

WIWYNN CORPORATION
2023 ANNUAL GENERAL SHAREHOLDERS' MEETING
MINUTES
(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the minutes of 2022 Annual Shareholders' Meeting shall govern any and all matters related to the interpretation of the subject matter stated herein.

- Meeting Time : 9:00 a.m., Monday, May 29, 2023
- Place : 2F., No. 94, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)
(Conference Room on the 2nd Floor, Building C, Oriental Science Park)
- Total outstanding shares of Wiwynn Corporation : 174,840,791 shares
- Total shares represented by shareholders present in person or by proxy : 152,948,521 shares
- Percentage of shares held by shareholders present in person or by proxy : 87.47%
- Directors present : Simon Lin / Chairman, Emily Hong / Vice Chairman, Frank Lin / Director,,
Simon Dzeng / Independent Director / Convener of Audit committee, Charles
Kau / Independent Director, Cathy Han / Independent Director, Victor Cheng
/ Independent Director
- In attendance : Harry Chen / CFO, Ken Tang/ CPA
- Chairman : Simon Lin, Chairman of the Board of Directors
- Recorder : Harry Chen

The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum.

The Chairman called the meeting to order.

Chairman's Address (omitted)

I. Report Items

- 1.Report the business of 2022. (Please refer to Attachment 1)
- 2.Audit Committee's review report. (Please refer to Attachment 2)
- 3.Report 2022 employees' profit sharing and directors' compensation.

Explanation:

(1) 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.

(2) The Company's third-term eleventh Compensation Committee Meeting and the second Board Meeting of 2023 approved the proposal of 2022 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' 2022 profit sharing is NT\$935,000,000, distributed in cash.

B. The total amount of Board Directors' 2022 compensation is NT\$36,000,000, distributed in cash.

4. Report the status of the issuance of new common shares for cash to sponsor the issuance of GDR. The Company resolved at the shareholders' meeting on May 31, 2021, to conduct the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement. On the same day, the Board of Directors approved the proposal the issuance to new common shares for cash within the quota of 17,000 thousand shares to sponsor the issuance of GDR. Due to a change in the Company's operational capital needs, the Company withdrew its application to the Financial Supervisory Commission on December 22, 2022, and the approval is on file.

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

II. Election Item

Proposal : Election of the 5th Board of Directors, including Independent Directors.

(Proposed by the Board of Directors)

Explanation :

1. The term of service for the Company's fourth term of Board of Directors will expire on June 14, 2023, it is proposed to re-elect all directors (including Independent Directors) at 2023 General Shareholders' Meeting.
2. According to the "Articles of Incorporation of the Company", the Company should have seven to nine directors and adopt the candidate nomination system. Directors are elected by the shareholders from a roster of director candidate announced by the Company. Each director will serve an office term of three years and may be re-elected.
3. The Company's fifth Board of Directors should elect nine directors (including four Independent Directors), the term of service is from May 29, 2023, to May 28, 2026. All the Independent Directors will constitute the Audit Committee.
4. The list of candidates of Directs and Independent Directors was compiled in accordance with Article 192-1 of Company Act, Paragraph 2 of the Article 14-2 of Securities and Exchange Act, Article 5 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the relevant information of candidates are shown as follows :

Title	Name	Education/Experience	Current Position	Shareholdings (Note)
Director	Emily Hong	The Alumni Association of Executives Program, Graduate School of Business Administration, National Chengchi University Bachelor of Political Science, National Taiwan University General Manager of Enterprise Product Group and Cloud Business Group in Wistron Corp. Vice General Manager in Acer Inc.	Vice Chairman & CEO of Wiwynn Corporation. Director of Wiwynn Mexico S.A. de C.V.(WYMX) Independent Director of Momo.com Inc.	2,944,624
Director	Wistron Corporation Representative : Frank Lin	Bachelor of Accounting, Feng Chia University Chief Financial Officer of Acer Inc.	Chief of Staff Officer of Wistron Corporation Director of Wistron NeWeb Corp. Director of Wistron ITS Corp. Chairman of Wise Cap Limited Company Chairman of WLB Ltd. Director of Changing Information	65,895,129

Title	Name	Education/Experience	Current Position	Shareholdings (Note)
			Technology Inc. Supervisor of aEnrich Technology Corp Director of IP Fund Six Director of Join-Link International Technology Co., Ltd. Director of Maya International Co., Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Digital Technology Holding Company Director of Wistron Medical Tech Corporation Director of Pell Bio-Med Technology Co., Ltd. Chairman of WiSuccess Asset Management Corporation Director of Wistron Green Energy Holding Company Director of Hartec Asia Pte. Ltd. Chairman of WiseCap (Hong Kong) Limited Director of Hukui Biotechnology Corporation Director of B-Temia Asia Pte. Ltd.	
Director	Wistron Corporation Representative : Sylvia Chiou	Master of Business Administration, University of Pittsburgh Director of Staff Officer I of Wistron Corporation.	Director of Staff office I and Vice President of Sustainability of Wiwynn Corporation. Director of T-Conn Precision Corporation Director of Finemat Applied Materials Co., Ltd Director of Retronix Technology Inc. Director of AiSails Power Inc. Supervisor of Wistron Green Energy Holding Company Director of Diagnostics For The Real World Limited Director of Mobility Technology Group Inc. Director of Wibase Industrial Solutions Inc.	65,895,129
Director	Sunlai Chang	PhD., University of Maryland, College Park. Bachelor of Science in Mechanical Engineering, National Taiwan University Director of Mechanical Design, Enterprise Business Group in Wistron Corp.	President of Wiwynn Corporation Director of LiquidStack Holding B.V. Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn International Corporation (WYUS) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR)	490,235
Director	Steven Lu	Master of Business Administration, The Fuqua School of Business, Duke University Bachelor and Master of Science in Computer Science & Information Engineering, National Taiwan University Senior Director of Server and Storage Group in Acer Inc. Senior Manager of Enterprise Business Group in Wistron	Senior Vice President of Wiwynn Corporation. Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR) Director of Wiwynn Technology Service KunShan Ltd. (WYKS)	340,455

