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Wiwynn Corporation

2023 Annual Report

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Name of CPA	:	Ya-Lin Chen, Ming-Hung Huang
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Tel	:	886-2-8101-6666

5. **Overseas Securities Exchange:** None.
6. **Wiwynn Corporate Website:** http://www.wiwynn.com/zh-hant/

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1. LETTER TO SHAREHOLDERS

1.1 Operating performance in previous fiscal year (2023)

(1) Implementation of business plans

The whole world was in a turbulent state in 2023 and was under a social climate of great vulnerability. Risks of international geopolitics remain: the Russo-Ukrainian war is deadlocked, and the breakout of the Israeli-Palestinian conflict shocks the whole world. Meanwhile, the rise of AI rapidly attracts global attention. AI application starts to spread from business to individual. Although we are still against the headwind, we strive for recovery. Wiwynn continues paying attention on the changes of the macroenvironment and treads carefully, maintaining corporate resilience, and implementing the core value to pursue sustainable development with an agile and stable attitude.

In terms of our global presence, we continuing expanding our plants in Malaysia, Tainan Science Park, and Mexico after taking into consideration of risk diversification and customer proximity. In Asia-Pacific, our Malaysia plant provides cutting-edge servers and advanced cooling technology, demonstrates the vision of one-stop center for manufacturing, service, and engineering for hyperscale data centers. We have complete delivery capability from server motherboard to the assembly of whole rack. We also focus on the realization of ESG principles through business operations, in order to achieve our commitment in sustainable development. Moreover, Wiwynn's plant in Tainan Science Park is currently undergoing the expansion to integrate the old and new campuses. In addition to the manufacturing of server circuit boards, we are also speeding up the production and verification of new products. With such dual track strategy, we created a resilient supply chain. Our Mexico plant in the Americas is the main battlefield for system integration. The plant expansion is still on going in order to fulfil Wiwynn's goal of meeting the fast growing server demands.

While working hard to promote a variety of digital visions, Wiwynn is also active in investing the development for sustainable environment and social inclusion. From the four strategic dimensions of "eco-friendly operation", "common good and common prosperity between employees and the enterprise", "sustainable supply chain", and "green innovation", we unfold our long-term goals. From 2022, Wiwynn worked with our suppliers on supply chain carbon footprint verification. In 2023, we kicked off carbon footprint survey and trainings among suppliers, to assist our upstream partners enhancing their recognition and understanding towards carbon-related issues, in order to further integrate supply chain carbon data into the carbon management platform, and establishing a solid foundation for the net zero emissions that follows up. We coordinate with supply chain to achieve inclusive growth and evaluate environmental friendliness from different operational dimensions to create and give back to the society from our core capabilities.

In the future, we will continue developing sustainable products and participating in the carbon disclosure plan (CDP). We also join Taiwan Climate Partnership and establish the goals of net zero by 2040 and RE100 by 2030.

Wiwynn continues to put effort into activities such as tree planting. This year, we expanded the scale of tree planting in Taiwan and in Malaysia for global carbon reduction and providing various species habitats and protection. We make true efforts to global warming reduction, coastline protection, and biodiversity conservation with actions.

On the Subject of corporate governance, Wiwynn received the honor of "Top 5% of all listed companies" in the 9th Corporate Governance Evaluation in 2023. We have also started to associate ESG performance with salary and remuneration in order to deepen sustainable management. We increased the number of female members on the Board of Directors from two to three to strengthen the idea of gender diversity. From 2021 until now, Wiwynn is still a constituent stock for "Taiwan ESG Index" and "Taiwan Corporate Governance 100 Indexes".

Facing the era full of global political and economic uncertainties, while the demand of AI application increases and technology and energy transitions drive the need of environmental sustainability, Wiwynn certainly has to consider global trends and market changes from different perspectives, in order to continuously maintain competitive advantage and resilience, and to realize long-term development and sustainable operation. Wiwynn never changes its commitments in being the leader of technology and innovation. Through investing in talents and expanding production capacity, we move forward steadily to create and unleash infinite possibilities for the future to come.

(2) Budget implementation

It is not applicable because the Company did not publish financial forecast for 2023.

(3) Financial revenue & expenditure and profitability analysis

The Company's consolidated operating revenue in 2023 was NT$ (the same below) 241,900,989 thousand, and it decreased 17.4% from that in the previous year. The net profit after tax was 12,043,655 thousand with decrease of 15% from the previous year. The gross profit margin, operating margin, and net profit margin was 9.4%, 6.6%, and 5.0% respectively; each hit a record high. The basic earnings per share (EPS) was 68.88.

(4) Research and development status

The Company is positive in long-terms demands and growth of the cloud industry and AI servers. We invested in deepening data center technology and product development, cultivating IT infrastructure for cloud data centers as well as AI acceleration server platform with AI module design and advanced liquid cooling technology to satisfy diverse model training, customization, and inference requirements in the era of AI and the demand of advanced cooling technology required for high power consumption servers.
In terms of heat dissipation technology, Wiwynn developed technology of whole cabinet liquid cooling plate for the era of AI as well as continues working with technology-leading manufacturers in the heat dissipation area for joint development of new liquid cooling technology.

1.2 Summary of business plan for this fiscal year (2024)

(1) Business objectives

Other than maintaining the market share of the main customers, the Company continues investing in the development of new customers, new products, and new technologies in order to achieve stability and growth of long-term business. Besides, we actively participated in the exhibitions, like OCP Global Summit, Computex, and Mobile World Congress to show our latest products and innovative technologies, strengthen our technical image, and maintain good interaction with key partners and potential customers. We continue working hard in developing the current market of hyperscale data centers as well as collaborating with chip suppliers, network communities, telecommunications operators, equipment providers, and the third-party service developers. We keep close attention to follow up technology of AI, edge computing, and 5G and invest resources to relevant application areas.

(2) Budget implementation

It is not applicable because the Company did not publish any financial forecast.

(3) Financial revenue & expenditure and profitability analysis

For global layout, the Company focuses on risk diversification and being closer to customers. We exercise forward thinking on our global layout and continue expanding our plants in Malaysia, Tainan Science Park in Taiwan, and Mexico to maintain operational stability and flexibility. We also keep innovating and developing sustainable products. While providing advanced servers and cutting-edge technology, we assist customers to enhance power utilization efficiency, develop sustainable data centers, and implement our responsibilities to the environment and the society in order to fulfill our commitment and determination to sustainable development.

1.3 Development strategy in the future

The Company has always devoted to providing hyperscale data centers the optimal IT solutions for various workloads and energy utilization. We help data centers to achieve the best “Total Cost of Ownership (TCO), work closely with customers and partners with key technology, actively participate in industrial technology association, and rapidly introduce the latest technology to respond to the market demand of fast growing.

In facing growing long-term demands towards the cloud industry and AI servers in the market, the Company invests in deepening development of technology and products for data centers. Except IT infrastructure for cloud data centers, we are also active in developing the platform of cloud and edge AI accelerating server, working with partners with key technology, and participating in important communities of AI accelerating computing platform, like MLPerf Benchmark, to satisfy diverse model training, customization, and inference demands in the era of AI. To respond to the continuous growing demands on accelerated computing and power density, the Company invests advanced liquid cooling technology and plans to promote the liquid-cooling solution from cloud data centers to edge application. It enables edge data centers, core network, and telecommunications room to effectively satisfy AI computing power as well as enhance cooling efficiency.

The Company adopts R&D of forward-looking technology and innovative application, implements product design, mass production research, and systematic management, and expands the competitiveness of existing cloud products and technology to satisfy growing high-efficiency computing demands from data centers as well as ensure the competitive capacity of core technology and customers' business. Moreover, we pay attention on long-term technology development, such as quantum computing and co-packaged optics, keep participating in technical forum, and contacting partners in the industry for working opportunities.

1.4 Impact from external competitive environment, regulatory environment, and macroeconomic condition

Facing the era full of uncertainty in global political and economic situations, the demand of AI application increased. Technology and energy transition drive environmental sustainability. Wiwynn certainly has to consider global trends and market changes in different perspectives in order to continuously maintain competitive advantage and resilience as well as to fulfill important force for long-term development and sustainable operation. Wiwynn never changes its commitments in leading technology and innovation. Through talent investment and production capacity expansion, we move forwards step by step steadily to create infinite possibilities for the future.

Chairman and Chief Strategy Officer: Emily Hong

2. COMPANY PROFILE

2.1 Date of incorporation: March 3, 2012

2.2 Brief account of the Company (the latest fiscal year and up to the publication date of annual report)

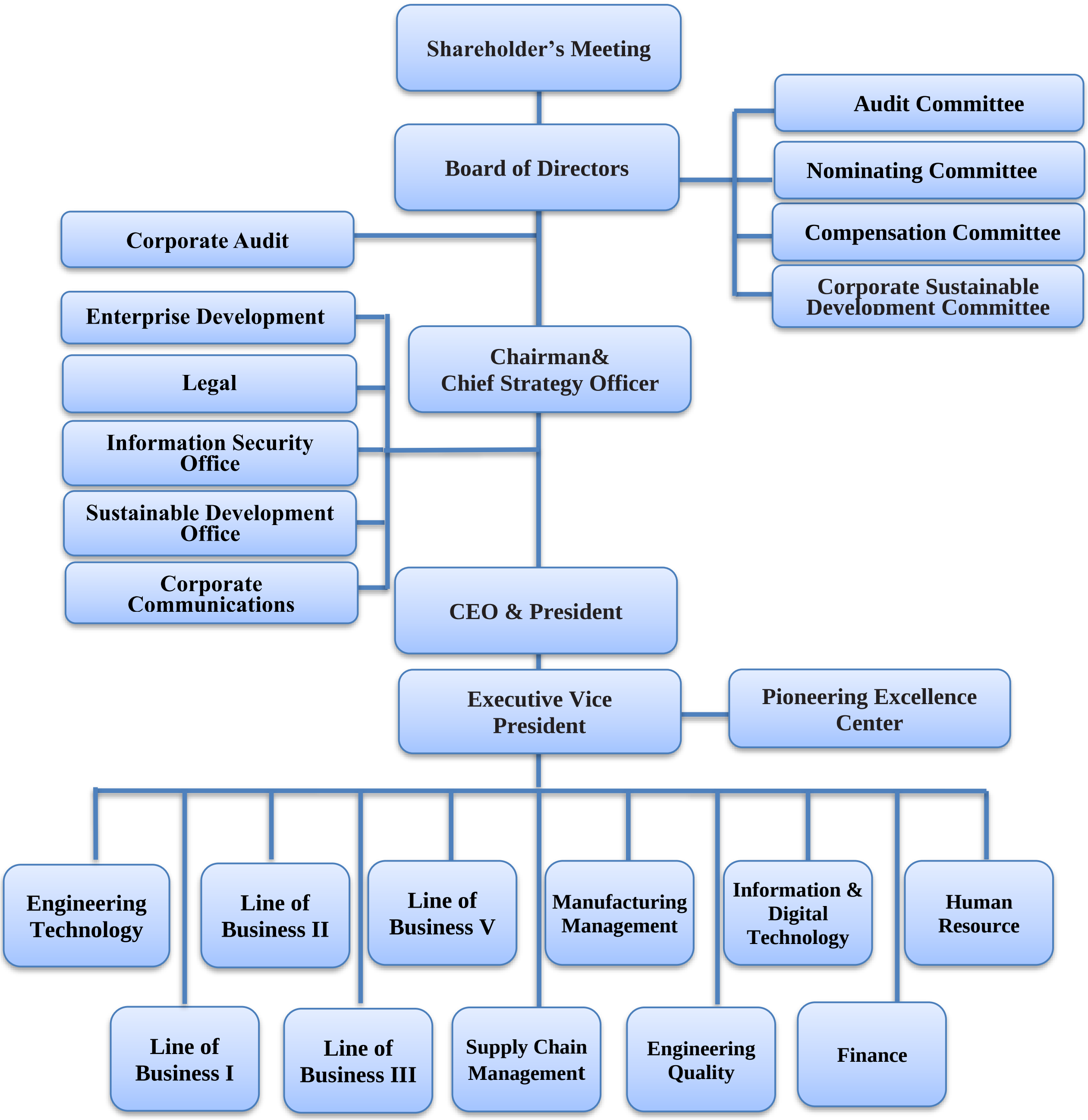
Year	Milestones
2022	1. Approved seasoned equity offering to our Malaysia subsidiary, Wiwynn Technology Service Malaysia SDN. BHD., American subsidiary, Wiwynn International Corporation, and Mexican subsidiary, Wiwynn Mexico, S.A. de C.V. through the resolution of Board of Directors in 2022. 2. Participated in "Big 5G 2022" to present performance of Open RAN and edge computing applications. 3. Purchased green energy from AcBel Polytech. Inc. It established the foundation of using green energy. While the Company was expanding our business, we made provisional preparation for continuous rising demands in green energy and moved towards to the goal of net zero emission in 2050. 4. Demonstrated advanced computing and sustainable energy-saving technology for data centers through technical modules in OCP Global Summit 2022. 5. Awarded "Sustainable Report Level A Award" by Taiwan Corporate Sustainability Awards (TCSA), "Top 10% Outstanding Enterprises in Occupational Health and Safety" by Occupational Safety and Health Administration, MOL, "2022 Taiwan Best-in-Class 100" by Taiwan Institute of Directors (TWIOD), and "BSI 2022 Sustainable Resilience-Excellence Award", showing our performance in environmental protection, social responsibility, and corporate governance highly recognized by institutions at home and abroad. 6. Awarded BSI 2022 Sustainable Resilience Excellence Award by British Standards Institution. We were active in implementing UN SDGs, and our performance in ESG obtained international recognition. 7. Assisted the key telecommunications company in Poland, Hawe Telekom, to launch new-generation CDN network and implement ES200 that was with the most powerful computing capability among OCP OpenEDGE project to fulfill rapid data processing and high-frequency network connection. 8. Worked with Japanese MUFG Bank for the first time for sustainable financial loan and signed a sustainability-linked loan of NT$1.5 billion for the collaboration of achieving the implementation and commitment of green sustainable development. 9. Established a Nomination Committee.
2023	1. Approved seasoned equity offering to our Malaysia subsidiary, Wiwynn Technology Service Malaysia SDN. BHD. and American subsidiary, Wiwynn International Corporation through the resolution of Board of Directors in 2023. 2. Active in arranging and implementing UN Sustainable Development Goals (SDGs), continuing developing innovative sustainable products, establishing goals of carbon reduction and adaptation of green energy, and

Year	Milestones
	being formally approved by Science Based Target initiative (SBTi) to link with the international path of carbon reduction. 3. Participated in the 9th Corporate Governance Assessment and was ranked top 5% of the listed companies for the first time. We obtained full marks in the dimension of "promoting sustainable development". 4. Worked with Microsoft Taiwan to implement the service of Microsoft Cloud for Sustainability to respond to the change of supply chain and end customers' demands on product carbon footprint in order to speed up green transformation. 5. Malaysian subsidiary, Wiwynn Technology Service Malaysia SDN. BHD, held an opening ceremony for the Phase I Server Whole Cabinet Assembly Plant in Johore Malaysia. The whole new server plant established the vision of innovative one-stop center for manufacturing, service, and engineering technology in the Asia-Pacific area to fulfil the commitment to sustainable operation. 6. Exhibited AI acceleration server platform with module design and advanced liquid cooling technology in OCP Global Summit 2023. It satisfied diverse model training, customization, and inference demands in the era of AI as well as the demands of advanced cooling technology required for high power consumption servers. 7. Launched new edge computing server products, ES100G2 and ES200G2. It demonstrated excellent performance and efficiency in the limited space of short cabinet, provided lower total cost of ownership (TCO), and released new business opportunities in network and edge computing.
2024 (up to the publication date of the annual report)	1. Demonstrated complete edge server product line and the most advanced liquid cooling technology in MWC 2024. It showed the effort put by Wiwynn in providing solutions for workload, TCO, and energy optimization. 2. Board of Directors approved to build new office building in Tainan Science Park Plant Area. 3. The Company attended GTC2024 to present AI server rack that is based on NVIDIA GB200 NVL72 and the latest whole cabinet liquid-cooling management system, UMS100.

3. CORPORATE GOVERNANCE REPORT

3.1 Organization

(1) Organizational chart



(2) Department functions

Department	Functions
Corporate Audit	Develop and execute the annual audit plan to assist management to assess risk and corresponding management. Ensure the effectiveness of internal control system design and implementation to assist the Audit committee overseeing internal control execution and corporate governance to achieve organizational goals.
Enterprise Development	Responsible for the company's overall strategic planning, growth direction, and long-term development.
Sustainable Development Office	Drive ESG, corporate sustainability development performance.
Information Security Office	Define cyber security strategy and policies. Enforce cyber security management measures. Drive enhancement of systems, processes, procedures and training on Information and Cyber Security matters.
Pioneering Excellence Center	Pioneer new technologies and business under the guidance of Wiwynn Corporate missions. Pursue effective and efficient operations across Wiwynn business operations.
Engineering Technology	Execute Engineering operations to ensure time to market & best product design quality with innovative technologies.
Line of Business I Line of Business II Line of Business III Line of Business V	Provide data centers best-in-class cloud-to-edge products and manage business optimizations for customers.
Supply Chain Management	Develop supply chain strategy, support business operations needs in the areas of procurement, customer fulfillment, supply planning, logistic management, and after services. Ensure the smooth operation of the supply chain and maximize efficiency.
Manufacturing	Develop and integrate manufacturing technology and core competence to reach the highest level of quality and manufacture excellence. Build manufacturing capacity and resource to support business demand with geographical strategy.
Engineering Quality	Plan and execute innovation technologies to validate design quality in component and system level. Derive and execute quality analysis/improvement plan. Provide after-sales engineering services.
Information & Digital Technology	Develop digitalization strategy and enable digital optimization initiatives. Adopt, implement, and enhance enterprise applications. Manage infrastructure operations.
Corporate Communications	Plan and execute marketing events. Production of video and publicity materials for products and PR purposes. Manage company brand and maintain external image, including website, social media, community, media exposure and third party organization relationship. News gathering and marketing data analysis.
Finance	Manage finance, accounting, tax, budgeting, treasury.
Human Resources & Admin	As a strategic partner for business operations, continuously optimize human capital management systems and processes. Strategize and execute activities related to talent acquisition, training and development, performance management, separation, employee relations, total rewards, general affairs and EHS. Actively drive the integration of company core values and ensure compliance throughout the organization.
Legal	Review the Company’s transaction contracts and legal documents to provide legal opinions and negotiation support. Manage the Company’s dispute resolution procedures. Manage the application, protection and license matters of the Company’s intellectual property. Provide legal advices for the laws and regulations change and compliance issue. Plan and implement legal trainings to all employees. Manage the Company’s Privacy Policy.

3.2 Directors, supervisors, and management team

(1) Directors

Title	Nationality/ Place of Incorporation	Name	Gender	Age	Date Elected (on board)	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
								Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Chairman	R.O.C.	Emily Hong (Note 1)	F	61~70 years old	2023.05.29	3 years	2015.05.22	2,944,624	1.68%	2,418,624	1.38%	0	0%	0	0%	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 Division and Cloud Business Division in Wistron Corp. Vice General Manager in Acer Inc.	Note 1	None	None	None	None
Chairman (Note 2)	R.O.C.	Wistron Corporation	N/A	N/A	112.05.29	3 years	101.02.20	65,895,129	37.69%	65,895,129	37.69%	0	0%	0	0%	—	—	None	None	None	None
		Wistron Corporation Representative: Simon Lin(Note 2)	M	61~70 years old	109.06.15	3 years	101.02.20	Note 2	Note 2	Note 2	Note 2	0	0%	0	0%	Bachelor of National Chiao University President of Acer Inc.	Note 2	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Age	Date Elected (on board)	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
								Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Director	R.O.C.	Wistron Corporation	N/A	N/A	2023.05.29	3 years	2012.02.20	65,895,129	37.69%	65,895,129	37.69%	0	0%	0	0%	—	—	None	None	None	None
		Wistron Corporation Representative : Frank Lin	M	61~70 years old	2023.05.29	3 years	2012.2.20 First Appointment 2014.7.22 Change to Corporate Representative	0	0%	189,980	0.11%	0	0%	0	0%	Bachelor of Accounting, Feng Chia University Chief Financial Officer of Acer Inc.	Note 3	None	None	None	None
		Wistron Corporation Representative: Sylvia Chiou (Note 4)	F	50~61 years old	2023.05.29	3 years	2019.11.25	0	0%	0	0%	0	0%	0	0%	MBA, University of Pittsburgh Chief of Investment Management Division and Secretariat Department, Wistron Corporation Chief Executive Director of Staff Division I, Wistron Corporation	Note 5	None	None	None	None
Director	R.O.C.	Sunlai Chang	M	61~70 years old	2023.05.29	3 years	2017.05.31	490,235	0.28%	468,235	0.27%	49,000	0.03%	0	0%	PhD., University of Maryland, College Park. Bachelor of Science in Mechanical Engineering, National Taiwan University Director of Mechanical Design, Enterprise Business Division in Wistron Corp.	Note 6	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Age	Date Elected (on board)	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
								Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Director	R.O.C.	Steven Lu	M	51~60 years old	2023.05.29	3 years	2019.06.25	340,455	0.19%	340,455	0.19%	26,000	0.01%	0	0%	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 Manager of Enterprise Business Division in Wistron Corp. Senior Director of Server and Storage Group in Acer Inc.	Note 7	None	None	None	None
Independent Director	R.O.C.	Charles Kao	M	61~70 years old	2023.05.29	3 years	2020.06.15	0	0%	0	0%	0	0%	0	0%	Engineering, North Carolina State University Chairman of Inotera Memories, Inc. General Manager of Nanya Technology Corporation	Note 8	None	None	None	None
Independent Director	R.O.C.	Simon Zeng	M	61~70 years old	2023.05.29	3 years	2018.01.17	0	0%	0	0%	0	0%	0	0%	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	Note 9	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Age	Date Elected (on board)	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
								Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Independent Director	R.O.C.	Cathy Han	F	51~60 years old	2023.05.29	3 years	2018.01.17	0	0%	0	0%	0	0%	0	0%	MBA, University of Connecticut Senior Vice President of Principal Investment Department, China Development Industrial Bank Executive Vice President of Business Development Department, CDIB Capital Group Senior Associate Manager of Direct Investment Department, China Development Industrial Bank	Note 10	None	None	None	None
Independent Director	R.O.C.	Victor Cheng	M	71~80 years old	2023.05.29	3 years	2019.06.25	0	0%	0	0%	0	0%	0	0%	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.	Note 11	None	None	None	None

Note 1: Ms. Emily Hong was selected by all directors as the Chairman of the Company on May 29, 2023; On June 15, 2023 at the meeting of Board of Directors, all directors agreed the concurrent position of the Company's Chief Strategy Officer, Independent Director of momo.com Inc., and please refer to Page 143 for the concurrent positions in other subsidiaries.

Note 2: Chairman, Mr. Simon Lin, stepped down on May 29, 2023 after the re-election of the general shareholders' meeting.

Note 3: Chief of Staff, Wistron Corporation; Director, Wistron NeWeb Corporation; Director, Wistron Information Technology& Services Corp.; Chairman, Wise Cap Limited Company; Chairman, Liben Investment Co., Ltd.; Director, Changing Information Technology Inc.; Supervisor, aEnrich Technology Corporation; Director, Zhiyuan Venture Capital Co., Ltd.; Director, Join-Link International Technology Co.,Ltd.; Director, Mayaminer Company Ltd.; Director, Wistron Medical Tech Holding Company; Director, Wistron Digital Technology Holding Company; Director, Wistron Medical Technology; Director, PELL Bio-Med Technology Co. Ltd.; Chairman, WiSuccess Asset Management Corporation; Director, Wistron Green Energy Holding Company; Director, Hartec Asia Pte. Ltd.; Chairman, WiseCap (Hong Kong) Limited; Director, Hukui Biotechnology Corporation; Director, B-Temia Asia Pte. Ltd.

Note 4: New appointment after re-election of general shareholders' meeting on May 29, 2023.

Note 5: Chief Executive Director of Staff Department I and Vice President of Sustainability, Wistron Corporation; Director, T-CONN Precision Corporation; Director, FineMat Applied Materials Co., Ltd.; Director, Retronix Technology Inc.; Director, AiSails Power Inc.; Supervisor, Wistron Green Energy Holding Company; Director, Diagnostics For The Real World Limited.

Note 6: On June 15, 2023 at the meeting of Board of Directors, all directors agreed the appointment of the Company's President and CEO; Director, LiquidStack Holding B.V.; please refer to Page 143 for the concurrent positions in other subsidiaries.

Note 7: On June 15, 2023 at the meeting of Board of Directors, all directors agreed the appointment of the Company’s Executive Vice President; please refer to Page 143 for the concurrent positions in other subsidiaries.

Note 8: Chairman, Ion Electronic Materials Co., Ltd.; Chairman, XTEK Semiconductor (Huangshi) Co., Ltd.; Independent Director, Hauman Technologies Corp.; Independent Director, Rockchip Electronics Co., Ltd.; Independent Director, WUS Printed Circuit Co., Ltd.

Note 9: Chairman, Huhuei Asset Management Co., Ltd.; Chairman, Huhuei Investment Co., Ltd.; Chairman, Dingshi Investment Co., Ltd.; Chairman, Formacell Inc.; Independent Director, E＆E Recycling, Inc.; Independent Director, Waffer Technology Corp.; Director, Jinwen University of Science and Technology.

Note 10: Independent Director, AUO Corporation; Independent Director, Macroblock Inc.; Independent Director, Apacer Technology Inc..

Note 11: Director, ThroughTek Co., Ltd.; Independent Director, YODN Lighting Corp.

;;

Major shareholders of the institutional shareholders

April 1,2024

Name of Institutional Shareholders	Major Shareholders	Ratio(%)
Wistron Corporation	Labor Pension Fund	3.16
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	3.13
	Fubon Life Insurance Co., Ltd.	1.84
	Taipei Fubon Bank Trust Account (employee share ownership trust)	1.62
	Yuanta Taiwan Dividend Plus ETF	1.50
	Lin Hsien-Ming	1.47
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.35
	Wistron NeWeb Corporation	0.99
	CAPITAL TIP Taiwan Select High Dividend ETF	0.89
	Norges Bank-fund mgr Blackrock Investment Management(Taiwan) Limited	0.88

Major shareholders of the Company's major institutional shareholders

March,2024

Name of Institutional Shareholders	Major Shareholders	Ratio(%)
Fubon Life Insurance Co., Ltd	Fubon Financial Holding Co., Ltd.	100.00

April 2,2024

Name of Institutional Shareholders	Major Shareholders	Ratio(%)
Wistron NeWeb Corporation	Wistron Corporation	19.80
	Yuanta Taiwan Dividend Plus ETF	4.35
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	3.85
	Labor Pension Fund (New Scheme)	2.61
	WANG YONG-SHUN	2.13
	Bank SinoPac in custody for Wistron NeWeb Corp.'s Restricted Stock Trust Fund	2.06
	Chunghwa Post Co., Ltd.	2.00
	UPAMC Taiwan High Dividend Momentum ETF	1.83
	Haydn Hsieh	1.50
	Yuanta Taiwan High-yield Leading Company Fund	1.39

Professional qualifications and independence analysis of directors

Criteria / Name	Professional qualification and experience	State of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Emily Hong	Ms. Emily Hong is currently Chairman and Chief Strategy Officer in Wiwynn Corporation. Before Wiwynn, she was the Vice Chairman & CEO of Product and Business Division in Wistron Corporation. During her experience in the information industry for more than 20 years, her abundant experiences in international affairs, global business operation and management, IT and technology product design, and production and marketing strategies planning help her establishing essential and long-term partnership of mutual trust with famous IT enterprises in the world as well as public and private sectors. In 2019, she received "ERSO Award" and was recognized as a person who achieve excellent contribution in the semiconductor, electronics, and information communication industries in Taiwan. Besides, Ms. Emily Hong is not involved with anything specified in Article 30, Company Act.	Not an independent director, and the description of independence state is not required.	1 (Note 1)
Director Frank Lin	Mr. Frank Lin was the Financial Manager at Acer Incorporated before being promoted to the post of Chief Financial Officer. After the establishment of Wistron, he took the post of CFO and then the Chief of Staff at Wistron. His outstanding performance in financial analysis and operational management won him the recognition of R.O.C. Outstanding Financial Leader Award in 1996. Besides, Mr. Frank Lin is not involved with anything specified in Article 30, Company Act.		None
Director Sunlai Chang	Dr. Sunlai Chang is the current President and C.E.O. of Wiwynn Corporation (hereinafter referred to as Wiwynn) and in charge of the departments of product development, business, supply chain & manufacturing, product structure, quality engineering, and business automation. Before the establishment of Wiwynn, he was the Chief Mechanical Designer at Product and Business Division in Wistron as well as in charge of product storage department at the same time. Dr. Chang has more than 20-year produce development experience in automation, national defense, semiconductor equipment, and IT software industries. After joining Wiwynn, he successfully established and led the product development team o carry out technology research as well as build working relationship with multiple teams. He works hard to deliver the most advanced equipment to the customers of data centers. In 2021, he received the recognition of Outstanding Information Talent Award. Besides, Dr. Sunlai Chang is not involved with anything specified in Article 30, Company Act.		None
Director Steven Lu	Mr. Steven Lu is the current Senior Vice President of Wiwynn Corporation. He has more than 25 years' experience in the server, storage, and communications industries. He used to take important posts in well-known ODM companies, including Acer, MiTAC, Sercomm, and Wiwynn. Besides, Mr. Steven Lu is not involved with anything specified in Article 30, Company Act.		None
Director Sylvia Chiou	Miss Sylvia Chiou is currently Chief Executive Director of Staff Department I and Vice President of Sustainability of Wistron Corporation. She has professional abilities in financial analysis and business management as well as in-depth research in sustainable development. Besides, Ms. Sylvia Chiou is not involved with anything specified in Article 30 Company Act.		None

Criteria / Name	Professional qualification and experience	State of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Charles Kao	Mr. Charles Kao used to be the President of Micron Technology Taiwan, Inc. and the General Manager of Nanya Technology Corporation. He has more than 30 years of experience in the DRAM industry. He is an important promoter for the development of relevant technology industries and is called the Father of DRAM in Taiwan in the industry. Besides, Mr. Charles Kao is not involved with anything specified in Article 30, Company Act.	The detail of the independence of the four independent directors are as below: 1. Either the independent director, their spouses, or their relatives within the second degree of kinship are not the director, supervisor, or employee of our Company or our affiliates. 2. Either the independent director, their spouses, or their relatives within the second degree of kinship (or use other people's names) hold any share of our Company. 3. Are not the director, supervisor, or employee in companies with special relationship of our Company. 4. Not providing commercial, legal, financial, and accounting services to our Company or our affiliates within the past two years.	3 (Note 2)
Independent Director Simon Zeng	Dr. Simon Zeng used to be the Vice General Manager of Mega Financial Holding Company Ltd., President of Mega Bills Finance Co., Ltd, Senior Vice General Manager of China Development Financial Holding Corporation, and General Manager of China Development Industrial Bank. He has abundant experience in accounting, finance, consultation, and academic research. Besides, Mr. Simon Zeng does not involve with anything specified in Article 30, Company Act.		2 (Note 3)
Independent Director Cathy Han	Ms. Cathy Han used to be the Vice General Manager of Business Development Division in CDIB Capital Group as well as the supervisor and the director for many companies under the group of China Development Financial Holding Corporation. She was also the independent director for many listed companies. She has abundant knowledge and experience related to investment, corporate governance, and financial analysis. Besides, Ms. Cathy Han does not involve with anything specified in Article 30, Company Act.		3 (Note 4)
Independent Director Victor Cheng	Dr. Victor Cheng used to be the Legal Supervisor at Acer, full-time professor at Graduate Institute of Patent in National Taiwan University of Science and Technology, full-time professor & Dean of School of Law and the Head of Graduate Institute of Intellectual Property in Shih Hsin University. He is very well known in academic and industrial circles and is the leading expert of intellectual property right in Taiwan. Besides, Dr. Victor Cheng does not involve with anything specified in Article 30, Company Act.		1 (Note 5)

Note 1: Momo.com Inc.
Note 2: Hauman Technologies Corp., Rockchip Electronics Co., Ltd., WUS Printed Circuit Co., Ltd.
Note 3: E&E Recycling, Inc.; Waffer Technology Corp.
Note 4: Macroblock Inc., Apacer Technology Inc., AUO Corporation
Note 5: YODN Lighting Corp.

The Diversity and Independence of Board of Directors

1. Diversity

   Our Company establishes a policy of diverse members of Board of Directors in Article 20 of "Corporate Governance Best Practice Principles", and the provision is as below.

   The composition of Board of Directors should consider member diversity, and an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

   A. Basic requirements and values: gender, age, nationality, and culture.
   B. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industrial experience.

   All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

   (1) Ability to make operational judgments.
   (2) Ability to perform accounting and financial analysis.
   (3) Ability to conduct management administration.
   (4) Ability to conduct crisis management.
   (5) Knowledge of the industry.
   (6) An international market perspective.
   (7) Ability to lead.
   (8) Ability to make policy decisions.

   All of the directors in our Company possess above abilities. Our Chairman and Chief Strategy Officer, Ms. Emily Hong, is an entrepreneur who is brave in taking challenges and adventures. She has abundant global business operation and management experience as well as possesses innovative thinking style and strong leadership. Besides, she has sharp observation ability and can make judgement and decision promptly and precisely. Director, Frank Lin, has profound knowledge and experience in finance and corporate governance as well as is highly sensitive towards numbers. Director & President, Dr. Sun-Lai Chang, has professional background in mechanical engineering. He presents excellent leadership and flexible thinking when leading our R&D team for product development. Director & Senior Vice President, Mr. Steven Lu, has professional background in information engineering and business management. He has great insight in product development, product management, and the response to rapid industrial changes. Director, Sylvia Chiou, focuses on sustainability other than having rich experience in finance and corporate governance. Her professional knowledge is highly emphasized in global industries.

   Among our independent directors, Mr. Charles Kao is known as the father of DRAM in Taiwan in the industrial circle. He possesses professional abilities of forward-looking and familiar with global economy. Mr. Simon Zeng has a PhD degree in accounting and has a professional background in accounting, financial analysis, banking, and investment. Mr. Victor Cheng has a background in law and is especially good at technology patent and intellectual property rights. Ms. Cathy Han has worked in the banking industry for a long time and possesses a professional background of investment, corporate governance, and financial analysis. Each of our independent directors will be able to provide our Company with professional suggestions from different dimensions.

   We have nine directors in the company. Three of them are the employees of our Company. There are four independent directors, and the term of each independent director does not exceed consecutive three terms.

   All of the directors in the company all have nationality from Taiwan. In terms of gender, we

have three female directors after re-election of Board of Directors in 2023 and six male directors. As for age profile, one director is over 71 years old, six directors are between 61-70 years old, and two are less than 60 years old.
Our Company has achieved the management goal of establishing four independent directors and the directors with concurrent post of manager in the company must be less than one third of the total number of directors. In the future, we will continue developing towards a diverse Board of Directors.

2. Independence
   We have nine directors in the company, and four of them are independent directors with a ratio of 44%. After confirming the family table and declaration form with directors, we did not find any of the relationship of a spouse or relatives within second degree of kinship among directors.

(2) Management team

March 26, 2024

Title	Nationality	Name	Gender	Date elected (on board)	Shares held		Shares held by spouses and minor children		Shares held in another person's name		Main experience (education)	Positions in other companies	Managers who are spouses or within two degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and Chief Strategy Officer	R.O.C.	Emily Hong	F	2012.04.02	2,418,624	1.38%	0	0%	0	0%	1. The Alumni Association of Executives Program, Graduate School of Business Administration, National Chengchi University 2.Bachelor of Political Science, National Taiwan University 3.General Manager of Enterprise Product Group and Cloud Business Group in Wistron Corp. 4.Vice General Manager in Acer Inc.	Note 1	None	None	None	None
President and CEO	R.O.C.	Sunlai Chang	M	2012.04.02	468,235	0.27%	49,000	0.03%	0	0%	1. PhD., University of Maryland, College Park. 2.Bachelor of Science in Mechanical Engineering, National Taiwan University 3.Director of Mechanical Design, Enterprise Business Group in Wistron Corp.	Note 1	None	None	None	None
Executive Vice President	R.O.C.	Steven Lu	M	2014.07.16	340,455	0.19%	26,000	0.01%	0	0%	1. Master of Business Administration, The Fuqua School of Business, Duke University 2.Bachelor and Master of Science in Computer Science & Information Engineering, National Taiwan University 3.Senior Manager of Enterprise Business Group in Wistron Corp. 4.Senior Director of Server and Storage Group in Acer Inc	Note 1	None	None	None	None
Vice President	R.O.C.	Robin Wang	M	2016.05.03	259,905	0.15%	47,214	0.03%	0	0%	1. EMBA, Ateneo de Manila University 2.Bachelor of Mechanical Engineering, National Taiwan University of Science and Technology 3.Manufacturing Direct of Enterprise Products Group in Wistron Corp. 4.Procurement Manager, Plant Manager, General Manager of Overseas Plant in Acer Inc.	Note 1	None	None	None	None

Title	Nationality	Name	Gender	Date elected (on board)	Shares held		Shares held by spouses and minor children		Shares held in another person's name		Main experience (education)	Positions in other companies	Managers who are spouses or within two degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President	R.O.C.	Joe Chiao	M	2016.05.03	485,722	0.28%	0	0%	0	0%	1. The Alumni Association of Executives Program, Graduate School of Business Administration, National Chengchi University 2. Bachelor of Computer Science, National Chiao Tung University 3..Chief of Applied Computer Dept., Chief of Server Dept., Senior Executive Assistant to the General Manager in Wistron Corp.	Note 2	None	None	None	None
Chief Financial Officer	R.O.C.	Harry Chen	M	2012.04.02	516,495	0.30%	0	0%	0	0%	1. Bachelor, Accounting, Tunghai University 2.Senior manager of Financial Strategy Planning in Wistron Corp.	Note 1	None	None	None	None

Note 1: Please refer to page 143 for the concurrent positions in other subsidiaries.
Note 2: Resigned and dismissed on June 1, 2023.

3.3 Remuneration paid to directors, supervisors, president, and vice president in the most recent fiscal year

(1) General directors and independent directors

Unit: NT$ thousand

	Title	Name	Remuneration								Ratio and amount of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees								Ratio and amount of total compensation (A+B+C+D+E+F+G) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
			Base compensation (A)		Severance pay (B)		Director compensation(C)		Business administration fee (D)				Salary, Bonuses, and Allowances (E)		Severance pay (F)		Employee compensation (G)						
			The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
																	Cash	Stock	Cash	Stock			
Director	Chairman (Note 1)	Wistron Corporation	0	0	0	0	19,462	19,462	390	390	19,852 0.16%	19,852 0.16%	32,821	32,821	407	407	114,400	0	114,400	0	167,480 1.39%	167,480 1.39%	86,000
		Wistron Corporation Representative : Simon Lin (Note 1)																					
	Chairman	Emily Hong (Note 2)																					
	Director	Wistron Corporation																					
		Wistron Corporation Representative : Frank Lin																					
	Director	Wistron Corporation																					
		Legal representative: Sylvia Chiou (Note 3)																					
	Director	Sunlai Chang																					
	Director	Steven Lu																					
Independent Director	Independent Director	Charles Kao	0	0	0	0	10,538	10,538	330	330	10,868 0.09%	10,868 0.09%	0	0	0	0	0	0	0	0	10,868 0.09%	10,868 0.09%	0
	Independent Director	Simon Zeng																					
	Independent Director	Cathy Han																					
	Independent Director	Victor Cheng																					

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The remuneration of independent directors of the company is based on the "Compensation Principles of Directors and Functional Committee", and additional allowances are given in consideration of the duties of individual independent directors participating in the functional committee.
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services (such as taking the post of non-employee consultant for the Company, Companies in the consolidated financial statements, or re-investment businesses) : None.

