7)	528,215	1	2,299,124	6	2200	2,090,622	4	1,811,270
130X Inventories (note 6(d))	1,790,168	3	1,559,129	4	2220	273,442	-	483,457
1470 Other current assets (note 6(i))	906,431	2	429,429	1	2230	1,480,400	3	998,421
Total current assets	<u>43,569,551</u>	<u>87</u>	<u>32,389,682</u>	<u>83</u>	<u>2280</u>	<u>54,801</u>	<u>-</u>	<u>56,407</u>
Non-current assets:								
1550 Investments accounted for using equity method (note 6(c))	4,704,417	10	5,195,685	13	2300	51,523	-	53,892
1600 Property, plant and equipment (note 6(f))	851,999	2	685,791	2		20,090,801	40	18,606,382
1755 Right-of-use assets (note 6(g))	158,867	-	204,045	1		4,991,783	11	-
1780 Intangible assets (note 6(h))	64,602	-	19,106	-	2530	134,642	-	104,534
1840 Deferred tax assets (note 6(n))	407,467	1	494,398	1	2570	108,835	-	153,566
1990 Other non-current assets (notes 6(i) and 8)	91,988	-	97,510	-	2580	8,907	-	2,870
Total non-current assets	<u>6,279,340</u>	<u>13</u>	<u>6,696,535</u>	<u>17</u>	2640	<u>5,244,167</u>	<u>11</u>	<u>260,970</u>
Total assets	<u>\$ 49,848,891</u>	<u>100</u>	<u>\$ 39,086,217</u>	<u>100</u>		<u>25,334,968</u>	<u>51</u>	<u>18,867,352</u>
Liabilities and Equity								
Current liabilities:								
Short-term borrowings (note 6(j))								
Contract liabilities-current (note 6(r))								
Notes payable and accounts payable								
Accounts payable - related parties (note 7)								
Other payables (note 6(s))								
Other payables-related parties (note 7)								
Current tax liabilities								
Lease liabilities-current (notes 6(l) and 7)								
Other current liabilities								
Current liabilities								
Non-current liabilities:								
Bonds payable (note 6(k))								
Deferred tax liabilities (note 6(n))								
Lease liabilities-non-current (notes 6(l) and 7)								
Net defined benefit liabilities (note 6(m))								
Non-current liabilities								
Total liabilities								
Equity (notes 6(m)(o)(p)):								
Common shares					3110	1,748,408	3	1,746,368
Capital surplus					3200	8,817,380	18	8,816,183
Retained earnings					3300	14,186,029	28	9,602,400
Other equity					3400	(237,894)	-	53,914
Total equity						<u>24,513,923</u>	<u>49</u>	<u>20,218,865</u>
Total liabilities and equity	<u>\$ 49,848,891</u>	<u>100</u>	<u>\$ 39,086,217</u>	<u>100</u>		<u>\$ 49,848,891</u>	<u>100</u>	<u>\$ 39,086,217</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Wiwynn Corporation