Title	Name	Education/Experience	Current Position	Shareholdings (Note)
		Corp.		
Independent Director	Charles Kau	Master of Chemical Engineering, North Carolina State University Chairman of Inotera Memories, Inc. General Manager of Nanya Technology Corporation	Chairman of Ion Electronic Materials co., Ltd. Chairman of XTEK Semiconductor (Huangshi) Co., Ltd. Independent Director of Hauman Technologies Corporation. Independent Director of Rockchip Electronics Co., Ltd. Independent Director of Wus Printed Circuit (Kunshan) Co., Ltd.	0
Independent Director	Simon Dzeng	PhD in Accounting, Drexel University MBA in Finance, Drexel University Bachelor of Business Administration, National Taiwan University Executive Vice President of Mega Financial Holding Corp. Chairman of Mega Bills Finance Co., LTD. Executive Vice President of China Development Financial Holding Corp. and President of China Development Industrial Bank	Chairman of Hopewell Asset Management, Inc. Chairman of Hopewell Investments, Inc. Chairman of Capstone Investments, Inc. Chairman of Formacell Inc. Independent Director of E&E Recycling, Inc. Director of Jinwen University of Science and Technology. Independent Director of Wafer Technology Corp.	0
Independent Director	Victor Cheng	SJD, Stanford University Bachelor, School of Law, Soochow University Professor, National Taiwan University of Science and Technology Professor, School of Law, Shih Hsin University Director and Dean, Institute of Intellectual Property, Shih Hsin University Legal supervisor in Acer Inc.	Director of Throughtek Co., Ltd. Independent Director of Yodn Lighting Corp.	0
Independent Director	Cathy Han	MBA, University of Connecticut Executive Vice President of Business Development Department, CDIB Capital Group Vice President of Planning Department, China Development Industrial Bank Senior Vice President of Principal Investment Department, China Development Industrial Bank	Independent Director of Apacer Technology inc. Independent Director of Macroblock, Inc. Independent Director of AUO Corporation	0

Note : Shareholdings as of March 30, 20203

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

Election Results:

I. List of Elected Directors

Name	Number of Votes Received
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Emily Hong	166,468,542
Sunlai Chang	137,119,145
Wistron Corporation Representative: Frank Lin	135,544,951
Steven Lu	135,183,223
Wistron Corporation Representative: Sylvia Chiou	134,963,428

2. List of Elected Independent Directors

Name	Number of Votes Received
Cathy Han	144,083,151
Charles Kau	134,137,032
Victor Cheng	134,092,412
Simon Dzung	133,854,079

III. Ratification Items and Discussion Items

Item 1

Proposal : Ratification of the Business Report and Financial Statements of 2022.

(Proposed by the Board of Directors)

Explanation :

1. The Company's business report and financial statements for 2022 (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.

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

Resolution

Shares represented at the time of voting : 152,948,521 (including 139,305,323 votes casted via e-voting and e-meeting)

Voting Results	% of the total represented share present
Approval votes : 147,239,892 (including 133,677,860 votes casted via e-voting and e-meeting)	96.26%
Disapproval votes : 6,241 (including 6,241 votes casted via e-voting and e-meeting)	0.00%
Invalid votes : 0 (including 0 votes casted via e-voting and e-meeting)	0.00%
Abstention votes/ No votes : 5,702,388 (including 5,621,222 votes casted via e-voting and e-meeting)	3.74%

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

Item 2

Proposal : Ratification of the proposal for distribution of 2022 profits.

(Proposed by the Board of Directors)

Explanation :

1. The unappropriated retained earnings at the beginning of 2022 were NT\$9,338,446,775. After adding the 2022 net income of NT\$14,174,708,594, deducting the legal reserve of NT\$1,417,531,979, adding the reversal of the legal reserve of NT\$431,020,344 and the remeasurements of defined benefit obligation of NT\$611,200, the total amount of retained earnings available for distribution was NT\$22,527,254,934. It is proposed to distribute NT\$22,527,254,934 as the dividends to the shareholders in cash. (NT\$50 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 for transfer or cancellation, capital increase by cash, the issuance of new common shares for cash to sponsor the issuance of GDR, unsecured convertible bonds converting into common shares etc.), which results in changes

- in shareholders' allotment of cash dividend, the Chairman is to be authorized to adjust accordingly.
4. 2022 Statements of Profit Appropriation is as follows:
5. Submission for ratification.

Wiwynn Corporation
Profit Appropriation Statement for 2022

Unit : NTD\$

Unappropriated Retained Earnings at beginning of the year	9,338,446,775
Plus :	
Net Income of 2022	14,174,708,594
Less :	
Legal Reserve	(1,417,531,979)
Plus :	
Reversal of the legal reserve	431,020,344
Remeasurements of defined benefit obligation	611,200
Retained Earnings Available for Distribution	22,527,254,934
Distribution Items :	
Stock Dividends to Common Shareholders	0
Cash Dividends to Common Shareholders	(8,742,039,550)
Unappropriated Retained Earnings at the end of the year	13,785,215,384

Note: The profit appropriation for 2022 is calculated based on 174,840,791 shares, which represents the number of outstanding shares on the Company's second board resolution day in 2023 (February 22, 2023). Cash dividends of NT\$50 per share will be distributed to common shareholders. The cash dividends will be rounded down to the nearest NT\$1, and any sum of fractional dividends less than NT\$1 will be recognized as other income of the Company.

Chairman:
Simon Lin

President:
Emily Hong

Accounting Officer:
Wenifred Wen

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

Resolution

Shares represented at the time of voting : 152,948,521 (including 139,305,323 votes casted via e-voting and e-meeting)

Voting Results	% of the total represented share present
Approval votes : 147,280,762 (including 133,718,730 votes casted via e-voting and e-meeting)	96.29%
Disapproval votes : 6,371 (including 6,371 votes casted via e-voting and e-meeting)	0.00%
Invalid votes : 0 (including 0 votes casted via e-voting and e-meeting)	0.00%
Abstention votes/ No votes : 5,661,388 (including 5,580,222 votes casted via e-voting and e-meeting)	3.71%

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

Item 3

Proposal : Discussion of the removal of the non-compete restrictions for newly elected 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 newly elected 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 positions of director and independent director candidates are as follows:
4. Please discuss.