Remarks: The remuneration disclosed in this table is subject to a distinction from the concept of income under the Income Tax Act, so the purpose of this table is for information disclosure and not for tax purposes.

Note 1: Stepped down after the re-election at the general shareholders' meeting on May 29, 2023.

Note 2: Re-appointed after the re-election at the general shareholders' meeting on May 29, 2023. On the same day, appointed by the directors at the boarding meeting as Chairman. On June 15, 2023, all directors agreed the concurrent appointment of the Company's Chief Strategy Officer.

Mote 3: New appointment after the re-election at general shareholders' meeting on May 29, 2023.

Remuneration Table

Range of remuneration	Name of directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements (H)	The Company	Parent Company and all the reinvestment businesses
Less than NT$1,000,000	3; Note 1	3; Note 1	3; Note 1	
NT$1,000,000 ～ NT$1,999,999				
NT$2,000,000 ～ NT$3,499,999	6; Note 2	6; Note 2	4; Note 4	4; Note 4
NT$3,500,000 ～ NT$4,999,999				
NT$5,000,000 ～ NT$9,999,999	2; Note 3	2; Note 3	1; Note 5	2; Note 6
NT$10,000,000 ～ NT$14,999,999				
NT$15,000,000 ～ NT$29,999,999			1; Note 7	1; Note 7
NT$30,000,000 ～ NT$49,999,999				2; Note 8
NT$50,000,000 ～ NT$99,999,999			2; Note 9	2; Note 9
Above NT$100,000,000				
Total	11	11	11	11

Note 1: Corporate representative: Simon Lin stepped down after the re-election at the general shareholders' meeting on May 29, 2023; corporate representative: Frank Lin; corporate representative: Sylvia Chiou.
Note 2: Sunlai Chang, Steven Lu, Victor Cheng, Charles Kao, Simon Zeng, Cathy Han
Note 3: Wistron Corporation, Emily Hong
Note 4: Victor Cheng, Charles Kao, Simon Zeng, Cathy Han
Note 5: Wistron Corporation
Note 6: Wistron Corporation; corporate representative: Sylvia Chiou
Note 7: Steven Lu
Note 8: Former corporate representative: Simon Lin; corporate representative: Frank Lin
Note 9: Emily Hong, Sunlai Chang

(2) Supervisors: Not applicable as the Company has already established an Audit Committee.

(3)President and vice presidents

Unit: NT$ thousand

Title	Name	Salary(A)		Severance pay (B)		Bonus and special allowance (C)		Employee compensation (D)				Ratio and amount of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman and Chief Strategy Officer	Emily Hong	17,932	17,932	769	769	25,375	25,375	130,200	0	130,200	0	174,276 1.45%	174,276 1.45%	None
President and CEO	Sunlai Chang													
Executive Vice President	Steven Lu													
Vice President	Robin Wang													
Vice President (Note 2)	Joe Chiao													
Chief Financial Officer	Harry Chen													

Note 1: The remuneration disclosed in this table is subject to a distinction from the concept of income under the Income Tax Act, so the purpose of this table is for information disclosure and not for tax purposes.

Note 2: The employee resigned on June 1, 2023.

Remuneration Table

Range of remuneration	Name of the President and Vice President	
	The Company	Companies in the consolidated financial statements
Below NT$1,000,000	1; Note 1	1; Note 1
NT$1,000,000～NT$1,999,000		
NT$2,000,000～NT$3,499,999		
NT$3,500,000～NT$4,999,999		
NT$5,000,000～NT$9,999,999		
NT$10,000,000～NT$14,999,999	2; Note 2	2; Note 2
NT$15,000,000～NT$29,999,999	1; Note 3	1; Note 3
NT$30,000,000～NT$49,999,999	1; Note 4	1; Note 4
NT$50,000,000～NT$99,999,999	1; Note 5	1; Note 5
Above NT$100,000,000		
Total	6	6

Note 1: Joe Chiao
Note 2: Robin Wang, Harry Chen
Note 3: Steven Lu
Note 4: Sunlai Chang
Note 5: Emily Hong

(4) If any of the following applies to the company, it shall disclose the individual remuneration paid to each of its top five management personnel: It is not applicable due to there is no following situation involved.

1. The company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years: None.
2. The company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation: The evaluation result of corporate governance at Wiwynn Corporation in 2023 was top 6%-20%。

(5) Employees' profit sharing paid to executive officers and the state of distribution

December 31, 2023

Unit: NT$ thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Employee Compensation - in Stock</th><th>Employee Compensation - in Cash</th><th>Total</th><th>Ratio of Total Amount to Net Income (%)</th></tr>
<tr><td rowspan="7">Executive Officers</td><td>Chairman and Chief Strategy Officer</td><td>Emily Hong</td><td rowspan="7">0</td><td rowspan="7">130,550</td><td rowspan="7">130,550</td><td rowspan="7">1.08%</td></tr>
<tr><td>President and CEO</td><td>Sunlai Chang</td></tr>
<tr><td>Senior Vice President</td><td>Steven Lu</td></tr>
<tr><td>Vice President</td><td>Robin Wang</td></tr>
<tr><td>Vice President</td><td>Joe Chiao</td></tr>
<tr><td>Chief Financial Officer</td><td>Chang-Wei Chan</td></tr>
<tr><td>Accounting Manager</td><td>Wenifred Wen</td></tr>
</table>

(6) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of the net profit after tax, as a percentage of net income stated in the parent company only financial reports or individual financial

reports, as paid by the Company and by each other company included in the consolidated financial statements to directors, president, and vice presidents:

Item / Title	Total compensation, as a percentage of net income stated in the parent company only financial reports or individual financial reports			
	2022 (Note 1)		2023 (Note 2)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors and Independent Directors	0.26%	0.26%	0.26%	0.26%
President and Vice Presidents	1.13%	1.13%	1.45%	1.45%

Note 1: It was calculated based on the net profit after tax of NT$14,174,709 thousand stated in 2022 parent company only financial reports.
Note 2: It was calculated based on the net profit after tax of NT$ 12,043,655 thousand stated in 2023 parent company only financial reports.

2.Policies of remuneration to directors, president, and vice presidents:

The payment policy of remuneration for the directors in the Company shall be handled according to Article 21 of "Articles of Incorporation" for the Company. If the Company has net profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation), the company shall appropriate an amount no more than 1% of the profit as the compensation in cash to the directors.

The procedures of establishing compensation to the directors and managers in the Company are based on "management rules for salary system and structure to directors and managers, and their management performance evaluation" as the accordance for assessment. Compensation to directors considers the authority, number of attendances, and other performance evaluation of individual director for the final approval. Salary to the president and vice presidents is based on the business performance and target conversion rate of the team managed as well as referred to the payment standard from other manufacturers in the same trade plus the position, the responsibility undertaken, and association to the future risk for reasonable decision.

Relevant performance assessment and the reasonableness of compensation have been approved by Compensation Committee and Board of Directors before implementation. The compensation system will be reviewed timely based on the actual operational conditions and relevant legal regulations in order to seek the balance between the sustainable operation and risk control in the Company.

3.4 Implementation of corporate governance

(1) Information on the operation of Board of Directors

A total of 8 (A) meetings of the Board of Directors were held in 2023. The attendance of directors was as follows:

Title	Name	Attendance in person (B)	By proxy	Actual attendance rate (%) 【B/A】(Note 1)	Remark
Chairman (Stepped down for re-election)	Wistron Corporation Representative: Simon Lin	4	0	100 %	Stepped down on May 29, 2023
Chairman	Emily Hong	8	0	100 %	Took over on May 29, 2023
Director	Wistron Corporation Representative: Frank Lin	8	0	100 %	Reappointed on Maty 29, 2023
Director	Sunlai Chang	8	0	100 %	Reappointed on Maty 29, 2023
Director	Steven Lu	7	1	88 %	Reappointed on Maty 29, 2023
Director	Wistron Corporation Representative: Sylvia Chiou	4	0	100 %	Reappointed on Maty 29, 2023
Independent Director	Charles Kao	8	0	100 %	Reappointed on Maty 29, 2023
Independent Director	Simon Zeng	8	0	100 %	Reappointed on Maty 29, 2023
Independent Director	Cathy Han	8	0	100 %	Reappointed on Maty 29, 2023
Independent Director	Victor Cheng	8	0	100 %	Reappointed on Maty 29, 2023

Note1: The actual attendance rate (%) shall be calculated by the number of meeting and number of attendances in person during the term of office.

Note 2: The Company implement re-election at the general shareholders' meeting on May 29, 2023.

Other mentionable items:

Attendance of independent directors at Board Meeting in 2023

●：Attended in person ○：By proxy

	1st	2nd	3rd	4th	5th	6th	7th	8th
Charles Kao	●	●	●	●	●	●	●	●
Simon Zeng	●	●	●	●	●	●	●	●
Cathy Han	●	●	●	●	●	●	●	●
Victor Cheng	●	●	●	●	●	●	●	●

1. If any of the following circumstances occurs, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.: Not applicable as the Company has already established an Audit Committee.

(2) Other matters involving objections or expressed reservations by independent directors which were recorded or stated in writing that require a resolution by the board of directors: None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Session	Date	Content	Reason of interest conflict avoidance and sate of voting participation
1st Meeting in 2023	2023.01.09	Motion 1: Business performance bonus granting proposal for managers, except CEO of the Company, in the second half year of 2022. Motion 2: Operating performance granting proposal for the CEO of the Company in the second half year of 2022.	Directors, Mr. Sunlai Chang and Mr. Steven Lu, were the stakeholders for Motion 1. Following the principle of conflict-of-interest avoidance, they did not participate in the discussion and voting for the topic. Director, Ms. Emily Hong, was the stakeholder for Motion 2. Following the principle of conflict-of-interest avoidance, she did not participate in discussion and voting for the topic. After excluding directors of interest avoidance, all the motions were approved by all the attended directors without any objection after the inquiry from the chairman.
2nd Meeting in 2023	2023.02.22	Motion 2: Employee compensation ratio and recommended amount for managers, except CEO of the Company, in 2022. Motion 3: Annual salary adjustment proposal for managers, except the CEO of the Company, in 2023. Motion 4: Operating performance bonus granting pre-approval proposal for mangers, except CEO of the Company, in 2023. Motion 5: Employee compensation ratio and recommended amount for CEO of the Company in 2022. Motion 6: Annual salary adjustment proposal for CEO of the Company in 2023. Motion 7: Annual operating performance bonus pre-	Directors, Mr. Sunlai Chang and Mr. Steven Lu, were the stakeholders for motions 2-4. Following the principle of conflict-of-interest avoidance, they did not participate in the discussion and voting for the topic. Director, Ms. Emily Hong, was the stakeholder for motions 5-7. Following the principle of conflict-of-interest avoidance, she did not participate in discussion and voting for the topic. After excluding directors with interest avoidance, all the motions were approved by all the attended directors without any objection after the inquiry from the chairman.

		approval proposal for CEO of the Company in 2023.	
6th Meeting in 2023	2023.06.15	Motion 3: Job position recommendation proposal for senior managers of the Company.	Directors, Ms. Emily Hong, Mr. Sunlai Chang, and Mr. Steven Lu were the stakeholders of Motion 3. Following the principle of conflict-of-interest avoidance, they did not participate in discussion and voting for the topic. After excluding directors with interest avoidance, all the motions were approved by all the attended directors without any objection after the inquiry from the deputy chairman, Mr. Frank Lin.
7th Meeting in 2023	2023.08.07	Motion 1: Business performance bonus granting proposal for managers, except Chief Strategy Officer of the Company, in the first half year of 2023. Motion 2: Operating performance granting proposal for the Chief Strategy Officer of the Company in the first half year of 2023.	Directors, Mr. Sunlai Chang and Mr. Steven Lu, were the stakeholders for Motion 1. Following the principle of conflict-of-interest avoidance, they did not participate in the discussion and voting for the topic. Director, Ms. Emily Hong, was the stakeholder for Motion 2. Following the principle of conflict-of-interest avoidance, she did not participate in discussion and voting for the topic. After excluding directors of interest avoidance, Motion 1 was approved by all the attended directors without any objection after the inquiry from the chairman. After excluding directors of interest avoidance, Motion 2 was approved by all the attended directors without any objection after the inquiry from the deputy chairman, Mr. Frank Lin.

3. Status of assessment implementation of Board of Directors:

Type	Cycle	Period	Scope	Method	Content
Board of Directors	Once a year	2023/01/01~ 2023/12/31	Board of Directors and individual directors	Internal evaluation of Board of Directors Self-evaluation by individual directors	The criteria of evaluating the performance of the Board of Directors covered the following five dimensions: 1.Participation in the operation of the Company. 2.Improvement of the quality of decisions made by the Board of Directors. 3.Composition and structure of the Board of Directors. 4.Election and continuing education of the directors. 5.Internal control. The criteria of evaluating the performance of the board members covered the following six dimensions: 1.Alignment of the goals and missions of the Company.

					2.Awareness of the duties of a director. 3.Participation in the operation of the Company. 4.Management of internal relationship and communication. 5.The director's professionalism and continuing education. 6.Internal control.
Audit Committee	Once a year	2023/01/01~ 2023/12/31	Audit Committee and individual members	Internal evaluation of Audit Committee Self-evaluation by individual members	The criteria of evaluating the performance of the Audit Committee covered the following five dimensions: 1.Participation in the operation of the Company. 2.Awareness of the duties of the Audit Committee. 3.Improvement of the quality of decisions made by the Audit Committee. 4.Composition of the Audit Committee and election of its members. 5.Internal control. Performance evaluation of the Audit Committee includes following key dimensions: 1.Level of participation to the Company's operation. 2. Duty and responsibility recognition for the Audit Committee. 3. Enhancement of quality of decisions made by the Audit Committee. 4.Composition of the Audit Committee and selection of its members.
Compensation Committee	Once a year	1013/01/01~ 2023/12/31	Compensation Committee and individual members	Internal evaluation of Compensation Committee Self-evaluation by individual members	The criteria of evaluating the performance of the Compensation Committee covered the following five dimensions: 1.Participation in the operation of the Company. 2.Awareness of the duties of the Compensation Committee. 3.Improvement of the quality of decisions made by the Compensation Committee. 4.Composition of the Compensation Committee and election of its members. 5.Internal control. Performance evaluation of the Committee includes following key dimensions: 1. Level of participation to the Company's operation. 2. Duty and responsibility

					recognition for the Compensation Committee. 3. Enhancement of quality of decisions made by the Compensation Committee. 4. Composition of the Compensation Committee and selection of its members.
Corporate Sustainability Development Committee	Once a year	2023/01/01~ 2023/12/31	Corporate Sustainability Development Committee and individual members	Internal evaluation of Corporate Sustainability Development Committee Self-evaluation by individual members	The criteria of evaluating the performance of the Corporate Sustainability Development Committee covered the following five dimensions: 1.Participation in the operation of the Company. 2.Awareness of the duties of the Corporate Sustainability Development Committee. 3.Improvement of the quality of decisions made by the Committee. 4.Composition of the Corporate Sustainability Development Committee and election of its members. Performance evaluation of the Corporate Sustainability Committee includes following key dimensions: 1. Level of participation to the Company's operation. 2. Duty and responsibility recognition for the Corporate Sustainability Committee. 3. Enhancement of quality of decisions made by the Corporate Sustainability Committee. 4.Composition of the Sustainability Committee and selection of its members.
Nomination Committee	Once a year	2023/01/01~ 2023/12/31	Nomination Committee and individual members	Internal evaluation of Nomination Committee Self-evaluation by individual members	The criteria of evaluating the performance of the Nomination Committee covered the following five dimensions: 1.Participation in the operation of the Company. 2.Awareness of the duties of the Nomination Committee. 3.Improvement of the quality of decisions made by the Nomination Committee. 4.Composition of the Nomination Committee and election of its members. 5.Internal control. Performance evaluation of the Nomination Committee includes following key dimensions: 1.Level of participation to the Company's operation.

					2.Duty and responsibility recognition for the Nomination Committee. 3.Enhancement of quality of decisions made by the Nomination Committee. 4.Composition of the Committee and selection of its members.

4. Goals of strengthening functions and competence of Board of Directors of the year and the most recent fiscal year and the evaluation of its implementation:
   The Company has completed the performance evaluation on the board and functional committees according to “Method of Evaluating Performance of the Board of Directors” at quarter 1, 2024. The evaluation results on Board of Directors, Audit Committee, Compensation Committee, and Corporate Sustainability Development Committee of the Company in 2023 were all “exceeding the standard” (with a score of more than 90 points).

(2) Operation of Audit Committee or participation of supervisors in the operation of Board of Directors

The Audit Committee of the Company consists of 4 independent directors, and please refer to page 17 to 18 "professional qualifications and independence analysis of directors" for their professional qualification and experience. The operation of the committee shall be handled according to "Organic Regulations of Audit Committee" in the Company and relevant laws. A regular meeting will be held every quarter before the meeting of the board to review the implementation of internal control system and internal audit as well as material financial business behavior. The committee is responsible for communicating and opinion exchanging with internal auditing officers and certified public accountants to ensure the supervision on company operation and risk control. The items reviewed and audited in 2023 were mainly:

- Financial statement review
- Material loans of funds
- Appointment (discharge) of certified public accountants, their remuneration, and independence assessment
- Effectiveness assessment of internal control system
- Material asset transaction

1. Operations of the Audit Committee:

A total of 7 (A) meetings were held by Audit Committee in 2023. The attendance of the independent directors was as follows:

Title	Name	Attendance in person (B)	By proxy	Actual attendance rate (%)【B/A】(Note 1)	Remark
Independent Director	Charles Kao	7	0	100 %	Re-appointed on May 29, 2023
Independent Director	Simon Zeng	7	0	100 %	Re-appointed on May 29, 2023
Independent Director	Cathy Han	7	0	100 %	Re-appointed on May 29, 2023
Independent Director	Victor Cheng	7	0	100 %	Re-appointed on May 29, 2023
Note1: The actual attendance rate (%) shall be calculated by the number of meeting and number of attendances by the independent director during the term of office. Note 2: Re-election was implemented at the general shareholders' meeting on May 29, 2023.					
Other mentionable items: 1. If any of the following circumstances occurs, the dates of meeting, session, contents of motion, opinions of objection or reservation by independent directors or content of suggestions, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified. (1) Matters referred to in Article 14-5 of the Securities and Exchange Act: Please refer to the important resolutions of the board from page 79 to 90. (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None. 2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None. 3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of corporate finance or operations, etc.) (1) The internal auditing officer in the Company reports auditing business to the Audit Committee at least once every quarter. The audit reports and follow-up reports should be submitted based on the progress of auditing plan to the chairman for approval, and then be delivered to the independent directors for reviewing. Communication and discussion will be carried out immediately if there is any doubt or instruction after being reviewed by the independent directors. The direction and key auditing items of auditing plan for the second half of the year shall be established (including risk					

evaluation) by the end of every year. A workshop should be held for discussion in advance to obtain the opinions from the independent directors. Internal audit unit shall communicate with the independent directors at normal time by email, phone, or face-to-face discussion based on demands. The communication between the independent directors and the internal auditing officer in the Company is good. (2) The Company will invite the certified public accounts attend meetings at Audit Committee at least four times a year to communicate or discuss quarterly and annual financial report review or audit result, key auditing items, annual auditing plan, internal audit at subsidiaries, important accounting standards or interpretative letters, and updated securities management regulations and tax regulations. The communication between the independent directors in the Company and certified public accountant is good.

2. Participation of supervisors in the operation of the Board of Directors:

Not applicable as the Company has already established an Audit Committee.

(3) Corporate governance implementation status and deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons

Item of evaluation	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". It was approved by the board. The information of the provisions has been disclosed on the Company's website(http://www.wiwynn.com/zh-hanu/) and Taiwan Stock Exchange Market Observation Post System.	No discrepancy
2. Shareholding structure of the Company & shareholders' rights and interests				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has set up a contact window to deal with investor relations and stock affairs as well as to handle the suggestions from shareholders and the response to shareholders' doubts. The legal affair unit will handle disputes and lawsuits that involve shareholders. Relevant handling procedures will follow the internal operational procedure.	No discrepancy
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company has the information on the updated main shareholders and their controller through the register of shareholders issued from stock transfer agent.	No discrepancy
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company has established relevant regulations for risk control and firewall mechanism, including "Methods for Supervising and Managing Subsidiaries", "Procedures for Transaction Among Related Parties, Specific Company, and Companies in the Enterprise Group", "Procedures for Governing Loaning of Funds and Marking of Endorsements", and "Procedures for Governing the Acquisition and Disposal of Assets".	No discrepancy

<table>
<tr><th rowspan="2">Item of evaluation</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(4) Does the company establish internal rules against insiders trading with undisclosed information?</td><td>V</td><td></td><td>The Company has established "Regulation of Insider Trading" and "Procedures for Handling Material Inside Information" to forbid insiders from trading securities using information not disclosed to the market. In addition, educational promotion of relevant laws will be provided to directors and managers irregularly. The state of implementation and relevant promotion is as below:
1. All directors were sent a notice before annual announcement (30 days ahead) and quarterly financial report (15 days ahead) for no stock transaction during the period of closure. The implementation status in 2023 was as follows:
<table><tr><th></th><th>Date of announcement</th><th>Date of notice</th></tr><tr><td>Annual financial statements</td><td>2/22</td><td>1/19</td></tr><tr><td>Q1 financial report</td><td>5/8</td><td>4/20</td></tr><tr><td>Q2 financial report</td><td>8/7</td><td>7/20</td></tr><tr><td>Q3 financial report</td><td>11/6</td><td>10/19</td></tr></table>2. We promoted the common violations on insider equity transfer to our employees on January 17, April 20, July 14, and October 30, 2023. We also reminded them no insider transaction before the meeting of Board of Directors, revenue publication, and announcement of important messages.</td><td>No discrepancy</td></tr>
<tr><td colspan="5">3. Composition and responsibilities of the Board of Directors</td></tr>
<tr><td>(1) Does the board develop and implement a diversified policy for the composition of its members and specific goal of management?</td><td>V</td><td></td><td>A policy of diversity in the composition of board members has been specified in the "Corporate Governance Practice Principles".
To ensure the diversity of composition of board members to strengthen the competence of the Board of Directors, an election was implemented at 2023 General Shareholders' Meeting. Other than electing Mr. Emily Hong as the Chairman, we also recruited a female director and now have three female directors to deepen female directors' participating in decision-making and implement diversity of board members. Our Company has achieved maintaining the goal of diversity in at least two (included) female directors, 4 independent directors, and the number of directors who concurrently serve as the managerial officer in the company less than 2/3 of directors. In the future, we will continue developing towards a diverse board of</td><td>No discrepancy</td></tr>
</table>

Item of evaluation	Implementation status: Yes	Implementation status: No	Implementation status: Summary	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
			directors.	

State of implementation of diversification among board members

Core item of diversification / Name of the director	Basic composition						Industrial background				Professional skills			
	Gender	Employee of the Company	Age (years old): Below 40	Age (years old): 41-60	Age (years old): Above 61	Tenure of office of independent director	Finance, banking/ law	Venture capital/ consultation	Communication network	Computers and peripheral equipment	Accounting and financial analysis abilities	Information technology	Risk management ability	Business management ability
Emily Hong	F	V			V			V	V	V	V	V	V	V
Frank Lin	M				V			V	V	V	V		V	V
Sylvia Chiou	F			V						V	V		V	V
Sunlai Chang	M	V			V			V	V	V	V	V	V	V
Steven Lu	M	V		V				V	V	V	V	V	V	V
Charles Kao	M				V	Below 3 years		V	V	V	V	V	V	V
Simon Zeng	M				V		V	V			V		V	V
Cathy Han	F			V			V	V			V		V	V
Victor Cheng	M				V		V	V		V			V	V

Item of evaluation	Yes	No	Summary	Deviations and reasons
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	V		Other than the establishment of the Compensation Committee and Audit Committee according to law, the Company also set up Corporate Sustainability Development Committee on March 8th, 2021 to be in charge of sustainable risk identification and management as well as assist the board to implement risk supervision and control mechanisms. To ensure the function of the Board of Directors and strengthen management mechanism, the Company established the "Nominating Committee" under the approval of Board of Directors on November 1, 2022.	No discrepancy
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation	V		The Company approved and established "Regulations for Evaluating Performance of Board of Directors and Functional Committees" through the board meeting on March 16th, 2018. It was revised on November 6th, 2019 with the approval from the board to include functional committees in the scope of performance evaluation. The performance evaluation shall be carried out by internal evaluation of the board, self-evaluation of the director, internal evaluation of the functional committees, or other proper methods. The Board of Director (including functional committees) in the Company shall carry out performance evaluation Once a year. The period of evaluation is from January 1st to December 31st of the current year.	No discrepancy

Item of evaluation	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?			The performance evaluation of the year shall be implemented based on evaluation procedures and evaluation indicators. It shall be completed by the end of quarter 1 next year, and the evaluation results shall be sent to each functional committee and the board for report. In addition, the evaluation result will also be used as the reference for compensation and reappointment of the director according to "Management Method for Compensation System, Structure, and Business Performance Evaluation on Directors and Managers". The Company has completed the board performance evaluation for 2023 and submitted it to the meeting of the board on February 26, 2024. The scores of evaluation for the Board of Directors, Audit Committee, Compensation Committee, Corporate Sustainability Committee, and Nomination Committee in 2023 were 99, 98, 99, 99, and 98 respectively. The results were all "exceeding standard" (above 90 points). The Board of Directors of the Company approved "Regulations of Evaluating Performance of Board of Directors and Functional Committee" on November 1, 2022. The performance of the Board should be evaluated by an external professional independent institution or external team of experts once every three years. In December 2022, the Company entrusted Taiwan Association of Board Governance to carry out external evaluation of performance of the Board of Directors in 2022 (2022.1.1~2022.12.31). Through independence and professionalism interview and assessed by external experts, seven dimensions in the composition and structure of the Board of Directors, election and continuing education of directors, participation of the Board to the operation of the Company, improvement of decision-making quality made by the Board, internal control, environment, society & corporate governance, and value creation were reviewed with in above 7 dimensions as well as provided suggestions. The Company formulated measures of implementation according to suggestions to report the status of communication (such as employee suggestions or complaints) with stakeholders to the Board of Directors regularly for timely understanding and fair discussion by members of the Board of Directors.	
(4) Does the company regularly evaluate the independence of CPAs?	V		The Company will evaluate the independence of the certified public accountants at least Once a year. The evaluation report on the commission of the certified public accountants and their independence & competence has been approved by the Audit Committee and the Board of Directors on February 26 2024. Other than reviewing the reasonableness of the auditing fee, we request the certified public accountants and the accounting firm to provide relevant information and declaration. The regulations for independence include: Personal independence of all the members in the accountants' firm (financial interests, financing guarantees, employment relationship), business relationship with customers, auditor partner rotating system, and non-auditing service. The evaluation is based on whether there is any violation on the matters specified in The No. 10 Bulletin of Norm of Professional Ethics for Certified Public Accountant and on audit quality indicators (AQIs). The evaluation confirms the relevant requirements in independence and	No discrepancy

Item of evaluation	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
			competence specified in Norm of Professional Ethics for Certified Public Accountant have been satisfied on the CPAs commissioned for 2024.	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		In order to cooperate with the competent authority for the promotion of corporate governance blueprint to deepen our corporate governance, , the board approved the establishment of Corporate Governance Officer on August 7th, 2020, to be in charge of matters related to corporate governance, to assist directors implementing business and delivering the function of supervision, and to be the bridge between the Board of Directors and each business unit/ competent authority. The business implementation in 2023 is as below: 1. Handled matters related to the meetings of the board and shareholders according to law: (1) Set up an agenda for the meeting of the board and sent out the notice seven days before the meeting (except extraordinary meetings) as well as provided sufficient meeting information to directors. The topics with interest, avoidance shall be reminded of in advance, and the meeting minute shall be produced and distributed to directors within twenty days after the meeting. (2) Registered the date of the shareholders' meeting in advance according to law and produce meeting notice, annual report, handbook for the meeting, and meeting minute within the legal deadline. (3) Articles revision or registration change for the reelection of directors. (4) Invited certified public accountants to attend the meeting or arranged relevant personnel to attend the board meeting according to the demand of the topics. 2. In charge of handling the requests from directors, providing information required to directors to implement business, and responding to the demands from directors properly and timely. 3. Set up training plans and courses and arranged directors' further study. 4. Assisted the board to establish the target of performance so that to strengthen the efficiency of the operation of the board as well as implement performance evaluation of the board. 5. Assisted directors for regulatory compliance: (1) Assisted the operations of the board and shareholders' meeting to meet the regulations of relevant laws and code of corporate governance. (2) Assisted and reminded directors of the legal regulations that they shall comply with when implementing business. 6. Symmetric and transparent information: In charge of releasing the important messages from resolutions at meetings, ensure the legality and correctness of the content, and protect the symmetric information for the transaction done by the investors. 7. Held investor conferences irregularly to maintain investor relationship and strengthen the communication channels with investors. 8. Other matters based on the articles of incorporation or contract. The Corporate Governance Officer of the Company completed the following training in 2023:	No discrepancy

<table>
<tr><th rowspan="2">Item of evaluation</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th rowspan="2">Institution</th><th rowspan="2">Name of the course</th><th colspan="2">Training period</th><th rowspan="2">Training hours</th></tr>
<tr><th>From</th><th>To</th></tr>
<tr><td>The Chinese National Association of Industry and Commerce</td><td>2023 Taishin Net Zero Electricity Summit Forum</td><td>2023/6/2</td><td>2023/6/2</td><td>3</td></tr>
<tr><td>Taiwan Stock Exchange</td><td>2023 Cathay Sustainable Finance and Climate Change Summit Forum</td><td>2023/7/4</td><td>2023/7/4</td><td>3</td></tr>
<tr><td>Taiwan Corporate Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>2023/9/22</td><td>2023/9/22</td><td>3</td></tr>
<tr><td>Taiwan Corporate Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>2023/9/22</td><td>2023/9/22</td><td>3</td></tr>
</table>
</td><td></td></tr>
<tr><td>5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</td><td>V</td><td></td><td>The Company maintains smooth communication channels with government/ competent authority, customers, suppliers, correspondent banks, shareholders/investors, and employees as well as complies with its due legal rights and interests.
The Company sets up a stakeholder zone on the official website to provide a communication channel for stakeholders and properly respond the important corporate social responsibility topics that are concerned by stakeholders.</td><td>No discrepancy</td></tr>
<tr><td>6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?</td><td>V</td><td></td><td>The Company entrusts Stock Transfer Department, Yuanta Securities Co., Ltd. to handle affairs related to shareholders’ meetings.</td><td>No discrepancy</td></tr>
<tr><td colspan="5">7. Information disclosure</td></tr>
<tr><td>(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</td><td>V</td><td></td><td>The Company discloses the financial business and corporate governance related information on the official website as well as update the information timely.</td><td>No discrepancy</td></tr>
</table>

Item of evaluation	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has spokesman and deputy spokesman to be in charge of releasing and explaining company information externally. We implement spokesman system and appoint dedicated personnel to collect and disclose company information. In addition, the Company discloses information related to finance, business, and corporate governance on the official website in both English and Chinese to enhance information transparency. When an investor conference is held, we will put the relevant information on the official website at the same time for investors to check.	No discrepancy
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		In two months after the end of the fiscal year, the Company will announce and declare the annual financial reports. Besides, financial reports for Q1, Q2, and Q3 as well as the operations for each month are announced and declared before the deadline specified.	As the information provided.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and	V		1. Rights of and care for employees: The Company has complete employee welfare measures, advanced study, training, and retirement system in place as well as carry out health examination regularly to care employees' health. The Company works hard to establish a friendly working environment and devotes itself to enhancing harmonious employee relationship. We listen to our employees through regular employee communication sessions and establish an absolutely confidential employee complaint channel to maintain the rights of employees. 2. Investor relationship: The Company entrusts professional stock transfer agents to handle affairs related to shareholders and assigns a dedicated person to deal with investor relationships and suggestions from shareholders. 3. Supplier relationship:	No discrepancy

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</td><td></td><td></td><td>The Company maintains good interaction with suppliers and develops them as our long-term strategic partners.
4. Rights of stakeholders:
The Company sets up a stakeholder zone on the official website to provide our stakeholders, including employees, suppliers, customers, banks, and shareholders, communication channels to maintain due rights and interests.
5. Implementation of advanced study carried out directors in most recent fiscal year:
<table>
<tr><th>Title</th><th>Name</th><th>Training date</th><th>Hosted by</th><th>Name of the course</th><th>Hour(s)</th></tr>
<tr><td rowspan="3">Chairman</td><td rowspan="3">Emily Hong</td><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>3</td></tr>
<tr><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>3</td></tr>
<tr><td>2023/07/04</td><td>Taiwan Stock Exchange</td><td>2023 Cathay Sustainable Finance and Climate Change Summit Forum</td><td>6</td></tr>
<tr><td rowspan="5">Director</td><td rowspan="5">Frank Lin</td><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>3</td></tr>
<tr><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>3</td></tr>
<tr><td>2023/08/17</td><td>Taiwan Corporation Governance Association</td><td>Corporate Governance and Securities Regulations</td><td>3</td></tr>
<tr><td>2023/07/04</td><td>Taiwan Stock Exchange</td><td>2023 Cathay Sustainable Finance and Climate Change Summit Forum</td><td>6</td></tr>
<tr><td>2023/06/02</td><td>The Chinese National Association of Industry and Commerce</td><td>2023 Taishin Net Zero Electricity Summit Forum</td><td>3</td></tr>
<tr><td rowspan="2">Director</td><td rowspan="2">Sunlai Chang</td><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>3</td></tr>
<tr><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>3</td></tr>
<tr><td rowspan="2">Director</td><td rowspan="2">Steven Lu</td><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>3</td></tr>
<tr><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>3</td></tr>
<tr><td rowspan="3">Director</td><td rowspan="3">Sylvia Chiou</td><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Keys to Enhance Efficiency and Function of the Board of Directors</td><td>3</td></tr>
<tr><td>2023/09/22</td><td>Taiwan Corporation Governance Association</td><td>Future Global ESG Key Trend and Practical Cases</td><td>3</td></tr>
<tr><td>2023/07/04</td><td>Taiwan Stock Exchange</td><td>2023 Cathay Sustainable Finance and Climate Change Summit Forum</td><td>6</td></tr>
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</td><td></td></tr>
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Item of evaluation	Implementation status: Yes	Implementation status: No	Implementation status: Summary	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
			(continued table below)	

Independent Director	Charles Kao	2023/09/22	Taiwan Corporation Governance Association	Keys to Enhance Efficiency and Function of the Board of Directors	3
		2023/09/22	Taiwan Corporation Governance Association	Future Global ESG Key Trend and Practical Cases	3
		2023/06/16	Taiwan Corporation Governance Association	Corporate Governance and Securities Regulations	3
Independent Director	Simon Zeng	2023/09/22	Taiwan Corporation Governance Association	Keys to Enhance Efficiency and Function of the Board of Directors	3
		2023/09/22	Taiwan Corporation Governance Association	Future Global ESG Key Trend and Practical Cases	3
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Sumit Forum	6
		2023/06/02	The Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Electricity Summit Forum	3
Independent Director	Cathy Han	2023/09/22	Taiwan Corporation Governance Association	Keys to Enhance Efficiency and Function of the Board of Directors	3
		2023/09/22	Taiwan Corporation Governance Association	Future Global ESG Key Trend and Practical Cases	3
		2023/09/01	Taiwan Corporation Governance Association	Impact and Effect of Climate Change Risks on Company Financial Disclosure	3
		2023/09/01	Taiwan Corporation Governance Association	Management of Corporate Reputation Risks	3
		2023/08/09	Taiwan Corporation Governance Association	Innovation, Digital Technology, and Competitive Advantages	3
Independent Director	Victor Cheng	2023/09/22	Taiwan Corporation Governance Association	Keys to Enhance Efficiency and Function of the Board of Directors	3
		2023/09/22	Taiwan Corporation Governance Association	Future Global ESG Key Trend and Practical Cases	3

6. Implementation of risk management policies and risk evaluation standards:
   (1) The important topics in the Company related to the major policy on operation, investment, endorsement and guarantee, lending funds, and financing have all been evaluated and analyzed by the proper competent department. Relevant personnel monitor a well-organized and constructive control environment through training, management principles, and operational procedures.
   (2) Audit unit sets up annual auditing plan for evaluation and is in charge of implementation. The results shall be reported to the Audit Committee to monitor the execution of each risk management and firm up supervision mechanism.
   (3) Audit Committee is responsible for evaluating the effectiveness of the internal control policy and procedure of the Company (including the control measures in finance, operation, risk

Item of evaluation	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
			management, information security, and regulatory compliance) as well as reviews the regular reports from audit department, certified public accountants, and management level for the appropriateness of relevant risk management framework. 7. Implementation of customer policy: The Company aims to deliver products and services that are with zero defects and competitive to our customers on time. Other than becoming the best technology service provider to our customers, we anticipate achieving a win-win situation with our customers in the business cooperation. 8. Liability insurance for directors and supervisors The Company has taken out liability insurance for all of the directors and important staff. After renewal every year, it will be submitted to the latest Board meeting (November 6th, 2023) for report. The detail of the insurance is shown in the table below:	

Insurance company	Insured amount	Duration (from-to)
AIG, Insurance Company of North America, Fubon Insurance Co., Ltd., Taiwan Fire & Marine Insurance Company, Ltd., Cathay Century Insurance Co., Ltd., Nan Shan General Insurance Company, Shinkong Insurance Co., Ltd.	US$60 million in total	From: September 25, 2023 To: September 25, 2024

9. Management of intellectual property right

Our Company establishes an intellectual property strategy that combines with company operational goals and R&D resources. From strengthening defending ability to gradually activating intellectual properties, we encourage innovation and R&D, strengthen IP portfolio, enhance employees' knowledge and risk awareness towards intellectual property, and boost competitiveness through investment and cooperation authorization.

In addition, to continue enhancing the management of intellectual property rights, we report to the Board at least Once a year. The latest submission date to the board is February 26, 2024.

A. Implementation of intellectual property in 2023
1. Taiwan Intellectual Property Management System (TIPS) Level A Verification; Validity: December 31, 2022, to December 31, 2024.
2. Recorded practical Q&A educational training course, "information classification management methods" and completed training for all the employees. 1,050 employees in total completed the training.
3. Provided training for new colleagues at R&D department; the educational course, "how to produce beneficial patent", was completed on June 29 and November 13.
4. The quantity of invention proposal increased 10% compared to last year.