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(r) and 7)	\$ 79,017,070	100	74,884,945	100
5000	Operating costs (notes 6(d)(f)(g)(h)(l)(m)(s), 7 and 12)	<u>64,533,782</u>	<u>82</u>	<u>64,333,399</u>	<u>86</u>
	Gross profit	14,483,288	18	10,551,546	14
5910	Less: unrealized profit from sales	<u>(350,000)</u>	<u>-</u>	<u>(177,845)</u>	<u>-</u>
	Net gross profit	<u>14,133,288</u>	<u>18</u>	<u>10,373,701</u>	<u>14</u>
	Operating expenses (notes 6(b)(f)(g)(h)(l)(m)(p)(s), 7 and 12):				
6100	Selling expenses	613,040	1	523,100	1
6200	Administrative expenses	579,743	1	714,213	1
6300	Research and development expenses	2,136,829	2	1,414,283	2
6450	Expected credit loss (gain)	<u>1,807</u>	<u>-</u>	<u>(10,046)</u>	<u>-</u>
	Total operating expenses	<u>3,331,419</u>	<u>4</u>	<u>2,641,550</u>	<u>4</u>
	Net operating income	<u>10,801,869</u>	<u>14</u>	<u>7,732,151</u>	<u>10</u>
	Non-operating income and expenses (notes 6(k)(l)(t) and 7):				
7100	Interest income	33,527	-	55,828	-
7010	Other income	76	-	79	-
7020	Other gains and losses	(98,187)	-	(146,466)	-
7050	Finance costs	(64,339)	-	(105,206)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>150,540</u>	<u>-</u>	<u>170,759</u>	<u>-</u>
	Total non-operating income and expenses	<u>21,617</u>	<u>-</u>	<u>(25,006)</u>	<u>-</u>
7900	Income before tax	10,823,486	14	7,707,145	10
7950	Income tax expense (note 6(n))	<u>2,213,829</u>	<u>3</u>	<u>1,537,891</u>	<u>2</u>
	Net income	<u>8,609,657</u>	<u>11</u>	<u>6,169,254</u>	<u>8</u>
8300	Other comprehensive income (notes 6(m)(n)(o)):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(6,121)	-	(2,322)	-
8349	Income tax related to items that may not be reclassified subsequently to profit or loss	<u>1,224</u>	<u>-</u>	<u>464</u>	<u>-</u>
	Total Items that may not be reclassified subsequently profit or loss	<u>(4,897)</u>	<u>-</u>	<u>(1,858)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(291,808)	-	(118,936)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(291,808)</u>	<u>-</u>	<u>(118,936)</u>	<u>-</u>
8300	Other comprehensive income	<u>(296,705)</u>	<u>-</u>	<u>(120,794)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 8,312,952</u>	<u>11</u>	<u>6,048,460</u>	<u>8</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(q))				
9750	Basic earnings per share	<u>\$ 49.25</u>		<u>36.42</u>	
9850	Diluted earnings per share	<u>\$ 48.98</u>		<u>36.23</u>	

(English Translation of Financial Statements Originally Issued in Chinese)
Wiwynn Corporation

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	
Balance on January 1, 2019	\$ 1,520,288	2,853,756	195,198	8,137	6,026,558	6,229,893	172,850	10,776,787
Effects of retrospective application	-	-	-	-	(2,204)	(2,204)	-	(2,204)
Balance on January 1, 2019 after adjustments	1,520,288	2,853,756	195,198	8,137	6,024,354	6,227,689	172,850	10,774,583
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	557,758	-	(557,758)	-	-	-
Special reserve	-	-	-	(8,137)	8,137	-	-	-
Cash dividends	-	-	-	-	(2,792,685)	(2,792,685)	-	(2,792,685)
Net income	-	-	-	-	6,169,254	6,169,254	-	6,169,254
Other comprehensive income	-	-	-	-	(1,858)	(1,858)	-	(1,858)
Total comprehensive income	-	-	-	-	6,167,396	6,167,396	-	6,167,396
Cash subscription	188,100	5,769,888	-	-	-	-	-	5,957,988
Issue of common shares-employee stock options	37,980	28,577	-	-	-	-	-	66,557
Share-based payments	-	163,962	-	-	-	-	-	163,962
Balance on December 31, 2019	1,746,368	8,816,183	752,956	-	8,849,444	9,602,400	53,914	20,218,865
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	616,925	-	(616,925)	-	-	-
Cash dividends	-	-	-	-	(4,021,131)	(4,021,131)	-	(4,021,131)
Net income	-	-	-	-	8,609,657	8,609,657	-	8,609,657
Other comprehensive income	-	-	-	-	(4,897)	(4,897)	-	(296,705)
Total comprehensive income	-	-	-	-	8,604,760	8,604,760	(291,808)	8,312,952
Issue of common shares-employee stock options	2,040	1,197	-	-	-	-	-	3,237
Balance on December 31, 2020	1,748,408	8,817,380	1,369,881	-	12,816,148	14,186,029	(237,894)	24,513,923