Title	Name	Current Position
Director	Emily Hong	Vice Chairman & CEO of Wiwynn Corporation. Director of Wiwynn Mexico S.A. de C.V.(WYMX) Independent Director of Momo.com Inc.
Director	Wistron Corporation Representative : Frank Lin	Chief of Staff Officer of Wistron Corporation Director of Wistron NeWeb Corp. Director of Wistron ITS Corp. Chairman of Wise Cap Limited Company Chairman of WLB Ltd. Director of Changing Information Technology Inc. Supervisor of aEnrich Technology Corp Director of IP Fund Six Director of Join-Link International Technology Co., Ltd. Director of Maya International Co., Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Digital Technology Holding Company Director of Wistron Medical Tech Corporation Director of Pell Bio-Med Technology Co., Ltd. Chairman of WiSuccess Asset Management Corporation Director of Wistron Green Energy Holding Company Director of Hartec Asia Pte. Ltd. Chairman of WiseCap (Hong Kong) Limited Director of Hukui Biotechnology Corporation Director of B-Temia Asia Pte. Ltd.
Director	Wistron Corporation Representative : Sylvia Chiou	Director of Staff office I and Vice President of Sustainability of Wiwynn Corporation. Director of T-Conn Precision Corporation Director of Finemat Applied Materials Co., Ltd Director of Retronix Technology Inc. Director of AiSails Power Inc. Supervisor of Wistron Green Energy Holding Company Director of Diagnostics For The Real World Limited Director of Mobility Technology Group Inc. Director of Wibase Industrial Solutions Inc.
Director	Sunlai Chang	President of Wiwynn Corporation Director of LiquidStack Holding B.V. Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn International Corporation (WYUS) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR)
Director	Steven Lu	Senior Vice President of Wiwynn Corporation. Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR) Director of Wiwynn Technology Service KunShan Ltd. (WYKS)
Independent Director	Charles Kau	Chairman of Ion Electronic Materials co., Ltd. Chairman of XTEK Semiconductor (Huangshi) Co., Ltd. Independent Director of Hauman Technologies Corporation. Independent Director of Rockchip Electronics Co., Ltd. Independent Director of Wus Printed Circuit (Kunshan) Co., Ltd.
Independent Director	Simon Dzeng	Chairman of Hopewell Asset Management, Inc. Chairman of Hopewell Investments, Inc. Chairman of Capstone Investments, Inc. Chairman of Formacell Inc. Independent Director of E&E Recycling, Inc. Director of Jinwen University of Science and Technology. Independent Director of Waffer Technology Corp.
Independent Director	Victor Cheng	Director of Throughtek Co., Ltd. Independent Director of Yodn Lighting Corp.

Title	Name	Current Position
Independent Director	Cathy Han	Independent Director of Apacer Technology inc. Independent Director of Macroblock, Inc. Independent Director of AUO Corporation

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

Resolution

Shares represented at the time of voting : 152,948,521 (including 139,305,323 votes casted via e-voting and e-meeting)

Voting Results	% of the total represented share present
Approval votes : 143,305,240 (including 129,743,208 votes casted via e-voting and e-meeting)	93.69%
Disapproval votes : 542,356 (including 542,356 votes casted via e-voting and e-meeting)	0.35%
Invalid votes : 0 (including 0 votes casted via e-voting and e-meeting)	0.00%
Abstention votes/ No votes : 9, 100,925 (including 9,019,759 votes casted via e-voting and e-meeting)	5.96%

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

Item 4

Proposal : Discussion of amendments to the “Procedures Governing Loaning of Funds.”

(Proposed by the Board of Directors)

Explanation :

1. In order to meet the operational needs, it is proposed to make amendments to the “Procedures Governing Loaning of Funds.” Please refer to Attachment 3 for the before and after revision chart.
2. Please discuss.

Shareholders' Speech Record: No shareholder questions or inquiries were raised.

Resolution

Shares represented at the time of voting : 152,948,521 (including 139,305,323 votes casted via e-voting and e-meeting)

Voting Results	% of the total represented share present
Approval votes : 116,094,330 (including 102,532,298 votes casted via e-voting and e-meeting)	75.90%
Disapproval votes : 27,394,384 (including 27,394,384 votes casted via e-voting and e-meeting)	17.91%
Invalid votes : 0 (including 0 votes casted via e-voting and e-meeting)	0.00%
Abstention votes/ No votes : 9,459,807 (including 9,378,641 votes casted via e-voting and e-meeting)	6.19%

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

IV. Extemporary Motion : None.

V. Adjournment : 10:05 a.m., May 29, 2023

Note : There were no shareholder inquiries or questions regarding the Report Item, Election Item, and Ratification Items and Discussion Items. During the voting and Extemporary Motion period, shareholders raised their hands to ask questions. The content of the questions and the responses are as follows. This meeting minutes only include the essential points discussed during the meeting. The details are subject to on-site audio and video recordings.

Shareholder Question: Regarding the schedules of AI product launch, future development plans, and computing power of products. Also, the development of edge computing products.

Response: The Company is dedicated to research and development, as well as diversifying various technologies to meet customer demands. We maintain ongoing collaborations with customers for the development of AI products, without limiting ourselves to use the components from a single platform. We also closely monitor the progress of related industries. In terms of edge computing, we continue to collaborate with telecommunications companies and other customers. Followed by the trend of increasing generative AI tools, power saving and thermal technology will be the next match point for the data center industry. On thermal technology, the Company’s liquid cooling technology integrates server and liquid cooling equipment and promotes cold plate and immersion cooling technology. It can assist customers to increase power efficiency and provide thermal solutions with higher efficiency.

Wiwynn Corporation Business Report

Retrospect to the changes of global political and economic environments in 2022, The world is facing increased uncertainty and numerous challenges due to various factors, including the ongoing Russia-Ukraine War, the pandemic, changes in both long and short supply chains, and inflationary pressures leading to rising interest rates. The primary goal for enterprises in this era of rapid change is the capability of agile and flexible. The Company carries the belief of “Excellence”, “Pioneering”, “Team-spirit”, “Agility”, and “good faith” as our core values to move forward steadily and continue pursuing sustainable development.

The Company formulates the global strategy by forward-thinking. After initiating phase 1 construction for our Malaysia Plant by the end of 2021, phase 2 was commenced in 2022. The construction is estimated to be completed in the next two to three years for formal production. we are expanding our Mexican Plant and Southern Taiwan Science Park Plant, increasing our total capacity by 50%. Other than maintaining operational stability and flexibility, considering geopolitical factors to diversify risks, and providing services with efficiency to customers.

The Company continues pursuing excellence and has been awarded several accolades this year, including the “Sustainable Report Level Golden Award” by Taiwan Corporate Sustainability Awards (TCSA), “2022 Taiwan Best-in-Class 100” by Taiwan Institute of Directors (TWIOD), “Top 10% Outstanding Enterprises in Occupational Health and Safety” by Occupational Safety and Health Administration, MOL, and “BSI 2022 Sustainable Resilience- Excellence Award”. These awards highlight our strong performance in environmental protection, social responsibility, and corporate governance, which have been highly recognized.

In the past year, all employees of Wiwynn demonstrated remarkable teamwork in the face of adversity, continuously driving growth. The Company’s consolidated operating revenue in 2022 was NT\$292,876,040 thousand, which represents a 52.0% increase from the previous year. The net profit after tax reached a record high of NT\$14,174,709 thousand, showing a significant increase of 63.9% from the previous year. The gross profit margin, operating margin, and net profit margin were 8.2%, 6.1%, and 4.8% respectively. Additionally, the basic earnings per share (EPS) also hit a record high of NT\$81.07.