B. Goals of intellectual property management for 2024

<table>
<tr><th rowspan="2">Item of evaluation</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>1.Continue implementing TIPS and pass level A certification; the scope of certification includes patent and trademark.
2.Re-organize existing legal online course to a training course for new employees in both Chinese and English versions.
3.Record online educational training course, “introduction to patent rights” for new employees at R&D Department as well as online educational training course and “how to produce beneficial patents” for all R&D employees.
4.Establish at least 30 items for quality control in order to assess external patent firms every year.
5.Assign exclusive patent engineers to R&D units for the enhancement of RD invention proposals.</td><td></td></tr>
<tr><td colspan="5">9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement and measures for the pending improvements:
· On November 6, 2023, the Board of Directors approved “Policies and Procedures for Risk and Security Management”. It clearly specifies the Audit Committee is in charge of supervising and monitoring risk management. CEO should assign members to establish Risk and Security Management Team to collect and evaluation significant risks. It should report to the Audit Committee and Board of Directors for the implement of risk management.
· Strengthening interest party transaction through purchasing and selling or labor or technical services. If the transaction amount in the whole year reaches 10% of the latest consolidated total assets or the consolidated net business income of the most recent fiscal year, except following Regulations Governing the Acquisition and Disposal of Assets by Public Companies or the transaction between the Company and the parent company or subsidiary or between subsidiaries, the relevant should be submitted to the Board of Directors for approval before reporting to the latest shareholders’ meeting. Meanwhile, relevant control mechanisms should be included to the regulations of internal control.</td></tr>
</table>

(4)Composition and operations of the Compensation Committee

1.Information on the members of Compensation Committee

Identity	Criteria / Name	Professional qualification and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an compensation committee member
Independent Director (Convenor)	Charles Kao	The members of the Compensation Committee in our Company consist of the independent directors of the Company. Please refer to page 17 to 18 for the relevant content in "directors' professional knowledge and state of independence".	The members of the Compensation Committee in our Company consist of the independent directors of the Company. It meets the regulation of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". Please refer to page 17 to 18 for the relevant content in "directors' professional knowledge and state of independence".	1 (Note1)
Independent Director	Victor Cheng			1 (Note 2)
Independent Director	Simon Zeng			2 (Note 3)

Note 1: Hauman Technologies Corp.
Note 2: YODN Lighting Corp.
Note 3: Waffer Technology Corp., E＆E Recycling, Inc.

2. Information on operations of the Compensation Committee

The Compensation Committee of the Company consists of 4 independent directors, and it holds at least three meetings a year. The Committee performs the duty faithfully with the due care of a good administrator and submits suggestions to the Board for discussion.

(1) Function and power of the Compensation Committee:

- Review "Organizational Regulations for Compensation Committee" and make recommendations for amendments.
- Establish and regularly discuss the policies, systems, standards, and structure of performance evaluation and remuneration for directors and managers.
- Regularly evaluate and establish the remuneration to directors and managers.

(2) Compensation Committee should follow the principles below when performing the functions and power above:

- Ensure the arrangement of remuneration in the Company meets relevant legal regulations and is attractive to excellent talents.
- The performance assessment and remuneration of directors and managerial personnel of the Company should take reference of the typical pay levels adopted by peer companies and consider the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
- Do not produce an incentive for the directors or managerial officers to engage in activity pursuing remuneration exceeding the risks that the Company may tolerate.
- The characteristics of the industry and the nature of the Company's business should be considered when determining the ratio of bonus payout for the short-term performance

of directors and senior managerial officers as well as when there is any change on the payment time for some variable part of remuneration.

- Members of the Compensation Committee must not participate in the discussion and vote for the decision on the remuneration related to them.

(3) Information on meetings of Compensation Committee:

The term of office of the Committee is from June 15, 2023, to May 28, 2026. A total of 4 (A) meetings were held in 2023. The attendance of the members was as follows:

Title	Name	Attendance in person (B)	By proxy	Actual attendance rate (%)【B/A】(Note 1)	Remark (Note 2)
Convenor	Charles Kao	4	0	100%	Re-appointed on 2023.06.15
Member	Cathy Han	2	0	100%	Re-appointed on 2023.06.15
Member	Victor Cheng	4	0	100%	Re-appointed on 2023.06.15
Member	Simon Zeng	2	0	100%	Re-appointed on 2023.06.15

Note 1: The actual attendance rate (%) shall be calculated by the number of meetings and number of attendances in person while in office.

Note 2: Re-election of all directors was held at General Shareholder's Meeting on May 29, 2023, the members of the committee were reappointed by the board meeting on June 15.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Compensation Committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Compensation Committee, the circumstances and cause for the difference shall be specified): None.

2. Resolutions of the Compensation Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(5) Information on the members of Nominating Committee and the state of operations

1. Appointment qualification of members of Nomination Committee and the duties and responsibilities:

The Nomination Committee of the Company consists of Chairman and two independent directors. Please refer to page 17 to 18 "professional qualifications of directors and the state of independence" for their professional qualification and experience. The operations of the Nomination Committee follow "Organizational Regulations for Nomination Committee" established by the Company and relevant laws. Based on the actual demands, the Committee can hold a meeting at any time to select and review the suitable persons for directors and managerial officers, assess the state of independence of independent directors, and submit list of suitable candidates and a succession plan to the Board of Directors.

2. Professional qualification and experience of the members of Nomination Committee, and the state of operations:

A. There are 5 members in the Nomination Committee.

B. The first term of office is from November 1, 2022, to June 14, 2023. The second term of office is from May 29, 2023, to May 28, 2026. In the most recent fiscal year, there were 4 (A) meetings held. The professional qualification and experience of the members, their state of attendance, and discussion were as below:

Title	Name	Professional qualification and experience	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】(Note 1)	Remark
Convenor (stepped down in 2023)	Simon Lin	Please refer to page 17 to 18 “professional qualifications of directors and the state of independence” for their professional qualification and experience.	1	0	100 %	Stepped down on 2023/5/29
Convenor (new-appointment)	Emily Hong		3	0	100 %	Re-appointed on 2023/5/29
Director	Wistron Corporation Representative : Frank Lin		3	0	100 %	Re-appointed on 2023/5/29
Independent Director	Charles Kao		4	0	100 %	Re-appointed on 2023/5/29
Independent Director	Victor Cheng		4	0	100 %	Re-appointed on 2023/5/29
Independent Director	Cathy Han		3	0	100 %	Re-appointed on 2023/5/29
Note1: The actual attendance rate (%) shall be calculated by the number of meeting and number of attendances by the independent director during the term of office. Note 2: Re-election was implemented at the general shareholders’ meeting on May 29, 2023.						

3. Other mentionable matters:

Provide the information of date of meeting for main motions in the meeting of Nomination Committee, the number of sessions, the content, suggestions or objections on the content by the members, the resolution by the Nomination Committee, and the how the Company handles the opinions from the Nomination Committee.

Date and session number of the meeting	Content	Resolution and how the Company handles the opinions from the Nomination Committee
April 17, 2023 1st Session 2nd Meeting	Motion 1: Nomination of members of 5th Board of Directors (including independent directors)	Chairperson consulted with all the attended members, and it was passed without different opinions before submitting to Board of Directors for review.
May 29, 2023 2nd Session 1st Meeting	Motion 1: Selection and appointment of the convenor of Nomination Committee.	Selected Chairman, Emily Hong, to be the convenor and chairperson of the committee meeting. It was agreed by the rest of members without different opinions.
June 15, 2023 2nd Session 2nd Meeting	Motion 1: Nomination of members of the 4th Compensation Committee. Motion 2: Nomination of members of the 2nd Corporate Sustainable Development Committee. Motion 3: Recommendation of job transfer of the senior managerial officers in the Company.	Motion 1: Nominated Independent Director, Mr. Simon Zeng, Independent Director, Mr. Charles Kao, and Independent Director, Mr. Victor Cheng, to be the members of the 4th Compensation Committee. The three appointed members elected one from them to be convenor. It was approved by the rest of members and submitted to Board of Directors for review. Motion 2: Nominated Chairman, Ms. Emily Hong, Director, Mr. Sunlai Chang, Director,

		Ms. Sylvia Chiou, and Independent Director, Mr. Simon Zeng, to be the members of the 2nd Corporate Sustainable Development Committee. The four appointed members elected one from them to be convenor. It was approved by the rest of members and submitted to Board of Directors for review. Motion 3: Chairman, Ms. Emily Hong, was appointed the Company's Chief Strategy Officer; her job title was changed to Chairman and Chief Strategy Officer. Director, Mr. Sunlai Chang, was promoted to the position of CEO; his job title was changed to President and CEO. Director, Mr. Steven Lu, was promoted to Executive Vice President. The motion was submitted to Board of Director for review.
August 7, 2023 2nd Session 3rd Meeting	Motion !: Proposal of annual training for the Company's directors (including independent directors).	Chairperson consulted all the attended members; it was approved without different opinions.

(6) Information on members of the Corporate Sustainable Development Committee and the state of operations

1. Qualification of members and their duties and responsibilities:

The appointment of the Company's Corporate Sustainable Development Committee is determined by the Board of Directors. It consists of four directors, and the independent director acts as the convenor. The terms are the same as the terms of the Board of Directors appointed. Duties and responsibilities are as below:

(1) To establish the direction and goals for corporate social responsibility and sustainable development as well as set up relevant management guidance and actual promotional plans.
(2) To promote and implement tasks related to corporate ethical management and risk management.
(3) To follow up, review, and revise the implementation and effectiveness of corporate sustainable development.
(4) Other matters that are approved by the Board of Directors that shall be handled by the Committee.

2. Professional qualification and experience of members of Corporate Sustainable Development Committee and the state of operations:

(1) There are 4 members in the Company's Corporate Sustainable Development Committee.

(2) The terms of members elected in the first election: March 8, 2021, to June 14, 2023; the terms of members elected in the second election: June 15, 2023 to May 28, 2026. The Corporate Sustainable Development Committee held 3 meetings in the most recent fiscal year. The members' professional qualification and experience, attendance, and items of

discussion are as below:

Title	Name	Professional qualification and experience	Number of attendances in person	Number of attendances by proxy	Actual attendance rate (%)	Remarks
Convenor	Simon Zeng	Please refer to page 17 to 18, “Professional Knowledge and State of Independence of Directors”.	2	0	100%	Newly appointed
Member	Emily Hong		3	0	100%	Re-appointed
Member	Sunlai Chang		2	1	66%	Re-appointed
Member	Kaoling Chiu		2	0	100%	Newly appointed
Member	Steven Lu		1	0	100%	Dismissal
Member	Cathy Han		1	0	100%	Dismissal

Note: The terms of directors expired, and an election was conducted to re-appointed members for Corporate Sustainable Development Committee.

(3) Other mentionable items: Please describe the date of meeting, session, and content of the main motions for the Corporate Sustainable Development Committee

Date of meeting/ session	Content	Results and how the Company's handled the opinions from members
February 13, 2023 The 1st term of office 5th meeting	1. Implementation status of ethical management 2.Implementation status of information security 3.Implementatoin status of intellectual property rights 4 .Material topic- outcome of stakeholder engagement 5. Goal of carbon reduction and key outcome in 2023 6.Sustainable supply chain management plans	Members carried out full discussion on the content of each motion, and all the motions were approved as proposed.
June 15, 2023 The 2nd term of office 1st meeting	Selection and appointment of the convenor	
August 7, 2023 The 2nd term of office 2nd meeting	1.Implementation status in the first half of 2023 and future prospect	

(7) Implementation status of promoting sustainable development and Best-Practice Principles

1. Implementation status of promoting sustainable development and the deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and explanation</th></tr>
<tr><td>1. Does the Company establish a governance structure to promote sustainable development and a dedicated unit to promote sustainable development as well as the Board of Director in the Company authorizes high management level to handle it and the state of supervision by the Board of Directors?</td><td>V</td><td></td><td>The Company established Corporate Sustainable Development Committee to direct the strategies for sustainability topics. On March 8, 2021, Board of Directors approved it to be a functional committee under the Board of Directors. Independent Director, Simon Zeng, is the Chairperson; Director Emily Hong, Director Sunlai Chang, and Director Kaoling Chiu are members. At least two meeting shall be held every year. Chief Sustainability Officer is responsible for promoting and management sustainability topics and following up the outcome as well as reporting to the Corporate Sustainable Development Committee and the Board of Directors. The latest submission to the Board of Director was on February 26, 2024. The Board of Directors is responsible for supervising the effectiveness of implementation.
<table><tr><th>Date of submission</th><th>Content</th></tr><tr><td>February 13, 2023</td><td>1.Implementation status of ethical management
2.Implementation status of information security
3.Implementation status of intellectual property rights
4 .Material topic- outcome of stakeholder engagement
5.Goals of carbon reduction in 2023 and key outcome
6.Sustainable supply chain management plans</td></tr><tr><td>August 7, 2023</td><td>1.Implementation status in the first half year of 2023 and future prospect</td></tr></table></td><td>No discrepancy</td></tr>
<tr><td>2. Does the company carry out risk evaluation on topics of environment, society, and corporate governance related to the operation of the Company based on</td><td>V</td><td></td><td>The Company implements risk identification and management of sustainability on topics related to environment, society, and corporate governance that are relevant with the operation of the Company through the process of identification, materiality analysis, and assurance according materiality principles. The evaluation boundary covers main production and business sites included in the consolidated financial report. We also adjust strategies and goals for sustainability management based on the actual situation. The summary of relevant content is as below:</td><td>No discrepancy</td></tr>
</table>

materiality principle as well as establish relevant risk management policy or strategy? (Note 2)

Strategy	Direction	Management goal
Eco-friendly operation	Devoted to carbon reduction and achieve corporate growth with the awareness of sustainability	1.Commitment of using renewable energy 2.Newly constructed plant meets green building above gold level specified in local regulations 3.New production line for low power consumption PCBA in the world 4.Reduce cabinet products and test power consumption during idle time
Sustainable supply chain	Promote sustainable supply chain for collaboration and common good	1.Supplier code of conduct signing rate 2.Completion rate of sustainable supplier self-evaluation questionnaire 3.Key and high-risk supplier audit and defect improvement supervision 4.Encourage supply chain to obtain RBA third-party verification 5.Supplier ESG training rate
Common good and coprosperity between employees and the enterprise	Empower and care employees to help them achieve their goals	1.Ratio of female managers 2.Ratio of talent rotation 3.Global engagement survey: scored the same in “diversity and inclusion” as the norm of Willis Towers Watson high-performance enterprise 4.Particiaption rate of global employee engagement survey (IDL) 5.Global engagement survey- scored contrast in “sustainability engagement” with Willis Towers Watson high-performance enterprise 6.Ratio of using leave for public welfare
Green innovation	Integrate advanced technology and develop green products	1. Floating-point operations per second/ thermal design power 2. Ratio of low-carbon product revenue 3. Products using green metal 4. Recyclable plastic material recovery rate introduced to products

3. Environmental issues (1) Does the company establish proper environmental management systems based on the industrial characteristics?	V		To establish an effective management system, we continue improving standardization and routinization for internal management. The Company introduced ISO 14001:2015 Management System. The validity period in Taiwan is until 2025 while it is 2026 in Mexico.	No discrepancy
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The Company is committed to energy-saving measures, like replacement of high energy consumption boxed host machine and LED, to enhance energy utilization efficiency. According to the estimation, power consumption of 353,789 kWh was saved in 2023. It reduced around NT$1.06 million on electricity expense; it is equivalent to the reduction of 167.90 tons of CO_2 emission. In addition, the Company adopts Green Design Guide at the stage of product design. With the basic structure of ISO 9001 Quality Management System, we gradually increase the application of recycled materials. We use more than 11% of recycled steel materials on the sheet metal for cases of new products. In 2023, the consumption of green steel materials was 1,990 tons. Compared to virgin materials, it is estimated to reduce 1,902,965.8 kgs of carbon dioxide equivalent. We also introduced more than 50% of recycled materials on plastic materials. In 2023, the usage of recycled plastics was 304 tons; compared to using virgin materials, it reduced 332,011.2 kgs of carbon dioxide equivalent. Except steel materials and plastics used on products, the plastic EPE (Expandable Polyethylene) used as packaging materials also used recycled EPE. Packaging design for new products reduced the usage of EPE and enhanced the ratio of paper packaging. It is estimated in 2023, the recycled packaging materials reduce 254,972.7 kgs of carbon dioxide equivalent. We will continue introducing new products and fulfill circular economy with responsible production to create positive effect to the environment.	No discrepancy
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		The Company uses TCFD as the framework for evaluation to respond to the risks caused by climate change actively. We grasp the opportunity obtained during the transformation to a low-carbon economy and further allocate the capital effectively to create the business operating capability with more resilience. Please refer to the description of the chapter “climate change” in Wiwynn’s 2023 Sustainability Report for more details. The relevant summary is listed below.	No discrepancy

Category	Response/ Measures
Transformation risks - Net zero emissions, carbon pricing, regulations and standards of product efficiency, uncertainty of new regulations/ lack of legitimacy, product technological transformation, product demand of low carbon emission, new technology investment, water resource management	· Through renewable energy plans by the group, we introduced the carbon management platform to collect carbon emission data. Besides, we worked with suppliers for carbon reduction in the supply chain and implemented carbon reduction management from product development, manufacturing, transportation, utilization to the scrap of products to work hard in fulfilling the commitment two long-term goals of using renewable energy fully by 2030 and net zero emissions by 2040. · We paid attention on different carbon management measures, including “carbon tax”, “carbon price”, and “carbon tariff”, to monitor the financial impact caused by carbon pricing. · In response to the latest requirement of Lot 9, Wiwynn Corporation started to adopt the power supply unit (PSU) with titanium PSU efficiency (96%@50%load) from 2024. · We continue paying attention on local regulations and policy development at our operating sites and timely adjust responding measures. · We invested R&D resources in the heat dissipation technology of liquid cooling and immersion cooling to respond to high energy consumption issues caused by technological change. · Through careful evaluation and approval procedures, we grasp promising technology investment opportunities to effectively reduce risks. Currently, we are planning to use recycled water for manufacturing process in the new plant in Malaysia to use water resources effectively.
Physical risks - Extreme rainfall and drought, change of average temperature	· In 2023, we passed ISO22301:2019 Business Continuity Management System and established several business continuity planning (BCP). We exercise regularly to reduce property loss or personnel injury caused by operation interruption. · We consider different scenarios of climate change every year when evaluating risks and opportunities related to climate topics as well as confirm the impact of climate change risks and opportunities caused to the Company’s finance to timely

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<tr><td></td><td>formulate responding measures.</td></tr>
<tr><td>Opportunities -

Development of low-carbon products, application of recycled materials, development of recycled materials, improvement of manufacturing process, enhancement of energy efficiency, energy-saving building, low-carbon energy, sustainability rating</td><td>· Development of low-carbon products: the benefit of carbon reduced based on two products within sales portfolio, the lifecycle of these products can bring downstream customers an energy saving benefit of 8,080,383 kilowatt-hours, equivalent to reducing 3,992 tons of carbon dioxide emissions.
· Application/ development of recycled materials: More than 11% of recycled steel materials were introduced to the sheet metal used on cases of new products. Besides, more than 50% of recycled materials were introduced to plastic materials. Plastic EPE (expandable polyethylene) used for product packaging also used recycled EPE. It is estimated to reduce 2,490 tons of carbon dioxide equivalent.
· Improvement of manufacturing process: Short-term, medium-term, and long-term goals of planning new production line of low power consumption PCBA and reducing power consumption during the idle time of cabinet product testing.
· Enhancement of energy efficiency: Measures of energy saving and carbon reduction is estimated to save power consumption of 353,789 kWh every year. It reduces electricity expense of around NT$1.06 million every year, which is equivalent to the reduction of 167.90 tons of CO2e.
· Energy-saving building: It is expected to obtain GBI green building mark for our new plant in Malaysia in 2024. According to the estimation, the energy-saving effect can achieve 30.37%. It saves around 6,361,646 kWh electricity every year.
· Low-carbon energy: In 2023, the usage of global renewable energy achieved 57.07%
· Sustainability rating: The Company obtained bronze level (top 10%) in DJSI sustainability rating and obtained A- for CDP climate change.</td></tr>
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<td>(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight</td>
<td>V</td>
<td></td>
<td>1. Greenhouse gas emission and its goal of management:
In order to slow climate change and fulfill the commitment of environmental protection, the Company sets greenhouse gas emission reduction as the long-term goal for continuous improvement. We submitted SBTi carbon reduction goals in 2022, and it was approved by SBTi</td>
<td>No discrepancy</td>
</tr>
</table>

of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			in 2023. We set 2021 as the base year and expect to reduce 25% for Scope 1 and Scope 2 and 12.3% for Scope 3 by 2031. To achieve the goal of carbon reduction step by step, all the subsidiaries listed in the 2023 consolidated financial statements were included in greenhouse gas verification and audit boundary; the coverage rate achieved 100%. Besides, we actively prepare for green electricity procurement. Followed the headquarters in Taipei completed green electricity transition in 2022, it was introduced in Tainan Plant in 2023. For overseas operating sites, we installed rooftop solar panels and purchased through consolidated renewable energy certificate to enhance the utilization rate of green electricity. In 2023, the market basic emission for Scope 1 and Scope 2 reduced 4,106.0533 tons CO2e compared to that in 2022. The global renewable energy utilization rate is 57.07%, and it also increased 29.34% compared to that in 2022. Please refer to the chapter of "climate change" in the Company's 2023 Sustainability Report for more details.	

Statistics of greenhouse gas emission over the years

Unit: tons CO_2e

Item		2022	2023
Scope 1		1,186.6308	3,272.5527
Scope 2	Regional base	25,961.5777	28,860.4916
	Market base	19,170.5147	12,978.5396
Total	Regional base	27,148.2085	32,133.0443
	Market base	20,357.1455	16,251.0923
Unit revenue emission volume (Tons CO2e/NTD 0.1 billion)	Regional base	9.27	13.28
	Market base	6.95	6.72
Scope 3		5,960,082.29	6,441,578.98

Note1: Verification boundary of Scope 1 and Scope 2:

The verification and audit boundary in 2022 was the main production sites of Wiwynn's.The verification and audit boundary in 2023 was all the subsidiaries Wiwynn included in the consolidated financial statements.

Note 2: Decrements are not deducted from the data for scope 3.

Goal achievement rate in 2023

Boundary	Coverage rate	Scope 1+2 Achievement rate
Taiwan	34.14%	37.20%
Global	100%	91.45%

2. Water consumption and its goal of management:

Up to now, the operations run by Wiwynn mainly used water for domestic purpose. No water is consumed during the manufacturing process. The sources of water include running water, recycled water, and underground water. Wastewater generated is also general domestic wastewater. In 2023, the water intake per unit revenue slightly increased while the recycled water resources was 14.92 million ml, which was increased significantly compared to that in 2022; accounting for 9% of total volume of water intake. We recycled water resources through air conditioning condensed water, rainwater, and hand-washed water. We reused them for watering landscape.

Statistics of water consumption

Unit: Million L

Water consumption	2022	2023
A. Running water	61.12	80.06
B. Surface water (lake, river)	0	0.00
C. Underground water	67.02	67.27
D. Recycled rainwater	0.33	14.92
E. Total volume of water intake ((A+B+C+D)	128.47	162.25
F. Total water displacement	128.47	95.35
G. Water consumption (E-F)	0.00	66.90
Unit revenue water consumption (Million ml/ NTD 0.1 billion)	0.04	0.07

<table>
<tr>
<td></td>
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<td>
The state of water recycling
Unit: Million L
<table>
<tr><th>Year</th><th>2022</th><th>2023</th></tr>
<tr><td>Air conditioning condensed water</td><td>0</td><td>1.92</td></tr>
<tr><td>Rainwater</td><td>0.33</td><td>12.08</td></tr>
<tr><td>Others (hand-washed water)</td><td>0</td><td>0.92</td></tr>
<tr><td>Total</td><td>0.33</td><td>14.92</td></tr>
</table>
3. Total weight of waste, its goal of management, and state of implementation:
In order to effectively manage the waste generated in the production and operating process, we entrust a qualified clearance and disposal organization to carry out procedures of waste disposal. We also declare relevant data according to the Waste Disposal Act to ensure the waste generated under the business operation of the Company meets the handling procedures for environment, safety, and health. The overall recoverability rate in two years achieved more than 80% of the set management goal.
<table>
<tr><th colspan="2">Item</th><th>2022</th><th>2023</th></tr>
<tr><td rowspan="2">Total volume of waste (tons)</td><td>Hazardous Waste</td><td>85.96</td><td>78.46</td></tr>
<tr><td>Non-hazardous waste</td><td>8,434.28</td><td>5,218.30</td></tr>
<tr><td colspan="2">Output of hazardous waste by unit revenue (Note)</td><td>0.03</td><td>0.03</td></tr>
<tr><td colspan="2">Output of non-hazardous waste by unit revenue (Note)</td><td>2.88</td><td>2.16</td></tr>
<tr><td colspan="2">Output of water by unit revenue (Note)</td><td>2.91</td><td>2.19</td></tr>
<tr><td colspan="2">Recycling and reutilization rate (%)</td><td>94.42</td><td>84.88</td></tr>
</table>
Note: tons/ NTD 01. billion
</td>
<td></td>
</tr>
<tr>
<td>4. Social issues
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the</td>
<td>V</td>
<td></td>
<td>The Company established a human rights policy as well supports and follows UN Guiding Principles on Business & Human Rights, International Labor Organization Tripartite Declaration of Principles, International Labor Organization Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, UN Universal Declaration of Human Rights, United Nations Global Compact, and Responsible Business Alliance Code of Conduct. The policy is applicable to Wiwynn’s stakeholders, including employees, customers, suppliers,</td>
<td>No discrepancy</td>
</tr>
</table>

International Bill of Human Rights?			working partners, and joint ventures, to clearly deliver Wiwynn's commitments to human rights. The Company identified human rights issues inside and outside the organization as well as changes of legal regulations at home and abroad to establish a checklist. Each branch office conducted human rights due diligence investigation and identified critical human rights issues through systematic procedures, including RBA SAQ self-evaluation, VAP audit procedures, and questionnaire survey. According to the level of impact on different branch offices and subjects affected, we established policies and measures for improvement, carried out risk control and compensation, and followed up the effects of the improvement. Please refer to the chapter "Human Rights Management" on the Company's 2023 Sustainable Report for relevant information. To ensure employees understand their rights and interests as well as the policies and approaches taken by the Company in the issues of labor, human rights, health and safety, environment, and ethical regulations through training courses, we introduced relevant RBA course since 2020, completed full employees training, and listed it as the compulsory course for new employees. In 2023, we conducted retraining on relevant personnel and implement new employees training. The total training hours received by employees all over the world were 7,357.81 hours.	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits) and reflect business performance or results on employee salaries?	V		The Company has "Employee Salary Policy" in place, and it was approved by Compensation Committee and Board of Directors before putting it into implementation. The salary includes fixed items and variable items. The adjustment of the fixed items shall refer to the salary level in the same trade while the variable items shall be evaluated according to the Company business performance, responsibility, and personal performance for the reward of bonus. The ratio between male and female employees in the company was 6:4, and the ratio of female employees taking the post of managers was more than 35.06%. The ratio of female managers is increasing every year. It shows Wiwynn's inclusion for a diverse workplace. Besides, we provide fair opportunities for promotion and good career development. In addition, the Company also set up an Employee Relations Promotion Committee. The highest manager at human resource department is the chairman of the committee and employees from different departments are elected as members. At least three meetings shall be held every year to discuss various welfare measures related to employees, to maintain good communication between the company and the employees, and to create a harmonious and competitive corporate environment. For related welfare measures, please refer to pages 119-120 of the Annual Report.	No discrepancy

<table>
<tr>
<td>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</td>
<td>V</td>
<td></td>
<td>To prevent occupational injuries and protect workers' safety and health, we established standard safety and health management procedures, implemented ISO45001:2018 management system, and passed third-party verification. The evidence-collection coverage rate in the group achieved 100%. We promise to provide employees a safe and healthy working environment. The state of implementation of the relevant measures is as below:
1. Environmental examination and maintenance:
<table>
<tr><th>Item</th><th>Frequency/ State of implementation</th></tr>
<tr><td>CO2 concentration and lighting test in the office area</td><td rowspan="8">Frequency varies according to the location of the operating site. Relevant tests and improvements shall follow local regulations.</td></tr>
<tr><td>Noise test</td></tr>
<tr><td>Testing methanol, isopropyl alcohol, tin, and noise at the production line area to control the actual situation in the operating environment and evaluate the status of exposure</td></tr>
<tr><td>Low voltage distribution board test</td></tr>
<tr><td>Fire safety equipment test</td></tr>
<tr><td>Air-conditioning maintenance in the office area and R&D testing area</td></tr>
<tr><td>Drinking test</td></tr>
<tr><td>Disinfection</td></tr>
</table>
2. Management of chemicals:
In order to manage chemicals properly, the Company has a dedicated area to place explosion-proof racks. The interval between racks is maintained in a safe distance. Chemicals with hazard are clearly labeled and adopted necessary communication measures as well as prepared safety data sheet for checking. Name and volume of the chemicals on the chemicals control card are clearly remarked in order to control the maximum storage amount in the rack. Moreover, safety equipment is also available, such as shower and eyewash, to make sure the timely protective measures are available when the operating personnel for chemicals exposed in the hazardous risk.
3. Employee health examination:
Employee health examination is held once every year. Other than general health examination in Taiwan, there were 1,294 employees who are qualified for the examination under labor</td>
<td>No discrepancy</td>
</tr>
</table>

			insurance in receiving special health examination due to the noise work or exposure in ionizing radiation operations in global operating sites. They all completed special health examination in 2023. 4. Educational training: (1) The participation number for educational training related to occupational safety in 2023 was 6,428 people with total training hours of 12,278.06 hours, including internal and external educational training courses. (2) Delivered a disaster drill to all the employees working in the plants. 5. Statistics of occupational injuries There was no event of occupational diseases and no deaths of workers caused by occupational disasters in 2023. There were 14 cases of occupational injury in Taiwan, 1 in Malaysia, 18 in American and Mexican areas. The total injury index FSI was 0.09 and 0.34 respectively. The majority of injuries is caused by contacting high-temperature equipment or pinch injury, falls, bruises, contusion, etc. Immediate medical care was given at the moment when accidents happened. In addition, correction measures were carried out through interviews with relevant personnel, such as advocacy through meetings and training to raise employees' awareness have to fulfill our commitment in workplace safety. 6. There was no fire accident in 2023. We will continue reducing and preventing accidents through occupational safety management and business continuity planning.	
(4) Does the company provide its employees with career development and competence training sessions?	V		The Company values multiple training courses to cultivate talents with different competencies. We provide professional competency and core management competency trainings through seven key training systems (including new employee training system, professional training system, management training system, internal lecturer training system, quality training system, environment-safety-health and energy management training system, and general training system) for professional competence training and core management occupational training. Employees can enhance professional and management abilities through on-the-job training and the resources of internal & external training courses. In 2023, the average training hours provided to indirect personnel were 40.32 hours. Average training hours provided to employees all over the world were 23.90. In average, the training fee spent on each employee was NT$1,270.13.	No discrepancy

(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		The Company complies with domestic legal rules and that in sales territories and international standards for customer health and safety, customer privacy, marketing and labeling on products and services provided. The Company values customer health and safety and continues paying attention to the feedback from customers after using the product in order to implement that into product design at the early stage. We follow international regulations and verification mechanism approved by the safety certification in different countries, optimize product design, and enhance the convenience and security on customer operation and maintenance. In terms of customer privacy, we comply with all the confidential contracts and information signed with customers. Confidential work is carried out through business secret protective measures and well-prepared information security policies to avoid damage to the rights of customers. Documents related to products and projects are managed with the establishment of access permission. Non-project related personnel must not browse and download the information. In terms of information labelling for products and services, we comply with relevant regulations. Customers can obtain product information from the product, instruction manual, or our official website. In 2023, there was no violation against product and service information labelling or violation caused by dishonest conduct of sales. The Company manages customer feedback based on a quality management system and carries out necessary improvement. When receiving customer complaints, PM or business personnel shall understand the problems addressed by the customer first and then transfer the problem to customer service unit for handling. Customer service unit shall determine the type of customer complaint and coordinate with relevant responsible unit to handle the problem in the shortest time until it is resolved in order to protect customer rights and interests.	No discrepancy
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		Wiwynn Corporation established selection standards on suppliers (new suppliers and existing suppliers), and it covers three dimensions of “basic information”, “core competency”, and “sustainability resilience”. Other than signing code of conduct and various statements, we request and encourage suppliers to issue ESG Report, obtain certificates of ISO 9001, IECQ QC 080000, ISO 14001, ISO 45001, ISO 14064-1, and ISO 50001 as well as passed international certification standards, like RBA VAP effectiveness auditing. To understand the sustainable development of our supply chain, in 2023, we conducted SAQ (Self-Assessment Questionnaire) survey to 88 suppliers, from whom our purchase volume was above 10 million dollars (accounting 99.75% of the purchased amount). We received response from 79 of them, and the response rate was 89.77%. The content of the questionnaire includes	No discrepancy

			"transparency and business ethics", "business continuity management", "labor human rights", "environmental management", and "responsible purchase" to identify suppliers with potential higher risk in economy, environment, and society. Wiwynn Corporation classifies sustainability risk evaluation into four levels (A, B, C and D). Suppliers who scored below level C (under 60 points) and obtained zero point in specific questions (Note) are regarded high-risk suppliers. The outcome of risk evaluation in 2023 shows no supplier is with SAQ under 60 points. In addition, we adopted (1)audit performance in the two most recent years (2)user and procurement evaluation and (3)customer logo requirements on materials for evaluation. The outcome showed 1 supplier was regarded with higher risks. Therefore, we requested the supplier to pass RBA VAP. The supplier has submitted the RBA VAP external audit report before Q1, 2024.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party1verification unit?	V		The Company has issued non-financial reports every year from 2020. The 2023 "Sustainability Report" followed GRI standards (GRI Standards 2021) issued by Global Reporting Initiative when preparing the report. Besides, we take a reference to the guidance of the industry issued by Sustainability Accounting Standards Board (SASB) and Sustainable Development Goals (SDGs) as the principles for the reports. The audit assesses the nature and level of compliance with AA1000 accountability principles (2018) according to the second application type in AA1000 guarantee standards v3 as well as the reliability of specific sustainability performance. Besides, we evaluate conformity with SASB disclosure standards according to the first application type in AA1000 guarantee standards v3. We also obtained the third-party independence declaration issued by BSI, Taiwan Branch (please refer to the appendix of 2023 Sustainability Report).	No discrepancy
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The Company has established "Corporate Social Responsibility Practice & Regulation" according to "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" for compliance, and there is no difference between the actual operation and the regulations established.				
7. Other useful information for explaining the status of corporate social responsibility practices: The Company's Sustainable Supply Chain Carbon Management Platform was launched by the end of 2023. We will speed up the carbon data collection for the promotion of sustainable supply chain and work with suppliers to move towards the path of carbon reduction.				

2. Climate-related information

Item	State of implementation
1. Please describe supervision and governance by the Board of Directors and the management team on risks and opportunities related to climate.	Board of Directors is the highest unit for the governance of climate topics. Risks and opportunities related climate topics are included into overall risk consideration to monitor the whole risk management and ensure effective operation of the management mechanism. Corporate Sustainable Development Committee is a functional committee under the management of the Board of Directors. It is responsible for climate risk management and assists the Board of Director to review climate policy, strategy, and goals. It consists of four directors, and an independent director is appointed as the convenor. At least two meetings should be held every year. Chief Strategy Officer submits reports of climate topics to the Corporate Sustainable Development Committee and the Board of Directors. The latest date of submission was on August 7, 2023. Please refer to chapter "5.1.1 Climate governance and management procedures" in the Sustainability Report for more details.
2. Please describe how the climate risks and opportunities identified affect the corporate business, strategy, and finance (short term, medium term, and long term).	Sustainable Development Office and each operating unit should collect climate topics according to internal and external topics as well as with the reference to that from the companies in the same trade and benchmark enterprises at least once every year. Risks identified cover transitional and physical risks, including existing regulations, new rules, technology, market, business reputation, lawsuit, acute disasters and long-term disasters. The timeline is defined to short-term (1-3 years), medium-term (3-5 years), and long-term (more than 5 years). Besides, we take into the consideration of the current and new legal requirements related to climate change, such as "Climate Change Response Act", "Renewable Energy Development Act", and "Regional Self-Government Ordinance of a Low-Carbon City". Based on the level of impact and the possibility of occurrence, we then carry out a matrix analysis to identify risks and opportunities in the upstream of the value chain, in the organization, and in downstream of the value chain before confirming potential impacts caused to the Company's finance by the risks and opportunities of climate change according to the future scenarios of SSP Public Database and TCCIP as well as international industrial trend reported. In 2023, the higher level of impact and the possibility of occurrence on the risks related to climate identified was mainly products of technological transformation, new technology investment, and low-carbon emission products. Year 2023 is regarded as the first year of AI era; technology and relevant application changed rapidly and demand of computing capacity increased hugely. Technology related to power saving, carbon reduction, and heat dissipation became the focus of the attention. Besides, it is also the challenge in facing climate topics. It is followed by net zero emissions and carbon pricing. Along with the global consensus in net zero emissions, policies formulated by governments in different country also affect climate strategies established by enterprises in order to connect to international policies and greet the era of carbon pricing. In terms of physical risks, the level of impact and possibility caused by extreme rainfall and drought is higher. With the accelerating of global warming, the intensity and the frequency of extreme climate are enhancing. The areas affected are

	more concentrated while the loss caused is also enhanced. There are still a lot of uncertainties in future climate, and it will continuously test business resilience of enterprises. For opportunities related to climate, with the revolution of AI technology, the development of low-carbon products is the key opportunity when facing climate topics. The next is the application/ development of recycled materials as well as low carbon energy. The shortage of natural resources is one of the top ten risks within ten years addressed in the World Economic Forum 2024 Global Risk Report. Reducing virgin material consumption, increasing the application of recycled materials, and lowering the dependence to fossil fuels are the opportunities to enhance business resilience. Please refer to chapter “5.1.2 Strategy” in the Company’s Sustainability Report for more information.
3. Please describe the impact of extreme weather events and action of transformation on the Company’s finance.	For climate topics, the Company carries out a matrix analysis based on the possibility of occurrence and the level of impact. We then confirm the impacts of climate change risks and opportunities on the Company’s finance according to future scenarios of SSP Public Database and TCCIP as well as international industrial trend report. Please refer to chapter “5.1.2 Strategy” in the Company’s Sustainability Report and “Wiwynn Corporation 2023 Climate-related Evaluation Report” for more information.
4. Please describe how to integrate the identification, evaluation, and management process of climate risks into the whole risk management system.	Sustainable Development Office and each operating unit should collect information of climate topics according to internal and external topics and with reference to the topics collected by companies in the same trade and benchmark enterprises at least once every year. Risks identified cover transitional and physical risks. A matrix analysis is conducted based on the level of impact and the possibility of occurrence to identify risks and opportunities in the upstream of the value chain, in the organization, and in the downstream of the value chain. Risk and Safety Management Representative Committee is responsible for integrating and covering material risks faced in business activities, including (but not limited to) strategic risks, operating risks, financial risks, information risks, regulatory compliance risks, integrity risks, privacy rights risks, climate change, and other emerging risks (such as risks related to biodiversity, forest, water, or infectious disease). It should be submitted to Audit Committee for approval and reported to the Board of Directors. The Board of Directors includes climate topics into the consideration of overall risks to monitor total risk management and ensure the effective operation of the management mechanism.
5. If using scenario analysis to evaluate resilience when facing climate change, please describe the scenario, parameter, hypothesis, and analytical factor used as well as main impact to finance.	The Company evaluated transitional risk from three aspects, including legal regulation, technology, and market. Three external scenarios were adopted. The first was NDC, the second was to achieve SSP1-1.9 path in IPCC AR6, and the third was the implementation of net zero before 2050 as specified in Science-based Targets Initiative (SBTi) as well as the goal of net zero of reducing 4.2% every year (SBT-NZ). Physical risks treat extreme rainfall as the level of hazard while the vulnerability is assessed by four scenarios, RCP2.6, RCP4.5, RCP6.0, and RCP8.5 as well as flooding, landslide, and mudslide caused by extreme rainfall, and location of side as level of exposure. The level of hazard, vulnerability, and level of exposure are then used to analyze figures of physical risks at each site. Please refer to company’s website “Sustainability” and “Wiwynn Corporation 2023 Climate-related Evaluation Report” in the Report for more information.