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

Wiwynn Corporation

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Income before tax	\$ 10,823,486	7,707,145
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	286,415	179,437
Amortization expense	19,350	5,935
Expected credit loss (gain)	1,807	(10,046)
Net losses (profit) on financial assets or liabilities at fair value through profit or loss	(436,049)	44,269
Interest expense	64,339	105,206
Interest income	(33,527)	(55,828)
Share-based payments	-	163,962
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(150,540)	(170,759)
Losses on disposal of property, plant and equipment	95	6
Unrealized profit from sales	350,000	177,845
Prepayments for equipment reclassified as expenses	186	-
Total adjustments to reconcile profit	<u>102,076</u>	<u>440,027</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss-current	436,049	(44,269)
Increase in accounts receivable, net	(715,885)	(1,169,847)
Decrease (increase) in accounts receivable-related parties, net	2,860,866	(7,204,331)
Decrease (increase) in other receivable	172	(199)
Decrease in other receivable-related parties	1,770,909	2,274,422
Increase in inventories	(231,039)	(423,516)
Decrease (increase) in other current assets	(475,359)	2,248,942
Total changes in operating assets	<u>3,645,713</u>	<u>(4,318,798)</u>
Changes in operating liabilities:		
Increase in contract liabilities-current	1,435,914	479,689
Increase (decrease) in notes and accounts payable	(2,596,018)	3,584,772
Increase in accounts payable-related parties	2,659,908	3,267,203
Increase in other payable	277,578	545,861
Decrease in other payable-related parties	(210,015)	(266,939)
Increase (decrease) in other current liabilities	(2,369)	22,251
Decrease in net defined benefit liabilities	(84)	(77)
Total changes in operating liabilities	<u>1,564,914</u>	<u>7,632,760</u>
Total changes in operating assets and liabilities	<u>5,210,627</u>	<u>3,313,962</u>
Total adjustments	<u>5,312,703</u>	<u>3,753,989</u>
Cash inflow generated from operations	16,136,189	11,461,134
Interest received	31,884	57,604
Interest paid	(58,093)	(108,181)
Income taxes paid	(1,617,776)	(2,056,982)
Net cash flows from operating activities	<u>14,492,204</u>	<u>9,353,575</u>
Cash flows from investing activities:		
Acquisition of investments accounted for using equity method	-	(49,285)
Acquisition of property, plant and equipment	(295,457)	(629,050)
Acquisition of intangible assets	(64,846)	(17,799)
Decrease in other financial assets	1,107	96,473
Increase in prepayments for equipment	(98,720)	(85,938)
Net cash flows used in investing activities	<u>(457,916)</u>	<u>(685,599)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	70,744,296	18,236,013
Decrease in short-term borrowings	(71,307,022)	(17,067,581)
Proceeds from issuing bonds	4,991,500	-
Decrease in long-term borrowings	-	(5,522,236)
Payment of lease liabilities	(55,471)	(42,143)
Cash dividends paid	(4,021,131)	(2,792,685)
Cash subscription	-	5,957,988
Exercise of employee stock options	3,237	66,557
Net cash flows from (used in) financing activities	<u>355,409</u>	<u>(1,164,087)</u>
Net increase in cash and cash equivalents	14,389,697	7,503,889
Cash and cash equivalents at beginning of period	7,810,888	306,999
Cash and cash equivalents at end of period	<u>\$ 22,200,585</u>	<u>7,810,888</u>

Independent Auditors' Report

To the Board of Directors of Wiyynn Corporation:

Opinion

We have audited the consolidated financial statements of Wiyynn Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Refer to note 4(m) "Revenue" and note 6(q) to the consolidated financial statements for the disclosure of revenue recognition.

Description of key audit matter

The Group is a listed Company in related to public interest, and the investors are highly expecting the financial performance, resulting in revenue recognition is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluate if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the related changes or differences; assessing and testing if the management obtained sufficient external evidence showing that the control of the products have been transferred to the customers to support the timing of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

2. Inventory valuation

Refer to note 4(h) "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and note 6(d) to the consolidated financial statements for the disclosure of valuation of inventory.

Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included analyze the change of inventory aging by assessing and testing the inventory aging report, understanding the sales price which is used to evaluate the inventory valuation by management and the subsequent market price information as well as selecting the original transition documentation in order to test the appropriateness of the net realize values reviewing if the estimation and assumption used for inventory valuation and other disclosure for inventories made by management were appropriateness.