Our vision is to 'Unleash the Power of Digitalization, Ignite the Innovation of Sustainability,' and we are dedicated to achieving. In terms of sustainable development, we continuously innovate and develop sustainable products, and we participate in the Carbon Disclosure Project (CDP). Our goal of reducing carbon emissions has been officially approved by the Science-Based Targets initiative (SBTi), which aligns with the international path towards carbon reduction. As for our commitment to purchasing renewable energy, we fully implemented the use of green energy in our Taipei office in Q4 2022 to fulfill our pledge of utilizing renewable energy with concrete actions. Besides, the Company also collaborated with financial institutions for a Sustainability-linked Loan for the first time. We established sustainable performance goals and regularly monitored our actual performance to fulfill our responsibilities towards the environment and society, determination our commitment and determination towards sustainable development.

【 Attachment 1 】

In 2021, the Company initiated "Ocean Hugs," an ocean environment and ecological common good scheme, which includes coastal forest planting and a push to break free from plastic usage, is still ongoing. Up to today, we have planted more than 6,800 saplings in the coastal line along Ilan and Tainan. All our employees have implemented rubbish classification and reduction in the office areas to provide our determination on environmental care and protection.

The Company continues R&D on servers and using central processing units (CPUs) of different structures to satisfy the application demands from different customers. Products of AI server have started to ship out in 2022. In terms of heat dissipation technology, our two-phase immersion cooling technology integrates servers and liquid cooling equipment. It can assist customers in reducing power usage effectiveness and developing sustainable data centers. In addition, the Company promotes the technology of liquid cooling plates and chip packaging and expects to bring heat dissipation solutions with higher efficiency.

Looking into the coming year, inflation and the lift interest rate of capital funds will hold up economic development while demographic structure and climate change causing long risks in the society and environment as well as the development of AI technology application bringing business opportunities and challenges. The Company will continue investing in R&D of talents and products, expansion of production capacity, and our goals of development to continue moving forward boldly and cautiously.

Chairman:
Simon Lin

President:
Emily

Accounting Officer:
Wenifred Wen



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Wiwynn Corporation:

Opinion

We have audited the financial statements of Wiwynn Corporation (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for The Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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(n) "Revenue" and note 6(q) 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.



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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, 2022 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)

February 22, 2023

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' 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' 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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets									
Current assets:									
1100 Cash and cash equivalents (note 6(a))	\$ 16,483,111	23	19,331,337	33	2100 Short-term borrowings (note 6(j))	\$ -	-	4,568,850	8
1170 Accounts receivable, net (notes 6(b) and (q))	5,668,368	8	7,014,568	12	2130 Contract liabilities-current (note 6(q))	5,296,970	7	3,360,972	6
1180 Accounts receivable - related parties, net (notes 6(b), (q) and 7)	20,381,475	28	16,761,928	29	2170 Notes payable and accounts payable	1,022,101	2	1,901,772	3
1200 Other receivables (note 6(c))	1,571	-	3,549	-	2180 Accounts payable - related parties (note 7)	10,228,693	14	8,344,226	14
1210 Other receivables-related parties (notes 6(c) and 7)	1,694,155	2	1,739,719	3	2200 Other payables (note 6(r))	3,815,618	5	2,141,105	4
130X Inventories (note 6(d))	4,305,270	6	6,420,044	11	2220 Other payables-related parties (note 7)	414,053	1	251,883	-
1470 Other current assets (note 6(i))	136,655	-	287,464	-	2230 Current tax liabilities	2,790,452	4	919,938	2
Total current assets	<u>48,670,605</u>	<u>67</u>	<u>51,558,609</u>	<u>88</u>	2280 Lease liabilities-current (notes 6(l) and 7)	84,044	-	64,554	-
Non-current assets:					2300 Other current liabilities	251,528	-	198,576	-
1550 Investments accounted for using equity method (note 6(c))	22,085,144	31	5,881,703	10	Total current liabilities	<u>23,903,459</u>	<u>33</u>	<u>21,751,876</u>	<u>37</u>
1600 Property, plant and equipment (notes 6(f) and 7)	757,957	1	771,031	2	Non-current liabilities:				
1755 Right-of-use assets (notes 6(g) and 7)	174,811	-	151,778	-	2530 Bonds payable (note 6(k))	9,439,683	14	9,436,448	17
1780 Intangible assets (notes 6(h) and 7)	125,644	-	98,732	-	2570 Deferred tax liabilities (note 6(n))	286,411	-	219,246	-
1840 Deferred tax assets (note 6(n))	599,852	1	281,251	-	2580 Lease liabilities-non-current (notes 6(l) and 7)	89,289	-	88,497	-
1990 Other non-current assets (notes 6(i) and 8)	100,266	-	136,579	-	2640 Net defined benefit liabilities (note 6(m))	8,431	-	13,590	-
Total non-current assets	<u>23,843,674</u>	<u>33</u>	<u>7,321,074</u>	<u>12</u>	Total non-current liabilities	<u>9,823,814</u>	<u>14</u>	<u>9,757,781</u>	<u>17</u>
Total assets	<u>\$ 72,514,279</u>	<u>100</u>	<u>\$ 58,879,683</u>	<u>100</u>	Total liabilities	<u>33,727,273</u>	<u>47</u>	<u>31,509,657</u>	<u>54</u>
					Equity (notes 6(c), (m), (n) and (o)):				
					3110 Common shares	1,748,408	2	1,748,408	3
					3200 Capital surplus	8,817,380	12	8,817,380	15
					3300 Retained earnings	27,039,558	37	17,235,258	29
					3400 Other equity	1,181,660	2	(431,020)	(1)
					Total equity	<u>38,787,006</u>	<u>53</u>	<u>27,370,026</u>	<u>46</u>
					Total liabilities and equity	<u>\$ 72,514,279</u>	<u>100</u>	<u>\$ 58,879,683</u>	<u>100</u>