<table>
<tr><td>6. If there is any transition plan in response to risks related to climate management, please describe the content of the plan and indicators and goals used to identify and manage physical risks and transitional risks.</td><td>The Company uses SBTi carbon reduction path as relevant indicator to estimate climate mitigation and adaptation. Through renewable energy planning formulated by the Group, the implementation of carbon management platform to collect carbon emission data, and collaboration with supply chain for carbon reduction, we introduce carbon reduction management to product development, manufacturing process, transportation, utilization, and product scrap in order to fulfill the two long-term goals of committing to 100% renewable energy utilization by 2030 and net zero emissions by 2040. Please refer to chapter “5.1.3 Climate indicators and goals” in the Report for more information.</td></tr>
<tr><td>7. If using internal carbon pricing as the planning tool, please describe price-setting foundation.</td><td>It is not yet using internal carbon pricing as the planning tool.</td></tr>
<tr><td>8. If goals related to climate are set, please provide the information of activities covered, scope of greenhouse gas emissions, project timeline, and progress achieved every year. If using carbon offset or renewable energy certificates (RECs) to achieve relevant goals, please explain the source or volume of carbon reduction offset or the quantity of renewable energy certificates (RECs).</td><td>The Company sets year 2021 as the base year, and the goal achievement rate in 2023 calculated according to SBTi carbon reduction path is as below:
<table>
<tr><td>Boundary</td><td>Coverage rate</td><td>Achievement rate for Scope 1+2</td></tr>
<tr><td>Taiwan</td><td>34.10%</td><td>37.20%</td></tr>
<tr><td>Global</td><td>100%</td><td>91.45%</td></tr>
</table>
Recognition of renewable energy over the years
Unit: kWh
<table>
<tr><td></td><td>2022</td><td>2023</td></tr>
<tr><td>Independent generation for private use</td><td>0</td><td>1,189,000</td></tr>
<tr><td>Renewable energy certificate (including PPA and local REC)</td><td>15,961,000</td><td>35,508,000</td></tr>
</table>
Please refer to chapter “5.1.3 Climate indicators and goals” in the Report for more information.</td></tr>
<tr><td>9. Greenhouse gas verification, state of assurance, goals and strategies of reduction, and specific action plan (providing separately in 1-1 and 1-2)</td><td>The Company refers to Greenhouse Gas Protocol (GHG Protocol) to conduct greenhouse gas verification according to ISO 14064-1:2018. We set the organizational boundary based on the operational control rights and achieved 100% investigation coverage rate.
Please refer to chapter “5.1.3 Climate indicators and goals” in the Report for more information.</td></tr>
</table>

2-1 The state of greenhouse gas verification and assurance conducted by the Company in the two most recent years

2-1-1 Information on greenhouse gas verification

Please describe the volume of greenhouse gas emissions (tons CO_2e) in the two most recent year, the intensity (tons CO_2e/ NT$ million), and scope of information coverage.

Statistics of greenhouse gas emission in the two most recent years

Unit: tons CO_2e

Item		2022	2023
Scope 1		1,186.6308	3,272.5527
Scope 2	Regional base	25,961.5777	28,860.4916
	Market base	19,170.5147	12,978.5396
Total	Regional base	27,148.2085	32,133.0443
	Market base	20,357.1455	16,251.0923
Unit revenue emissions (tons CO2e/NTD 1 million)	Regional base	0.0927	0.1328
	Market base	0.0695	0.0672
Scope 3		5,960,082.29	6,441,578.98

Note1: Verification boundary for scope 1 and scope 2:

The verification and audit boundary in 2022 was Taiwan area and the subsidiary in Mexico, Wiwynn Mexico, S.A. de C.V. (WYMX in short form).

The verification and audit boundary in 2023 was all the subsidiaries Wiwynn included in the consolidated financial statements.

Note2: Decrements are not deducted from the data for scope 3.

Note 1: Direct emissions (scope 1, source of emissions possessed or controlled directly by the Company), indirect energy emissions (scope 2, indirect greenhouse gas emissions caused by inputting electricity, heat, or steam), and other indirect emissions (scope 3, emissions generated by the Company's activities and is non-energy indirect emissions; it is source of emissions possessed or controlled by other companies).

Note 2: Coverage scope of direct emissions and indirect energy emissions should be conducted according to the schedule specified in Article 10 Paragraph 2 of the Criteria. Information of other indirect emissions can be disclosed voluntarily.

Note 3: Greenhouse gas verification standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated by per unit product/ service or revenue. However, the data calculated by revenue (NT$ 1 million) should be stated.

2-1-2 Information on greenhouse gas assurance

Describe the state of assurance in the two most recent years up to the publication of the annual report, including scope of assurance, assurance institution, assurance criteria, and assurance opinions.

The state of greenhouse gas verification and assurance in the two most recent years

Year	2022	2023
Scope of assurance	Taiwan area and the subsidiary in Mexico, Wiwynn Mexico, S.A. de C.V. (WYMX in short form).	All subsidiaries included in the consolidated financial statements.
Assurance institution	BSI	BSI
Assurance criteria	ISO 14064-1:2018	ISO 14064-1:2018
Assurance opinions	Reasonable assurance	Reasonable assurance

Note：Other indirect emissions listed in the audit assurance statement of ISO 14064-1:2018 adopted validation and agreed-upon procedures.

Note 1: It should be implemented according to the schedule specified in Article 10 Paragraph 2 of the Criteria. If the assurance opinions of complete greenhouse gas will not be ready by the publication of the annual report, the Company should remark "the complete assurance information will be disclosed in the Sustainability Report". If the Company does not prepare a sustainability report, please remark "the complete assurance information will be disclosed on the Market Observation Post System", and the complete assurance information will be disclosed in the annual report next year.

Note 2: The institution commissioned for assurance should meet the regulation for assurance institution in the sustainability report announced by Taiwan Stock Exchange and Taipei Exchange.

2-2 Goal, strategy, and the concrete action plan for greenhouse gas reduction

Please describe the base year of greenhouse gas reduction and its data, reduction goal, strategy, and concrete action plans as well as the achievement of reduction goals.

Greenhouse gas reduction base year	2023
Scope 1+2 figures	32,133.0443 (Regional base)
Reduction goal	Market base emissions for Scope 2 in 2030 is 0 tons CO_2e
The state of achievement	In 2023, market base emissions of Scope 2 was 12,978.5396 tons CO_2e and was reduce 6,191.9751 tons CO_2e compared to that in 2022.
Strategy	Environment-friendly operation
Concrete action	・ Planed the use of renewable energy based on the actual situation in each operating site. In 2023, the utilization rate of global renewable energy achieved 57.07 % 。 ・ Installed rooftop solar panels in the plant in Malaysia for self-generation and self-use. It is estimated to obtain GBI green building mark in 2024. ・ Implemented manufacturing process improvement, including new production line of global low-power consumption PCBA and reduction of idle-time power consumption during cabinet product testing.

Note 1: It should be conducted according to the schedule specified in Article 10 Paragraph 2 of the Criteria.

Note 2: The base year should be the year that boundary verification was completed in the consolidated financial statements. For example, according to Article 10 Paragraph 2 of the Criteria, companies with a capital more than NT$ 10 billion should completed verification of 2023 consolidated financial statements in 2025. Therefore, the base year is 2024. If the Company completed verification of the consolidated financial report in advance, the early year should be regarded as the base year. In addition, the data for the base year can be calculated in a single year or in average value over several years.

(8) Implementation of ethical corporate management and deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons

Evaluation item	State of implementation			Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company establishes “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Codes of Ethical Conduct”. They have been approved by the board and the policy of ethical management is disclosed in the internal regulations, annual report, and the Company website to make sure suppliers, customers, or other business-related institutions and personnel clearly understand our philosophy and regulations in ethical management. The directors and senior management in the Company have issued a statement of compliance with the ethical management policy and require in the terms of employment contract that employees must comply with such policy.	No discrepancy
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		The Company has established an evaluation mechanism for unethical conducts in the internal regulations of “ Procedures for Ethical Management and Guidelines for Conduct ” and “ Codes of Ethical Conduct ” to analyze and assess regularly the business activities within the business scope which are at a higher risk of being involved in unethical conduct as well as establish prevention programs accordingly, covering the prevention measures for the behaviors specified in Article 7-2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.	No discrepancy
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention	V		The Company established the operating procedures, guidelines for conduct, punishment for violation, and complaint system for the prevention of unethical conducts in the internal regulations of “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “ Codes of	No discrepancy

Evaluation item	State of implementation			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
program, implement it, and regularly review and revise the plan?			Ethical Conduct " and will revise it in compliance relevant legal rules or the actual demand of company operation. Our "Code of Ethical Management", "Operating Procedures for Ethical Management and Guidelines for Conduct", and "Code of Ethics" have been approved the revision by the board on December 24th, 2019, March 20th, 2020, and January 18, 2022 respectively.	
2. Ethical management practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		The Company establishes relevant assessment mechanisms through internal regulations, including evaluating the legality and ethical management record of the dealing objects. If the objects of business interaction or cooperation involve with the facts of unethical conducts or violate relevant legal rules, the contract will be terminated or cancelled immediately, and the relevant provisions will be entered in individual business contract.	No discrepancy
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		In order to strengthen the management of ethical management, the Company establishes "Ethical Corporate Management Best Practice Principles" with approval from the board of directors and sets up Department of Human Resource Management as the dedicated unit to be in charge of the establishment of ethical management policies and prevention programs and supervision of the implementation. The department reports to the board of directors regularly (at least once a year), and no violation has been found so far. The state of implementation of ethical management in the Company in 2023 is as below, and it has been reported to the Board of Directors on January 18, 2024. 1. Supplier commitment: Supplier's ethical policy letter is listed as one of the elements in selecting new suppliers for the Company. Current suppliers must also sign to commit that they will not conduct any behavior that involves direct or indirect offering, bribery, improper gifts, entertainment, and other conveyance of unjust interests to the employees or relatives and friends of the employees in the Company. In 2023, we issued 429 copies of "Supplier's Ethical Management Letter" and recovered 429 letters effectively with a conversion rate of 100.0%.	No discrepancy

Evaluation item	State of implementation			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
			2. Educational training: To ensure employees fully understand relevant regulations, the Company carries out online "ethical conduct code educational training" to new employees as the threshold of passing the probation. There were 1,400 new employees participating in "ethical conduct code educational training" in 2023, and 1,378 of them completed the training with a completion rate of 98.4%. 3. Standards of the audit and continuous promotion on the regulations of receiving gifts (1) RBA external audit is held every two years. On November 23, 2023, Tainan Branch passed RBA third-party audit. The result self-assessment questionnaire (SAQ) of RBA responsible business alliance in dimensions of society, environment as well as ethics and corruption risks showed no material risk. We will continue implementing risk mitigation to effectively control potential risks. (2) In order to maintain the highest standard of ethical conduct, we strictly forbid any form of bribery. The regulations of receiving gifts were restated before the three traditional festivals on January 3, June 5, and September 11, 2023 respectively through internal emails and employee information portal to all the employees in Wiwynn.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		The Company establishes the policy of conflict of interests' prevention in the internal regulations of "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Codes of Ethical Conduct". Proper channels for statements have been provided based on the status of the stakeholders. The state of implementation of conflict of interests' avoidance for the meeting topics at the board of directors in the Company in 2023 was disclosed on page 29 to 30 in the annual report. Any director who is the interested party of the topics for discussion will take an initiative to avoid participating in discussion and voting to strictly follow the policy of conflict of interests' prevention.	No discrepancy
(4) Does the company have effective accounting and internal control systems in place to enforce ethical	V		The Company has established effective accounting systems and internal control systems as well as ensure the design of the internal control system and its implementation continue being effective based on the	No discrepancy

Evaluation item	State of implementation			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?			items for effectiveness judgment of internal control system specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies". In addition, the audit unit in the Company uses the annual self-assessment result from each unit of implementation as the basis of risk evaluation and establish audit plans as well as carry out regular audit. All of the financial statements in the Company have been audited by certified public accountants to ensure the fairness of each statement.	
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The Company continues promoting the importance of ethical management through new employee training, internal educational training, and various meetings. "Introduction of RBA Code of Conduct" and "Code of Ethical Conduct Educational Training" are the compulsory courses for new employees. Besides, "Introduction of RBA Code of Conduct" is also the key item of re-training every year, and all employees must receive the training. We carried out online training on ethical conduct to all the employees in 2023, and there were 1,400 participants with total training hours of 1,378 hours. There were 3,269 employees receiving RBA courses with total training hours of 893.5 hours.	No discrepancy
10. Implementation of complaint system				
(1) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are	V V V		The Company specifies concrete whistleblowing systems and reporting channels in "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct", and the ethical policy letter. It is explained below: (1) If the reported matter involves general employees, it shall be submitted to the manager at the department, the highest manager at administrative and human resource unit, or the highest manager at the audit unit. (2) If the reported matter involves directors or senior managers, it shall be submitted to the highest manager at the audit unit or the independent director. The manager or personnel who submitted the report above shall investigate the facts immediately. If necessary, request assistance from other relevant departments.	No discrepancy No discrepancy No discrepancy

Evaluation item	State of implementation			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
handled in a confidential manner? (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?			The Company sets up the standard operating procedures for investigation on the reported matters received in "Procedures for Ethical Management and Guidelines for Conduct", and "Codes of Ethical Conduct". The case officer in charge of handling the reported matter shall keep the identity of the whistleblower and the reported content confidential with a written statement. In order to adopt proper measures to protect the whistleblower, the Company also established "Whistleblower Protection and Counter Retaliation Management Procedure" to promise protecting the whistleblower in good faith or those who participate in the investigation from improper handling due to the reported matter or from being retaliated.	
4. Strengthening information disclosure				
(1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed the content of code of ethical management and the effectiveness of implementation on the annual report, the Company website, and Market Observation Post System.	No discrepancy
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company has established "Ethical Corporate Management Best Practice Principles" based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" for compliance, and there is no deviation between the actual operation and the code established.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies: The Company carries out social, environmental, and ethical risk evaluation based on the self-assessment questionnaire (SAQ) designed by RBA. In 2023, the Company achieved an average score more than 90 points in SAQ assessment score; all items were in low risk (≧85 points are regarded as low risk). Except SAQ annual assessment, Tainan Branch was implemented external validated audit process by a third-party verification institution in 2023 and obtained golden certification. Relevant information was disclosed in the RBA-Online platform.				

(9) If the company has established corporate governance guidelines and relevant regulations, please disclose the method of inquiry:

Please refer to Wiwynn's website at http://www.wiwynn.com/zh-hant/ and Taiwan Stock Exchange Market Observation Post System (http://newmops.twse.com.tw) for relevant regulations.

(10) Other important information to enhance the understanding on the operations of corporate governance that should be disclosed: None.

(11) The statement of internal control system should disclose the following information:

1. Statement of internal control

Wiwynn Corporation
Statement of Internal Control

Date: February 26, 2024

Based on the findings of a self-assessment, Wiwynn Corporation (Wiwynn) states the following with regard to its internal control system during the year 2023:

1. Wiwynn's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. The required system has been established accordingly. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Wiwynn takes immediate remedial actions in response to any identified deficiencies.
3. Wiwynn evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control:(1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component contains several items. Please refer to the provisions specified in "the Handling Regulations."
4. Wiwynn has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Wiwynn believes that, as of December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Wiwynn's annual report and prospectus and is publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entrail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors in their meeting held on February 26, 2024, with none of the nine attending directors expressing dissenting opinions. All attending directors have affirmed the content of this Statement.

Wiwynn Corporation

Chairman: Emily Hong (signature)

President: Sunlai Chang (signature)

2. If a CPA has been commissioned to carry out a special audit of the internal control system, a CPA audit report should be disclosed: None.

(12) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement:

None.

(13) Resolutions of the General Shareholders' Meeting and the Board of Directors' Meeting in the most recent fiscal year and during the current fiscal year up to the publication of the annual report:

1. Important resolution of General Shareholders' Meeting

<table>
<tr><th>Date</th><th>Major resolution</th><th>State of implementation</th></tr>
<tr><td rowspan="5">2023.5.29</td><td>1. Election of the members of the 5th Board of Directors (including independent directors)</td><td>List of elected directors:
<table>
<tr><th>Title</th><th>Name</th><th>Elected weights</th></tr>
<tr><td>Director</td><td>Emily Hong</td><td>166,468,542</td></tr>
<tr><td>Director</td><td>Sunlai Chang</td><td>137,119,145</td></tr>
<tr><td>Director</td><td>Wistron Corporation Representative: Frank Lin</td><td>135,544,951</td></tr>
<tr><td>Director</td><td>Steven Lu</td><td>135,183,223</td></tr>
<tr><td>Director</td><td>Wistron Corporation Representative: Sylvia Chiou</td><td>134,963,428</td></tr>
<tr><td>Independent Director</td><td>Cathy Han</td><td>144,083,151</td></tr>
<tr><td>Independent Director</td><td>Charles Kao</td><td>134,137,032</td></tr>
<tr><td>Independent Director</td><td>Victor Cheng</td><td>134,092,412</td></tr>
<tr><td>Independent Director</td><td>Simon Zeng</td><td>133,854,079</td></tr>
</table></td></tr>
<tr><td>2. Ratification of 2022 Business Report and Financial Statements.</td><td>It was approved as proposed.</td></tr>
<tr><td>3. Ratification of the proposal for distribution of the Company's 2022 profits.</td><td>It was approved as proposed. According to the resolution of the Board of Directors' meeting on February 22, 2023, the Chairman was authorized to set up June 20, 2023 as the ex-dividend date. The cash dividend per share of NT$50 should be issued fully before July 7, 2023.</td></tr>
<tr><td>4. Ratification of lifting the restriction of non-competition for newly-appointed directors and their legal representatives.</td><td>It was approved as proposed.</td></tr>
<tr><td>5. Ratification of discussion of article modification for the Company's "Procedures of Lending Funds to Other Parties".</td><td>It was approved as proposed. The modified articles have been published on the Company's website. It has been implemented as the procedures after revision.</td></tr>
</table>

2. Material resolutions by the Board of Directors

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
1st Meeting in 2023	2023.01.09	1. Approved the preliminary proposal of annual business performance bonus in the second half of 2022 for managers except CEO of the Company.	V	Approved as proposed				
		2. Approved the preliminary proposal of annual business performance bonus in the second half of 2022 for CEO of the Company.	V	Approved as proposed				
		3. Approved the modified articles of the Company's "Payment of Remuneration to Directors and Members of Functional Committee".	V	Approved as proposed				
		4. Approved the proposal of the Company's business plan for 2023			V	Approved as proposed		
		5. Approved the report of equipment acquisition for business purpose between the Company and subsidiaries submitted afterwards.						
		6. Approved the proposal of credit application to banks.						

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2023	2023.02.22	1. Approved the proposal of distributing employee compensation and director remuneration for 2022.	V	Approved as proposed				
		2. Approved the proposal of employee compensation ratio and suggested amount for managers except CEO of the Company for 2022.	V	Approved as proposed				
		3. Approved the preliminary proposal of salary adjustment for managers except CEO of the Company in 2023.	V	Approved as proposed				
		4. Approved the preliminary proposal of annual performance bonus for managers except CEO of the Company in 2023.	V	Approved as proposed				
		5. Approved the proposal of employee compensation ratio and suggested amount for CEO of the Company in 2022.	V	Approved as proposed				
		6. Approved the proposal of annual salary adjustment for CEO of the Company for 2023.	V	Approved as proposed				
		7. Approved the preliminary proposal of annual performance bonus for CEO of the Company in 2023.	V	Approved as proposed				
		8. Approved the proposal of the Company's Business Report and Financial Statements for 2022.			V	Approved as proposed		
		9. Approved the Company's earnings distribution for 2022.			V	Approved as proposed		

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2023	2023.02.22	10. Approved matters related to General Shareholders' Meeting for 2023.						
		11. Approved the proposal of capital increase in US$50,000 thousand to the subsidiary, Wiwynn Technology Service Malaysia SDN. BHD. (WYMY in short).			V	Approved as proposed		
		12. Approved the proposal of capital increase in US$400,000 thousand to the subsidiary, Wiwynn International Corporation (WYUS in short).			V	Approved as proposed		
		13. Approved the proposal of a job position of Chief Information Security Officer.						
		14. Approved the proposal of commissioning KPMG as the certified accountants for auditing financial statements of the Company in 2024 and the proposal of audit fee for 2024.			V	Approved as proposed		
		15. Approved the proposal of the Company's "Statement of Internal Control" for 2022.			V	Approved as proposed		
		16. Approved the proposal of amendments on the Company's "Regulations Governing Cycle of Operation for Internal Control".			V	Approved as proposed		

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2023	2023.02.22	17. Approved the proposal of amendments on the Company's "Code of Practice for Corporate Governance".						
		18. Approved the proposal of establishing the Company's "Taxation Policy".						
		19. Approved the proposal of the Company's "Codes of Conduct".						
		20. Approved the proposal of amendments on the Company's "Budget Management Method".						
		21. Approved the proposal of amendments on the Company's "Regulations Governing Real Estate, Plant, and Equipment Management."						
		22. Approved the proposal of amendments on the Company's "Management of Procedures for Preparation of Financial Statements".						
		23. Approved the proposal of amendments on the Company's "Regulations Governing Subsidiary Supervision and Management".						
		24. Approved the proposal of amendments of the Company's "Table of Authority for Approval".			V	Approved as proposed		
		25. Approved the proposal of credit application to banks.						

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
3rd Meeting in 2023	2023.04.17	1. Approved the re-election of the members for the 5th Board of Director (including independent directors).						
		2. Approved the nomination of directors (including independent directors) for the Company's 5th Board of Directors.						
		3. Approved the proposal of lifting the non-compete restrictions on directors of the Company and their corporate representatives.						
		4. Approved the proposal of acquiring right-of-use asset from the interested party of the Company, Wistron NeWeb Corporation as well as signing a new lease contract and adjusting original rent.			V	Approved as proposed		
		5. Approved the amendment of the Company's "Procedures for Lending Funds to Other Parties".			V	Approved as proposed		
		6. Approved additional motions for 2023 General Shareholders' Meeting.						

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
4th Meeting in 2023	2023.05.08	1. Approved the proposal of the Company's consolidated financial statements for Q1, 2023.			V	Approved as proposed		
		2. Approved the proposal of capital increase in US$400,000 thousand to the subsidiary, Wiwynn Mexico, S.A. de C.V. (WYMX in short).			V	Approved as proposed		
		3. Approved the classification of accounts receivable that have been over 3 months of normal credit period with significant amount for Q1, 2023, as non-fund lending.			V	Approved as proposed		
		4. Approved the proposal of credit application to banks.						
5th Meeting in 2023	2023.05. 29	1. Approved the proposal of election of the Company's Chairman.						
		2. Approved the appointment of members for the Company's 2nd Nomination Committee.						
		3. Approved the amendment of the Company's "Regulations for Corporate Sustainable Development Committee".						

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
6th Meeting in 2023	2023.06.15	1. Approved the appointment of members for the Company's 4th Compensation Committee.						
		2. Approved the appointment recommendation of members for the Company's 2nd Corporate Sustainable Development Committee.						
		3. Approved the recommendation of position adjustment for senior managers of the Company.					V	Approved as proposed
7th Meeting in 2023	2023.08.07	1. Approved the preliminary proposal of annual business performance bonus in the first half of 2023 for managers except Chief Strategy Officer of the Company.	V	Approved as proposed				
		2. Approved the preliminary proposal of annual business performance bonus in the first half of 2023 for Chief Strategy Officer of the Company.	V	Approved as proposed				
		3. Approved the proposal of remuneration paid to directors for 2022.	V	Approved as proposed				
		4. Approved the amendment of the Company's "Remuneration Paid to Directors and Functional Committees".	V	Approved as proposed				

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
7th Meeting in 2023	2023.08.07	5. Approved the proposal of the Company's consolidated financial statements for Q2, 2023.			V	Approved as proposed		
		6. Approved the report of equipment acquisition for business purpose between the Company and the parent company submitted afterwards.						
		7. Approved the proposal of credit application to banks.						
8th Meeting in 2023	2023.11.06	1. Approved the proposal of the Company's consolidated statements for Q3, 2023.			V	Approved as proposed		
		2. Approved the proposal of the Company's audit plan for 2024.			V	Approved as proposed		
		3. Approved the recommendation of renting the land and commissioning the construction for the office building at the plant area in Phase III, Tainan Science Park.			V	Approved as proposed		
		4. Approved the proposal of establishing "Policies and Procedures for Risk and Security Management".			V	Approved as proposed		
		5. Approved the proposal of credit application to banks.						
1st Meeting in 2024	2024.01.18	1. Approved the preliminary proposal of annual business performance bonus for the second half of 2023 for managers except Chief Strategy Officer of the Company.	V	Approved as proposed				

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
1st Meeting	2024.01.18	2. Approved the preliminary proposal of annual business performance bonus for the second half of 2023 for Chief Strategy Officer of the Company.	V	Approved as proposed				
		3. Approved the proposal of capital increase in US$100,000 thousand to the subsidiary, Wiwynn Technology Service Malaysia SDN. BHD. (WYMY in short).			V	Approved as proposed		
		4. Approved the Company's business plan for 2023.			V	Approved as proposed		
		5. Approved the proposal of amending the Company's "Transaction Procedures for Interested Parties, Affiliates, Specific Companies, and Group Enterprises" and "Regulations for Cycle Operation for Internal Control- Interested Party Transaction Management".			V	Approved as proposed		
		6. Approved the proposal of amendments of the Company's "Table of Authority for Approval".			V	Approved as proposed		
		7. Approved the report of equipment acquisition for business purpose between the Company and the parent company or between the Company and subsidiaries submitted afterwards.						

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2024	2024.02.26	1. Approved the proposal of the Company's employee compensation and director renumeration distribution for 2023.	V	Approved as proposed				
		2. Approved the proposal of employee compensation ratio and suggested amount for managers except Chief Strategy Officer of the Company for 2023.	V	Approved as proposed				
		3. Approved the preliminary proposal of salary adjustment for managers except Chief Strategy Officer of the Company for 2024.	V	Approved as proposed				
		4. Approved the preliminary proposal of annual performance bonus for managers except Chief Strategy Officer of the Company for 2024.	V	Approved as proposed				
		5. Approved the proposal of employee compensation ratio and suggested amount for Chief Strategy Officer of the Company in 2023.	V	Approved as proposed				
		6. Approved the proposal of annual salary adjustment for Chief Strategy Officer of the Company in 2024.	V	Approved as proposed				
		7. Approved the preliminary proposal of annual performance bonus for Chief Strategy Officer of the Company in 2024.	V	Approved as proposed				

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2024	2024.02.26	8. Approved the Company's business plan and financial statement for 2023.			V	Approved as proposed		
		9. Approved the proposal of Company's earnings distribution for 2023.			V	Approved as proposed		
		10. Approved the proposal of ordinary share issuance via capital increase in cash participating in issuing global depository receipts and/ or ordinary share issuance via capital increase in cash and/ or ordinary share issuance via capital increase in cash through private placement and/ or new share issuance via private placement participating in issuing global depository receipts.			V	Approved as proposed		
		11.Approved matters related to 2024 General Shareholders' Meeting.						
		12.Approved the proposal of commissioning KPMG as the certified accountants for auditing financial statements of the Company in 2024 and the proposal of audit fee for 2024.			V	Approved as proposed		
		13.Approved the proposal of the Company's "Statement of Internal Control" for 2023.			V	Approved as proposed		

Name of meeting	Date	Major resolution	Compensation Committee		Audit Committee		Nomination Committee	
			Motion	Resolution	Compliance with Article 14-5 of the Securities and Exchange Act	Resolution	Motion	Resolution
2nd Meeting in 2024	2024.02.26	14.Approved the proposal of amending the Company's "Methods of Evaluating Performance of Board of Director and Functional Committees" and the evaluation results of 2023 Board of Directors and Functional Committees.						

(14) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(15) Summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

Title	Name	Date of appointment	Date of dismissal	Reason of resignation or dismissal
Chairman	Simon Lin	2020/06/15	2023/05/29	Term of office expired

3.5 Information Regarding the Company’s Audit Fee

Unit: NT$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remark
KPMG	Ya-Lin Chen	2023/01~2023/12	7,790	1,344	9,134	Non-audit fee include taxation audit, verification, and other services.
	Ming-Hung Huang					

(1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

3.6 Information on the replacement of certified public accountant:

Because of the internal position adjustment in KPMG, the original CPAs, Chia-Chien Tang and Ming-Hung Huang, was replaced by CPA Ya-Lin Chen and CPA Ming-Hung Huang from the first quarter in 2023.

3.7 The Company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed

None.

3.8 Transfer of equity interests and change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year and during the current fiscal year up to March 26, 2024

(1) Changes in shareholding of directors, managers, and major shareholders

Title	Name	2023		2024 (up to March 26)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman (Note 1)	Wistron Corporation Representative : Simon Lin	(143,000)	0	0	0
Chairman (Note 2)	Emily Hong	(680,000)	(125,000)	0	0
Director	Wistron Corporation Representative : Frank Lin	(16,000)	0	0	0
Director (Note 3)	Wistron Corporation Representative : Kaoling Chiu	0	0	0	0
Director	Sunlai Chang	(60,000)	0	0	0
Director	Steven Lu	0	0	0	0
Independent Director	Charles Kao	0	0	0	0
Independent Director	Simon Zeng	0	0	0	0
Independent Director	Cathy Han	0	0	0	0
Independent Director	Victor Cheng	0	0	0	0
Vice President	Robin Wang	(95,000)	0	0	0
Vice President (Note 4)	Joe Chiao	(37,000)	0	0	0
Chief Financial Officer	Harry Chen	(85,000)	0	0	0
Accounting Supervisor	Wenifred Wen	0	0	0	0
Major shareholder	Wistron Corporation	0	0	0	0

Note 1: Dismissed after re-election at the ordinary shareholders' meeting on May 29, 2023.
Note 2: Re-appointed after re-election at the ordinary shareholders' meeting on May 29, 2023. All the directors at the Board of Directors elected her to be the Chairman.
Note 3: Newly-appointed after re-election at the ordinary shareholders' meeting on May 29, 2023.
Note 4: Resigned and dismissed on June 1, 2023.

(2) Equity transfer information:

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between transferee and directors, supervisors, managers and major shareholders	Shares	Transaction price (NT$)
Emily Hong	Gift	2023.02.13	Chingkai Zeng	Child	45,000	N/A
		2023.07.19			600,000	

(3) Equity pledge information: None.

3.9 Information on top ten shareholders and the relationship among them

March 26, 2024

Name	Shareholding in person		Spouse's/minor's shareholding		Shareholding by nominee arrangement		Name and relationship between the Company's top ten shareholders, or spouses or relatives within two degrees		Remarks
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relationship	
Wistron Corporation	65,895,129	37.69%	0	0%	0	0%	None	None	None
Liben Investment Co., Ltd. Representative: Frank Lin	5,063,927	2.90%	0	0%	0	0%	Wise Cap Limited Company	Reinvestment of Wise Cap	None
Simon Lin	3,913,111	2.24%	0	0%	0	0%	Wistron Corporation	Representative	None
Wise Cap Limited Representative: Frank Lin	3,645,513	2.09%	0	0%	0	0%	Wise Cap Limited Company	Reinvestment of Wise Cap	None
New Labor Retirement Reserve Fund	2,725,167	1.56%	0	0%	0	0%	None	None	None
Emily Hong	2,418,624	1.38%	0	0%	0	0%	None	None	None
Fubon Life Insurance Co., Ltd.	2,269,000	1.30%	0	0%	0	0%	None	None	None
Singapore Government entrusted to Citi Bank－GOS－EFM　C	1,977,000	1.13%	0	0%	0	0%	None	None	None
Chingkai Zeng	1,687,000	0.96%	0	0%	0	0%	Emily Hong	Child	None
Federated Hermes Global Emerging Market Equity Fund by Federated Hermes Inc. Entrusted to HSBC	1,615,373	0.92%	0	0%	0	0%	None	None	None

3.10 The total number of shares held in any single enterprise by the Company, its directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company as well as the consolidated shareholding ratio

December 31, 2023
Unit: thousand shares; %

Reinvestment business (Note)	Company's investment		Investment to the business that is directed or indirectly controlled by directors, supervisors, and managers		Total investment	
	Shares	Ratio	Shares	Ratio	Shares	Ratio
Wiwynn Technology Service Japan, Inc. (WYJP)	-	100.00%	-	0%	-	100.00%
Wiwynn International Corporation (WYUS)	969,010	100.00%	0	0%	969,010	100.00%
Wiwynn Technology Service Hong Kong Limited (WYHK)	400	100.00%	0	0%	400	100.00%
Wiwynn Korea Ltd. (WYKR)	20	100.00%	0	0%	20	100.00%
Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	568,392	100.00%	0	0%	568,392	100.00%
Wiwynn Mexico S.A. de C.V.(WYMX)	1,113,761	100.00%	0	0%	1,113,761	100.00%
Wiwynn Technology Service Mexico SA De CV (WYSMX)	40,444	100.00%	0	0%	40,444	100.00%
Wiwynn Technology Service Kun Shan Ltd. (WYKS)	-	100.00%	-	0%	-	100.00%
LiquidStack Holding B.V. (LiquidStack)	1,000	20.00%	0	0%	1,000	20.00%

Note: This refers to investee enterprises in which the Company makes long-term investment calculated according to the equity method.

4. State of Fund Raising

4.1 Capital and shares

(1)Source of capital stock

a.Capital formation:

Unit: Except the issued price uses NTD as the unit. The rest is NT$ thousand and thousand shares

Year/ Month	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Approval date and reference No.
2012.03	10	30,000	300,000	9,500	95,000	Established with registered capital of NT$95,000 thousand	0	Date: 2012.03.03 Ref. No.1015012100 with registration approved by New Taipei City Government Economic Development Department
2012.11	10	30,000	300,000	10,000	100,000	Capital increase by cash in NT$5,000 thousand	0	Date: 2012.11.05 Ref. No.1015069070 with registration approved by New Taipei City Government Economic Development Department
2014.07	18.1	150,000	1,500,000	30,000	300,000	Capital increase by cash in NT$200,000 thousand	0	Date: 2014.07.15 Ref. No.1035164614 with registration approved by New Taipei City Government Economic Development Department
2014.09	10	150,000	1,500,000	36,000	360,000	Capital increase by retained earnings in NT$60,000 thousand	0	Date: 2014.09.25 Ref. No.1035182248 with registration approved by New Taipei City Government Economic Development Department
2015.08	10 17.4	150,000	1,500,000	42,025	420,245	Capital increase by retained earnings in NT$54,000 thousand Capital increase by employee bonus in NT$6,245 thousand	0	Date: 2015.08.18 Ref. No.1045173275 with registration approved by New Taipei City Government Economic Development Department
2016.07	10	150,000	1,500,000	58,834	588,343	Capital increase by retained earnings in NT$168,098 thousand	0	Date: 2016.07.11 Ref. No.10501159110 with registration approved by MOEA
2016.10	20	150,000	1,500,000	88,834	888,343	Capital increase by cash in NT$300,000 thousand	0	Date: 2016.10.20 Ref. No.10501244580 with registration approved by MOEA
2017.04	10.6	150,000	1,500,000	88,970	889,703	Capital increase by employee stock option in NT$1,360 thousand	0	Date: 2017.04.24 Ref. No.10601049520 with registration approved by MOEA
2017.07	10 10.6	150,000	1,500,000	102,317	1,023,174	Capital increase by retained earnings in NT$133,251 thousand Capital increase by employee stock option in NT$220 thousand	0	Date: 2017.07.21 Ref. No.10601099880 with registration approved by MOEA
2017.09	10 21.7	150,000	1,500,000	105,449	1,054,494	Capital increase by employee stock option in NT$570 thousand Capital increase by employee stock option in NT$30,750 thousand	0	Date: 2017.09.13 Ref. No.10601131740 with registration approved by MOEA
2017.12	10 21.7	150,000	1,500,000	106,077	1,060,774	Capital increase by employee stock option in NT$340 thousand Capital increase by employee stock option in NT$5,940 thousand	0	Date: 2017.12.26 Ref. No.10601175320 with registration approved by MOEA
2018.03	120 10 21.7	150,000	1,500,000	126,330	1,263,304	Capital increase by cash in NT$200,000 thousand Capital increase by employee stock option in NT$1,130 thousand Capital increase by employee stock option in NT$1,400 thousand	0	Date: 2018.03.31 Ref. No.10701030510 with registration approved by MOEA
2018.05	10 21.7	150,000	1,500,000	126,440	1,264,404	Capital increase by employee stock option of NT$720 thousand Capital increase by employee stock option of NT$380 thousand	0	Date: 2018.05.14 Ref. No.10701052230 with registration approved by MOEA

Year/ Month	Par value (NT$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Approval date and reference No.
2018.07	10	150,000	1,500,000	126,465	1,264,654	Capital increase by employee stock option in NT$250 thousand	0	Date: 2018.07.27 Ref. No.10701087750 with registration approved by MOEA
2018.08	10	250,000	2,500,000,	151,985	1,519,847	Capital increase by retained earnings in NT$255,193 thousand	0	Date: 2018.08.21 Ref. No.10701099220 with registration approved by MOEA
2019.01	10	250,000	2,500,000,	152,029	1,520,287	Capital increase by employee stock option in NT$230 thousand	0	Date: 2019.01.15 Ref. No.10701165000 with registration approved by MOEA
	18.1					Capital increase by employee stock option in NT$210 thousand		
2019.04	248	250,000	2,500,000,	174,511	1,745,107	Capital increase by cash in NT$188,100 thousand	0	Date: 2019.04.16 Ref. No.10801037160 with registration approved by MOEA
	10					Capital increase by employee stock option in NT$2,470 thousand		
	18.1					Capital increase by employee stock option in NT$34,250 thousand		
2019.05	10	250,000	2,500,000,	174,543	1,745,427	Capital increase by employee stock option in NT$20 thousand	0	Date: 2019.05.17 Ref. No.10801053940 with registration approved by MOEA
	18.1					Capital increase by employee stock option in NT$300 thousand		
2019.12	10	250,000	2,500,000,	174,614	1,746,137	Capital increase by employee stock option in NT$130 thousand	0	Date: 2019.12.09 Ref. No.10801165460 with registration approved by MOEA`
	17.3					Capital increase by employee stock option in NT$580 thousand		
2020.01	17.3	250,000	2,500,000,	174,637	1,746,367	Capital increase by employee stock option in NT$230 thousand	0	Date: 2020.01.15 Ref. No.10901003070 with registration approved by MOEA
2020.04	10	250,000	2,500,000,	174,832	1,748,317	Capital increase by employee stock option in NT$400 thousand	0	Date: 2020.04.13 Ref. No.10901055270 with registration approved by MOEA
	17.3					Capital increase by employee stock option in NT$1,550 thousand		
2020.06	17.3	250,000	2,500,000,	174,841	1,748,407	Capital increase by employee stock option in NT$90 thousand	0	Date: 2020.06.01 Ref. No.10901081840 with registration approved by MOEA

b.Type of stock:

Type of stock	Authorized capital			Remark
	Issued shares	Un-issued shares	Total (shares)	
Common shares	174,840,791(listed)	75,159,209	250,000,000	None

c.Information of self-registration: None.