Other Matter

Wiwynn Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Wiyynn Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets									
Current assets:									
1100 Cash and cash equivalents (note 6(a))	\$ 23,169,231	42	11,992,139	25	2100 Short-term borrowings (note 6(i))	\$ 5,359,504	10	8,638,393	18
1170 Accounts receivable, net (notes 6(b)(q))	7,827,082	14	13,655,018	28	2130 Contract liabilities-current (note 6(q))	2,297,417	4	861,503	2
1180 Accounts receivable-related parties, net (notes 6(b)(q) and 7)	340,218	1	415,932	1	Notes payable and accounts payable	2,761,327	5	6,974,206	14
1200 Other receivables (note 6(c))	3,166	-	5,927	-	2170 Accounts payable-related parties (note 7)	9,758,171	18	7,253,909	15
1210 Other receivables-related parties (notes 6(c) and 7)	588,047	1	2,363,013	5	2180 Other payables (note 6(r))	2,516,597	4	2,209,050	5
130X Inventories (note 6(d))	19,827,729	36	17,442,078	36	Other payables-related parties (note 7)	148,666	-	207,888	-
1479 Other current assets (note 6(h))	1,011,905	2	539,289	1	Current tax liabilities	1,509,458	3	1,017,329	2
Total current assets	52,767,378	96	46,413,396	96	Lease liabilities-current (notes 6(k) and 7)	105,132	-	109,708	-
Non-current assets:					Other current liabilities	343,433	1	260,144	1
1600 Property, plant and equipment (note 6(e))	951,781	2	718,167	2	Total current liabilities	24,799,705	45	27,532,130	57
1755 Right-of-use assets (notes 6(f) and 7)	377,227	1	388,815	1	Non-current liabilities:				
1780 Intangible assets (note 6(g))	64,602	-	19,106	-	Bonds payable (note 6(l))	4,991,783	9	-	-
1840 Deferred tax assets (note 6(m))	419,083	1	494,398	1	Deferred tax liabilities (note 6(m))	134,642	-	104,534	-
1990 Other non-current assets (notes 6(l) and 8)	144,094	-	113,344	-	Lease liabilities-non-current (notes 6(k) and 7)	275,205	1	288,827	1
Total non-current assets	1,956,787	4	1,733,830	4	Net defined benefit liabilities-non-current (note 6(l))	8,907	-	2,870	-
					Total non-current liabilities	5,410,537	10	396,231	1
					Total liabilities	30,210,242	55	27,928,361	58
					Equity (notes 6(l)(m)(o)(o)):				
					Common shares	1,748,408	3	1,746,368	4
					Capital surplus	8,817,380	16	8,816,183	18
					Retained earnings	14,186,029	26	9,602,400	20
					Other equity	(237,894)	-	53,914	-
					Total equity	24,513,923	45	20,218,865	42
Total assets	\$ 54,724,165	100	48,147,226	100	Total liabilities and equity	\$ 54,724,165	100	48,147,226	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Wiwynn Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q) and 7)	\$ 186,927,647	100	163,600,423	100
5000	Operating costs (notes 6(d)(e)(f)(g)(k)(l)(r), 7 and 12)	171,626,518	92	152,251,871	93
	Gross profit from operations	15,301,129	8	11,348,552	7
	Operating expenses (notes 6(b)(e)(f)(k)(l)(o)(r), 7 and 12):				
6100	Selling expenses	1,228,494	1	961,081	1
6200	Administrative expenses	658,157	-	786,932	-
6300	Research and development expenses	2,179,233	1	1,442,091	1
6450	Expected credit loss (gain)	(6,609)	-	(1,630)	-
	Total operating expenses	4,059,275	2	3,188,474	2
	Net operating income	11,241,854	6	8,160,078	5
	Non-operating income and expenses (notes 6(j)(k)(s) and 7):				
7100	Interest income	38,984	-	72,195	-
7010	Other income	76	-	79	-
7020	Other gains and losses	(89,179)	-	(150,600)	-
7050	Finance costs	(304,316)	-	(323,482)	-
	Total non-operating income and expenses	(354,435)	-	(401,808)	-
7900	Income before tax	10,887,419	6	7,758,270	5
7950	Income tax expense (note 6(m))	2,277,762	1	1,589,016	1
	Net income	8,609,657	5	6,169,254	4
8300	Other comprehensive income (notes 6(l)(m)(n)):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(6,121)	-	(2,322)	-
8349	Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	1,224	-	464	-
	Total Items that may not be reclassified subsequently profit or loss	(4,897)	-	(1,858)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(291,808)	-	(118,936)	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(291,808)	-	(118,936)	-
8300	Other comprehensive income (net of tax)	(296,705)	-	(120,794)	-
8500	Total comprehensive income	\$ 8,312,952	5	6,048,460	4
	Profit attributable to:				
8610	Owners of parent	\$ 8,609,657	5	6,169,254	4
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 8,312,952	5	6,048,460	4
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	Basic earnings per share	\$ 49.25		36.42	
9850	Diluted earnings per share	\$ 48.98		36.23	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Wiwynn Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity
Balance on January 1, 2019	\$ 1,520,288	2,853,756	195,198	8,137	6,026,558	6,229,893	172,850	10,776,787
Effects of retrospective application	-	-	-	-	(2,204)	(2,204)	-	(2,204)
Balance on January 1, 2019 after adjustments	1,520,288	2,853,756	195,198	8,137	6,024,354	6,227,689	172,850	10,774,583
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	557,758	-	(557,758)	-	-	-
Special reserve	-	-	-	(8,137)	8,137	-	-	-
Cash dividends	-	-	-	-	(2,792,685)	(2,792,685)	-	(2,792,685)
Net income	-	-	-	-	6,169,254	6,169,254	-	6,169,254
Other comprehensive income	-	-	-	-	(1,858)	(1,858)	-	(1,858)
Total comprehensive income	-	-	-	-	6,167,396	6,167,396	(118,936)	6,048,460
Cash subscription	188,100	5,769,888	-	-	-	-	-	5,957,988
Issue of common shares-employee stock options	37,980	28,577	-	-	-	-	-	66,557
Share-based payments	-	163,962	-	-	-	-	-	163,962
Balance on December 31, 2019	1,746,368	8,816,183	752,956	-	8,849,444	9,602,400	53,914	20,218,865
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	616,925	-	(616,925)	-	-	-
Cash dividends	-	-	-	-	(4,021,131)	(4,021,131)	-	(4,021,131)
Net income	-	-	-	-	8,609,657	8,609,657	-	8,609,657
Other comprehensive income	-	-	-	-	(4,897)	(4,897)	(291,808)	(296,705)
Total other comprehensive income	-	-	-	-	8,604,760	8,604,760	(291,808)	8,312,952
Issue of common shares-employee stock options	2,040	1,197	-	-	-	-	-	3,237
Balance on December 31, 2020	1,748,408	8,817,380	1,369,881	-	12,816,148	14,186,079	(237,894)	24,513,923