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(q) and 7)	\$ 101,426,047	100	73,162,110	100
5000	Operating costs (notes 6(d), (f), (g), (h), (l), (m), (r), 7 and 12)	<u>79,617,295</u>	<u>79</u>	<u>59,360,963</u>	<u>81</u>
	Gross profit	21,808,752	21	13,801,147	19
5910	Unrealized profit (loss) from sales	<u>(257,842)</u>	<u>-</u>	<u>342,227</u>	<u>-</u>
	Net gross profit	<u>21,550,910</u>	<u>21</u>	<u>14,143,374</u>	<u>19</u>
	Operating expenses (notes 6(b), (f), (g), (h), (l), (m), (r), 7 and 12):				
6100	Selling expenses	464,717	1	366,386	1
6200	Administrative expenses	1,140,661	1	703,257	1
6300	Research and development expenses	3,497,605	3	2,411,214	3
6450	Expected credit loss	<u>3,132</u>	<u>-</u>	<u>2,501</u>	<u>-</u>
	Total operating expenses	<u>5,106,115</u>	<u>5</u>	<u>3,483,358</u>	<u>5</u>
	Net operating income	<u>16,444,795</u>	<u>16</u>	<u>10,660,016</u>	<u>14</u>
	Non-operating income and expenses (notes 6(e), (f), (k), (l), (s) and 7):				
7100	Interest income	89,243	-	60,032	-
7010	Other income	-	-	48	-
7020	Other gains and losses	874,865	1	(73,622)	-
7050	Finance costs	(160,112)	-	(98,893)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>424,647</u>	<u>-</u>	<u>322,505</u>	<u>1</u>
	Total non-operating income and expenses	<u>1,228,643</u>	<u>1</u>	<u>210,070</u>	<u>1</u>
7900	Income before tax	17,673,438	17	10,870,086	15
7950	Income tax expense (note 6(n))	<u>3,498,729</u>	<u>3</u>	<u>2,222,074</u>	<u>3</u>
	Net income	<u>14,174,709</u>	<u>14</u>	<u>8,648,012</u>	<u>12</u>
8300	Other comprehensive income (notes 6(e), (m), (n) and (o)):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	764	-	(4,848)	-
8349	Income tax related to items that may not be reclassified subsequently to profit or loss	<u>(153)</u>	<u>-</u>	<u>970</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>611</u>	<u>-</u>	<u>(3,878)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,612,680	2	(193,126)	-
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>1,612,680</u>	<u>2</u>	<u>(193,126)</u>	<u>-</u>
8300	Other comprehensive income	<u>1,613,291</u>	<u>2</u>	<u>(197,004)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 15,788,000</u>	<u>16</u>	<u>8,451,008</u>	<u>12</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	Basic earnings per share	<u>\$ 81.07</u>		<u>49.46</u>	
9850	Diluted earnings per share	<u>\$ 80.49</u>		<u>49.28</u>	

See accompanying notes to financial statements.

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

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(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, 2021	1,748,408	8,817,380	1,369,881	-	12,816,148	14,186,029	(237,894)	24,513,923
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	860,476	-	(860,476)	-	-	-
Special reserve	-	-	-	237,894	(237,894)	-	-	-
Cash dividends	-	-	-	-	(5,594,905)	(5,594,905)	-	(5,594,905)
Net income	-	-	-	-	8,648,012	8,648,012	-	8,648,012
Other comprehensive income	-	-	-	-	(3,878)	(3,878)	(193,126)	(197,004)
Total comprehensive income	-	-	-	-	8,644,134	8,644,134	(193,126)	8,451,008
Balance on December 31, 2021	1,748,408	8,817,380	2,230,357	237,894	14,767,007	17,235,258	(431,020)	27,370,026
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	864,413	-	(864,413)	-	-	-
Special reserve	-	-	-	193,126	(193,126)	-	-	-
Cash dividends	-	-	-	-	(4,371,020)	(4,371,020)	-	(4,371,020)
Net income	-	-	-	-	14,174,709	14,174,709	-	14,174,709
Other comprehensive income	-	-	-	-	611	611	1,612,680	1,613,291
Total comprehensive income	-	-	-	-	14,175,320	14,175,320	1,612,680	15,788,000
Balance on December 31, 2022	1,748,408	8,817,380	3,094,770	431,020	23,513,768	27,039,558	1,181,660	38,787,006

See accompanying notes to financial statements.

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

Wiwynn Corporation

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Income before tax	\$ 17,673,438	10,870,086
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	438,851	349,965
Amortization expense	69,810	41,946
Expected credit loss	3,132	2,501
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	100,986	(35,697)
Interest expense	160,112	98,893
Interest income	(89,243)	(60,032)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(424,647)	(322,505)
Losses on disposal of property, plant and equipment	27	4
Unrealized losses (profit) from sales	257,842	(342,227)
Prepayments for equipment reclassified as expenses	66	-
Total adjustments to reconcile profit	<u>516,936</u>	<u>(267,152)</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	(100,986)	35,697
Decrease (increase) in accounts receivable, net	1,343,068	(1,136,310)
Increase in accounts receivable-related parties, net	(3,619,547)	(4,501,462)
Decrease (increase) in other receivable	1,978	(622)
Increase in other receivable-related parties	(231,336)	(934,604)
Decrease (increase) in inventories	2,114,774	(4,629,876)
Decrease in other current assets	155,843	619,752
Total changes in operating assets	<u>(336,206)</u>	<u>(10,547,425)</u>
Changes in operating liabilities:		
Increase in contract liabilities-current	1,935,998	1,063,555
Increase (decrease) in notes and accounts payable	(879,671)	891,588
Increase (decrease) in accounts payable-related parties	1,884,467	(1,380,814)
Increase in other payable	1,741,748	88,039
Increase (decrease) in other payable-related parties	162,170	(21,559)
Increase in other current liabilities	52,952	147,053
Decrease in net defined benefit liabilities	(4,395)	(165)
Total changes in operating liabilities	<u>4,893,269</u>	<u>787,697</u>
Total changes in operating assets and liabilities	<u>4,557,063</u>	<u>(9,759,728)</u>
Total adjustments	<u>5,073,999</u>	<u>(10,026,880)</u>
Cash inflow generated from operations	22,747,437	843,206
Interest received	84,209	59,248
Interest paid	(157,782)	(86,420)
Income taxes paid	(1,946,134)	(2,618,436)
Net cash flows from (used in) operating activities	<u>20,727,730</u>	<u>(1,802,402)</u>
Cash flows from (used in) investing activities:		
Decrease (increase) in other receivables – related parties	276,900	(276,900)
Acquisition of investments accounted for using equity method	(14,423,956)	(705,680)
Acquisition of property, plant and equipment	(154,843)	(120,826)
Proceeds from disposal of property, plant and equipment	107	27
Acquisition of intangible assets	(96,722)	(76,076)
Decrease (increase) in other financial assets	(5,951)	62
Increase in prepayments for equipment	(154,558)	(132,656)
Net cash used in investing activities	<u>(14,559,023)</u>	<u>(1,312,049)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	82,979,590	87,062,810
Decrease in short-term borrowings	(87,548,440)	(85,601,332)
Proceeds from issuing bonds	-	4,442,325
Payment of lease liabilities	(77,063)	(63,695)
Cash dividends paid	(4,371,020)	(5,594,905)
Net cash flows from (used in) financing activities	<u>(9,016,933)</u>	<u>245,203</u>
Net increase in cash and cash equivalents	<u>(2,848,226)</u>	<u>(2,869,248)</u>
Cash and cash equivalents at beginning of period	<u>19,331,337</u>	<u>22,200,585</u>
Cash and cash equivalents at end of period	<u>\$ 16,483,111</u>	<u>19,331,337</u>

See accompanying notes to financial statements.