(2)Shareholder composition:

March 26, 2024

Composition / Quantity	Government agency	Financial institution	Other juridical person	Domestic natural person	Foreign institutions & natural person	Total
Number of shareholders	5	28	261	19,880	1,256	21,430
Shares held	4,696,816	5,029,270	83,529,996	22,507,375	59,077,334	174,840,791
Shareholding ratio	2.69%	2.88%	47.77%	12.87%	33.79%	100.00%

(3)Equity distribution

a.Common shares:

March 26, 2024

Interval of shareholding	Number of shareholders	Shares held	Shareholding ratio
1 to 999	16,746	873,009	0.50%
1,000 to 5,000	3,420	5,687,784	3.25%
5,001 to 10,000	363	2,747,280	1.57%
10,001 to 15,000	161	2,020,284	1.16%
15,001 to 20,000	124	2,210,712	1.26%
20,001 to 30,000	141	3,490,510	2.00%
30,001 to 40,000	90	3,146,518	1.80%
40,001 to 50,000	69	3,160,845	1.81%
50,001 to 100,000	138	9,937,152	5.68%
100,001 to 200,000	77	11,114,420	6.36%
200,001 to 400,000	53	15,017,595	8.59%
400,001 to 600,000	22	11,152,342	6.38%
600,001 to 800,000	8	5,542,342	3.17%
800,001 to 1,000,000	7	6,340,154	3.63%
Above 1,000,001	11	92,399,844	52.84%
Total	21,430	174,840,791	100.00%

b.Preferred shares: None

(4) List of major shareholders:

March 26, 2024

Stock / Name of shareholder	Shares held	Shareholding ratio
Wistron Corporation	65,895,129	37.69%
Liben Investment Co., Ltd.	5,063,927	2.90%
Simon Lin	3,913,111	2.24%
Wise Cap Limited Company	3,645,513	2.09%
New Labor Retirement Reserve Fund	2,725,167	1.56%
Emily Hong	2,418,624	1.38%
Fubon Life Insurance Co., Ltd.	2,269,000	1.30%
Government of Singapore entrusted to CitiBank- GOS-EFM.C.	1,977,000	1.13%
Chingkai Tseng	1,687,000	0.96%
Federated Hermes Global Emerging Market Equity Fund by Federated Hermes Inc. Entrusted to HSBC	1,615,373	0.92%

(5) Market price, net value, earnings, and dividends per share in the most recent two fiscal years:

Amount: NT$

Item			2022	2023	Current fiscal year up to March 31, 2024
Market price per share	Highest		1,135.00	2,145.00	2,590.00
	Lowest		610.00	718.00	1,665.00
	Average		860.60	1,370.65	2,169.93
Net value per share	Before distribution		221.84	241.56	(Note 2)
	After distribution (Note 1)		171.84	199.56	(Note 2)
Earnings per share	Weighted average shares (thousand shares)		174,841	174,841	(Note 2)
	Earnings per share		81.07	68.88	(Note 2)
Dividends per share	Cash dividends		50	42	0
	Free-Gratis Dividends	Retained Shares Distribution	0	0	0
		Capital Reserve Shares Distribution	0	0	0
	Accumulated undistributed dividends		0	0	0
Return on investment	Price-to-earnings ratio		10.62	19.90	0
	Price-to-dividends ratio		17.21	32.63	0
	Cash dividends yield rate		5.81%	3.06%	0

Note 1: The proposal for distribution of 2023 profits was approved by the Board of Directors on February 26, 2024 but has not yet been approved by the shareholders' meeting.
Note 2: Up to the printing date of the company’ s annual report, the quarterly report for Q1 2023 has not been reviewed by CPAs.

(6) Company’s dividend policy and its state of implementation

1. Dividend policy specified in the Articles of Incorporation

(1) If the Company has net profit as a result of the yearly closing, the Company shall pay all taxes and duties and offset its losses in precious years, then set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge before appropriating not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The Board of Directors is responsible for proposing the distribution for approval in the shareholders’ meeting.

(2) In consideration that the Company is in a capital and technology-intensive industry and in consideration of the Company’s expansion and for its continual and steady growth, a long-term investment plan needs to be adopted, therefore, the Company adopts the residual dividend policy as its dividend policy. Dividends paid by cash shall not be less than ten percent (10%) of the total dividends.

2.Proposed distribution of dividends proposed at the shareholders’ meeting

(1) The distributable surplus in 2023 was NT$24,619,619,437, and it was planned to issue cash dividends of 7,343,313,222 to shareholders. The undistributed surplus by the end of the period was NT$17,276,306,215.

(2) The proposal of 2023 annual surplus distribution has been approved by the Board of Directors on February 26, 2024. The chairman will determine the ex-dividend date after it is approved through the resolution of general shareholder’s meeting on May 24, 2024.

3. If a material change in dividend policy is expected, provide an explanation: None.

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

It is not applicable because the Company only issued cash dividends for 2023, and the financial forecast for 2024 is not published.

(8) Remuneration to employees and directors

1. Percentage or scope of remuneration to employees and directors specified in the Articles of Incorporation:

If the Company has net 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, but the Company's accumulated losses shall have been covered first.

(1) 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, who are entitled to receive compensation, shall be determined by the Board of Directors.

(2) No more than one percent (1%) of profits as remuneration to directors and should be issued in cash.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If there is any difference between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, it shall be accounted for as a change in accounting estimate and recognized as profits or losses in 2024.

3. Information on approval of remuneration by the Board of Directors:

(1) The amount of employee compensation distributed in cash was NT$800,000,000 and the amount of director compensation was NT$30,000,000. It has no difference with the expense recognized in 2023 financial statements.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None.

4. The actual distribution of employee and director compensation for the previous fiscal year, and, if there is any discrepancy between the actual distribution and the recognized employee and director compensation, additionally the discrepancy, cause, and how it is treated:

Amount: NT$

Item	Amount approved	Amount distributed
Employees' compensation (cash)	935,000,000	935,000,000
Directors' compensation (cash)	36,000,000	36,000,000
Total	971,000,000	971,000,000

Note: There is no difference between the BOD's proposed amount of compensation to be distributed to employees and directors and the amount listed in the financial statements.

(9) State of repurchasing the Company's stock: None.

4.2 Issuance of corporate bonds

(1) Information on corporate bonds

Type of Corporate Bond		1st Unsecured Corporate Bond issued in 2020	1st Unsecured Corporate Bond issue in 2021
Issue date		2020.10.20	2021.08.06
Denomination		NT$1,000,000	NT$1,000,000
Issuing and transaction location		TPEx (OTC)	TPEx (OTC)
Issue price		By denomination	By denomination
Total price		NT$5,000,000,000	NT$ 4,450,000,000
Coupon rate		0.83%	0.63%
Duration		5 years Maturity: 2025.10.20	5 years Maturity: 2026.08.06
Guarantee agency		None	None
Consignee		Bank SinoPac	Bank SinoPac
Underwriting institution		Taishin International Bank	Yuanta Securities Co., Ltd.
Certified lawyer		Handsome Attorneys-at-Law Lawyer: Mr. PENG, YI-CHENG	Handsome Attorneys-at-Law Lawyer: Mr. PENG, YI-CHENG
CPA		KPMG CPA: Mr. TANG, CHIA-CHIEN	KPMG CPA: Mr. TANG, CHIA-CHIEN Mr. HUANG, MING-HUNG
Repayment method		50% respectively for the 4th and 5th year.	50% respectively for the 4th and 5th year.
Outstanding principal		NT$5,000,000,000	NT$4,450,000,000
Terms of redemption or advance repayment		None	None
Restrictive clause		None	None
Name of credit rating agency, rating date, rating of corporate bonds		Name of credit rating agency: Taiwan Ratings Rating date: 2020.09.01 Rating of Corporate Bonds: twA	Name of credit rating agency: Taiwan Ratings Rating date: 2020.09.01 Rating of Corporate Bonds: twA
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	Not applicable	Other rights attached
	Issuance and conversion (exchange or subscription) method	None	None
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		None	None
Transfer agent		None	None

(2) Information on convertible bonds: None.

(3) Information on exchangeable bonds: None.

(4) Status of shelf registration system: None.

(5) Information on corporate bonds with warrants: None.

4.3 Issuance of preferred shares: None.

4.4 Issuance of global depository receipts: None.

4.5 Issuance of employee stock options: None.

4.6 Issuance of restricted stock awards: None.

4.7 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

4.8 Implementation of the Company's capital allocation plans: None.

5. Overview of business operations

5.1 Description of the business

(1) Scope of the business

1. Main content of the Company's business

The main business items of the Company include the research, development, design, manufacturing, testing, and sales of the following products, semi-products & the peripheral equipment, and components:

(1) Computers and Computing Peripheral Equipment
(2) Electronic Components
(3) Data Storage Media
(4) Electric Appliance and Audiovisual Electric Products
(5) Computer Software
(6) Concurrent operation of importing and exporting trade related to the business in the Company.
(7) Management Consulting Services
(8) Information Software Services
(9) Data Processing Services

2. Percentage of business revenue

Unit: NT$ thousand; %

Year / Type of product	2022		2023	
	Business revenue	Ratio (%)	Business revenue	Ratio (%)
Data center	292,876,040	100	241,900,989	100

3.Current product (service) items

The Company is a supplier of cloud computing infrastructure solution and provides hyperscale data centers, high-quality computing and storage equipment as well as system integration solutions. Currently, our main products and service items are as listed below:

(1) 21" Series
A. Multi-node server: SV7100G4
B. Storage server: SV7000G4
C. Storage: ST7000G4
(2) 19" Series
A. Edge computing platform: ES100G2, ES200G2, EP100G2
B. Multi-node server: SV302A, SV328R
C. Multi-purpose server: SV310G4, SV305A
(3) Server accessory
A. OCP Mezzanine Network Card: NM10GR, NM1GR
B. PCIe 3.0 Storage and Expansion Card: P08M2, P16M4, P16RC
(4) Software & service: System software.

4. Scheduled new products (services) development

(1) Cloud computing server development
(2) Application technology related to cloud
(3) Solutions related to artificial intelligence
(4) Solutions related to rack
(5) Solutions related to system integration
(6) Application of advanced water cooling integrated rack on generative AI and large-scale language model training AI Cluster

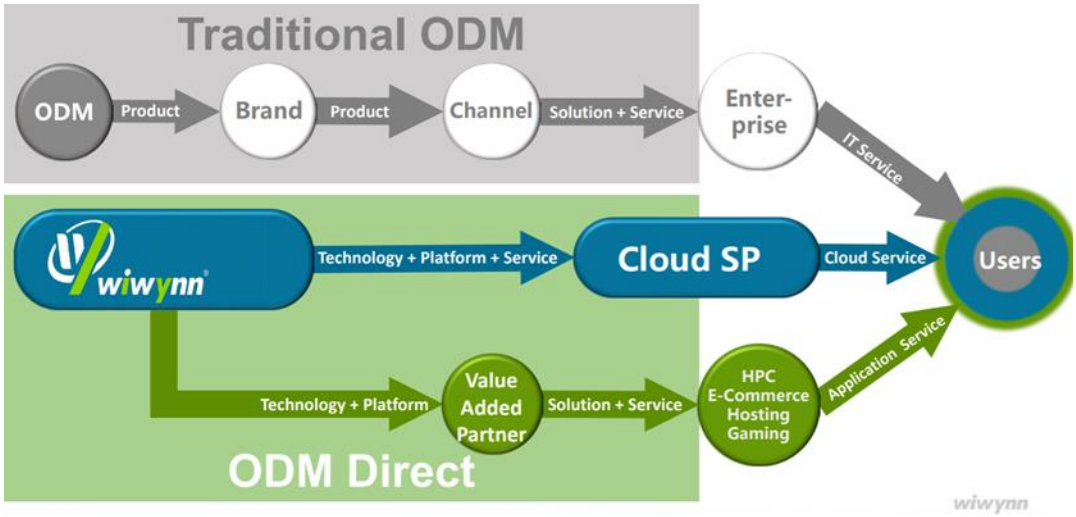
(2) Overview of the industry

1. Current status and development

Servers are a IT computing product in the enterprise-level, and their life cycle is longer than consumer products like personal computer. However, the main demand is from rapidly growing cloud computing and generative AI application. It urges cloud service providers to invest in the establishment of data centers and the expansion of relevant IT equipment and promote the purchase demand on servers. In addition, the transfer between sever manufacturer's new and old platform and the upgrade strengthens computing effectiveness and transmission efficiency and also brings customers' willingness of replacement.

Our main customers are international hyperscale data centers. Possessed IT equipment demanded by many data centers and capability of development and design, we have developed a steady business model of server ODM-Direct Sales with server manufacturers. ODM-Direct Sales helps to enter the market in the shortest time with high flexibility and agility to changes. It offers better flexibility and scalability and provides excellent performance for workload and energy optimization and is able to hugely reduce the total cost of ownership (TCO) on IT equipment for data centers. Benefited from the expansion of hyperscale data center promoted by the increasing demand on cloud services, the ratio of shipment on the model of "ODM-Direct Sales" in global markets is enhancing every year.

Illustration of ODM and ODM Direct business models is as below:



Wiwynn provides IT equipment and rack system integration service to hyperscale data centers. With abundant experience accumulated from working with the industry and the excellent R&D team, we provide services to world-leading cloud service providers in an innovative business model.

Manufacturers in the server production industry mainly take orders from international brands for production or manufacture customized servers for cloud service providers. Manufacturers shipped in white label or private brand mainly sell servers to enterprise users, and they have higher requirements in quality and stability. With the advancement of the technical level, it requires high integration and testing abilities. It also increases the threshold of vendors in the assembly industry and crates entry barriers. Server manufacturers in Taiwan have advantages in design, production, and complete industrial clusters. The shipment of servers in Taiwan accounts for more than

90% of that all over the world.

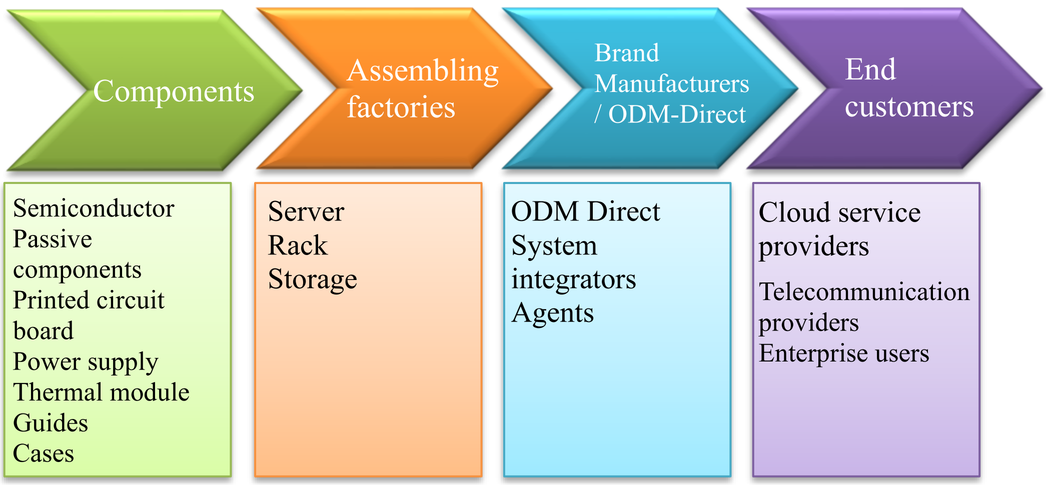
An observation on the trend of global server shipment changes showed global economic growth in 2023 slowed down, industrial operating environment got weaker, and the inflation rate rose. To curb inflation, central banks in Europe and America tightened monetary policy and lifted interest rate, and it increased costs of business operating and financing. Moreover, the extension of server service life affected purchase demand of servers. After the epidemic, the demands for cloud services from consumers and enterprises dropped and the demands for AI computer rapidly enhanced. Cloud service suppliers re-evaluated capital allocation, adjusted inventory, slowed down the establishment of data centers, and reduced orders of common servers. However, rapid growing high-value servers did not really help the shipment volume. Therefore, the global shipment volume in 2023 declined from that last year.

Although the dynamics of global economic growth was sluggish, part of key component supply faced shortage and interference. After the adjustment in 2023, cloud service suppliers re-invested in data center equipment and continued expanding the depth of AI investment. The transfer between new and old platforms is likely to enhance the demand of upgrading servers. It is expected the overall server shipment in 2024 can remain the same or slightly increase compared to that in 2023.

With development of AI for many years, the breakthrough of ChatGPT and DALL-E applications in 2023 stimulated demands for AI training and AI inference. It further becomes the momentum that promotes industrial demands and is helpful for driving the enhancing the demands for servers. Having faith in the growth of the AI server market, the Company also speeds up the arrangement in areas related to AI servers.

2. The links between the upstream, midstream, and downstream segments of the industry supply chain.

Analysis of industry value chain in cloud servers: The diagram of industry value chain structure among components in upstream, system assembling in midstream, and brand manufacturers and ODM Direct in downstream is shown as below:



3. Development trends and competitions of products

With excellent virtualization services and high scalability, cloud computing architecture can support more workloads than traditional data centers as well as significantly enhance management flexibility. Therefore, more and more enterprises transfer their core business to cloud data center. It promotes the rapid growth of cloud traffic. Under the concept of open-source & sharing, "The Open Group" (such as Open Compute Project, OpenStack and Open Network Foundation) speeds up the efficiency of cloud industry technology development and hugely reduces development costs. Meanwhile, it considers both compatibility and replaceability so that the target market will not be limited to regions and can be expanded globally. It has become the important strategic development direction for marketing cloud computing all over the world.

Along with the increasing maturity of cloud services, cloud computing has gradually extended to fields closer to users, prompting the spring-up of edge computing. Edge computing is a distributed computing structure close to terminal and able to process data distributed in the terminal in the near-end device to significantly enhance the feedback speed of the system. Under the trend of IoT combining with 5G and AI application in the future, application services must be established in peripheral devices which are closer to end users or in network communication equipment to be able to grasp future cloud application opportunities in the neighborhood.

After the development over many years, the breakthrough in 2023 of ChatGPT and DALL-E applications based on large-scale language model pushed forwards high-efficiency computing demands, like AI training and AI inference. Along with the continuous development of large-scale language model, it not only shows the market the potentiality of AI technology but also further pushes up the innovation of industrial technology and the momentum of demands towards server computing and transmission efficiency.

Our main products are cloud servers with high-efficiency and high-quality computing and storage as well as integrated rack solutions. We offer cloud service providers a variety of customized products and services of system integration. With optimal solutions, we provide data centers with the best workload and total cost of ownership (TCO) to assist them using IT resources more efficiently and flexibly.

The Company actively invests in new technology to satisfy the demands of data centers of the next generation. In terms of product strategy, the Company invites partners of key technology to work closely with global famous software manufacturers to speed up the commercialization of platforms for CPU and GPU products and respond to customers' demands in cloud computing and large scale of AI training and application. In terms of technical R&D, power supply and cool technology have always been essential for data center customers to reduce their overall application cost. Other than investing R&D resources on innovative design of technical products to develop energy-saving and modular products, we also enhance the added value to our products through high system integration and testing capability to provide our customers comprehensive solutions. As a platinum member of COP (Open Compute Project) and solution supplier, the Company also actively implements OCP design concept to the whole series of products. We assist data centers possessing the advantages of high-power efficiency, simplification, and easy to maintain and satisfy their demands in computing efficiency, energy saving, and easy to maintain.

In terms of development of edge computing products, the Company developed the edge computing platform and servers. Through flexible configuration, we make sure it is applicable to various edge computing. On one hand, we assist telecommunications providers to operate in a flexible and high-efficiency architecture. On the other hand, we help cloud service providers to expand their services from cloud to edge computing. It satisfies different edge and accelerated computing demands in the era of AI towards AI inference and training, 3D graphics, render and video analysis, all-in-one vRAN solution, and multi-access edge computing (MEC).

(3)Overview of technology and R&D

1. The expense of R&D invested by the Company in the most recent fiscal year and during the current year up to the publication date of the annual report:

Unit: NT$ thousand; %

Item	2022	2023
R&D expenses	3,528,532	4,018,816
Net operating revenue	292,876,040	241,900,989
Ratio to net operating revenue	1.20%	1.66%

2. Number of R&D personnel in the Company and their educational background:

Unit: person(s)

Educational background	2022	2023
PhD	10	10
Master	558	673
College/ University	628	724
Below senior high school (included)	59	72
Total	1,255	1,479

3. Technology or products developed (in the most recent fiscal year and up to the publication date of the annual report):

Year	R&D results	Description
2022	SV7100G5 Modular high-density computing server	SV7100G5 meets the server specification of OCP (Open Compute Project) Yosemite Series. The specification is specifically established for Open Rack V3 infrastructure. Its DC power supply is modified from 12V to 48V to make power transmission more efficient and achieve the demand of green energy. SV7100G5 is a highly modular system which adopts the server processor of the fourth-generation Intel® Xeon called Sapphire Rapids. It has a PCIe Gen5 interface that is two times faster than the previous generation while DIMM is enhanced from DDR4 to DDR5. The server’s motherboard, expander board, base plate, power module, and cooling fan can be installed into the cabinet of 4OU Cubby in the best combination. Each cubby carries 3 drawers, each drawer accommodates 4 server motherboards the maximum, and the 4OU system can be installed 12 servers in total. Therefore, SV7100G5 can provide an optimal expandable system based on the increase of computing demands.

Year	R&D results	Description
2022	SV7000G4/ST7000G4 4OU OCP storage server	SV7000G4/ST7000G4 follows the specification of OCP (Open Compute Project) Grand Canyon. The specification is specifically established for Open Rack V2 infrastructure. The new generation of 4OU 2 Compute Node storage server considers both cooling/ thermal storage architecture and contains 72 pieces of 3.5" HDD in the 4OU case. Each server operates independently. In terms of the whole rack (42OU), it can install 8 units of 4OU storage server to provide high storage density of 576 pieces of high disk drive. The core design concept is a highly modular system. Each component, including motherboard, fan, and expansion cards, can be upgraded independently. The hot plugging design and the mode of front I/O plug allow users to assemble, dismantle, and maintain all the components without any tool. It makes the maintenance of the computer room in data centers easier. Through the integrated development of hardware and software implemented by the Company, it enhances higher efficiency of use on hard drive. With the chip controlled by the new Broadcom hard drive, the efficiency of the hard drive can be enhanced. It also provides sufficient power design to cope with the demand of higher hard drive efficiency in the future.
	SV5100A2 Modular high-density computing server	SV5100A2 adopts Olympus Rack Infrastructure published in OCP (Open Compute Project). SV5100A2 is a highly modular system and adopts the server processor of the fourth-generation AMD EPYC called Genoa. It supports the PCIe Gen5 interface for up to 96 cores and 128 channels while DIMM is enhanced from DDR4 to DDR5 with 12 channels. The product has the characteristic of high performance and high scalability. Its 1U case accommodates 10 x E1.S SSD, 2 x M.2 SSD, 1 PCIe 5.0 x16 slut, and 2 PCIe 4.0 x16 sluts to provide for different storage devices and hugely enhance I/O performance. The design of the highly modular system allows users to switch between different generations and different manufacturers for installation and maintenance. It is a system that users can deal with replacement and maintenance easier.
	SV302A-T Dual-node high-density computing server	SV302A-T is an updated version of SV302A. It is still a server with 1U dual-mode high-density computing. Each node server carries a 64-core processor of AMD EPYC 7003 series to respond to the trend of central application of power demanded by modern data centers. Different from the design of in-chassis power supply in traditional servers, SV302A-T adopts centralized power supply management and power supply system for a good regulation of power supply in the whole data center. It also significantly reduces the potential issue of single point of failure on the power management design for single devices. It not only provides high-density computing for customers' applications but also reduces the service interruption caused by potential power supply during the actual operation of cloud services.

Year	R&D results	Description
2022	SV328R Refresh Single-node ARM dual CPU high core/ low power consumption server	For cloud service providers to ensure specific workload adopting more cost-effective hardware, the optimal virtual system infrastructure plays an important role. In the age of emerging cloud services, all cloud computing requires CPU as the core of computation. SV328R can provide a computing resource of a maximum of 256 cores in a single-node space. With ARM's powerful and low-consumption design, the source of heat is reduced to the minimum under the specification required by customers to save cooling costs and provide a server design that meets ESG requirements the most. Besides, the high-efficiency power design maintains the power efficiency in the best condition. It is a server that meets the requirements of green energy the most.
	EP100G2 Multi-node edge server	EP100G2 is a new multi-node edge server designed specifically for telecommunication providers. It offers multi-node and flexible layout to fit in telecommunication providers' public 5G or dedicated network infrastructure. EP100G2 adopts the fourth-generation Intel® Xeon processor with built-in Intel® vRAN Boost to speed up full integration. Within the same range of power consumption, it provides two-time capacity. Through built-in boost, it saves additional 20% power consumption rapidly to satisfy demands in key efficiency, expansion, and power efficiency.
	SV600G2 Comprehensive AI training server	SV600G2 is a processor that integrates dual Intel Generation III Intel® Xeon® Scalable (code: Ice Lake) and OAM (OCP Acceleration Module) accelerator. It has the highest density and the most flexible large AI training system. The Generation III Intel® Xeon® processor provides 40% performance enhancement and has the built-in Intel Deep Learning Boost. It is suitable for complex AI workloads. In addition, the integration of AI accelerator further strengthens the computing density and makes it a comprehensive AI training solution. Through 8 Habana (Intel) Gaudi-2 AI accelerators, SV600G2 pushes deep learning training to go beyond the current boundary. As one of deep learning training (DL) processors, Gaudi-2 integrates RDMA over Converged Ethernet (RoCE v2) engine on the chip and makes the exchange of the training data easier on the AI training system that highly relies on the intercommunication of AI accelerator. Meanwhile, SV600G2 designs 6 400GbE QSFP-DDs ports to connect with more SV600G2 hyper large clusters directly in order to link up with more Gaudi-2 AI accelerators and carry out synchronous computing and speed up the development of AI training models. The total height of SV600G2 is 6U, and it consists of UBB (Universal base board) layer, CPU layer, and PSU layer. With the abundant experience in data centers, Wiwynn introduced a design concept of easy to maintain to the product to ensure simple and fast maintenance. It is essential to the AI training system that races against time; for example, both UBB and CPU layers are designed with a tray with a thumbscrew locking handle. The handle is equipped with an energy-saving device so that system maintenance personnel can take out the tray easily to conduct the maintenance of internal components. In addition, the I/O interface is installed in the front end of the system. It can significantly reduce the complexity and difficulty of maintenance.

Year	R&D results	Description
2023, and up to the printing date of the annual report	SV8000A2 AI server	SV8000A2 is an AI server that meets the specification of OCP Grand Teton. Equipped with 8 NVIDIA H100 GPU substrates and 2 AMD EPYC Genoa CPUs, SV8000A2 is able to achieve unparalleled performance in the application of AI training. Except highly efficient CPU and GPU, high-speed network connection and abundant storage capacity are key items for generative AI in large-scale language models. For such application, SV8000A2 can easily carry 8 high-speed network card of 400GbE and 16 large E1.S SSD to integrate several sets of SV8000A2 into a large AI Super POD. Therefore, it is the AI server that is most appropriate for large language training. In addition, interface cards used on data processing units can be directly adopted on the motherboard of SV8000A2 to use AI application of single SV8000A2 to process instant inference.
	ES200G2 Edge computing server	ES200G2, which is a short-depth 2U single-socket edge server to unleash exceptional computing power. Featuring the 5th Gen Intel® Xeon® Processor, it offers the flexibility to add two dual-width GPUs for lightweight training in on-premises data centers. Enhanced with built-in AI acceleration, Intel® Advanced Matrix Extensions (Intel® AMX), faster DDR5 memory, and PCIe Gen5, this processor delivers remarkable performance-per-watt gains across various workloads, ensuring excellent performance and Total Cost of Ownership (TCO) efficiency. Through AI accelerator cards and flexible expansion, cluster and edge AI inference abilities are trained, including NVIDIA L40S Tensor Core GPU to empower edge computing that we are currently working on. The feature of multiple functionality is convenient to execute high-performance tasks, such as generative AI, large language model (LLM), micro-adjustment as well as 3D graphics, rendering, video analysis, and far-end edge scenario for multiple connection to edge computing.
	ES100G2 Edge computing server	ES100G2 is a compact 1U short-depth, single-socket edge server, features the 5th Gen Intel® Xeon® Processor. This processor delivers exceptional edge AI computing and network capabilities. Enhanced with built-in AI acceleration, Intel® Advanced Matrix Extensions (Intel® AMX), faster DDR5, faster DDR5 memory, and PCIe Gen5 strengthening. It fulfills impressive improved performance per watt in various workloads and ensure excellent performance and cost efficiency. Applicable to AI interference of multiple edge application Specifically designed for the flexible edge workloads, ES100G2 delivers excellent performance as an AI interference platform. With AI accelerator cards and flexible additional slot, its structure has been optimized to enhance computing and network expanding abilities. This provides solutions to various tasks and satisfies demands from edge service providers on strong edge AI application.

(4) Long-term and short-term business development plans

1. Short-term business development plans

The Company will continue developing in the cloud industry and focus on strengthening customer relationships and product optimization as the focus of the Company's short-term business development.

(1) Customer relationship: Strengthening existing customer relationship and continuing providing customers the best total cost of ownership (TCO) & solutions that optimize workload to deliver defect-free and competitive products and services to customers on time for the maintenance of the long-term stable relationship.

(2) Product optimization and strategy:

A. High-performance computing: Assisting data centers to expand computing capability flexibly and rapidly and achieve high-performance cloud computing.

- Defining design rules and selecting the best solutions for future high-speed signal products, such as implementing new materials to optimize the quality of transmission signals.
- In response to the mature of CXL specification and relevant suppliers' products, we develop series products of resource pool based on CXL technology to flexibly install RAM, SSD, SSD, network card, artificial intelligence, and high-performance computing chips (GPU) for the host computer to call freely. It not only enhances the efficiency of use of IT resources but also achieves the purpose of energy saving and carbon reduction.

B. Power supply and high-efficiency thermal solution: In order to enhance the efficiency of energy consumption and further reduce electricity expense and operating cost of cooling system construction in response to the advancing power level of cloud service to support processors and RAM of higher performance, the optimal goal of IT infrastructure is to reduce power conversion frequency and the loss generated. Continuing developing power supply solutions that save energy more efficiently, such as implementing new voltage regulating power design to reduce power dissipation, optimize design space of circuit boards, and enhance power efficiency.

C. Developing advanced heat dissipation solutions suitable for cloud data centers to satisfy heat dissipation demands of high-power chips, achieve the effect of energy saving, and assist customers' performance in carbon reduction. It includes advanced heat dissipation management solutions, rack liquid cooling plate heat dissipation systems, and immersion liquid cooling system with environment-friendly liquid.

D. "Software-defined" and application performance management: The Company focuses on application systems and customizes the most suitable resource configuration according to different application systems. Dynamic adjustment is carried out with the free-defined functions for the best solution in order to assist IT personnel speed up deployment efficiency and use the limited time for the optimal application.

- Developing data center management solutions based on software-defined and resource pool sharing structure as well as introducing big data and deep learning architecture to help data centers manage intellectual work.

E. Deep learning and artificial intelligence: Developing a series of AI products that satisfy deep learning training and real-time inference. Through distributed and modularized design matching with the latest high-speed transmission network infrastructure, the connection of multiple servers provides massive and flexible graphics processing unit (GPU) configuration to reduce the cost for upgrading and provide many different types of AI server solutions at the same time. With three-in-one design of data, algorithm, and computing power, we treat data as the starting point, algorithm as the base, and computing power as the driving force to assist customers analyzing data and using the result for decision analysis. We offer servers for specific purposes and exclusive purposes to respond to diverse demands in different fields. Different products, no matter whether they are integrated or independent, are provided to process the non-image demands, such as automatic image analysis and comparison, generative pre-trained transformer, natural speech processing of language, 3D space, and recommendation analysis. Moreover, we offer multiple heat dissipation solutions on AI servers for customers to choose based on their demands to support diverse applications and process chips with higher efficiency of artificial intelligence to achieve highly efficient AI servers.

F. Development related to edge computing and 5G products: The Company devotes actively to the cooperation and development related to network function virtualization infrastructure (NFVI) and hopes to extend server products to a wider application field. Other than continuing the OpenEDGE (based on the contribution of Nokia) specification from the OCP (Open Compute Project) community and developing 5G and edge computing platforms, we will strengthen the collaboration with the open organizations related to 5G, like O-RAN and TIP. Other than implementing relevant systems and product integration, we continue focusing on certification systems for our product lines to advance product compliance and integration of the interactive system. The Company focuses on servers and works with chip suppliers intensively to develop different types of server products. For the development of edge servers, we use the next-generation chip to develop a series of telecom-level computing products with universal functions to help cloud service providers to easily deploy edge servers that have telecommunication cloud computing function and provide different customers a variety of choices in different fields. Besides, edge servers with different types of chips are developed based on the diverse demands in the market. The diversified platform design satisfies the application at each point between the cell to the central office (CO), the multiple NFV, and the application demand of multi-access edge computing. We also work with system integrators to provide comprehensive Private 5G solutions.

G. While the server is extended to edge computing, the Company builds the components with AI computing on edge servers so that the edge servers are able to implement the processing of applications related to AI. Moreover, the service of cloud centers is pushed further advanced to edge computing to reduce the latency so that the cloud service can be closer to the end users. Meanwhile, the Company will also strengthen the cooperation with relevant telecommunication operators, assist them to speed up the implementation of our products, and optimize its business services to achieve the win-win situation and speed up the promotion of customers' business. At the same time, the Company will invest resources to work with international leading academic units. Other than making progress on academic studies, we will also advance technology development to achieve industry-academia collaboration and the beautiful vision of advancing and flourishing together.

H. The Company works with open community groups more closely and continues developing multiple hardware design orientation in OCP community. Through the continuous strengthening and maturing in the open architecture, we expect ourselves to help telecommunication operators jump out of the vendor lock-in model in the past and make the system even more open in order to promote the advanced application fields on 5G infrastructure provided by the Company. Meanwhile, the Company also actively participates in the development of 5G international open organization, including O-RAN and TIP, and actively invests in resources and works with communities to lead the whole industry forwards.

I. The company will continue to collaborate with network communities, telecommunications operators, equipment vendors, and third-party service developers to provide open and optimized solutions to partners and customers, accelerating their development, deployment, and network upgrade.

J. In addition to open-sourcing of hardware, the company adopted OpenBMC for firmware and open source of open system firmware OSF for users to use more freely and to develop open-source hardware and firmware. The Company continues working with Intel, partners in the industry, and open-source communities to develop the support to open system firmware OSF on server and shares the performance of open source with open-source communities.
Besides, in the development of Linux Foundation OpenBMC, the Company also launched on server of LF OpenBMC and successfully deployed them to customers' data centers. We will continue our development in the servers of new-generation CPU.

K. Modular design: The Company standardized the transmission interfaces for signal power source and fixed structure of components in servers and further designed corresponding modules to achieve product modular design. The advantage of the modular design is to ensure products of the same series support different system configurations more flexibly and provide data centers more flexible choices. In addition, the high interoperability of modules saves time in designing new modules and the development of new molds. It further reduces product development costs, and the original system cases and modules can be recycled and reused when the product is replaced.

2. Mid-term and Long -term business development plans

(1) Marketing strategy

A. Continuing strengthening logistics and operating capability in product delivery to every corner of the world providing complete after-sales service.

B. Other than the target customers of global cloud service providers, we continue developing potential customers to expand our market share.

C. Cooperating with production and marketing strategies to strengthen the integration ability of global supply chain and ensure sustainable competitiveness.

(2) Product strategy

A. Based on the experience accumulated in the past and solid technology, we continue strengthening product development ability and speed, production quality, and controlling ability in delivery.

B. Continuing developing customized and diverse service items required by customers.

C. Continuing innovation and developing R&D technology. We expand existing cloud products and the competitiveness of the technology with forward-looking technology and R&D of innovative application, implementation of product design, mass production investigation, and systematic management in order to satisfy the growing high-performance computing demand from data centers and ensure the competitive capability of our core technology and our customers' business.

D. Implementing the execution of the Company's quality policies; that is, "deliver defect-free and competitive products and services to customers on time" to provide customers high quality products and excellent technology and services in order to maintain market competitiveness.
E. Performing corporate social responsibility and friendly environment fully as well as collaborating with suppliers to refuse using hazardous substances to the environment and to produce products with low energy consumption.
F. Focus on long-term technology development, such as Quantum Computing and Co-Packaged Optics, actively participate in technology forums, and engage with industry partners to explore collaboration opportunities.

(3) Operating and financial strategies

A. In cooperation of the growth of the Company's operating scale, the financial structure and company structure is enhanced through the variety of fund-raising channels in the capital market, and the Company is moving towards the development of a large-scale enterprise steadily.
B. Strengthening educational training and cultivating excellent talents to respond to the human resources required for the growth of the Company.
C. Creating the effect of multiplication through the work allocation, sales, and services in the re-invested companies.
D. Creating an excellent enterprise that meets corporate governance and implements integrity management.

5.2 Overview of the market as well as the production and marketing situation

(1) Market analysis

1. The geographic areas where the main products (services) are provided (supplied)

The Company's revenue by regions in the most recent two years and the state of ratio:

Unit: NT$ thousand

Region \ Year		2022 Amount	2022 Ratio	2023 Amount	2023 Ratio
Domestic		458,608	0.16%	1,377,772	0.57%
Exporting	America	233,994,036	79.89%	190,096,753	78.58%
	Europe	36,285,287	12.39%	28,795,628	11.90%
	Asia	18,997,450	6.49%	18,697,777	7.73%
	Other	3,140,659	1.07%	2,933,059	1.21%
	Sub-total	292,417,432	99.84%	240,523,217	99.43%
Total		292,876,040	100.00%	241,900,989	100.00%

2. Market Share

Up to Q4 in 2023, the Company's products have been shipped to more than 550 hyperscale data centers in the world. We continue standing firmly in the supply chain for primary data centers through the business model of ODM Direct Sales. Along with the increasing investment in global data centers, the Company satisfies the demand of multiple workloads by large-scale cloud service providers with products of high performance and scalability. We will further grasp the business opportunity in edge computing.

According to the statistics done by Worldwide quarterly Server Tracker, International Data Corporation (IDC) for Q4, 2023, the shipping volume of global servers in 2023 was around 11.97 million servers. Among them, the shipment volume of ODM-Direct servers was around 4.26 million servers. In terms of the self-declaration on the shipment volume of servers in 2023 assessed by the Company, it accounted for 10% of shipment volume in the global server market in 2023 and accounted for nearly 30% of shipment volume for global ODM-Direct.

The Company has devoted itself to the development in the industry for many years and has won favor among international large-scale cloud data centers. We are competitive in the market and will continue developing products and the depth and width of our customer groups based on this foundation.

3. Demand and supply conditions for the market in the future, and the potential of market's growth

With the flourishing development in the application related to network and IoT, International Data Corporation (IDC) predicts the global data output volume will reach 291 ZB by 2027. It brings continuous growth on the demand and scale of global network and cloud data processing.

In response to the rapid growth of demands in cloud application and generative AI, cloud service providers also continue investing in the construction of data centers as well as expanding and upgrading relevant IT equipment. According to Worldwide

Quarterly Cloud IT Infrastructure Tracker at International Data Corporation (IDC), it predicts in Q4 2023 that the expenditure of global cloud IT infrastructure will grow from US$108.9 billion in 2023 to US$199.1 billion in 2028. The compound annual growth rate (CAGR) will be 13％, which accounts for 74% of the total IT infrastructure expenditure.