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Wiwynn Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Income before tax	\$ 10,887,419	7,758,270
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	371,292	204,024
Amortization expense	19,350	5,935
Expected credit loss (gain)	(6,609)	(1,630)
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(436,049)	44,269
Interest expense	304,316	323,482
Interest income	(38,984)	(72,195)
Share-based payments	-	163,962
Losses on disposal of property, plant and equipment	95	17
Prepayments for equipment reclassified as expenses	186	-
Losses from lease modification	313	-
Total adjustments to reconcile profit	213,910	667,864
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss-current	436,049	(44,269)
Decrease (increase) in accounts receivable, net	5,628,430	(4,392,272)
Decrease (increase) in accounts receivable-related parties, net	75,714	(391,736)
Decrease in other receivable	2,634	4,779
Decrease (increase) in other receivable-related parties	1,734,239	(2,283,222)
Increase in inventories	(3,394,994)	(3,946,077)
Decrease (increase) in other current assets	(498,840)	2,224,935
Total changes in operating assets	3,983,232	(8,827,862)
Changes in operating liabilities:		
Increase in contract liabilities-current	1,435,914	479,689
Increase (decrease) in notes and accounts payable	(4,086,436)	5,937,713
Increase in accounts payable-related parties	3,105,001	3,411,246
Increase in other payable	440,006	1,065,957
Decrease in other payable-related parties	(59,222)	(145,199)
Increase in other current liabilities	96,938	31,705
Decrease in net defined benefit liabilities-non-current	(84)	(77)
Total changes in operating liabilities	932,117	10,781,034
Total changes in operating assets and liabilities	4,915,349	1,953,172
Total adjustments	5,129,259	2,621,036
Cash inflow generated from operations	16,016,678	10,379,306
Interest received	37,341	73,971
Interest paid	(303,088)	(317,775)
Income taxes paid	(1,658,747)	(2,230,323)
Net cash flows from operating activities	14,092,184	7,905,179
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(387,276)	(647,667)
Acquisition of intangible assets	(64,846)	(17,799)
Decrease (increase) in other non-current assets	(1,136)	92,884
Increase in prepayments for equipment	(165,402)	(98,986)
Net cash used in investing activities	(618,660)	(671,568)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	99,065,137	34,837,120
Decrease in short-term borrowings	(102,169,488)	(29,030,912)
Proceeds from issuing bonds	4,991,500	-
Decrease in long-term borrowings	-	(5,522,236)
Cash dividends paid	(4,021,131)	(2,792,685)
Cash subscription	-	5,957,988
Exercise of employee stock options	3,237	66,557
Payment of lease liabilities	(94,946)	(56,220)
Net cash from (used in) financing activities	(2,225,691)	3,459,612
Effect of exchange rate changes on cash and cash equivalents	(70,741)	(104,676)
Net increase in cash and cash equivalents	11,177,092	10,588,547
Cash and cash equivalents at beginning of period	11,992,139	1,403,592
Cash and cash equivalents at end of period	\$ 23,169,231	11,992,139