安侯建業聯合會計師事務所
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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, 2022 and 2021, the consolidated statements 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, 2022 and 2021, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for The Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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(n) "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

Wiyynn Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, 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.

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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)

February 22, 2023

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' 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' 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, 2022 and 2021

(Expressed in Thousands of New Taiwan dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021			
	Amount	%	Amount	%	Amount	%	Amount	%		
Assets										
Current assets:										
1100 Cash and cash equivalents (note 6(a))	\$ 26,231,920	30	22,672,892	27	2100	Short-term borrowings (note 6(j))	\$ -	21,265,920	25	
1170 Accounts receivable, net (notes 6(b) and (q))	18,690,495	21	12,722,591	15	2130	Contract liabilities-current (note 6(q))	5,296,970	6	3,360,972	4
1180 Accounts receivable-related parties, net (notes 6(b), (q) and 7)	1,090,375	1	443,538	1	2170	Notes payable and accounts payable	15,083,798	17	8,972,367	11
1200 Other receivables (note 6(c))	2,493	-	3,819	-	2180	Accounts payable-related parties (note 7)	11,381,122	13	9,306,964	11
1210 Other receivables-related parties (notes 6(c) and 7)	1,307,048	1	381,301	-	2200	Other payables (note 6(r))	3,104,403	3	2,374,998	3
130X Inventories (notes 6(d) and 8)	36,011,736	41	45,383,451	54	2220	Other payables-related parties (note 7)	45,770	-	79,652	-
1479 Other current assets (note 6(i))	717,023	1	417,411	-	2230	Current tax liabilities	2,912,316	3	999,370	1
Total current assets	84,051,090	95	82,025,003	97	2280	Lease liabilities-current (notes 6(l) and 7)	211,343	-	138,700	-
Non-current assets:					2399	Other current liabilities	526,716	1	666,890	1
1550 Investments accounted for using equity method (note 6(c))	198,890	-	250,091	-		Total current liabilities	38,562,438	43	47,165,833	56
1600 Property, plant and equipment (notes 6(f), 7 and 9)	2,156,578	2	1,038,420	2		Non-current liabilities:				
1755 Right-of-use assets (notes 6(g) and 7)	995,434	1	671,526	1	2530	Bonds payable (note 6(k))	9,439,683	11	9,436,448	11
1780 Intangible assets (notes 6(h) and 7)	137,551	-	98,732	-	2570	Deferred tax liabilities (note 6(n))	286,411	-	219,246	-
1840 Deferred tax assets (note 6(n))	639,799	1	304,534	-	2580	Lease liabilities-non-current (notes 6(l) and 7)	801,865	1	532,315	1
1990 Other non-current assets (notes 6(i) and 8)	658,440	1	349,152	-	2640	Net defined benefit liabilities-non-current (note 6(m))	8,431	-	13,590	-
Total non-current assets	4,786,692	5	2,712,455	3	2645	Guarantee deposits received	951,948	1	-	-
						Total non-current liabilities	11,488,338	13	10,201,599	12
						Total liabilities	50,050,776	56	57,367,432	68
						Equity (notes 6(e), (m), (n) and (o)):				
						Common shares	1,748,408	2	1,748,408	2
						Capital surplus	8,817,380	10	8,817,380	10
						Retained earnings	27,039,558	31	17,235,258	20
						Other equity	1,181,660	1	(431,020)	-
						Total equity	38,787,006	44	27,370,026	32
Total assets	\$ 88,837,782	100	\$ 84,737,458	100		Total liabilities and equity	\$ 88,837,782	100	\$ 84,737,458	100

See accompanying notes to consolidated financial statements.

(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, 2022 and 2021

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

	2022		2021		
	Amount	%	Amount	%	
4000	Operating revenue (notes 6(q) and 7)				
	\$ 292,876,040	100	192,625,942	100	
5000	Operating costs (notes 6(d), (f), (g), (h), (l), (m), (r), 7 and 12)				
	268,896,763	92	177,004,761	92	
	Gross profit from operations				
	23,979,277	8	15,621,181	8	
	Operating expenses (notes 6(b), (f), (g), (h), (l), (m), (r), 7 and 12):				
6100	Selling expenses	1,305,756	-	936,512	1
6200	Administrative expenses	1,307,577	1	835,779	-
6300	Research and development expenses	3,528,532	1	2,459,313	1
6450	Expected credit loss	3,132	-	2,501	-
	Total operating expenses				
	6,144,997	2	4,234,105	2	
	Net operating income				
	17,834,280	6	11,387,076	6	
	Non-operating income and expenses (notes 6(e), (f), (g), (k), (l), (s) and 7):				
7100	Interest income	155,871	-	61,593	-
7010	Other income	809	-	48	-
7020	Other gains and losses	855,905	-	(64,374)	-
7050	Finance costs	(881,614)	-	(356,154)	-
7370	Share of associates and joint ventures accounted for using equity method	(67,968)	-	(32,120)	-
	Total non-operating income and expenses				
	63,003	-	(391,007)	-	
7900	Income before tax				
	17,897,283	6	10,996,069	6	
7950	Income tax expense (note 6(n))				
	3,722,574	1	2,348,057	1	
	Net income				
	14,174,709	5	8,648,012	5	
8300	Other comprehensive income (loss) (notes 6(e), (m), (n) and (o)):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefits plans	764	-	(4,848)	-
8349	Income tax related to items that may not be reclassified to profit or loss	(153)	-	970	-
	Total items that may not be reclassified subsequently to profit or loss				
	611	-	(3,878)	-	
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,612,680	-	(193,126)	-
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				
	1,612,680	-	(193,126)	-	
8300	Other comprehensive income (net of tax)				
	1,613,291	-	(197,004)	-	
8500	Total comprehensive income				
	15,788,000	5	8,451,008	5	
	Profit attributable to:				
8610	Owners of parent	\$ 14,174,709	5	8,648,012	5
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 15,788,000	5	8,451,008	5
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	Basic earnings per share				
	\$	81.07		49.46	
9850	Diluted earnings per share				
	\$	80.49		49.28	

See accompanying notes to financial statements.