The breakthrough of generative AI makes the use of AI more approachable and closer to people. In the future, cloud services will be developed in a more diverse pattern to respond the flourishing development of 5G, IoT, and AI. A great deal of information will have to be processed at locations closer to end users. Demands of edge computing emerge. Large cloud big data providers, like Microsoft, Amazon, and telecommunications operators start to make arrangement of edge computing services.

According to the latest report from Markets and Markets, the global edge computing market is expected to grow in an annual compound rate of 15.7% between 2023 and 2028. Gartner also predicts by 2025, around 75% of the business data all over the world will be generated and processed through edge computing outside data center/ cloud. It further deepens the necessity of introducing highly efficient edge computing.

4. Competitive niche

(1) R&D capability that is industry-leading and competitive:

The Company understands market demands well, guides the trend of new product development with innovative technology, provides fully customized products to large-scale data centers, has capabilities in high integration and testing, and offers data centers the best total cost of ownership (TCO) and IT solution that optimizes workload. We are deeply favored and recognized by customers in terms of quality and technology.

(2) Strong and steady customer relationship:

The Company continues developing products that meet high computing performance and efficient use of power supply to satisfy customers' demands. We maintain good interaction with customers and have become an important working partner for customers in the cloud service business.

(3) Close cooperation with suppliers:

The Company maintains strategic alliance relationships of long-term cooperation with main material suppliers and continues keeping good interaction with suppliers to ensure the latest technology can be implemented rapidly and stable source and quality of supplies in order to respond to fast-growing market demands.

(4) Global logistics service:

The Company has continued developing locally and all over the world in the past few years. Up to now, our products have been shipped to more than 550 hyperscale data centers in the world. We provide a complete service process of solutions from product design, integration, optimization, deployment to after-sales service. The integrated one-stop service effectively enhances overall efficiency and productivity and offers customers precise, rapid, and close-to-demand solutions.

5. Positive and negative factors for future development, and the response to such factors

(1) Positive factors

A. Flourishing development of the cloud industry

Along with the development of technology in AI, internet of things, VR/AR, and 5G, the business opportunities on various cloud applications are unlimited. It will keep driving the flourishing development of cloud industry.

B. Excellent R&D capability:

The Company has always focused on research and development, and the R&D expense in 2022 and 2023 increased NT$3,528,532 thousand and NT$4,018,816 thousand respectively. Other than continuing budgeting R&D expenses and introducing advanced technology, we also work hard in cultivating and recruiting excellent R&D talents. To enhance R&D capability and grasp essential technology, our Company established a R&D and Experiment Center in Tainan to carry out new product verification and trail (mass) production and strengthen our R&D capabilities in order to attract more business opportunities.

C. Upstream and downstream working partners:

The Company works with upstream and downstream suppliers closely to integrate product application with technology and provide customers with complete solutions.

(2) Negative factors

A. The market is getting more and more competitive, and the industry is changing rapidly.

<u>Coping strategy:</u>

· The Company continues developing the current market for large-scale data centers in depth, expanding business scale, and coordinating our ability in cooperation and integration with the expectation of achieving a win-win situation with customers in terms of business cooperation.

· The Company continues working with technical partners closely to ensure the advantages of our products and product launch schedules.

· The Company actively invests in cooperation and development related to AI and edge computing and extends server products to a wider application field.

B. Excessive concentration of customers

<u>Coping strategies:</u>

· Our customers are all world-leading large enterprises that provide stable demands to wide users in global markets. They maintain a good working relationship with the Company. We have implemented proper control of relevant operating risks.

· We continue cooperating with network communities, cloud computing, telecommunication operators, equipment providers, and third-party service developers to offer open or optimized solutions to our working partners or customers and speed up their time spent in development, deployment or network upgrade. The Company carries a spirit of professionalism and service to provide our customers with comprehensive solutions.

C. The main business is exporting, and the change in the foreign exchange rate affects the Company’s revenue and profits.

<u>Coping strategy:</u>

· The Company uses USD as the currency for procurement and sales, and it can offset the impact of changes in the exchange rate on revenue and cost naturally.

· We pay attention to the real-time information on the exchange rate. Through relevant foreign exchange rate hedging measures, we appropriately avoid the risks of the exchange rate.

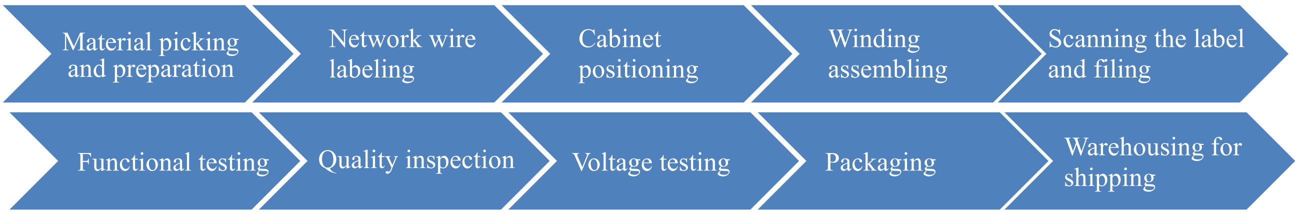
· We adjust the allocation of foreign currency assets and liabilities as well as flexibly adjust the holding position of US dollar. Depending on the fund demand and exchange rate fluctuation, we will decide proper time for settlement of exchange, payment arrangement, and repayment of loans in foreign currency.

(2) Important application of the main product and the manufacturing process

a.Important application of the main product

Main product	Application
Data center product	IT equipment for business data computing, storage, AI, and liquid cooling

b. Manufacturing processes of main products



(3) Supply situation for major raw materials

Material	Sources	Status of supply
CPU	USA	Good
DRAM	USA, Korea	Good
HDD/SSD	USA	Good
Hyperscale data center products	Taiwan	Good

(4) Suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information of main suppliers in the most recent two fiscal years

Unit: NT$ thousand

Item	2022				2023				2024 (up to March 31)			
	Company Name	Amount	Percentage of annual net purchases (%)	Relation with Issuer	Company Name	Amount	Percentage of annual net purchases (%)	Relation with Issuer	Company Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relation with Issuer
1	Wistron Corporation	69,645,165	27.29	Parent Company	Wistron Corporation	47,422,154	22.69	Parent Company	(Note)			
2	Supplier C	39,802,815	15.59	None	Supplier E	34,167,133	16.35	None				
3	Supplier E	36,333,464	14.24	None	Supplier C	21,873,096	10.46	None				
4	Supplier B	25,428,284	9.96	None	Supplier F	18,450,442	8.83	None				
	Others	84,020,310	32.92		Others	87,108,285	41.67					
	Net total	255,230,038	100.00		Net total	209,021,110	100.00					

Note: Up to the publication date of the Company’s annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Reasons of the increases or decreases:

The purchase amount from Wistron Corporation and from Supplier C and Supplier E were reduced in 2023, and it was mainly due to the decrease of demands. In terms of Supplier F, it was increased because of specific request by the customer.

2.Information of main customers in the most recent two fiscal years

Unit: NT$ thousand

Item	2022				2023				2024 (up to March 31)			
	Company Name	Amount	Percentage of annual net sales (%)	Relation with Issuer	Company Name	Amount	Percentage of annual net sales (%)	Relation with Issuer	Company Name	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relation with Issuer
1	Client L	134,496,608	45.92	None	Client L	91,067,835	37.65	None	(Note)			
2	Client A	54,040,639	18.45	None	Client N	44,989,196	18.60	None				
3	Client M	9,784,358	3.34	None	Client A	32,742,678	13.54	None				
4	Client J	9,731,640	3.32	None	client Q	5,954,306	2.46	None				
5	Client N	9,074,659	3.10	None	Client R	5,541,530	2.29	None				
	Others	75,748,136	25.86		Others	61,605,444	25.47					
	Net total	292,876,040	100.00		Net total	241,900,989	100.00					

Note: Up to the publication date of the Company’s annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Reasons of the increases or decreases:

Because of the decrease of installation demands on data center in 2023 and slight decrease of server shipment, our revenue reduced accordingly.

(5) Table of production volume for the most recent two fiscal years

Unit: PCS ; NT$ thousand

Main product (or department) \ Production output \ Year	2022			2023		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Hyperscale data center products	1,730,985	2,199,764	233,599,562	1,784,059	1,423,543	203,269,870

(6) Table of the volume of units sold in the most recent two fiscal years

Unit: Unit(s); NT$ thousand

Main product (or department) \ Sales volume \ Year	2022				2023			
	Domestic		Overseas		Domestic		Overseas	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Hyperscale data center products	0	0	47,232	292,417,432	90	348,859	36,975	240,523,217
Others	0	458,608	0	0	0	1,028,913	0	0
Total	0	458,608	47,232	292,417,432	90	1,377,772	36,975	240,523,217

5.3 Information of employees and staff in the most recent two fiscal years and up to the publication date of the annual report:

Year		2022	2023	2024 (up to the publication date of the annual report)
Type of employees	Sales	101	94	95
	Engineering	1255	1479	1573
	Operational support	569	476	502
	Direct personnel	4887	5219	5829
	Total	6812	7268	7999
Average Age		32.41	33.09	33.09
Average Years of Service		2.26	3.11	2.98
Education	PhD	0.18%	0.17%	0.16%
	Masters	11.33%	11.64%	11.33%
	Bachelor’s Degree	32.18%	40.12%	39.35%
	Senior High School	28.80%	26.44%	25.35%
	Below Senior High School	27.51%	21.63%	23.80%

5.4 Disbursements for environmental protection

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

5.5 Labor relations

(1) Employee benefit plans, continuing education, training, retirement systems, and the status of the implementation as well as the status of labor management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans

(1) Employee group insurance (life insurance, casualty insurance, and medical insurance for the employee) is paid in full by the Company.

(2) Cash benefits for three traditional festivals and weddings & funerals.

(3) Various social activities.

(4) Subsidy for domestic and overseas travelling.

(5) Employee health care (health promotion activities, maternal care)

Other than establishing reasonable and competitive salary standards according to the situation of local labor market, the Company also includes the insurance based on the local regulations and bonus based on the overall business performance that the Company achieved to encourage employees making long-term efforts and growing with the Company.

2.Implementation of continuing education, training, and retirement system

(1) Continuing education and training

The purpose of the training and development carried out by the Company is to continue enhancing manpower quality and work proficiency to create higher corporate value and achieve operating target and future development. In order to realize the goal and respond to the labor demand due to the fast-growing business scale at the same time, the Company establishes a complete educational training structure in cooperation with occupational competence system to plan proper new employee training, professional training, various management trainings, environment-safety-health training, and courses related to corporate culture in order to strengthen complete training and continuing education channels for employees. Through the methods of face-to-face training and e-learning, employees' professional abilities and core competitiveness are enhanced.

In addition to the training of professional competence, the Company also arranges job rotation based on the employee's career plan and encourages employees to engage in studying in different aspects or self-learning. We work hard to enhance the overall quality of our employees and strengthen talent cultivation and development.

(2) Retirement system

To provide guarantee for employees' life after retirement and enhance their service during the employment, the Company established employee retirement regulations according to Labor Standards Act and Labor Pension Act to specify the condition of retirement, the standard of retirement pension, application, and payment. Other than contributing 6% of salary as retirement pension for applicable employees every month based on the regulations of Labor Pension Act, the Company also establishes Supervisory Committee of Labor Retirement Reserve according to laws to appropriate labor pension reserve every month based on "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds". The reserve funds will be deposited to a legally appointed financial institution under the dedicated name of Supervisory Committee of Labor Retirement Reserve.

3. The status of labor-management agreements and measures for preserving employees' rights and interests

All the regulations related to employee's rights and interests in the Company follow the provisions of Labor Standards Act as the standard. The Company has established a committee of promoting employee relationship and employee welfare committee. Employees can communicate with the Company about issues on various systems or working environment through the committees. Up to now, the labor-management relationship is good, and there is no dispute between labors and management.

The Company has established complete employee management systems and policies to specify the management regulations, employees' rights, obligation, and welfare. All the content will be reviewed and revised regularly to maintain employees' rights and interests.

(2) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

None.

5.6 Cyber security management

(1) Risk management structure, policy, and specific management methods for information security as well as the resources invested

The Company has established information security policies, including "Information Operation Management Procedures", "Confidential Data Management Methods", "Software Management Regulations", "Information Resource Security Management Policy", and "Employee Information Security Code". We also include relevant operating procedures to our internal control system and list them as the auditing items on the annual audit plan every year for further monitoring and control in order to concretely implement the protection of information security and fulfill information security risk supervision and management. To strengthen information security management, our Company continues promoting the following information security mechanism and measures:

1.Organization: We established the post of Chief Information Security Officer in February 2013 as well as Information Security Office to promote and audit information security policies. The unit of information management also assists the implementation of information security policies.
Chief Information Security Officer is in charge of establishing and adjusting the policies and assigns one dedicated information security officer to promote cross-department implementation as well as selection and installation of information security solutions. The officer coordinates with human resource units to implement educational training of information security and implements effectiveness assessment for information security through irregular internal and external audits.
In addition, Information Security Office integrates and coordinates information security maintenance between the Company and overseas subsidiaries, information security maintenance for branch companies, core business security management and disaster drill. Besides, the office also in charge of strengthening the security management for cloud application services, supervising users to follow information security measures, customizing self-developed system security management, and managing system platform security control as well as introducing various information security prevention systems.

2.Personnel:
(1) Continue strengthening training rate on information security education (100%).
(2) Promote interactive information security promotional activities.
(3) Provide information security workshop for specific personnel to focus on employees' information security awareness.

3.Operation:
(1) Introduce and obtain ISO27001 verification.
(2) Implement backup and recovery exercise as well as phishing email exercise.
(3) Carry out vulnerability scanning every month; we achieved 100% timely recovery rate.
(4) Pass AEO and external information security audit/ certification.

4.System:
(1) Continue working with the third-party information security rating mechanism to detect vulnerable information security exposed externally in time.
(2) Upgrade the overall firewall equipment.

(3) Introduce and establish Information Security Operation Maintenance Center (SIEM/ SoC).
(4) Implement User End-point Management (UEM) and Privileged Access Management (PAM) to fully control security for end-point equipment and asset, information security compliance, and account security for privileged access accounts. The records of connection track were kept for the audit and inquiry in the future.

(2) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

Up to the annual report publication date, the Company continues promoting various information security protection mechanisms and establishes coping measures for the risks of information security. Therefore, there is no loss caused by signification information security incidents.

5.7 Important contracts

Nature of the contract	Counterparty	Period	Major Contents	Restrictions
Bank loan	Australia and New Zealand Banking Group Limited	2023/10/23~2024/07/31	Short-term loan	Note
Bank loan	Yuanta Commercial Bank	2023/07/26~2024/07/25	Short-term loan	Note
Bank loan	Mega International Commercial Bank	202307/05~2024/07/04	Short-term loan	Note
Bank loan	United Overseas Bank	2023/12/31~2024/12/31	Short-term loan	Note
Bank loan	Mizuho Bank	2023/07/25~2024/07/25	Short-term loan	None

Note：Shared quota with Wiwynn International Corporation (WYUS).

6. Overview of the Company's Financial Status

6.1 Condensed balance sheets and statements of comprehensive income for the past five fiscal years

(1) Condensed balance sheets and statements of comprehensive income

1-1. Condensed balance sheets- International Financial Reporting Standards (consolidated)

Unit: NT$ Thousand

Item / Year		Financial information for the most recent 5 fiscal years					Financial information as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		46,413,396	52,767,378	82,025,003	84,051,090	79,195,299	—
Net property, Plant and Equipment		718,167	951,781	1,038,420	2,156,578	5,625,693	—
Intangible assets		19,106	64,602	98,732	137,551	132,389	—
Other assets		996,557	940,404	1,575,303	2,492,563	3,892,016	—
Total assets		48,147, 226	54,724,165	84,737,458	88,837,782	88,845,397	—
Current liabilities	Before distribution	27,532,130	24,799,705	47,165,833	38,562,438	36,494,015	—
	After distribution (Note)	31,553,261	30,394,610	51,536,853	47,304,478	43,837,328	—
Non-current liabilities		396,231	5,410,537	10,201,599	11,488,338	10,117,330	—
Total liabilities	Before distribution	27,928,361	30,210,242	57,367,432	50,050,776	46,611,345	—
	After distribution (Note)	31,949,492	35,805,147	61,738,452	58,792,816	53,954,658	—
Equity attributable to owners of the Company		20,218,865	24,513,923	27,370,026	38,787,006	42,234,052	—
Common stock		1,746,368	1,748,408	1,748,408	1,748,408	1,748,408	—
Capital surplus		8,816,183	8,817,380	8,817,380	8,817,380	8,839,619	—
Retained earnings	Before distribution	9,602,400	14,186,029	17,235,258	27,039,558	30,335,745	—
	After distribution (Note)	5,581,269	8,591,124	12,864,238	18,297,518	22,992,432	—
Other equity		53,914	(237,894)	(431,020)	1,181,660	1,310,280	—
Treasury stock		—	—	—	—	—	—
Non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	20,218,865	24,513,923	27,370,026	38,787,006	42,234,052	—
	After distribution (Note)	16,197,734	18,919,018	22,999,006	30,044,966	34,890,739	—

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Note: The earnings distribution for 2022 has been approved by the Board of Directors on February 26, 2024, but has not been decided by the Shareholder's Meeting yet.

1-2. Condensed statements of comprehensive income- International Financial Reporting Standards (consolidated)

Unit: Except the unit for earnings per share is NT$, the unit for the rest is NT$ Thousand

Item \ Year	Financial information for the most recent 5 fiscal years					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	163,600,423	186,927,647	192,625,942	292,876,040	241,900,989	—
Gross profit	11,348,552	15,301,129	15,621,181	23,979,277	22,657,277	—
Operations income	8,160,078	11,241,854	11,387,076	17,834,280	15,870,546	—
Non-operating income and expenses	(401,808)	(354,435)	(391,007)	63,003	(426,867)	—
Profit before tax	7,758,270	10,887,419	10,996,069	17,897,283	15,443,679	—
Net income for continuing operations	6,169,254	8,609,657	8,648,012	14,174,709	12,043,655	—
Income from discontinued operations, net of income tax effect	—	—	—	—	—	—
Net income (loss)	6,169,254	8,609,657	8,648,012	14,174,709	12,043,655	—
Other comprehensive income for the year (net value after tax)	(120,794)	(296,705)	(197,004)	1,613,291	123,192	—
Total comprehensive income for the year	6,048,460	8,312,952	8,451,008	15,788,000	12,166,847	—
Profit attributable to owners of the parent company	6,169,254	8,609,657	8,648,012	14,174,709	12,043,655	—
Profit attributable to non-controlling equity interests	—	—	—	—	—	—
Total comprehensive income attributable to owners of the parent company	6,048,460	8,312,952	8,451,008	15,788,000	12,166,847	—
Total comprehensive income attributable to non-controlling equity interests	—	—	—	—	—	—
Earnings per share	36.42	49.25	49.46	81.07	68.88	—

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

1-3. Condensed balance sheets- International Financial Reporting Standards (parent company only)

Unit: NT$ thousand

Item \ Year		Financial information for the most recent 5 fiscal years					Financial information as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		32,389,682	43,569,551	51,558,609	48,670,605	35,503,585	—
Net property, Plant and Equipment		685,791	851,999	771,031	757,957	1,245,867	—
Intangible assets		19,106	64,602	98,732	125,644	126,985	—
Other assets		5,991,638	5,362,739	6,451,311	22,960,073	38,577,913	—
Total assets		39,086,217	49,848,891	58,879,683	72,514,279	75,454,350	—
Current liabilities	Before distribution	18,606,382	20,090,801	21,751,876	23,903,459	24,144,165	—
	After distribution (Note)	22,627,513	25,685,706	26,122,896	32,645,499	31,487,478	—
Non-current liabilities		260,970	5,244,167	9,757,781	9,823,814	9,076,133	—
Total liabilities	Before distribution	18,867,352	25,334,968	31,509,657	33,727,273	33,220,298	—
	After distribution (Note)	22,888,483	30,929,873	35,880,677	42,469,313	40,563,611	—
Equity attributable to owners of the Company		20,218,865	24,513,923	27,370,026	38,787,006	42,234,052	—
Common stock		1,746,368	1,748,408	1,748,408	1,748,408	1,748,408	—
Capital surplus		8,816,183	8,817,380	8,817,380	8,817,380	8,839,619	—
Retained earnings	Before distribution	9,602,400	14,186,029	17,235,258	27,039,558	30,335,745	—
	After distribution (Note)	5,581,269	8,591,124	12,864,238	18,297,518	22,992,432	—
Other equity		53,914	(237,894)	(431,020)	1,181,660	1,310,280	—
Treasury stock		—	—	—	—	—	—
Non-controlling equity interest		—	—	—	—	—	—
Total equity	Before distribution	20,218,865	24,513,923	27,370,026	38,787,006	42,234,052	—
	After distribution (Note)	16,197,734	18,919,018	22,999,006	30,044,966	34,890,739	—

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Note: The earnings distribution for 2023 has been approved by the Board of Directors on February 26, 2024, but has not been decided by the Shareholder’s Meeting yet.

1-4. Condensed statements of comprehensive income- International Financial Reporting Standards (parent company only)

Unit: Except the unit for earnings per share is NT$, the unit for the rest is NT$ Thousand

Item \ Year	Financial information for the most recent 5 fiscal years					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	74,884,945	79,017,070	73,162,110	101,426,047	88,404,462	—
Gross profit	10,551,546	14,483,288	13,801,147	21,808,752	20,786,180	—
Operations income	7,732,151	10,801,869	10,660,016	16,444,795	14,119,002	—
Non-operating income and expenses	(25,006)	21,617	210,070	1,228,643	928,287	—
Profit before tax	7,707,145	10,823,486	10,870,086	17,673,438	15,047,289	—
Net income for continuing operations	6,169,254	8,609,657	8,648,012	14,174,709	12,043,655	—
Income from discontinued operations, net of income tax effect	—	—	—	—	—	—
Net income (loss)	6,169,254	8,609,657	8,648,012	14,174,709	12,043,655	—
Other comprehensive income for the year (net value after tax)	(120,794)	(296,705)	(197,004)	1,613,291	123,192	—
Total comprehensive income for the year	6,048,460	8,312,952	8,451,008	15,788,000	12,166,847	—
Earnings per share	36.42	49.25	49.46	81.07	68.88	—

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

(2) Namas of the CPAs and the auditors' opinions in the most recent five years

Year	Accounting firm	Name of CPA	Auditors' opinion
2019	KPMG	Ya-Ling Chen, Chia-Hsin Chang	No reserved opinion
2020	KPMG	Chai-Chien Tang, Ming-Hung Huang	No reserved opinion
2021	KPMG	Chai-Chien Tang, Ming-Hung Huang	No reserved opinion
2022	KPMG	Chai-Chien Tang, Ming-Hung Huang	No reserved opinion
2023	KPMG	Ya-Ling Chen, Chia-Hsin Chang	No reserved opinion

6.2 Financial analyses for the past five fiscal years

1. Financial analysis- International Financial Reporting Standards (consolidated)

Item		Financial analysis for the most recent 5 fiscal years					Current year up to March 31, 2024
		2019	2020	2021	2022	2023	
Financial structure (%)	Total liabilities to total assets	58.01	55.20	67.70	56.34	52.46	—
	Long-term capital to net property, plant and equipment	2,870.52	3,144.05	3,618.15	2,331.26	930.58	—
Solvency (%)	Current ratio	168.58	212.77	173.91	217.96	217.01	—
	Quick ratio	104.97	132.39	77.36	124.03	133.48	—
	Times interest earned	24.98	36.78	31.87	21.30	17.20	—
Ability to operate	A/R turnover (times)	13.89	16.81	18.06	17.78	16.05	—
	A/R turnover days	26	22	20	21	22.74	—
	Inventory turnover (times)	9.73	9.21	5.43	6.61	6.62	—
	Accounts payable turnover (times)	15.87	12.83	11.49	12.02	9.4	—
	Average days in sales	38	40	67	55	55	—
	Property, plant and equipment turnover (times)	387.81	223.87	193.57	183.33	62.17	—
	Total assets turnover (times)	4.29	3.63	2.76	3.37	2.72	—
Earning ability	Return on assets (%)	16.84	17.21	12.81	17.15	14.41	—
	Return on equity (%)	39.81	38.49	33.34	42.85	29.73	—
	Pre-tax income to paid-in capital (%)	444.25	622.70	628.92	1,023.63	883.30	—
	Profit ratio (%)	3.77	4.61	4.49	4.84	4.98	—
	Earnings per share (NT$)	36.42	49.25	49.46	81.07	68.88	—
Cash flow	Cash flow ratio (%)	28.71	56.82	(Note1)	79.55	63.19	—
	Cash flow adequacy ratio (%)	(Note1)	40.50	3.16	47.42	89.96	—
	Cash reinvestment ratio (%)	24.95	33.52	(Note1)	52.02	27.15	—
Leverage	Operating leverage	1.03	1.03	1.05	1.04	1.06	—
	Financial leverage	1.04	1.03	1.03	1.05	1.06	—

Please explain the reasons of changes of each financial ratio in the most recent two fiscal years:

1. The decrease of long-term capital to net property, plant and equipment: It was because of the acquisition of land, the construction of the plant, the purchasing of equipment.
2. The decrease of accounts payable turnover: It was because the cost of sales in 2023 declined more than the increase of average accounts payable.
3. The decrease of property, plant and equipment turnover: The land acquisition, plant construction, and equipment purchasing in 2023 for the plant expansion increased property, plant, and equipment. Meanwhile, the decline of net amount of sales this year caused the decline of property, plant, and equipment.
4. The decrease of return on equity: It was because of the decline of post-tax profit or loss in 2023 and the increase of retained earnings and other equity.
5. The decrease of cash flow ratio: It was because net cash flow generated by business activities in 2023 declined more than the decrease of current liabilities.
6. The rise of cash flow adequacy ratio: It was because the increase of net cash flow generated from business activities in the five most recent years is greater than the increase of capital expenditure and cash dividends. Therefore, the increase of inventory in the five most recent years was reduced causing the rise of cash flow adequacy ratio.
7. The decrease of cash reinvestment ratio: It was caused by the decline of net cash flow generated from business activities in 2023 and the significant increase of property, plant, and equipment as well as prepayment of equipment.

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Note 1: The net cash flow of operating activities was minus, so it was not included.

Note 2: The formula for calculating the financial ratio is as follows:

1. Financial structure
(1) Total liabilities to Total assets＝Total liabilities／Total assets
(2) Long-term capital to net property, plant and equipment＝(Net equity＋Non-current liabilities)／Net property, plant and equipment
2. Solvency
(1) Current ratio＝Current Assets／Current liability
(2) Quick ratio＝(Current assets－Inventory－Prepaid expenses)／Current liability
(3) Times interest earned＝Net income before income tax and interest expense／Interest expense
3. Ability to operate
(1) Account receivable (including account receivable and notes receivable from operation) turnover＝Net sales／the Average of account receivable (including account receivable and notes receivable from operation) balance
(2) A/R turnover day＝365／account receivable turnover
(3) Inventory turnover＝Cost of Goods Sold／the average of inventory
(4) Account payable (including account payable and notes payable from operation) turnover＝Cost of goods sold／the average of account payable (including account payable and notes payable from operation) balance
(5) Average days in sales＝365／Inventory turnover
(6) Property, plant and equipment turnover＝Net sales／Net Fixed Assets
(7) Total assets turnover＝Net sales／Total assets
4. Earning Ability
(1) Return on assets＝〔PAT＋Interest expense × (1－effective tax rate)〕／the average of total assets
(2) Return on equity＝PAT／the average of net equity
(3) Profit ratio＝PAT／Net sales
(4) EPS ＝(Profit attributable to owners of the Company－ Dividend from prefer stock)／weighted average outstanding shares
5. Cash Flow
(1) Cash flow ratio＝Cash flow from operating activities／Current liability
(2) Cash flow adequacy ratio＝Most recent 5-year Cash flow from operating activities／Most recent 5-year (Capital expenditure＋the increase of inventory＋cash dividend)
(3) Cash investment ratio＝(Cash flow from operating activities－cash dividend) ／(Gross property, plant and equipment＋long-term investment＋other non-current assets＋working capital)
6. Leverage
(1) Operating leverage＝(Nest revenue－variable cost of goods sold and operating expense)／operating income
(2) Financial leverage＝Operating income／(Operating income－interest expenses)

2. Financial analysis- International Financial Reporting Standards (parent company only)

Item		Financial analysis for the most recent 5 fiscal years (2019)	(2020)	(2021)	(2022)	(2023)	Current year up to March 31, 2024
Financial structure (%)	Total liabilities to total assets	48.27	50.82	53.52	46.51	44.03	—
	Long-term capital to net property, plant and equipment	2,986.31	3,492.74	4,815.35	6,413.40	4,118.43	—
Solvency (%)	Current ratio	174.08	216.86	237.03	203.61	147.05	—
	Quick ratio	165.39	207.59	207.05	185.34	120.83	—
	Times interest earned	74.26	169.23	110.92	111.38	35.71	—
Ability to operate	A/R turnover (times)	4.65	4.11	3.49	4.07	4.57	—
	A/R turnover days	78	89	105	90	80	—
	Inventory turnover (times)	47.75	38.54	14.46	14.85	13.02	—
	Accounts payable turnover (times)	8.88	6.03	5.66	7.41	6.69	—
	Average days in sales	8	9	25	25	28	—
	Property, plant and equipment turnover (times)	190.05	102.77	90.15	132.67	88.24	—
	Total assets turnover (times)	2.28	1.78	1.35	1.54	1.19	—
Earning ability	Return on assets (%)	19.08	19.48	16.05	21.77	16.75	—
	Return on equity (%)	39.81	38.49	33.34	42.85	29.73	—
	Pre-tax income to paid-in capital (%)	441.32	619.05	621.71	1,010.83	860.63	—
	Profit ratio (%)	8.24	10.90	11.82	13.98	13.62	—
	Earnings per share (NT$)	36.42	49.25	49.46	81.07	68.88	—
Cash flow	Cash flow ratio (%)	50.27	72.13	(Note1)	86.71	93.14	—
	Cash flow adequacy ratio (%)	37.38	119.89	64.91	82.97	99.54	—
	Cash reinvestment ratio (%)	31.97	36.89	(Note 1)	33.08	26.23	—
Leverage	Operating leverage	1.05	1.06	1.00	1.05	1.10	—
	Financial leverage	1.01	1.01	1.01	1.01	1.03	—

Please explain the reasons of changes of each financial ratio in the most recent two fiscal years:

1. The decrease of long-term capital to net property, plant and equipment: It was mainly caused by equipment for additional production line in Tainan Plant in 2023.
2. The decrease of current ratio and quick ratio: It was mainly because of the decrease of current assets by the end of 2023, including cash and cash equivalents, accounts receivable, and other receivables- stakeholder was bigger than the increase of current liabilities.
3. The decrease of times interest earned: The new long-term loans in 2023 and the rise of interest increased financial costs and caused the reduction of guaranteed times interest earned.
4. The decrease of property, plant and equipment turnover rate: It was mainly because the equipment purchase for the additional production lines in Tainan Plant in 2023 caused the decrease of net amount of sales.
5. The decrease of total asset turnover rate: It was mainly caused by the decrease of operating revenue in 2023 and the increase of total assets.
6. The decrease of return on assets and return on equity: It was because of the decrease of profit and loss after tax in 2023 and the increase of total assets, retained earnings, and other equity.
7. The rise of cash flow adequacy ratio: It was because the increase of net cash flow generated from the business activities in the most five recent years is bigger than the increase of capital expenditure, cash dividends, and inventory increase amount.
8. The reduction of cash reinvestment ratio: It was mainly because of the decrease of net cash flow generated from the business activities in 2023 and the significant increase of property, plant and equipment as well as prepayment of equipment.

Source of information: Financial reports that were reviewed and verified by CPAs. Up to the publication date of the annual report, the quarterly report for Q1 in 2024 has not been reviewed by CPAs.

Note 1: The net cash flow of operating activities was minus, so it was not included.

6.3 Audit committee's report for the financial statement of 2023:

Wiwynn Corporation

Audit Committee's Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Proposal for Distribution of Profits. CPAs, Chia-Chien Tang and Ming-Hung Huang, form 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.

To

Wiwynn Corporation- 2024 Shareholder's Meeting

Convenor of the Audit Committee: Cathy Han

February 26, 2024

6.4 Financial statement for 2023 and the auditor's report: Please refer to Appendix 1.

6.5 Parent company only financial statement for 2023 and the auditor's report: Please refer to Appendix 2.

6.6 If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, please explain how said difficulties affect the Company's financial situation: None

7. REVIEW AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE AS WELL AS RISK EVALUATION

7.1 Financial position

The main reasons for any material change in assets, liabilities, or equity during the past two fiscal years, and the effect. If the effect is of material significance, please describe the measures to be taken in response.

Unit: NT$ thousand

Year / Item	2022	2023	Difference	
			Amount	%
Current assets	84,051,090	79,195,299	(4,855,791)	(5.78)
Net property, plant and equipment	2,156,578	5,625,693	3,469,115	160.86
Intangible assets	137,551	132,389	(5,162)	(3.75)
Other assets	2,492,563	3,892,016	1,399,453	56.15
Total assets	88,837,782	88,845,397	7,615	0.01
Current liabilities	38,562,438	36,494,015	(2,068,423)	(5.36)
Non-current liabilities	11,488,338	10,117,330	(1,371,008)	(11.93)
Total liabilities	50,050,776	46,611,345	(3,439,431)	(6.87)
Common stock	1,748,408	1,748,408	0	0.00
Capital surplus	8,817,380	8,839,619	22,239	0.25
Retained earnings	27,039,558	30,335,745	3,296,187	12.19
Other equity	1,181,660	1,310,280	128,620	10.88
Total equity	38,787,006	42,234,052	3,447,046	8.89

Explanation:

1. Property, plant and equipment: It was mainly caused by the acquisition of the land, the construction of the plant, and the purchase of equipment in 2023.
2. Other assets: It was because of the increase of right-of-use assets, deferred tax assets, and other non-current assets.

7.2 Financial performance

(1) Comparison and analysis of the operating performance in the most recent two fiscal years:

Unit: NT$ thousand

Item	2022	2023	Difference	
			Amount	%
Operating revenues	292,876,040	241,900,989	(50,975,051)	(17.40)
Operating costs	268,896,763	219,243,712	(49,653,051)	(18.47)
Gross profit	23,979,277	22,657,277	1,322,000	(5.51)
Operating expenses	6,144,997	6,786,731	641,734	10.44
Operating income	17,834,280	15,870,546	(1,963,734)	(11.01)
Non-operating income and expenses	63,003	(426,867)	(489,870)	(777.53)
Profit before tax	17,897,283	15,443,679	2,453,604	(13.71)
Net profit	14,174,709	12,043,655	2,131,054	(15.03)

Explanation:

1. Non-operating income and expense: It was because of the increase of interest increase in 2023 and the decrease of profits from foreign currency exchange.

(2) Sales volume forecast and its accordance, and the potential effect upon the Company's financial operations as well as measures to be taken in response:

It is not applicable because The Company did not prepare and publish the financial forecast.

7.3 Cash flow

(1) Analysis of cash flow changes during the most recent two fiscal years:

Unit: NT$ Thousand

Item \ Year	2022	2023	Change of the increase (decrease)	
	Amount	Amount	Amount	%
Cash flow from operating activities	30,677,601	23,060,424	(7,617,177)	(24.83)
Cash flow from investment activities	(1,929,605)	(4,695,648)	(2,766,043)	143.35
Cash flow from financing activities	(26,180,630)	(7,114,513)	19,066,117	(72.83)
Net cash inflow (outflow)	3,559,028	11,262,928	7,703,900	216.46

Analysis of the changes in cash flow:

1. Operating activities: The decrease of net profit before tax and the working capital caused the decrease of cash inflow from operating activities.
2. Investment activities: The land acquisition, equipment purchasing, and plant construction caused an increase of net cash outflow from investment activities.
3. Capital-raising activities: It was mainly because the repayment of short-term loan in 2022 generated higher cash outflow in 2022.

(2) Corrective measures to be taken in response to illiquidity: The business in the Company is at the stage of growing, and the demand for funds will be based on self-owned funds and bank borrowings. Up to the publication date of the annual report, there is no situation of shortage of cash.

(3) Liquidity analysis for the coming year:

Unit: NT$ thousand

Cash balance in the beginning of the period	Estimated net cash flow from operating activities in the whole year	Estimated net cash flow from investing activities in the whole year	Estimated net cash flow from financing activities in the whole year	Estimated amount of cash balance	Corrective measure for estimated insufficient cash balance	
					Investment plans	Financial plans
37,494,848	20,025,677	(9,537,676)	(10,227,106)	37,755,743	–	–

1. Analysis of changes of cash flow in the coming year
   Operating activities: It was mainly caused by net profit before tax, the expected inventory among, and the increased amount of accounts receivable.
   Investment activities: It was mainly caused by equipment acquisition and plant construction.
   Fund-raising activities: It was mainly caused by dividend issuance and the repurchase of corporate debts.
2. Corrective measures for estimated insufficient cash and liquidity analysis: None.

7.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year:

The capital expenditure for property, plant, and equipment in 2022 and 2023 was NT$ 1,270,869 thousand and NT$ 3,670,905 thousand respectively. The Company considers risk diversification and close service to customers. In 2023, we continued expanding the plant in Malaysia, Tainan Science Park, and Mexico to reduce the dependency on external suppliers and enhance our manufacturing capacity. In addition, we concentrate on product R&D for next generation in order to respond to the global industrial development. The operating capital possessed by the Company and the borrowing credit granted by banks were sufficient to deal with the capital expenditure in the most recent year. Therefore, the material capital expenditure in the most recent fiscal year has no significant impact on financial business.

7.5 The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits or losses, the improvement plans, and investment plans for the coming year:

(1) Reinvestment policy: The Company's reinvestment policy is based on the consideration of sustainable operation and the growth of business operation. We have established "Procedures for Acquisition or Disposal of Assets" based on "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" published by the competent authority as the accordance for the Company to carry out reinvestment business in order to control relevant business and financial conditions. Besides, to enhance the supervision and management of the re-invested company, the Company set up "Methods of Supervising and Managing Subsidiaries" in our internal control system. It is to specify relevant regulations on information disclosure as well as financial and business management to ensure the reinvestment achieves the greatest business performance.

(2) The main reasons for the profits/losses generated by the reinvestment in the most recent fiscal year, and the plan for improvement:

The reinvestment policy implemented by the Company aims on long-term strategic investment. Based on the consolidated statements, in 2023, the profit and loss of investment evaluated by the equity method was NT$-63,979 thousand. It was mainly for the new cooling technology developed for data center products by the invested company, LiquidStack Holding B.V. The new technology is still pending for development before fully applied. In the future, the Company will keep the principle of long-term strategic investment to continuously evaluate re-investment plans carefully.

(3) Investment plans for the coming year:

The reinvestment activities carried out by the Company are long-term investment using the equity method. In the future, the Company will continue paying attention to global industrial development and carefully evaluating reinvestment plans to strengthen the competitiveness of the Company.