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and Proposal for Distribution of Profits. The CPAs Chia-Chien Tang and Ming-Hung Huang from KPMG performed Wiwynn's Financial Statements Audit and issued an audit report. The Business Report, Financial Statements, and Proposal of Distribution of Profit have been reviewed and determined to be correct and accurate by the Audit Committee of Wiwynn Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Wiwynn Corporation

Convener of the Audit Committee : Simon Dzeng

March 08, 2021

Wiwynn Corporation
Rules and Procedures of Shareholders' Meeting
 (Before and After Revision Chart)

Before Revision	After Revision	Reason
<p>Article 2 </p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act of the Republic of China, Articles 26-1 and 43-6 of the Securities and Exchange Act of the Republic of China, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice with the reasons and explanation of essential contents for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</p> <p>.....</p>	<p>Article 2 </p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act of the Republic of China, Articles 26-1 and 43-6 of the Securities and Exchange Act of the Republic of China, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice with the reasons and explanation of essential contents for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</p> <p>.....</p>	To comply with the updated regulation.
<p>Article 10</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting time. However, If the number of shares represented by attending shareholders has not yet constituted more than one-half of the total number of issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting, provided that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponements shall not exceed one (1) hour. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one third of the total number of issued and outstanding shares, the chairman shall announce the termination of the meeting.</p> <p>.....</p>	<p>Article 10</p> <p>The chairman shall call the meeting to order at the time scheduled for the meeting time- and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, If the number of shares represented by attending shareholders has not yet constituted more than one-half of the total number of issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting, provided that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponements shall not exceed one (1) hour. If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one third of the total number of issued and outstanding shares, the chairman shall announce the termination of the meeting.</p> <p>.....</p>	To comply with the updated regulation
<p>Article 11</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda. For each proposal (including extemporaneous motions and the amendments to the contents of the original proposals) shall be voted by polling. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p>	<p>Article 11</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda. For each proposal (including extemporaneous motions and the amendments to the contents of the original proposals) shall be voted by polling. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p>	Revision according to the actual practice
<p>Article 20</p> <p>The election of directors or independent directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company,</p>	<p>Article 20</p> <p>The election of directors or independent directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company,</p>	To comply with the updated regulation