(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, 2022 and 2021
(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, 2021	\$ 1,748,408	8,817,380	1,369,881	-	12,816,148	14,186,029	(237,894)	24,513,923
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	860,476	-	(860,476)	-	-	-
Special reserve	-	-	-	237,894	(237,894)	-	-	-
Cash dividends	-	-	-	-	(5,594,905)	(5,594,905)	-	(5,594,905)
Net income	-	-	-	-	8,648,012	8,648,012	-	8,648,012
Other comprehensive income	-	-	-	-	(3,878)	(3,878)	(193,126)	(197,004)
Total comprehensive income	-	-	-	-	8,644,134	8,644,134	(193,126)	8,451,008
Balance on December 31, 2021	<u>\$ 1,748,408</u>	<u>8,817,380</u>	<u>2,230,357</u>	<u>237,894</u>	<u>14,767,007</u>	<u>17,235,258</u>	<u>(431,020)</u>	<u>27,370,026</u>
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	864,413	-	(864,413)	-	-	-
Special reserve	-	-	-	193,126	(193,126)	-	-	-
Cash dividends	-	-	-	-	(4,371,020)	(4,371,020)	-	(4,371,020)
Net income	-	-	-	-	14,174,709	14,174,709	-	14,174,709
Other comprehensive income	-	-	-	-	611	611	1,612,680	1,613,291
Total comprehensive income	-	-	-	-	14,175,320	14,175,320	1,612,680	15,788,000
Balance on December 31, 2022	<u>\$ 1,748,408</u>	<u>8,817,380</u>	<u>3,094,770</u>	<u>431,020</u>	<u>23,513,768</u>	<u>27,039,558</u>	<u>1,181,660</u>	<u>38,787,006</u>

Balance on January 1, 2021
Appropriation and distribution of retain earnings:

Legal reserve
Special reserve
Cash dividends
Net income
Other comprehensive income
Total comprehensive income

Balance on December 31, 2021
Appropriation and distribution of retain earnings:

Legal reserve
Special reserve
Cash dividends
Net income
Other comprehensive income
Total comprehensive income

Balance on December 31, 2022

See accompanying notes to consolidated financial statements.

(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, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Income before tax	\$ 17,897,283	10,996,069
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	676,513	505,835
Amortization expense	85,072	41,946
Expected credit loss	3,132	2,501
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	100,986	(35,697)
Interest expense	881,614	356,154
Interest income	(155,871)	(61,593)
Share of loss of associates and joint ventures accounted for using equity method	67,968	32,120
Losses (gains) on disposal of property, plant and equipment	711	(503)
Prepayments for equipment reclassified as expenses	66	2,181
Lease modification gains	(395)	(3,119)
Total adjustments to reconcile profit	1,659,796	839,825
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	(100,986)	35,697
Increase in accounts receivable, net	(5,297,511)	(5,053,598)
Increase in accounts receivable-related parties, net	(646,837)	(103,320)
Decrease (increase) in other receivable	1,169	(653)
Decrease (increase) in other receivable-related parties	(1,094,203)	186,630
Decrease (increase) in inventories	13,408,726	(26,689,003)
Decrease (increase) in other current assets	(58,998)	596,814
Total changes in operating assets	6,211,360	(31,027,433)
Changes in operating liabilities:		
Increase in contract liabilities-current	1,935,998	1,063,555
Increase in notes and accounts payable	5,164,163	6,320,769
Increase (decrease) in accounts payable-related parties	369,381	(21,824)
Increase in other payable	742,375	333,116
Decrease in other payable-related parties	(33,882)	(69,014)
Increase (decrease) in other current liabilities	(183,926)	334,872
Decrease in net defined benefit liabilities	(4,395)	(165)
Total changes in operating liabilities	7,989,714	7,961,309
Total changes in operating assets and liabilities	14,201,074	(23,066,124)
Total adjustments	15,860,870	(22,226,299)
Cash inflow (outflow) generated from operations	33,758,153	(11,230,230)
Interest received	150,636	60,808
Interest paid	(886,260)	(334,181)
Income taxes paid	(2,344,928)	(2,708,854)
Net cash flows from (used in) operating activities	30,677,601	(14,212,457)
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(276,609)
Acquisition of property, plant and equipment	(1,270,869)	(333,376)
Proceeds from disposal of property, plant and equipment	109	4,562
Acquisition of intangible assets	(123,220)	(76,076)
Increase in other non-current assets	(340,843)	(180,716)
Increase in prepayments for equipment	(194,782)	(177,278)
Net cash used in investing activities	(1,929,605)	(1,039,493)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	114,696,533	125,641,712
Decrease in short-term borrowings	(137,257,215)	(109,510,172)
Proceeds from issuing bonds	-	4,442,325
Increase in guarantee deposits received	924,953	-
Cash dividends paid	(4,371,020)	(5,594,905)
Payment of lease liabilities	(173,881)	(124,407)
Net cash flows from (used in) financing activities	(26,180,630)	14,854,553
Effect of exchange rate changes on cash and cash equivalents	991,662	(98,942)
Net increase (decrease) in cash and cash equivalents	3,559,028	(496,339)
Cash and cash equivalents at beginning of period	22,672,892	23,169,231
Cash and cash equivalents at end of period	\$ 26,231,920	22,672,892

See accompanying notes to consolidated financial statements.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 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

February 22, 2023

Wiwynn Corporation
Procedures Governing Loaning of Funds
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 2	1. In the event the Company loans funds to other parties by reason of business relations, the aggregate amount of the loan shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases or sales whichever is higher.	1. In the event the Company loans funds to other parties by reason of business relations, the aggregate amount of the loan shall <u>be considered not exceed</u> the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies <u>refer to hereby means</u> the total purchases or sales <u>between them.</u> whichever is higher.	Meet the operational needs
Article 3 2. The limit amount for loaning to a company having business relationship with the Company should vary according to the situations as follows: (1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed the 10% of the net worth of the Company. 3. The limit amount for loaning to a Borrower in need of funds for a short-term period shall not exceed the 10% of the net worth of the Company. 2. The limit amount for loaning to a company having business relationship with the Company should vary according to the situations as follows: (1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed the <u>40</u> 10% of the net worth of the Company. 3. The limit amount for loaning to a Borrower in need of funds for a short-term period shall not exceed the <u>40</u> 10% of the net worth of the Company.	Meet the operational needs
Article16	The Procedure was enacted on May 31, 2017. The 1st amendment was made on June 25, 2019.	The Procedure was enacted on May 31, 2017. The 1st amendment was made on June 25, 2019. <u>The 2nd amendment was made on May 29, 2023.</u>	Correspondence to the amendment date.

Wiwynn Corporation Procedures Governing Loaning of Funds (Revised)

The Company shall follow the Procedure set forth below for loaning funds to other parties.