7.6 Risk analysis and evaluation in the most recent years and up to the publication date of the annual report

(1)The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Impact of interest rate fluctuations on the Company's profits (losses) and response measures to be taken in the future

The Company's interest expenses in 2022 and in 2023 were NT$ 881,614 thousand and NT$ 953,143 thousand respectively. It accounted for 0.30% and 0.39% of the net operating income of the fiscal year respectively and revealed the fluctuation of the exchange rate had no significant impact on the operation of the Company. Other than observing the impact of interest rate changes in the financial market on the capital of the Company at any time to be ready to adopt any responding measures, the Company also keeps a good relationship with banks to obtain better rates. Moreover, we also evaluate the interest rate risk that we might encounter on all the interest liabilities at the right moment to adjust our capital structure accordingly and avoid interest rate risks that might generate from liabilities.

2. Impact of exchange rate fluctuations on the Company's profits (losses) and response measures to be taken in the future:

The Company's exchange gain in 2022 and in 2023 was NT$ 930,598 thousand and NT$ 59,077 thousand respectively. It accounted for 0.32% and 0.02% of the net operating income of the fiscal year respectively. The currency the Company used for sales and main material purchase was USD. Considering the wider exchange rate fluctuations in recent years as well as to effectively reduce the impact from the exchange rate fluctuations on revenue and profits, the Company appropriately reserved USD from sales revenue to pay for the purchase in USD to further achieve natural hedging functions. We also paid close attention to the trend of the exchange rate fluctuation and carried out derivatives trading for proper hedging operation.

3. Impact of changes in the inflation rate on the Company's profits (losses) and response measure to be taken in the future:

Inflation has the effect of offsetting the accounts receivable and payable generated from the sales and the purchase of the Company. It has had no impact on the Company's profits at the moment. In addition, the Company implemented a budgeting system and internal control to effectively control operating costs and expenditure within a reasonable scope. We continue taking reference of research reports and relevant economic data done by domestic and overseas main economic research institutes and professional investment institutions as well as adjusting policies based on the inflation in the future to avoid the material impact on the financial business in the Company caused by inflations.

(2)The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. Engagement with high-risk and highly leveraged investments:

The Company concentrates on the operation of our primary business and emphasizes the development of the primary technologies and the expansion of business marketing. We focus on steady operations as our principle and put sound financial development in priority. Therefore, the Company did not engage with high risk and highly leveraged investments in the most recent fiscal year and up to the publication date of the annual report.

2.The policies for capital lending to other parities, endorsements and warrantees, and derivatives transactions, the main reasons for the profits/losses generated from the loans to other parties, endorsements, guarantees, and derivatives transactions, and response measures to be taken in the future:

The Company's engagement in loans to other parties, endorsements, guarantees, and derivatives transaction is handled according to the content of regulations and response measures specified in “Procedure for Lending Funds to Other Parties”, “Management of Endorsement and Guarantees”, “Procedures for Financial Derivatives Transactions”, and “Table of Degree of Authority Delegated for Derivatives Transactions”.

(1) Loans to other parties: The Company did not get involved with the situation of lending funds to other parties in the most recent year up to the publication date of the annual report.

(2) Endorsements and guarantees: The amount of external guarantee endorsed by the Company in 2022 and 2023 was NT$ 1,472,653 thousand and NT$ 1,412,972 thousand respectively.

(3) Derivatives transactions: The derivatives transactions carried out by the Company were mainly to avoid exchange rate risk generated from operating activities. Our trading parties were financial institutions with good credit records. In order to effectively control risks, the Company pays attention to the transaction and profit (loss) situations at any time as well as adopts necessary measures other than regularly evaluating whether the risk measures are appropriate.

(3) Research and development work to be carried out in the future, and further expenditures expected:

1. Future plans for research and development work:

A. Development of high-efficiency computing: It is to assist data centers to equip with capabilities of flexibility and rapid expansion and achieve high efficiency.

B. Power supply solutions: Along the demands of processing units, GPU, and RAM with better performance for cloud services, we aim to enhance energy utilization efficiency while continuing advancing power levels in order to further reduce electricity fees and operating costs in installing cooling systems. The optimal goal of IT infrastructure is to reduce the frequency of conversion and the losses generated. We continue developing more efficient energy-saving power supply solutions, such as implementing new design of stabilized power to reduce energy loss, optimizing space of circuit board design, and enhancing power efficiency.

C. High-efficiency heat dissipation solutions: We develop advanced heat dissipation solutions that fit cloud data centers, satisfy heat dissipation demands for high-power chips to achieve effect of energy saving, and assist customers reaching the effect of carbon reduction. It includes advanced heat dissipation management solutions, heat dissipation system with liquid cooling board for cabinet, and immersive eco-friendly liquid cooling systems.

D. “Software-Defined” and application performance management: The company focuses on the application system to customize the most appropriate resource allocation based on different application systems. With free-defined functions according to the best solution, we implement dynamic adjustment and assist IT personnel speeding up deployment efficiency in order to achieve the optimal application within the limited time.

E. Deep learning and artificial intelligence: Development of a series of AI products that satisfy deep learning and real-time inference. Through the distributed and modular design, the latest high-speed transmission network infrastructure can be adopted. With the connection of several servers, we can provide the massive and flexible configuration of graphics processing unit (GPU) as well as reduce the switching costs for upgrading. Besides, we provide different types of AI server solutions. For the three-in-one of data, algorithm, and computing capacity, we apply data as the starting point, algorithm as the basis, and computing capacity as the driving force to assist customers analyze data and further obtain the results for decision making and analysis. We have servers for exclusive and specific purposes to respond to diverse demands in different fields. Different products are used to process non-image demands no matter whether it is an integrated type or an independent type. Besides, we have several heat dissipation resolutions for AI servers so that customers can choose a configuration according to different demands to support diverse applications and higher-efficiency AI processed chips and achieve AI servers with high performance.

F. Edge computing and 5G products: The Company starts from servers and works with chip suppliers intensively for the development of different server products. For the development of edge servers, we adopt chips of the next generation to develop a series of telecom-level edge computing products with common functions so that cloud service providers can easily deploy edge servers with the function of telecom cloud computing and provide their customers diverse choices in different fields. Moreover, based on the diversity of the market demands, we developed edge servers with different chips. The diverse platform design can satisfy applications at each point between cells and central offices (CO) and demands of diverse NFV and multi-access edge computing applications as well as work with system integrators to provide total solutions of Private 5G.

G. While servers are extended to edge computing, the Company installs components with AI computing functions in edge servers to deal with the applications related to AI. It also pushed cloud services further closer to edge computing to reduce latency and ensure cloud services get closer to the end users.

H. Modular design: The Company standardized the transmission interface for different signal power supplies and fixed structure of components in the server. We further planned and designed corresponding modules to achieve product modular design. The advantages of the modular design allow the same series of products supporting different system conflagration more flexibly and provide more flexible choices for data centers. Due to the high interoperability of the modules, it saves the time for designing new modules and the development for new molds and further reduces the costs of product development. When the product is replaced, the original case and modules can be recycled and reused.

2. Further expenditures expected for research and development work:
   The Company plans to invest a R&D expense of NT$5.5 billion in this fiscal year. Innovative R&D technology has always been the important cornerstone for the growth of the Company. In order to support the development of R&D plans, we will consider enhancing R&D expense step by step. Other than purchasing relevant materials and equipment for research and development, we will also continue recruiting R&D talents with abundant experiences and creativity to advance our R&D capability and enhance our market competitiveness.

(4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The operation in the Company follows relevant laws and regulations at home and abroad. We also pay attention on the domestic and overseas policy development and the changes of regulations at any time and adopt proper response measures to establish relevant risk management procedure in order to fully control the change of market environment. In the most recent year and up to the publication date of the annual report, the changes in important policies and laws at home and abroad have had no significant impact on the financial business in the Company.

(5) Effect on the Company's financial operations of developments in science and technology (including the risk of information security) as well as industrial change, and measures to be taken in response:

The Company values the cultivation of R&D talents and the development of product technology. We continue paying attention on market changes and relevant trends of technology development to control the movement in the industry to establish relevant strategies. We implement product design, mass production research, and systematic management with forward-looking technology and the development of innovative applications in order to meet market demand and launch innovative products advance along with the time.

Due to the frequent ransomware against information security encountered by domestic and oversea technology manufacturers, we understand even though information security management and information security are important, they are not able to be complete blocked out the possibility of information security incidents. Therefore, we must strengthen our responding and handling mechanism towards information security incidents. Based on this, our Company adopts the following two measures to cope the risk of information security:

1. Continue participating in the high-tech information security alliance organized by Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) to access to information security warning information, information security threat, and vulnerability information to strengthen join defending capability.
2. Information Security Committee holds a meeting every half a year and participates in the drills of information security incident reporting and handling procedures in order to strengthen handling procedures when encountering information security incidents. We hope to stabilize and recover promptly after information security incidents.

In the most recent year and up to the publication date of the annual report, the changes in science and technology (including risk of information security) and the industrial changes have had no significant impact on the financial operation of the Company.

(6) Effect on the Company's crisis management by the changes of the Company's corporate image, and measures to be taken in response:

Since the establishment, the Company has focused on the operation of our primary sector, followed relevant legal regulations, actively strengthened internal management, maintained good labor-management relationship, and carried on implementing corporate governance and perform our corporate social responsibility in order to maintain excellent corporate image and achieve the goal of sustainable operation. In the most recent fiscal year and up to the publication date of the annual report, the Company has not been involved with any situation that affects corporate image and put us into crisis.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

In the most recent year and up to the publication date of the annual report, the Company has not been involved with any mergers and acquisitions.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

To get close to the regional markets and spread risk of production capacity, our Company constructed the plant and equipment needed in our subsidiary in Mexico and in Malaysia to get closer to the real-time demands on products and services for our customers in America and in Asia. The capital expenditure at the plants in Mexico and in Malaysia have been carefully evaluated. It has been reported to the level of authority. All the investment benefits and potential risks have been fully considered.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Purchasing:
   Part of the production capacity in the Company is entrusted to our parent company, Wistron Corporation, for OEM. Therefore, the ratio of purchasing from Wistron Corporation was 22.69%. In addition, the Company deployed a factory and relevant equipment in Malaysia in 2023 to spread risk in production capacity and transferred part of the production back as autonomous production. The ratio of purchasing from the supplier E was 16.35% and the ratio of purchasing from the supplier D was 10.46% while the rest suppliers were all less than 10%. Wistron Corporation, supplier E, and supplier D all are globally well-known manufacturers and work with the Company closely. Up to now, there has been no supply shortage or interruption that affects the business in the Company. The risk of consolidation of purchasing is limited.
2. Sales:
   The Company provides products and system solutions to hyperscale data centers, and the main customers at the moment are globally well-known cloud application service providers. In 2023, the main sales were to three group customers with a ratio of 46.11%, 27.73%% and 20.89% respectively, so there was a risk of consolidation of sales. However, the two group customers are world-leading big enterprises that provide for stable demand to wide users in the markets all over the world. In order to serve customers of world-leading data centers, the Company provides products that are customized and with high system integration ability to satisfy customers' demand. We also establish a complete service system and process to increase added value and enlarge differentiation in order to enhance the threshold of entering to the market from competitors.
   Besides, the Company's R&D ability, product quality, and after-sales service are highly recognized by customers in the world. The good reputation established is helpful for the continuous development of customers of cloud data center in different types and further reduces the risk of consolidation of sales. The Company has concrete consideration and plans for future business development and demands of potential customers. Therefore, the risk of consolidation of sales is limited.

(10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(11) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company and that have been concluded by means of a final and unappealable judgment or are still

under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

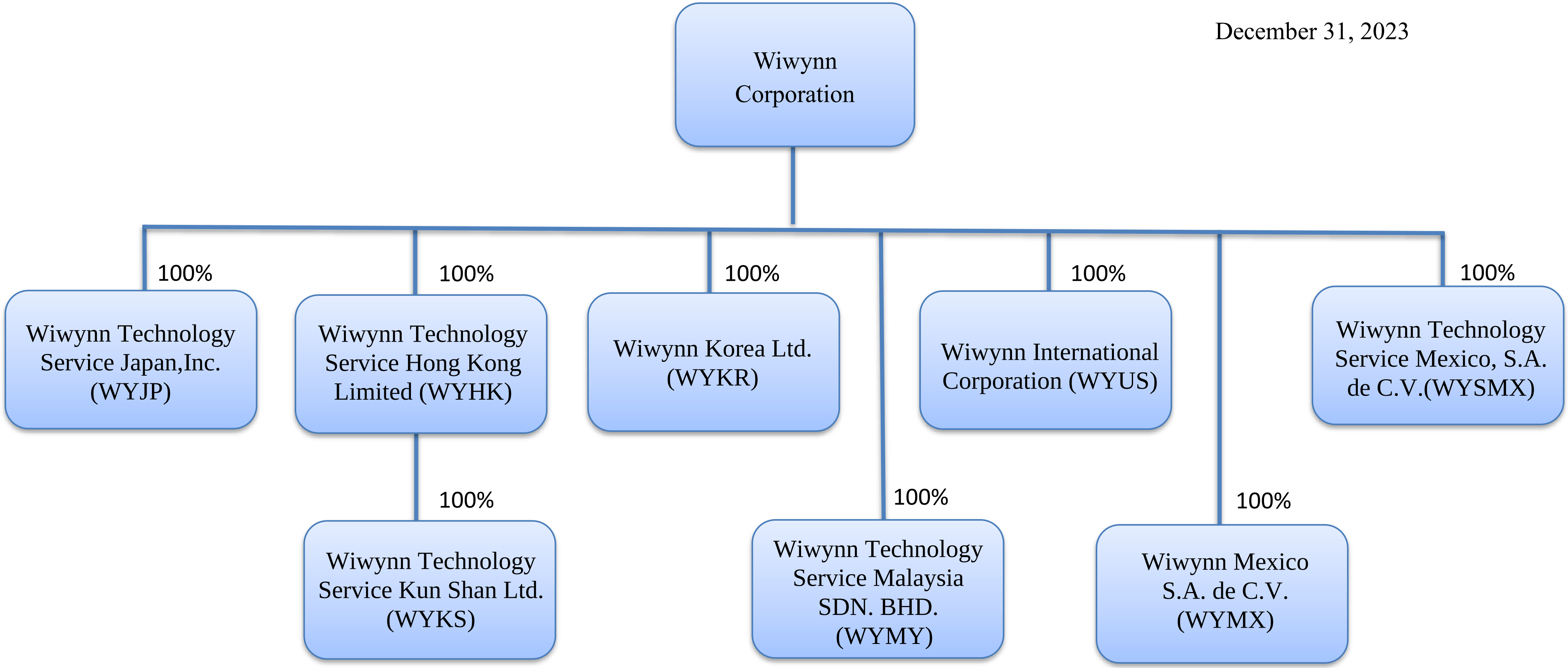
(13) Other important risks, and mitigation measures being or to be taken: None.

7.7 Other important matters: None.

8. Special items to be included

8.1 Information related to the Company's affiliates

(1) Organizational chart of the affiliates



(2) Basic information of the affiliates:

December 31, 2023; (Unit: NT$ thousand))

Name of enterprise	Date of incorporation/ investment	Address	Paid-in capital	Main business or production item
Wiwynn Technology Service Japan, Inc.(WYJP)	March 1, 2013	Japan	6,620	Sales of cloud data center products
Wiwynn International Corporation (WYUS)	February 11, 2013	U.S.A	28,733,581	Sales of cloud data center products
Wiwynn Technology Service Hong Kong Limited(WYHK)	September 11, 2013	Hong Kong.	12,181	Investment, shareholding, and sales of cloud data center products
Wiwynn Korea Ltd.(WYKR)	May 3, 2016	Korea	2,903	Sales of cloud data center products
Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	July 13, 2017	Malaysia	3,839,933	Manufacturing and sales of cloud data center products
Wiwynn Mexico, S.A. de C.V. (WYMX)	February 14, 2019	Mexico	1,741,251	Human resource service provision and sales and manufacturing of cloud data center products
Wiwynn Technology Service Kun Shan Ltd. (WYKS)	February 12, 2014	China	10,659	Sales of cloud data center products
Wiwynn Technology Service Mexico, S.A. de C.V. (WYSMX)	May 6, 2022	Mexico	58,025	Sales of cloud data center products

(3) For companies presumed to have a relationship of control and subordination, the information of the same shareholders: None.

(4) The industries covered by the business operated by the affiliates overall:

Businesses operated by the Company and in the whole affiliates include the following products, semi-products and peripheral equipment as well as the research, development, design, testing, and sales of components. In the whole, affiliates create the greatest results through the job allocation and support of sales and services provided among affiliates.

1. Computer and peripheral Equipment.
2. Electronic components.
3. Data storage media.
4. Electrical appliances and audiovisual electronic products.
5. Information software.
6. Concurrent operation of business related to the importing and exporting transaction run by the Company.
7. Management consulting.
8. Data processing service.
9. Data backup media.

(5) The names of the directors, supervisors, and general managers of each affiliate and the details of their shareholding:

December 31, 2023; Unit: Shares

Name of enterprise	Title	Name/ Representative	Shares held	
			Shares	Ratio
Wiwynn Technology Service Japan, Inc. (WYJP)	Director	Sunlai Chang	0	0.00%
	Director	Steven Lu	0	0.00%
Wiwynn International Corporation (WYUS)	Director	Sunlai Chang	0	0.00%
	Director	Robin Wang	0	0.00%
	Director	Joseph Hsu	0	0.00%
Wiwynn Technology Service Hong Kong Limited (WYHK)	Director	Sunlai Chang	0	0.00%
	Director	Steven Lu	0	0.00%
Wiwynn Korea Ltd. (WYKR)	Director	Sunlai Chang	0	0.00%
	Director	Steven Lu	0	0.00%
Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	Director	Robin Wang	0	0.00%
	Director	Dover Liu	0	0.00%
	Director	Lim Yee Teng	0	0.00%
Wiwynn Mexico S.A. de C.V. (WYMX)	Director	Robin Wang	0	0.00%
	Director	Joseph Hsu	0	0.00%
Wiwynn Technology Service Mexico, S.A. de C.V. (WYSMX)	Director	Sunlai Chang	0	0.00%
	Director	Robin Wang	0	0.00%
	Director	Joseph Hsu	0	0.00%
Wiwynn Technology Service Kun Shan Ltd. (WYKS)	Director	Steven Lu	0	0.00%
	Director	Harry Chen	0	0.00%

(6) Financial condition and performance of the affiliates:

December 31, 2023 (Unit: NT$ thousand))

Name of enterprise	Paid-in capital	Total value of asset	Total liability	Net value	Operating revenue	Operating income	Profit or loss(after tax)	Earnings per share (after tax)
Wiwynn Technology Service Japan, Inc. (WYJP)	6,620	800,665	440,597	360,068	3,519,308	127,667	94,080	235,200.00
Wiwynn International Corporation (WYUS)	28,773,581	49,588,031	18,795,798	30,792,233	191,686,171	681,292	351,025	0.36
Wiwynn Technology Service Hong Kong Limited (WYHK)	12,181	479,401	190,864	288,537	575,841	16,898	27,369	68.42
Wiwynn Korea Ltd. (WYKR)	2,903	312,945	112,123	200,822	1,764,020	32,469	25,870	1,293.50
Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	3,839,933	4,731,139	1,096,393	3,634,746	3,271,944	(110,483)	(130,008)	(0.23)
Wiwynn Mexico, S.A. de C.V.(WYMX)	1,741,251	4,262,534	1,378,320	2,884,214	3,599,895	985,231	616,825	0.55
Wiwynn Technology Service Kun Shan Ltd. (WYKS)	10,659	386,236	266,256	119,980	719,636	18,485	15,881	45.37
Wiwynn Technology Service Mexico, S.A. de C.V. (WYSMX)	58,025	65,538	0	65,538	0	(16)	(5,031)	(0.12)

(7) Consolidated financial statement of the affiliates:

Declaration

The entities that are required to be included in the combined financial statements of Wiwynn Corporation as of and for the year of 2023 (from January 1st, 2023, to December 31st, 2023) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Wiwynn Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declared.

Company name: Wiwynn Corporation

Chairman: Emily Hong

February 26, 2024

(8) Affiliation Report:

Declaration

We hereby declare that our company's 2023 relationship report (from January 1st, 2023, to December 31st, 2023) was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". The disclosed information is not materially different from that disclosed in the notes of our financial statements from the aforementioned period.

It is hereby declared.

Company name: Wiwynn Corporation

Chairman: Emily Hong

February 26, 2024

Conclusion of audit review on the affiliation report from the CPAs

To Wiwynn Corporation,

The affiliation report for 2023 fiscal year prepared by Wiwynn Corporation according to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" (hereinafter referred to as the preparation criteria) has been audited and reviewed by the certified public accountants in the Company on the relevant information between the financial information specified in the report and the information disclosed in the financial statement footnotes during above period. The conclusion of audit review is issued according to the preparation criteria.

According to the opinion from the certified public accountant, there is no major inconsistence between the information disclosed in the affiliation report for 2023 fiscal year prepared by Wiwynn Corporation and the information disclosed in the financial statement footnotes during above period. There is no violation of preparation criteria found.

Sincerely

To
Wiwynn Corporation

KPMG Taiwan

Certified Public Accountant:

February 26, 2024

Affiliation Report

1. Information of the relationship between the subordinate company and the controlling company

December 31. 2023

Name of the controlling company	Reasons of control	State of shareholding and pledge by the controlling company			Director, supervisor, or manager assigned by the controlling company	
		Share held (shares)	Shareholding ratio (%)	Shares Pledged (shares)	Job title	Name
Wistron Corporation	Possession of the Company's 37.68% outstanding ordinary shares by December 31st, 2023	65,895,129	37.68	0	Director	Frank Lin
					Director	Sylvia Chiou

2. Transaction of purchase and sales

December 31, 2023; NT$ thousand; %

Transaction between the controlling company				Payment terms with the controlling company		General payment terms		Cause of discrepancy	Accounts and notes receivable (payable)		Overdue accounts receivable			Remark
Purchase (Sales)	Amount	Ratio of total purchases (sales)	Gross profit on sales	Unit (dollar)	Credit period	Unit (dollar)	Credit period		Ending balance	Ratio of total accounts and notes receivable (payable)	Amount	Handling method	Allowance for bad debts	
Sales	9,324	0.01	58-394		OA45	-	-	(Note 1)	3	0.00	-	-	-	-
Purchase	46,538,355	69.22	-	-	OA45	-	-	(Note 2)	(4,241,641)	(47.30)	-	-	-	-

Note 1: Sales price and payment terms are determined by the economic environment and market competition in each area for sales; the sales price, payment terms and collection terms do not have significant difference with general sales.

Note 2: Purchase price is unable to be compared with general transaction price due to the different product specification.

3. State of property transaction: None.
4. State of financing: None.
5. State of asset lease: None.
6. State of other transactions:

(1) The operating expense generated from the testing service purchased for R&D and counselling service provided to the Company in 2023 by the Company and Wistron Corporation was NT$45,494 thousand.

(2) The outstanding balance by the end of the period generated from other accounts receivable due to the purchase of raw material and disbursement in 2023 by the Company and Wistron Corporation was NT$20,935 thousand.

(3) The expense of purchasing office equipment, other necessary devices, and software in 2023 by the Company and Wistron Corporation was NT$228,297 thousand.

7. State of guarantees and endorsements: None.

8.2 Implementation of private placement of securities: None.

8.3 Holding or disposal of shares in the Company by the Company's subsidiaries in the most recent fiscal year and up to the publication date of the annual report: None.

8.4 Other matters that require additional description: None.

8.5 The situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders′ equity or the price of the Company′s securities, occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Appendix 1

2023 Consolidated Financial Statements and auditor's report

Stock Code:6669

WIWYNN CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Report
for the Years Ended December 31, 2023 and 2022

Address: 8F, No. 90, Sec.1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan
Telephone: (02)6615-8888

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.

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Representation Letter

The entities that are required to be included in the combined financial statements of Wiwynn Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Wiwynn Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Wiwynn Corporation
Chairman: Emily Hung
Date: February 26, 2024

Independent Auditors' Report

To the Board of Directors of Wiwynn Corporation:

Opinion

We have audited the consolidated financial statements of Wiwynn Corporation and its subsidiaries (" the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 principle audit procedures included understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implantation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales during the period before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

2. Valuation for slow-moving inventories

Please refer to note 4(h) for "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" as well as note 6(d) for the disclosure of valuation of inventory.

Description of key audit matter

In order to meet the rapid development of the cloud computing industry and shipping demands, the Group has increased its stock volume, which requires the management to use its subjective judgment in valuating the slow-moving inventories. Therefore, the valuation for slow-moving inventories has been identified as one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management' s estimates on inventory provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management' s methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

Other Matter

Wiwynn Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, 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 Chen, Ya-Ling and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2024

Notes to Readers

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

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

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

Wiwynn Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 37,494,848	42	26,231,920	30
1170	Accounts receivable, net (notes 6(b) and (q))	10,131,202	11	18,690,495	21
1180	Accounts receivable-related parties, net (notes 6(b), (q) and 7)	232,029	-	1,090,375	1
1200	Other receivables (note 6(c))	866	-	2,493	-
1210	Other receivables-related parties (notes 6(c) and 7)	57,861	-	1,307,048	1
130X	Inventories (notes 6(d) and 8)	30,179,170	35	36,011,736	41
1479	Other current assets (note 6(i))	1,099,323	1	717,023	1
	Total current assets	79,195,299	89	84,051,090	95
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(e))	159,246	-	198,890	-
1600	Property, plant and equipment (notes 6(f), 7 and 9)	5,625,693	7	2,156,578	2
1755	Right-of-use assets (notes 6(g) and 7)	1,473,002	2	995,434	1
1780	Intangible assets (notes 6(h) and 7)	132,389	-	137,551	-
1840	Deferred tax assets (note 6(n))	1,012,261	1	639,799	1
1990	Other non-current assets (notes 6(i) and 8)	1,247,507	1	658,440	1
	Total non-current assets	9,650,098	11	4,786,692	5
	Total assets	$ 88,845,397	100	88,837,782	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 383,793	-	-	-
2130	Contract liabilities-current (note 6(q))	5,950,026	7	5,296,970	6
2170	Notes payable and accounts payable	15,144,834	17	15,083,798	17
2180	Accounts payable-related parties (note 7)	5,024,520	6	11,381,122	13
2200	Other payables (note 6 (r))	4,114,698	5	3,104,403	3
2220	Other payables-related parties (note 7)	222,494	-	45,770	-
2230	Current tax liabilities	1,233,004	1	2,912,316	3
2280	Lease liabilities-current (notes 6(l) and 7)	332,877	-	211,343	-
2320	Current portion of long-term liabilities (note 6(k))	2,500,000	3	-	-
2399	Other current liabilities	1,587,769	2	526,716	1
	Total current liabilities	36,494,015	41	38,562,438	43
	Non-current liabilities:				
2530	Bonds payable (note 6(k))	6,942,918	8	9,439,683	11
2540	Long-term borrowings (note 6(j))	1,500,000	2	-	-
2570	Deferred tax liabilities (note 6(n))	465,674	-	286,411	-
2580	Lease liabilities-non-current (notes 6(l) and 7)	1,188,100	1	801,865	1
2640	Net defined benefit liabilities (note 6(m))	6,638	-	8,431	-
2645	Guarantee deposits received	14,000	-	951,948	1
	Total non-current liabilities	10,117,330	11	11,488,338	13
	Total liabilities	46,611,345	52	50,050,776	56
	Equity (notes 6(e), (m), (n) and (o)):				
3110	Common shares	1,748,408	2	1,748,408	2
3200	Capital surplus	8,839,619	10	8,817,380	10
3300	Retained earnings	30,335,745	34	27,039,558	31
3400	Other equity	1,310,280	2	1,181,660	1
	Total equity	42,234,052	48	38,787,006	44
	Total liabilities and equity	$ 88,845,397	100	88,837,782	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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(q) and 7)**	$241,900,989	100	292,876,040	100
5000	**Operating costs (notes 6(d), (f), (g), (h), (l), (m), (r), 7 and 12)**	219,243,712	91	268,896,763	92
	Gross profit from operations	22,657,277	9	23,979,277	8
	Operating expenses (notes 6(b), (f), (g), (h), (l), (m), (r), 7 and 12):				
6100	Selling expenses	1,053,544	-	1,305,756	-
6200	Administrative expenses	1,722,189	-	1,307,577	1
6300	Research and development expenses	4,018,816	2	3,528,532	1
6450	Expected credit loss (gain)	(7,818)	-	3,132	-
	Total operating expenses	6,786,731	2	6,144,997	2
	Net operating income	15,870,546	7	17,834,280	6
	Non-operating income and expenses (notes 6(e), (f), (g), (k), (l), (s) and 7):				
7100	Interest income	455,501	-	155,871	-
7010	Other income	-	-	809	-
7020	Other gains and losses	134,754	-	855,905	-
7050	Finance costs	(953,143)	-	(881,614)	-
7370	Share of associates and joint ventures accounted for using equity method	(63,979)	-	(67,968)	-
	Total non-operating income and expenses	(426,867)	-	63,003	-
7900	**Income before tax**	15,443,679	7	17,897,283	6
7950	**Income tax expense (note 6(n))**	3,400,024	2	3,722,574	1
	Net income	12,043,655	5	14,174,709	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	(6,785)	-	764	-
8349	Income tax related to items that may not be reclassified to profit or loss	1,357	-	(153)	-
	Total items that may not be reclassified subsequently to profit or loss	(5,428)	-	611	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	126,524	-	1,612,680	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,096	-	-	-
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	128,620	-	1,612,680	-
8300	**Other comprehensive income (net of tax)**	123,192	-	1,613,291	-
8500	**Total comprehensive income**	**$ 12,166,847**	**5**	**15,788,000**	**5**
	Profit attributable to:				
8610	Owners of parent	**$ 12,043,655**	**5**	**14,174,709**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	**$ 12,166,847**	**5**	**15,788,000**	**5**
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	**Basic earnings per share**	**$ 68.88**		**81.07**	
9850	**Diluted earnings per share**	**$ 68.65**		**80.49**	

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, 2023 and 2022

(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, 2022	$ 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
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	1,417,532	-	(1,417,532)	-	-	-
Special reserve	-	-	-	(431,020)	431,020	-	-	-
Cash dividends	-	-	-	-	(8,742,040)	(8,742,040)	-	(8,742,040)
Net income	-	-	-	-	12,043,655	12,043,655	-	12,043,655
Other comprehensive income	-	-	-	-	(5,428)	(5,428)	128,620	123,192
Total comprehensive income	-	-	-	-	12,038,227	12,038,227	128,620	12,166,847
Changes in equity of associates and joint ventures accounted for using equity method	-	22,239	-	-	-	-	-	22,239
Balance on December 31, 2023	**$ 1,748,408**	**8,839,619**	**4,512,302**	**-**	**25,823,443**	**30,335,745**	**1,310,280**	**42,234,052**

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, 2023 and 2022

(Expressed in Thousands of New Taiwan dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Income before tax	$ 15,443,679	17,897,283
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	882,114	676,513
Amortization expense	120,025	85,072
Expected credit loss (gain)	(7,818)	3,132
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(40,517)	100,986
Interest expense	953,143	881,614
Interest income	(455,501)	(155,871)
Share of loss of associates and joint ventures accounted for using equity method	63,979	67,968
Losses on disposal of property, plant and equipment	638	711
Gain on disposal of investments	(5,339)	-
Prepayments for equipment reclassified as expenses	-	66
Lease modification gains	(21)	(395)
Total adjustments to reconcile profit	1,510,703	1,659,796
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	40,517	(100,986)
Decrease (increase) in accounts receivable, net	8,665,043	(5,297,511)
Decrease (increase) in accounts receivable-related parties, net	858,346	(646,837)
Decrease in other receivable	2,773	1,169
Decrease (increase) in other receivable-related parties	1,316,434	(1,094,203)
Decrease in inventories	5,943,784	13,408,726
Increase in other current assets	(442,482)	(58,998)
Total changes in operating assets	16,384,415	6,211,360
Changes in operating liabilities:		
Increase in contract liabilities-current	653,056	1,935,998
Increase in notes and accounts payable	1,774	5,164,163
Increase (decrease) in accounts payable-related parties	(6,541,388)	369,381
Increase in other payable	968,908	742,375
Increase (decrease) in other payable-related parties	176,724	(33,882)
Increase (decrease) in other current liabilities	105,633	(183,926)
Decrease in net defined benefit liabilities	(8,578)	(4,395)
Total changes in operating liabilities	(4,643,871)	7,989,714
Total changes in operating assets and liabilities	11,740,544	14,201,074
Total adjustments	13,251,247	15,860,870
Cash inflow generated from operations	28,694,926	33,758,153
Interest received	457,737	150,636
Interest paid	(926,472)	(886,260)
Income taxes paid	(5,165,767)	(2,344,928)
Net cash flows from operating activities	23,060,424	30,677,601
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(3,670,905)	(1,270,869)
Proceeds from disposal of property, plant and equipment	583	109
Acquisition of intangible assets	(113,541)	(123,220)
Decrease (increase) in other non-current assets	303,148	(340,843)
Increase in prepayments for equipment	(1,214,933)	(194,782)
Net cash used in investing activities	(4,695,648)	(1,929,605)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	306,716,211	114,696,533
Decrease in short-term borrowings	(306,323,708)	(137,257,215)
Increase in long-term borrowings	1,500,000	-
Increase in guarantee deposits received	14,000	924,953
Payment of lease liabilities	(278,976)	(173,881)
Cash dividends paid	(8,742,040)	(4,371,020)
Net cash used in financing activities	(7,114,513)	(26,180,630)
Effect of exchange rate changes on cash and cash equivalents	12,665	991,662
Net increase in cash and cash equivalents	11,262,928	3,559,028
Cash and cash equivalents at beginning of period	26,231,920	22,672,892
Cash and cash equivalents at end of period	**$ 37,494,848**	**26,231,920**

See accompanying notes to consolidated financial statements.

(1) Company history

Wiwynn Corporation (the "Company") was incorporated on March 3, 2012, as a company limited by shares under the laws of the Republic of China (ROC). Wiwynn Corporation and subsidiaries (the Group) were engaged in research, development, design, testing and sales of below products, semi-products, peripheral equipments and parts:

(i) Computer and peripheral equipments

(ii) Data storage media

(iii) Electric appliances and media products

(iv) Information software

(v) Export business relating to the business of the Company

(vi) Management consult services

(vii) Information software services

(viii) Data processing services

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

The consolidated financial statements were authorized for issuance by the Board of Directors on February 26, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(Continued)

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

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

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Description
The Company	Wiwynn Technology Service Japan, Inc. (WYJP)	Sales of cloud data center equipment	100 %	100 %	-
The Company	Wiwynn International Corporation (WYUS)	Sales of cloud data center equipment	100 %	100 %	-
The Company	Wiwynn Technology Service Hong Kong Limited (WYHK)	Investment activities and sale of cloud data center equipment	100 %	100 %	-
The Company	Wiwynn Korea Ltd. (WYKR)	Sales of cloud data center equipment	100 %	100 %	-
The Company	Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	Manufacturing and sales of cloud data center equipment	100 %	100 %	-
The Company	Wiwynn Mexico, S.A.de C.V. (WYMX)	Human resource service provision and cloud data center equipment manufacturing	100 %	100 %	-

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2023	December 31, 2022	
The Company	Wiwynn Technology Service Mexico, S.A. de C.V. (WYSMX)	Sales of cloud data center equipment	100 %	100 %	(Note 1)
WYHK	Wiwynn Technology Service KunShan Ltd. (WYKS)	Sales of cloud data center equipment	100 %	100 %	-

Note 1: WYSMX was incorporated on May 6, 2022.

Note 2: The financial statements of the aforementioned subsidiaries were audited by the certified accountant.

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

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

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

(ii) Foreign operations

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

(Continued)

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current. An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

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

(Continued)

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

(Continued)

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group; therefore, those receivables are measured at FVOCI. However, they are included in the ‘ accounts receivable’ line item.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established, which is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivable, refundable deposits and other financial assets), debt investments measured at FVOCI .

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(Continued)

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

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

The Group holds time deposits for domestic financial institutions, and it is considered to be low credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

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

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

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

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured individually at the lower of cost and net realizable value. The standard cost method is adopted for inventory costing and the difference between standard cost and actual cost is allocated proportionately to inventory except for an unfavorable variance from normal capacity. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

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

1) Buildings: 15~30 years

2) Research and developments equipment: 4 years

3) Machinery and equipment: 4~10 years

4) Lease improvements: 3~10 years

5) Other equipment: 1~10 years

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

(k) Lease

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

(i) As a leasee

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

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

(l) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

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

Intangible assets is software. Amortization is recognized in profit or loss on a straight-line basis 1~3 years for the estimated useful lives of intangible assets, from the date that they are available for use.

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

(m) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

(Continued)

The Group provides customers with the extended warranty. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Group would sell the product and the extended warranty separately in similar circumstances and to similar customers.

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

2) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plan

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

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

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

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

(Continued)

(iii) Short-term employee benefits

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

(p) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the below exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

(Continued)

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

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

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

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

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(Continued)

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The Group likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the consolidated financial statements.

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

Valuation of inventories

The Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(d) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 330	325
Demand and checking deposits	27,608,712	17,178,555
Time deposits	9,885,806	9,053,040
	$ 37,494,848	**26,231,920**

Please refer to note 6(t) for the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable－measured at amortized cost	$ 5,980,128	18,463,307
Accounts receivable－related parties－measured at amortized cost	232,029	1,090,375
Accounts receivable－measured at fair value through other comprehensive income	4,151,074	235,006
Less: loss allowance	-	(7,818)
	$ 10,363,231	**19,780,870**

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
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The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income.

The Group applies the simplified approach to provide for expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	$ 10,266,249		-
Past due under 30 days	96,959		-
Past due 31 to 60 days	23		-
Total	$ 10,363,231		-

	December 31, 2022		
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	$ 19,160,799		-
Past due under 30 days	97,603		-
Past due 31 to 60 days	504,913	1%	3,877
Past due 61 to 90 days	10,818	22%	2,388
Past due 91 to 180 days	14,555	11%	1,553
Total	$ 19,788,688		7,818

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

	2023	2022
Balance on January 1	$ 7,818	4,686
Impairment losses recognized	-	12,431
Impairment losses reversed	(7,818)	(9,299)
Balance on December 31	$ -	7,818

As of December 31, 2023 and 2022, the accounts receivable were not pledged.

For further credit risk information, please refers to note 6(t).

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The Group entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred trade receivables but is liable for the losses incurred on any business dispute. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. As of December 31, 2023 and 2022, the Group sold its accounts receivable without recourse as follows:

Unit: USD in thousands

December 31, 2023						
Purchaser	**Assignment Facility**	**Amount Advanced Unpaid**	**Amount Advanced Paid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Collateral**
Financial institutions	$ 791,295	531,662 (Note)	791,295	-	5.74%~6.21%	None

December 31, 2022						
Purchaser	**Assignment Facility**	**Amount Advanced Unpaid**	**Amount Advanced Paid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Collateral**
Financial institutions	$ 841,848	202,080 (Note)	841,848	-	4.87%~5.37%	None

(Note): For vender financing transactions, the factoring credit limit was the credit line that the financial institution provided to the Group's client.

(c) Other receivables

	December 31, 2023	**December 31, 2022**
Other receivables	$ 866	2,493
Other receivables - related parties	57,861	1,307,048
Less: loss allowance	-	-
	$ 58,727	1,309,541

As of December 31, 2023 and 2022, the other receivables were not pledged.

For further credit risk information, please refers to note 6(t).