【 Attachment 3 】

Before Revision	After Revision	Reason
<p>and the voting results shall be announced on-site immediately, including the list of directors and independent directors elected and the numbers of votes such directors and independent directors received.</p>	<p>and the voting results shall be announced on-site immediately, including the list of directors and independent directors elected and the numbers of votes such directors and independent directors received-, <u>and the list of directors and independent directors not elected and numbers of votes they received.</u></p>	
<p>Article 25 These Rules and Procedures, and any amendments hereto, shall be effective from the date it is approved by the shareholders meetings. This Rules and Procedures was enacted on May 26, 2014. The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 25, 2019. The 3rd amendment was made on June 15, 2020.</p>	<p>Article 25 These Rules and Procedures, and any amendments hereto, shall be effective from the date it is approved by the shareholders meetings. This Rules and Procedures was enacted on May 26, 2014. The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 25, 2019. The 3rd amendment was made on June 15, 2020. <u>The 4th amendment was made on July 08, 2021.</u></p>	<p>Correspondence to the amendment date.</p>

Wiwynn Corporation
The Election Regulations of Directors
 (Before and After Revision Chart)

Items	Before Revision	Items	After Revision	Reason
Article 9	If a candidate is a shareholder of this Company, voters shall fill in the “candidate” column of the ballot with the candidate’s account name and shareholder account number; if a candidate is not a shareholder, the voter shall fill in the column with the candidate’s full name and identity card number, and then voters shall drop the ballots into the ballot box. If the candidate is a government agency or a legal entity, the full name of the government agency or legal entity or the name(s) of their representative(s) should be filled in the column. In the event of multiple representatives, the names of each respective representative shall be separately filled in the column.	Article 9	If a candidate is a shareholder of this Company, voters shall fill in the “candidate” column of the ballot with the candidate’s account name and shareholder account number; if a candidate is not a shareholder, the voter shall fill in the column with the candidate’s full name and identity card number, and then voters shall drop the ballots into the ballot box. If the candidate is a government agency or a legal entity, the full name of the government agency or legal entity or the name(s) of their representative(s) should be filled in the column. In the event of multiple representatives, the names of each respective representative shall be separately filled in the column.	To comply with the updated regulation
Article 10	A ballot shall be null and void if such ballot: 1. Is not dropped into the ballot box; 2. Was not prepared by the Board of Directors; 3. Is not filled out by a voter or is blank; 4. Was filled with the name or shareholder’s number of the candidate inconsistent with the shareholders’ register, where the candidate is a shareholder of the Company; or was filled with the incorrect name or identity card number of the candidate, where the candidate is not a shareholder of the Company; 5. Contains any words or notations other than the candidate’s name or the shareholder’s account number, (or identity card number) and the number of voting rights allotted; 6. Contains any alteration to the candidate’s name, shareholder’s account number (or identity card number), or voting power; 7. Contains words or marks which are illegible or unrecognizable; or 8. Contains the name of a candidate, but fails to list the shareholder’s account number, or his or her identity card number so as to identify such person.	Article 9	A ballot shall be null and void if such ballot: 1. Is not dropped into the ballot box; 2. <u>The ballot</u> was not prepared by <u>a person with the right to convene the Board of Directors</u> ; 3. Is not filled out by a voter or is blank; 4. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list. Was filled with the name or shareholder’s number of the candidate inconsistent with the shareholders’ register, where the candidate is a shareholder of the Company; or was filled with the incorrect name or identity card number of the candidate, where the candidate is not a shareholder of the Company;</u> 5. <u>Other words or mark are entered in addition to the number of voting rights allotted. Contains any words or notations other than the candidate’s name or the shareholder’s account number, (or identity card number) and the number of voting rights allotted;</u> 6. <u>Contains any alteration to the candidate’s name, shareholder’s account number (or identity card number), or voting power;</u> 6.7. <u>Contains words or marks which are illegible or unrecognizable; or has been altered.</u> 8. <u>Contains the name of a candidate, but fails to list the shareholder’s account number, or his or her identity card number so as to identify such person.</u>	1. Amending article number 2. To comply with the updated regulation
Article 11	Article 10	Amending article number
Article 12	Article 11	Amending article

【 Attachment 4 】

Items	Before Revision	Items	After Revision	Reason
Article 13	This Procedure was enacted on May 22, 2015.The 1st amendment was made on January 17, 2018.	Article 12	This Procedure was enacted on May 22, 2015.The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 15, 2020. <u>The 3rd amendment was made on July 08, 2021.</u>	number 1.Amending article number 2.Correspondence to the amendment date.