- Article 1 The party to whom the Company may loan its funds.
The Company may loan funds to other parties (the “Borrower”) pursuant to the Procedure when a company with which it does business, or subsidiaries in need of funds for a short-term period which the Company holds more than fifty percent (50%) of the shares.
- Article 2 Evaluation standards for loaning funds to others
1. In the event the Company loans funds to other parties by reason of business relations, the aggregate amount of the loan shall be considered the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies refer to the total purchases or sales between them.
 2. For the companies in need of funds for a short-term period, the Borrower shall be limited to subsidiaries in which the Company holds more than 50% of the shares.
- Article 3 Limits on the total loan amount and respective parties’ loan amount
1. The total loan amount to others shall not exceed the 50% of the net worth of the latest financial report of the Company, among that, for the companies in need of funds for a short-term period, the loan amount shall not exceed the 40% of the net worth of the latest financial report of the Company audited or reviewed by the accountant.
 2. The limit amount for loaning to a company having business relationship with the Company should vary according to the situations as follows:
 - (1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed the 40% of the net worth of the Company.
 - (2) When any enterprise in which the Company holds less than 50% of the shares, the loan amount shall not exceed the 40% of the net worth of that enterprise and the 5% of the net worth of the Company.
 - (3) For the other Borrower, the loan amount shall not exceed the 25% of the net worth of the Borrower and the 5% of the net worth of the Company.
 3. The limit amount for loaning to a Borrower in need of funds for a short-term period shall not exceed the 40% of the net worth of the Company.
- Article 4 Term for loans of funds and the method of calculating interest rate.
The term of each loan shall not exceed one year. The interest rate shall be determined by Chairman of Board of Directors and shall not be lower than the interest rate of the Company’s short-term fund borrowing from financial institutions. The interest rate shall be calculated monthly. The principal and interest shall be paid off upon expiration of the loan.
- Article 5 Procedures for handling loans of funds
1. The Borrower shall enclose copies of the business-related certificates, identity card of person in charge of the business and essential financial materials and file a loan amount application to Company. After facilitating the evaluation and credit checking, the financial department will report to the Board of Director for approval. However, the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares could be exempted from providing the documents mentioned above.
 2. The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.
 3. The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or its subsidiaries to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries. However, the limit on total loan amount and respective parties’ loan amount between two foreign subsidiaries and between foreign subsidiaries and the Company, the foreign subsidiaries mean the Company directly and indirectly holds 100% of the voting shares, shall not exceed the net worth of the latest financial report of the Company.
 4. Upon ratification of the loan amount, the Borrower shall file related forms to the financial department to apply for withdrawal.
- Article 6 Procedures for Ratification
1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness and the financial department will determine whether to accept the application or not.

【 Attachment 4 】

2. Besides, the financial department shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after loaning fund to Borrower and submit an opinion statement to the Board of Directors for approval.
3. When the Borrower, except for the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares, applying for a withdrawal of capital from the Company, the Company should request the Borrower to provide the same amount of a cheque/promissory note or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial department shall evaluate and mark the value of the collateral.

Article 7 Announcement and reporting procedures

1. The Company shall report the balance of loan of funds to the parent company's Chief of Staff Office within three business days after the end of each month.
2. The Company shall announce and report the Company's and its subsidiaries' balances of loan of funds of the previous month monthly before the tenth of each month. Also, if the fund's loan amount meets one of the following criteria, it shall be announced and reported on the second day from the day when the fact occurs and shall be notified the parent company's Chief of Staff Office:
 - (1) The aggregate balance of the Company and its subsidiaries' loan reaches 20 percent or more of the company's net worth as stated in its latest financial statement audited or reviewed by the accountant.
 - (2) The balance of the Company and its subsidiaries' loan for a single enterprise reaches 10 percent or more of Company's net worth as stated in its latest financial statement audited or reviewed by the accountant.
 - (3) The balance of the Company or its subsidiaries' newly added loan reaches NT\$10 million or more and the aggregate amount of loan reaches 2 percent or more of the Company's net worth as stated in its latest financial statement audited or reviewed by the accountant.
3. The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies that such subsidiary is required to announce and report pursuant to the third subparagraph of the preceding paragraph.

Article 8 Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights

1. The Company's financial department shall prepare a registry containing the subject of the basic information of the Borrower, the passing date and the ratified amount of the loan of the Board of Directors, the issuing date of the loan, the amount of the loan, collateral, interest rate, reimbursement date and method, and items that should be carefully evaluated in accordance of Article 6, for the examination of competent authorities and related personnel.
2. After appropriating the fund, financial department shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial department should pay attention to the alteration of its secured value. If there is significant violation, the personnel shall inform the Chairman of Board of Directors and handle the matters under his instructions.
3. When reimbursing the loan on due date or before the due date, the Borrower should calculate the interest rate in advance and reimburse the loan with principal. Then, the Company may return the promissory note with cancellation of the loan of funds or eliminate the collateral registration.
4. Borrower should reimburse the principal and the interest when the due date comes. If failing to reimburse at the due date, the Company may dispose the collateral directly and redeem it for the Company's loss.
5. If any event causes non-conformity of Borrower's qualification and the loan amount with the Procedure, the Company shall enact the revised plan, send it to the Audit Committee and rectify it accordingly.

Article 9 Penalty for violation of the procedures loaning funds to others by managers or personnel in charge.

When the Company's employees and personnel violate the Procedure, they will be punished according to the "Personnel Administration Regulation" and the related regulations.

Article 10 Procedures for controlling and managing loans of funds to others by subsidiaries.

When a subsidiary plans to loan fund to others, the subsidiary should enact "Procedures Governing Loaning of Funds," report to Board of Directors for approval, and handle the matters according to its Procedures. Its Procedures Governing Loaning of Funds should follow the precedent of this Procedure. However, the loan amount and respective party's loan amount shall not exceed the amount described as follows: The limits of a subsidiary on total loan amount and respective parties' loan amount should calculate based on subsidiary's net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount and term for loans under Paragraph 1 of Article 3 and Article 4 of this Procedure do not apply between two foreign subsidiaries and between foreign

【 Attachment 4 】

subsidiaries and the Company, the foreign subsidiaries means the Company directly and indirectly holds 100 percent of the voting shares, but the limits of total loan amount and respective parties' loan amount should not exceed the net worth of the Company and should meet the term for loans set in the procedure by foreign subsidiary.

- Article 11 The Company shall evaluate its loan activities and reserve sufficient allowance for bad debts, adequately disclose relevant information in its financial reports, and provide certified public accountants with relevant information for execution of necessary audit procedures.
- Article 12 The internal verification personnel of the Company shall verify the Procedure and its implementation and make a report in writing for record. If there is significant violation, the personnel shall inform Audit Committee in writing.
- Article 13 When the Company submits the loaning of funds for the Board of Directors' approval, the board shall fully take each independent director's opinions into consideration and record each director's reasons for pros and cons in the minutes.
- Article 14
1. If the Company plans to provide significant loan to other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution.
 2. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.
 3. The Audit Committee members and the Board of Directors members in this Article and Article 15 will only calculate the members in present position.
- Article 15
1. The Procedure, as well as any revision thereto, shall be approved by more than half members of all the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by shareholders' meeting.
 2. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.
- Article 16 The Procedure was enacted on May 31, 2017. The 1st amendment was made on June 25, 2019. The 2nd amendment was made on May 29, 2023.