(d) Inventories

	December 31, 2023	**December 31, 2022**
Raw materials	$ 9,449,699	12,131,458
Finished goods	17,037,030	19,540,141
Inventory in transit	3,692,441	4,340,137
	$ 30,179,170	36,011,736

Except cost of goods sold, the remaining gains or losses which were recognized as cost of sales were as follows:

	2023	2022
Losses on valuation of inventories	$ 1,086,848	1,197,700
Royalty	32,266	47,541
Others	(3,887)	(6,901)
	$ 1,115,227	1,238,340

As of December 31, 2023 and 2022, the inventories of the Group had pledged, please refer to note 8.

(e) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Associates	$ 159,246	198,890

(i) Associates

On March, 2021, the Group acquired 1,000 thousand shares, equivalent to 20% of LiquidStack Holding B.V. (LiquidStack) for $276,609 thousand (USD 10,000 thousand) in cash, resulting in the Group to have significant influence over LiquidStack. In the 2nd quarter of 2023, the Group did not subscribe proportionately in the capital increase of LiquidStack, resulting in its shareholding in LiquidStack to decrease from 20.00% to 15.13%. Since the above transactions did not have any impact on the Group's significant influence over LiquidStack, the equity change was regarded as an equity transaction. The following summarizes the changes in equity of the associate due to changes in the equity of associates amounting to $22,239, recognized as capital surplus. The relevant information was as follows:

Name of associate	Nature of Relationship with the Group	Main operating location / Registered Country of the Company	Proportion of Shareholding and voting rights December 31, 2023	Proportion of Shareholding and voting rights December 31, 2022
LiquidStack Holding B.V.	R&D of liquid cooling technology	Netherlands	15.13 %	20.00 %

The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows. This financial information is included in the consolidated financial statements.

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	$ 159,246	198,890

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	2023	2022
Attributable to the Group:		
Net loss from continuing operations	$ (63,979)	(67,968)
Other comprehensive (loss) income	2,096	16,767
Comprehensive income	$ (61,883)	(51,201)

(ii) Pledge

As of December 31, 2023 and 2022, the investments accounted for using equity method were not pledged.

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

	Land	Buildings	Research and development equipment	Machinery and equipment	Lease improvements	Other equipment	Construction in progress	Total
Cost or deemed cost:								
Balance on January 1, 2023	$ 168,929	-	225,454	839,654	429,162	1,066,182	851,023	3,580,404
Additions	495,405	76,665	15,412	522,103	47,266	199,315	2,314,739	3,670,905
Disposals	-	-	(2,484)	(1,670)	(4,600)	(5,900)	-	(14,654)
Reclassification (Note)	-	761,458	4,876	117,317	67,290	219,976	(861,022)	309,895
Effect of changes in foreign exchange rates	14,556	(18,597)	-	(646)	6,167	31,995	40,592	74,067
Balance on December 31, 2023	$ 678,890	819,526	243,258	1,476,758	545,285	1,511,568	2,345,332	7,620,617
Balance on January 1, 2022	$ -	-	185,806	784,754	275,357	678,649	40,056	1,964,622
Additions	159,233	-	40,645	25,537	17,333	180,375	847,746	1,270,869
Disposals	-	-	(3,056)	-	-	(6,893)	-	(9,949)
Reclassification (Note)	-	-	2,059	24,237	134,039	163,884	(74,264)	249,955
Effect of changes in foreign exchange rates	9,696	-	-	5,126	2,433	50,167	37,485	104,907
Balance on December 31, 2022	$ 168,929	-	225,454	839,654	429,162	1,066,182	851,023	3,580,404
Accumulated depreciation:								
Balance on January 1, 2023	$ -	-	144,942	399,481	273,142	606,261	-	1,423,826
Depreciation	-	20,440	32,360	154,981	83,781	286,243	-	577,805
Disposals	-	-	(2,483)	(939)	(4,438)	(5,573)	-	(13,433)
Effect of changes in foreign exchange rates	-	(454)	-	(150)	426	6,904	-	6,726
Balance on December 31, 2023	$ -	19,986	174,819	553,373	352,911	893,835	-	1,994,924
Balance on January 1, 2022	$ -	-	118,683	256,576	173,911	377,032	-	926,202
Depreciation	-	-	29,313	139,849	99,149	216,868	-	485,179
Disposals	-	-	(3,054)	-	-	(6,075)	-	(9,129)
Effect of changes in foreign exchange rates	-	-	-	3,056	82	18,436	-	21,574
Balance on December 31, 2022	$ -	-	144,942	399,481	273,142	606,261	-	1,423,826
Carrying value:								
Balance on December 31, 2023	$ 678,890	799,540	68,439	923,385	192,374	617,733	2,345,332	5,625,693
Balance on December 31, 2022	$ 168,929	-	80,512	440,173	156,020	459,921	851,023	2,156,578
Balance on January 1, 2022	$ -	-	67,123	528,178	101,446	301,617	40,056	1,038,420

(Note): Reclassified from prepayment for equipment and construction in progress reclassified to buildings, machinery and equipment, lease improvements and other equipment.

(Continued)

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As of December 31, 2023 and 2022, the property, plant and equipment were not pledged.

(g) Right-of-use assets

The cost and accumulated depreciation of the Group leases land, buildings and other equipment for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings	Other equipment	Total
Cost:					
Balance on January 1, 2023	$	-	1,427,500	2,747	1,430,247
Acquisitions		11,880	667,732	9,344	688,956
Disposals		-	(1,806)	(2,304)	(4,110)
Effect of changes in foreign exchange rates		-	119,888	(114)	119,774
Balance on December 31, 2023	**$**	**11,880**	**2,213,314**	**9,673**	**2,234,867**
Balance on January 1, 2022	$	-	916,328	5,309	921,637
Acquisitions		-	424,054	430	424,484
Disposals		-	(21,437)	(3,042)	(24,479)
Effect of changes in foreign exchange rates		-	108,555	50	108,605
Balance on December 31, 2022	**$**	**-**	**1,427,500**	**2,747**	**1,430,247**
Accumulated depreciation:					
Balance on January 1, 2023	$	-	433,266	1,547	434,813
Depreciation		247	302,598	1,464	304,309
Disposals		-	(1,806)	(1,766)	(3,572)
Effect of changes in foreign exchange rates		-	26,327	(12)	26,315
Balance on December 31, 2023	**$**	**247**	**760,385**	**1,233**	**761,865**
Balance on January 1, 2022	$	-	247,566	2,545	250,111
Depreciation		-	189,323	2,011	191,334
Disposals		-	(21,437)	(3,042)	(24,479)
Effect of changes in foreign exchange rates		-	17,814	33	17,847
Balance on December 31, 2022	**$**	**-**	**433,266**	**1,547**	**434,813**
Carrying amount:					
Balance on December 31, 2023	**$**	**11,633**	**1,452,929**	**8,440**	**1,473,002**
Balance on December 31, 2022	**$**	**-**	**994,234**	**1,200**	**995,434**
Balance on January 1, 2022	**$**	**-**	**668,762**	**2,764**	**671,526**

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(h) Intangible assets

The cost and accumulated amortization of the intangible assets for the years ended December 31, 2023 and 2022, were as follows:

		Software	Others	Total
Costs:				
Balance on January 1, 2023	$	282,840	1,040	283,880
Additions		113,541	-	113,541
Effect of changes in foreign exchange rates		4,288	-	4,288
Balance on December 31, 2023	**$**	**400,669**	**1,040**	**401,709**
Balance on January 1, 2022	$	158,004	1,040	159,044
Additions		123,220	-	123,220
Effect of changes in foreign exchange rates		1,616	-	1,616
Balance on December 31, 2022	**$**	**282,840**	**1,040**	**283,880**
Accumulated amortization:				
Balance on January 1, 2023	$	146,329	-	146,329
Amortization		120,025	-	120,025
Effect of changes in foreign exchange rates		2,966	-	2,966
Balance on December 31, 2023	**$**	**269,320**	**-**	**269,320**
Balance on January 1, 2022	$	60,312	-	60,312
Amortization		85,072	-	85,072
Effect of changes in foreign exchange rates		945	-	945
Balance on December 31, 2022	**$**	**146,329**	**-**	**146,329**
Carrying value:				
Balance on December 31, 2023	**$**	**131,349**	**1,040**	**132,389**
Balance on December 31, 2022	**$**	**136,511**	**1,040**	**137,551**
Balance on January 1, 2022	**$**	**97,692**	**1,040**	**98,732**

(i) Amortization

For the years ended December 31, 2023 and 2022, the amortization of intangible assets is included in the statement of comprehensive income:

		2023	2022
Operating costs	$	34,721	33,093
Operating expenses		85,304	51,979
	$	**120,025**	**85,072**

(ii) Pledge

As of December 31, 2023 and 2022, the intangible assets were not pledged.

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

		December 31, 2023	December 31, 2022
Other current assets:			
Tax refundable	$	632,625	236,445
Other prepayments		303,489	210,875
Others		163,209	269,703
	$	1,099,323	717,023
Other non-current assets:			
Refundable deposits	$	246,153	334,990
Restricted deposits		43,608	29,582
Prepayments for equipment		957,746	55,700
Prepayments for land		-	238,168
	$	1,247,507	658,440

(j) Bank Loans

(i) Short-term borrowings

The details of the Group for short-term borrowings were as follows:

	December 31, 2023			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	USD	6.35%~6.36%	2024/1/15~2024/1/25	$ 383,793
Unused credit line				$ 64,335,748

	December 31, 2022			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	-	-	-	$ -
Unused credit line				$ 57,658,356

(ii) Long-term borrowings

	December 31, 2023			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	NTD	2.74%	2026/1/6	$ 1,500,000
Unused credit line				$ -

There was no such transaction as of December 31, 2022.

(Continued)

(iii) Breach of covenant－Long-term borrowings

According to the loan agreement, during the loan repayment periods, the Company must comply with certain financial covenants, such as current ratio, net debt to equity ratio, interest coverage ratio and tangible net worth, based on its audited annual consolidated financial statements, which shall be reviewed after issuance. Also, the Company is required to provide its financial statements semi-annually. Furthermore, if the financial ratios mentioned above cannot be maintained, the Company shall be granted an improvement period of 6 months, starting from the day after the audited annual consolidated financial statements were issued. However, if the Company failed to do so, the financial covenants may be renegotiated with the bank.

(k) Bonds payable

The details of unsecured ordinary bonds were as follows:

	December 31, 2023	December 31, 2022
Total ordinary corporate bonds issued	$ 9,450,000	9,450,000
Unamortized discounted bonds payable	(7,082)	(10,317)
Subtotal	9,442,918	9,439,683
Less: current portion	(2,500,000)	-
Bonds payable balance at year-end	**$ 6,942,918**	**9,439,683**

	2023	2022
Interest expense	**$ 72,770**	**72,770**

The Group issued 4,450 unsecured 5-years ordinary corporate bonds, and pays interest yearly at a fixed interest rate of 0.63% in Taiwan on August 6, 2021. It is agreed that half of principal will be repaid in the fourth and fifth years.

The Group issued 5,000 unsecured 5-years ordinary corporate bonds, and pays interest yearly at a fixed interest rate of 0.83% in Taiwan on October 20, 2020. It is agreed that half of principal will be repaid in the fourth and fifth years.

(l) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	**$ 332,877**	**211,343**
Non-current	**$ 1,188,100**	**801,865**

For the maturity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest expenses on lease liabilities	$ 70,749	60,491
Cost and expenses relating to short-term leases	$ 141,835	161,081

The amounts recognized in the statement of cash flows were as follows:

	2023	2022
Total cash outflow for leases	$ 491,560	395,453

(i) Real estate leases

The Group leases land and buildings for its office space and factory. The leases of land run for 20 years, of office space typically for a period of 2 to 5 years, and of factory for 2 to 10 years and staff dormition for 2 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases other equipment, with lease terms of 3 to 5 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

(m) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 69,534	67,182
Fair value of plan assets	(62,896)	(58,751)
Net defined benefit liabilities	$ 6,638	8,431

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

1) Composition of plan assets

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

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The Group’s Bank of Taiwan and Taipei Fubon commercial bank labor pension reserve account balance amounted to $62,896 thousand and $58,751 thousand, respectively, as of December 31, 2023 and 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

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

	2023	2022
Defined benefit obligations at January 1	$ 67,182	67,270
Current service cost	444	401
Interest expenses	1,021	370
Net remeasurements of defined benefit liability	6,176	(859)
Benefit paid by the plan	(5,289)	-
Defined benefit obligations at December 31	**$ 69,534**	**67,182**

3) Movements of defined benefit plan assets

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

	2023	2022
Fair value of plan assets at January 1	$ 58,751	53,680
Interest income	885	288
Net remeasurements of defined benefit assets	(609)	(95)
Amounts contributed to plan	9,158	4,878
Benefit paid by the plan	(5,289)	-
Fair value of plan assets at December 31	**$ 62,896**	**58,751**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follow:

	2023	2022
Current service cost	$ 444	401
Net interest of net liabilities for defined benefit obligations	136	82
	$ 580	**483**
Operating expense	**$ 580**	**483**

5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

(Continued)

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The Group' s remeasurement of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2023 and 2022, was as follows:

	2023	2022
Accumulated amount at January 1	$ 12,517	13,281
Recognized during the period	6,785	(764)
Accumulated amount at December 31	$ 19,302	12,517

6) Actuarial assumptions

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

	December 31, 2023	December 31, 2022
Discount rate	1.625 %	1.750 %
Future salary increases	4.000 %	4.000 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $5,868 thousand.

The weighted-average lifetime of the defined benefits plans is 14.04 years.

7) Sensitivity analysis

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

	Effects to the defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2023:		
Discount rate (change in 0.25%)	$ (1,295)	1,352
Future salary increases (change in 0.25%)	1,297	(1,250)
December 31, 2022:		
Discount rate (change in 0.25%)	(1,437)	1,497
Future salary increases (change in 0.25%)	1,441	(1,386)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above.

The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

(i) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The subsidiaries of the Group are under defined contribution plan in accordance with local regulations, and they recognized pension cost and were made to local government.

The Group's pension costs under the defined contribution plan were $309,464 thousand and $216,759 thousand for the years 2023 and 2022, respectively. Payments were made to the Bureau of Labor Insurance and to local government for the overseas subsidiaries.

(n) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	2023	2022
Current tax expense		
Current period	$ 3,574,868	4,018,745
Adjustments for prior periods	16,998	(27,918)
	3,591,866	3,990,827
Deferred tax expense (profit)		
Origination and reversal of temporary different	(191,842)	(268,253)
Current period	**$ 3,400,024**	**3,722,574**

(ii) The amount of income tax recognized in other comprehensive income (loss) for 2023 and 2022 were as follows:

	2023	2022
Items that may not be reclassified subsequently profit or loss:		
Gains (loss) on remeasurements of defined benefit plans	**$ 1,357**	**(153)**

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(iii) Reconciliation of income tax and profit before tax for 2023 and 2022 are as follows:

	2023	2022
Income before tax	$ 15,443,679	17,897,283
Income tax using the Company's domestic tax rate	3,088,736	3,579,457
Effect of tax rates in foreign jurisdiction	339,734	167,178
Additional tax on undistributed earnings	150,537	57,511
Tax incentives	(218,728)	(67,525)
Prior-period tax adjustments	16,998	(27,918)
Others	22,747	13,871
Income tax expense	**$ 3,400,024**	**3,722,574**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax asset and liability

As of December 31, 2023 and 2022, the details of unrecognized deferred tax assets were as follows:

	December 31, 2023	December 31, 2022
Unrecognized deferred tax asset:		
Tax effect of deductible temporary difference	**$ 20,467**	**20,449**

There was no significant unrecognized deferred tax liabilities as of December 31, 2023 and 2022.

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Unrealized exchange loss	Unrealized inter-company profits	Accrued expense	Other	Total
Deferred tax assets:					
Balance at January 1, 2023	$ 47,290	150,825	365,986	75,698	639,799
Recognized in profit or loss	(2,868)	152,342	42,022	179,609	371,105
Recognized in other comprehensive income	-	-	-	1,357	1,357
Balance at December 31, 2023	**$ 44,422**	**303,167**	**408,008**	**256,664**	**1,012,261**
Balance at January 1, 2022	$ 27,422	99,257	140,645	37,210	304,534
Recognized in profit or loss	19,868	51,568	225,341	38,641	335,418
Recognized in other comprehensive income	-	-	-	(153)	(153)
Balance at December 31, 2022	**$ 47,290**	**150,825**	**365,986**	**75,698**	**639,799**

(Continued)

		Recognized share of gain of subsidiaries and associates accounted for equity method	Other	Total
Deferred tax liabilities:				
Balance at January 1, 2023	$	284,073	2,338	286,411
Recognized in profit or loss		180,932	(1,669)	179,263
Balance at December 31, 2023	$	**465,005**	**669**	**465,674**
Balance at January 1, 2022	$	199,143	20,103	219,246
Recognized in profit or loss		84,930	(17,765)	67,165
Balance at December 31, 2022	$	**284,073**	**2,338**	**286,411**

(v) The ROC income tax authorities have examined the Company's income tax returns for all years through 2021.

(o) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized common shares consisted of 250,000 thousand shares with a par value of $10 per share, amounted to $2,500,000 thousands, of which 174,841 thousand shares, were issued and outstanding.

(i) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2023	December 31, 2022
A premium issuance of common shares for cash	$	8,436,510	8,436,510
Employee stock options		364,685	364,685
Changes in equity of associates and joint ventures accounted for using equity method		22,239	-
others		16,185	16,185
	$	**8,839,619**	**8,817,380**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that if the Company has a profit as a result of the yearly accounting closing, ten percent of the profit net of tax and the amount for making up of any accumulated loss shall be set aside as legal reserve, and thereafter an amount, including the reserved special reserve, shall be set aside, along with any undistributed profits accumulated from previous years to be identified as profits to be distributed. The amount of dividends to shareholders shall not less than 10% of profit from the currency year.

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Under this approach, the distribution of cash dividend is not lower than 10% of total distribution of dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with regulations by the FSC, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. For the year 2022 and 2021 earnings distribution in 2023 and 2022, the amount to be reclassified to special reserve shall be a portion of current–period after-tax net profit plus items other than current-period after-tax net profit in the undistributed retained earnings and undistributed prior-period earning. When the debit balance of any of the contra accounts in the shareholders' entity is reserved, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The appropriation of 2022 and 2021 earnings that were approved by the shareholders' meeting on May 29, 2023 and May 31,2022, respectively, were as follow:

	2022	2021
Dividends distributed to ordinary shareholders		
Cash	$ 8,742,040	4,371,020

The amount of cash dividends for 2023 has been approved during the board meeting held on February 26, 2024. The relevant dividend distributions to shareholder was as follow:

	2023
Dividends distributed to ordinary shareholders	
Cash	$ 7,343,313

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(iii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2023	$ 1,181,660
Exchange differences on translation of foreign financial statements	126,524
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,096
Balance on December 31, 2023	**$ 1,310,280**
Balance on January 1, 2022	$ (431,020)
Exchange differences on translation of foreign financial statements	1,612,680
Balance on December 31, 2022	**$ 1,181,660**

(p) Earnings per share

The calculation of basic and diluted earnings per share (unit: NTD in dollar) is as follows:

	2023	**2022**
Basic earnings per share:		
Profit attributable to common shareholders of the Company	**$ 12,043,655**	**14,174,709**
Weighted-average common stock outstanding (in thousands)	**174,841**	**174,841**
	$ 68.88	**81.07**
Diluted earnings per share:		
Profit attributable to common shareholders of the Company	**$ 12,043,655**	**14,174,709**
Weighted-average common stock outstanding (in thousands)	174,841	174,841
Effect of potentially dilutive common stock (in thousands):		
Employee compensation	596	1,263
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	**175,437**	**176,104**
	$ 68.65	**80.49**

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets		
America	$ 190,096,753	233,994,036
Europe	28,795,628	36,285,287
Asia	20,075,549	19,456,058
Other	2,933,059	3,140,659
	$ 241,900,989	292,876,040
Major products		
Hyperscale data center	$ 241,900,989	292,876,040

(ii) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$ 10,131,202	18,698,313	12,727,277
Accounts receivable – related parties	232,029	1,090,375	443,538
Less: loss allowance	-	(7,818)	(4,686)
	$ 10,363,231	19,780,870	13,166,129

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – warranty and advance receivable	$ 5,950,026	5,296,970	3,360,972

For details on accounts receivable and loss allowance, please refer to note 6(b).

The contract liabilities were primarily related to the advance received from customers due to the warranty service and sales of goods. The major change in the balance of contract liabilities was the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the year ended December 31, 2023 and 2022 that were included in the contract liability balances at the beginning of the years were $3,580,566 and $1,861,424, respectively.

(iii) Transaction price allocated to the remaining performance obligations

The Group recognizes revenue in the amount to which the Group has a right to invoice, thus the Group applies the practical expedient of IFRS 15 and does not disclose information about the transaction price allocated to the remaining performance obligations of the contract.

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(r) Employee's and directors' compensation

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees' and directors' compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 5% of profit as employees' compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

(ii) No more than 1% of profit as the compensation in cash to the Directors.

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

	For the years ended December 31,	
	2023	**2022**
Employees' compensation	$ 800,000	935,000
Directors' compensation	30,000	36,000
	$ 830,000	**971,000**

The amount of employees' and directors' compensation were estimated based on profit before tax, net of the amount of compensation, and multiplied by the rule of Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2023 and 2022. Related information would be available at the Market Observation Post System website.

(s) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	2023	**2022**
Interest income from bank deposits	**$ 455,501**	**155,871**

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(ii) Other income

The details of other income were as follows:

	2023	2022
Others	$ -	809

(iii) Other gains and losses

The details of other gains and losses were as follows:

	2023	2022
Foreign exchange gains, net	59,077	930,598
Gains (losses) on valuation of financial assets and liabilities at fair value	40,517	(100,986)
Gains on disposal of investments	5,339	-
Others	29,821	26,293
Total	$ 134,754	855,905

(iv) Finance costs

The details of finance costs were as follows:

	2023	2022
Interest expenses		
Bank loans	$ (809,624)	(748,353)
Bonds payable	(72,770)	(72,770)
Others	(70,749)	(60,491)
Total	$ (953,143)	(881,614)

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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2) Concentration of credit risk

The Group's majority customers are in Cloud Infrastructure and Hyperscale Data Center industries. To reduce concentration of credit risk, the Group evaluates customers' financial positions periodically and requires customers to provide collateral, if necessary. In addition, the Group evaluates the aging of accounts receivable periodically, accrue allowance for doubtful accounts and purchasing insurance contracts of accounts receivable, if necessary. Historically, impairment losses has always been under management's expectation. As of December 31, 2023 and 2022, 94.38%, 92.18% of the Group' s accounts receivable were concentrated on 3 and 5 specific customers, respectively. Accordingly, concentrations of credit risk exist.

3) Receivable and debt securities

For credit risk exposure of accounts receivable, please refer to note 6(b). Other financial assets at amortized cost includes other receivables.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses(Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g)).

As of December 31, 2023 and 2022, the other receivables were not accrue any loss allowance.

(ii) Liquidity risk

The followings table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	$ 383,793	385,957	385,957	-	-
Long-term borrowings	1,500,000	1,592,624	41,129	1,551,495	-
Bonds payable (including current portion)	9,442,918	9,562,860	2,565,442	6,997,418	
Notes and accounts payable (including related parties)	20,169,354	20,169,354	20,169,354	-	-
Other payables (including related parties)	4,317,222	4,317,222	4,317,222	-	-
Lease liabilities (including current and non-current)	1,520,977	1,701,769	413,582	1,125,386	162,801
Other current liabilities	952,785	952,785	952,785	-	-
Guarantee deposits received	14,000	14,000	-	14,000	-
Total	**$ 38,301,049**	**38,696,571**	**28,845,471**	**9,688,299**	**162,801**

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	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
December 31, 2022					
Non-derivative financial liabilities					
Bonds payable	$ 9,439,683	9,632,396	69,535	9,562,861	-
Notes and accounts payable (including related parties)	26,464,920	26,464,920	26,464,920	-	-
Other payables (including related parties)	3,132,145	3,132,145	3,132,145	-	-
Lease liabilities (including current and non-current)	1,013,208	1,223,825	261,489	590,143	372,193
Guarantee deposits received	951,948	951,948	951,948	-	-
Total	**$ 41,001,904**	**41,405,234**	**30,880,037**	**10,153,004**	**372,193**

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

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk of financial assets, financial liabilities and others were as follows:

	December 31, 2023			
	Foreign currency (in thousands)	**Exchange rate**		**NTD**
Financial assets				
Monetary items				
USD	503,680	USD/NTD=	30.735	15,480,581
	16,741	USD/MXN=	16.953	514,528
	10,569	USD/JPY=	141.670	324,839
	5,299	USD/MYR=	4.590	162,872
	-	USD/CNY=	7.108	12
	-	USD/KRW=	1,291.350	2
Non-monetary items				
USD	5,181	USD/NTD=	30.735	159,246
Financial liabilities				
Monetary items				
USD	343,527	USD/NTD=	30.735	10,558,295
	33,566	USD/MYR=	4.590	1,031,639
	13,539	USD/JPY=	141.670	416,119
	227	USD/MXN=	16.953	6,989

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	December 31, 2022			
	Foreign currency (in thousands)	Exchange rate		NTD
Financial assets				
Monetary items				
USD	1,027,386	USD/NTD=	30.708	31,548,967
	18,606	USD/JPY=	133.090	571,372
	8,494	USD/MXN=	19.498	260,832
Non-monetary items				
USD	6,477	USD/NTD=	30.708	198,890
Financial liabilities				
Monetary items				
USD	405,373	USD/NTD=	30.708	12,448,197
	29,573	USD/JPY=	133.090	908,143
	120	USD/MXN=	19.498	3,674

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties), loans and borrowings, notes and accounts payable (including related parties) and other payables (including related parties) that are denominated in foreign currency. A strengthening (weakening) 5 % of appreciation (depreciation) of the NTD against the USD for the years ended December 31, 2023 and 2022, the net income would be changed by $178,792 thousand and $760,846 thousand, respectively. The analysis assumes that all other variable remain constant.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gains (including realized and unrealized portions) amounted to $59,077 thousand and $930,598 thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group’s financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable rates, the analysis is based on the assumption that the liabilities were outstanding for lifetime on the reporting date.

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If the interest rate increased / decreased by 1%, the Group's net income would have been changed by $5,706 thousand and $6,845 thousand, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors that remain constant. This is mainly due to the Group's borrowings at floating variable rate.

(iv) Fair value information

1) Categories and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets, financial liabilities and lease liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value and lease liabilities.

	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Accounts receivable	**$ 4,151,074**	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 37,494,848	-	-	-	-
Accounts receivable (including related parties)	6,212,157	-	-	-	-
Other receivable (including related parties)	58,727	-	-	-	-
Other non-current assets	289,761	-	-	-	-
Subtotal	**$ 44,055,493**	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 383,793	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable (including current portion)	9,442,918	-	-	-	-
Notes and accounts payable (including related parties)	20,169,354	-	-	-	-
Other payables (including related parties)	4,317,222	-	-	-	-
Lease liabilities (including current and non-current)	1,520,977	-	-	-	-
Other current liabilities	952,785	-	-	-	-
Guarantee deposits received	14,000	-	-	-	-
Subtotal	**$ 38,301,049**	-	-	-	-

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	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Accounts receivable	$ 235,006	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 26,231,920	-	-	-	-
Accounts receivable (including related parties)	19,545,864	-	-	-	-
Other receivable (including related parties)	1,309,541	-	-	-	-
Other non-current assets	364,572	-	-	-	-
Subtotal	$ 47,451,897	-	-	-	-
Financial liabilities measured at amortized cost					
Bonds payable	$ 9,439,683	-	-	-	-
Notes and accounts payable (including related parties)	26,464,920	-	-	-	-
Other payables (including related parties)	3,132,145	-	-	-	-
Lease liabilities (including current and non-current)	1,013,208	-	-	-	-
Guarantee deposits received	951,948	-	-	-	-
Subtotal	$ 41,001,904	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value: None

3) Transfers between Level 1 and Level 2: none.

4) Changes between Level 3: none.

5) Offsetting financial assets and financial liabilities

The Group has financial instruments transactions applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

	December 31, 2023					
	Financial assets that are offset which have an exercisable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	$ 303,828	303,828	-	-	-	-

(Continued)

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December 31, 2023

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	$ 4,545,469	303,828	4,241,641	-	-	4,241,641

December 31, 2022

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	$ 169,444	169,444	-	-	-	-

December 31, 2022

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	$ 9,965,364	169,444	9,795,920	-	-	9,795,920

(u) Financial risk management

There Group have exposures to the following risks form its financial instruments:

(i) Overview

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Structure of risk management

The Group’ s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Group’ s Audit Committee oversees how management monitors compliance with the Group’ s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations that arise principally from the Group’ s accounts receivable and investment.

1) Accounts and other receivable

The Group’ s credit policy is transacting with creditworthy customers, and obtains collateral to mitigate risks arising from financial loss due to default. The Group will transact with corporations of credit ratings equivalent to investment grade and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and transactions records with its major customers. The Group continues to monitor the exposure to credit risk and counterparty credit rating, and evaluate the customers’ credit rating and credit limit via automatic finance system to manage the credit exposure.

The Group did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investment

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Group’ s finance department. Since the Group’ s transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stocks companies and non publicly-traded stocks companies, with good credit ratings, there are no incompliance issues and therefore no significant credit risk.

3) Guarantee

According to the Group’s policy, the Group can only provide guarantee to which is listed under the regulation. The Group did not provide guarantees to any other company as of December 31, 2023 and 2022.

(iv) Liquidity risk

The Group maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the bank loan facilities and ensures in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group has unused credit lines for bank loans of $64,335,748 thousand and $57,658,356 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group’s entities. The currencies used in these transactions are denominated in USD.

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate influence the Group’s future cash flow. The Group entering into forward and swap contracts are intended to manage the exchange rate risk due to the Group’s current and future demand for foreign currency.

The contract periods are decided in consideration of the Group’s foreseeable assets and liabilities and expected cash flow. At the maturity date of the derivative contract, the Group will settle these contracts using the foreign currencies arising from the assets denominated in foreign currency.

2) Interest risk

The Group’s short-term borrowings, bear floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influence the Group’s future cash flow. The Group reduces the interest risks by negotiating the loan interest rates frequently with banks.

3) Other market price risk

The Group monitors the risk arising from its FVOCI security instruments, which are held for monitoring cash flow requirements and unused capital. The management of the Group monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of directors.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, and provide a return to the shareholders, also, to benefit other related parties, at the same time, to maintain an optional capital structure to reduce the cost of capital. Capital includes common share, capital surplus and retained earnings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

For the year ended December 31, 2023, the Group's capital management strategy is consistent with 2022. The Group's debt to asset ratio and debt to capital ratio at the end of the reporting period as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Debt to asset ratio	**52%**	**56%**
Debt to capital ratio	**110%**	**129%**

(w) Investing and financing activities not affecting current cash flow

For the years ended December 31, 2023 and 2022, reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes					
	January 1, 2023	Cash flows	Change in lease payments	Addition	Interest expenses	Reclassification	Foreign exchange movement	December 31, 2023
Short-term borrowings	$ -	392,503	-	-	-	-	(8,710)	383,793
Long-term borrowings	-	1,500,000	-	-	-	-	-	1,500,000
Bonds payable	9,439,683	-	-	-	3,235	(2,500,000)	-	6,942,918
Current portion of long-term liabilities	-	-	-	-	-	2,500,000	-	2,500,000
Lease liabilities	1,013,208	(278,976)	(560)	688,956	-	-	98,349	1,520,977
Guarantee deposits received	951,948	14,000	-	-	-	(965,185)	13,237	14,000
Total liabilities from financing activities	**$ 11,404,839**	**1,627,527**	**(560)**	**688,956**	**3,235**	**(965,185)**	**102,876**	**12,861,688**

			Non-cash changes					
	January 1, 2022	Cash flows	Change in lease payments	Addition	Interest expense	Reclassification	Foreign exchange movement	December 31, 2022
Short-term borrowings	$ 21,265,920	(22,560,682)	-	-	-	-	1,294,762	-
Bonds payable	9,436,448	-	-	-	3,235	-	-	9,439,683
Lease liabilities	671,015	(173,881)	(395)	424,484	-	-	91,985	1,013,208
Guarantee deposits received	-	924,953	-	-	-	-	26,995	951,948
Total liabilities from financing activities	**$ 31,373,383**	**(21,809,610)**	**(395)**	**424,484**	**3,235**	**-**	**1,413,742**	**11,404,839**

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Wistron Corporation is the parent company and the ultimate controlling party of the Group. As of December 31, 2023 and 2022, it owns 37.68%, respectively, of all shares outstanding of the Company.

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(b) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Wistron Corporation (WHQ)	Parent Company
Wistron InfoComm (Czech), s.r.o. (WCCZ)	Other related parties
Wistron Mexico, S.A. de C.V. (WMX)	Other related parties
ICT Service Management Solutions (India) Private Limited (WIN)	Other related parties
International Standards Laboratory Corp. (ISL)	Other related parties
Wistron InfoComm (Zhongshan) Corporation (WZS)	Other related parties
SMS InfoComm Technology Services and Management Solutions Ltd. (WBR)	Other related parties
Wistron InfoComm (Kushan) Co., Ltd. (WAKS)	Other related parties
SMS InfoComm Corporation (WTX)	Other related parties
Wistron InfoComm Technology (Texas) Corporation (WITT)	Other related parties
Wistron InfoComm Technology (America) Corporation (WITX)	Other related parties
WiAdvance Technology Corporation (AGI)	Other related parties
Wistron K.K. (WJP)	Other related parties
Wistron NeWeb Corporation (WNC)	Other related parties
Wistron Information Technology and Services Corporation (WITS)	Other related parties
T-CONN Precision Corporation (TPE)	Other related parties
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	Other related parties
ANWITH Technology Corporation (WCHQ)	Other related parties
Wistron InfoComm Mexico S.A. de C.V. (WIMX)	Other related parties
WIEDU CORPORATION (WETW)	Other related parties
Wistron InfoComm Technology Service (Kunshan) Co., Ltd (WRKS)	Other related parties
Wistron Medical Technology Corporation (WMT)	Other related parties
Wuhan Wistron Virgin Technology & Service INC. (WIWZ)	Other related parties

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balances between the Group and related parties were as follows:

	Sales		Receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
WHQ	$ 18,912	47,874	3,231	15,683
Other related parties	1,066,652	2,326,369	228,798	1,074,692
	$ 1,085,564	**2,374,243**	**232,029**	**1,090,375**

The selling price and payment terms of sales to related parties depend on the economic environment and market competition, and are not significantly different from those with third-party customers.

(ii) Purchases

The amounts of significant purchase and outstanding balances between the Group and related parties were as follows:

	Purchases		Payables to related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
WHQ	$ 47,422,154	69,645,165	4,395,834	9,838,681
Other related parties	2,821,215	4,506,107	628,686	1,483,242
	$ 50,243,369	**74,151,272**	**5,024,520**	**11,321,923**

Trading terms of purchase transactions with related parties can't be compared with third-party vendors due to product specifications.

(iii) Processing fee

The amounts of processing fee and outstanding balance between the Group and related parties were as follows:

	Processing Fee		Payables to related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
WMX	**$ 4,858**	**545,497**	**-**	**59,199**

Trading terms of processing fee transactions with related parties can't be compared with third-party vendors due to product specifications.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Operating Expense

The amounts of operating expense between the Group and related parties were as follows:

	2023	2022
WHQ	$ 45,507	181,312
Other related parties	302,856	305,588
	$ 348,363	486,900

Trading terms of operating expense with related parties are not significantly different from those with third-party vendors.

(v) Acquisitions of assets

The acquisitions of assets from related parties were as follows:

	2023	2022
WHQ	$ 228,396	37,502
Other related parties		
AGI	25,332	18,520
Other related parties	6,217	1,398
	$ 259,945	57,420

Trading terms of acquisitions of assets with related parties are not significantly different from those with third-party vendors.

(vi) Other receivables

The Group purchased raw materials on behalf of related parties, provide of human outsourcing service and etc. The outstanding balance were as follows:

	Other receivables from related parties	
	December 31, 2023	December 31, 2022
WHQ	$ 1,860	1,200,174
Other related parties:		
WZS	48,171	59,868
WITX	7,830	35,287
Other related parties	-	11,719
Total	$ 57,861	1,307,048

WIWYNN CORPORATION AND SUBSIDIARIES
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(vii) Other payables

The Group purchased research and development materials, testing services and etc. The outstanding balance were as follows:

	Other payables to related parties	
	December 31, 2023	**December 31, 2022**
WHQ	$ 21,168	10,172
Other related parties	201,326	35,598
Total	**$ 222,494**	**45,770**

(viii) Leases

The Group signed a lease contract for its factory and warehouse with WIMX and WNC, and the total value of the contract was amount to $899,924 thousand and $326,523 thousand, respectively. The outstanding balance of lease liabilities and interest expense were as follows:

	Lease liabilities (including current and non-current)	
	December 31, 2023	**December 31, 2022**
WIMX	$ 602,477	502,283
WNC	200,447	80,037
	$ 802,924	**582,320**

	Interest expense	
	2023	**2022**
WIMX	$ 56,974	46,486
WNC	2,902	1,672
	$ 59,876	**48,158**

(d) Key management personnel compensation

Key management personnel compensation comprised:

	2023	**2022**
Short-term employee benefits	$ 142,615	163,288
Post-employment benefits	769	960
	$ 143,384	**164,248**

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Inventory	Inventory guarantee	$ 952,785	951,948
Other non-current assets	Guarantee	29,608	29,582
Other non-current assets	Performance guarantee	14,000	-
		$ 996,393	981,530

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

The Group's unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 1,000,213	2,415,953

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

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

By function / By item	2023 Operating costs	2023 Operating expenses	2023 Total	2022 Operating costs	2022 Operating expenses	2022 Total
Employee benefits						
Salary	2,755,398	2,099,381	4,854,779	1,940,134	2,159,502	4,099,636
Labor and health insurance	378,992	144,919	523,911	282,792	121,608	404,400
Pension	252,161	57,883	310,044	166,839	50,403	217,242
Remuneration of directors	-	30,720	30,720	-	36,650	36,650
Others	125,874	35,901	161,775	123,222	33,512	156,734
Depreciation	660,824	221,290	882,114	473,460	203,053	676,513
Amortization	34,721	85,304	120,025	33,093	51,979	85,072

WIWYNN CORPORATION AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Group for the year ended December 31, 2023:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: Table 1 attached.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Table 2 attached.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Table 3 attached.

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Table 4 attached.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Table 5 attached.

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

(x) Significant intercompany transactions and business relationships between parent company and its subsidiaries: Table 6 attached.

(b) Information on investments:

The following are the information on investments for the year ended December 31, 2023 (excluding information on investments in mainland China): Table 7 attached.

(c) Information on investment in mainland China: Table 8 attached.

(d) Major shareholders:

Unit: Share

Shareholding / Shareholder's Name	Shares	Percentage
Wistron Corporation	65,895,129	37.68 %

WIWYNN CORPORATION AND SUBSIDIARIES
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(14) Segment information:

(a) General information

The Group has one reportable segment. This segment is mainly involved in manufacturing and sale of servers and storage in cloud infrastructure and hyperscale data center.

(b) Profit or loss data of the reporting segment (including specific revenues and expenses), assets and liabilities of the segment, the basis of measurement, and the related eliminations:

The information relating to profit or loss data of the reporting segment (including specific revenues and expenses), assets and liabilities of the segment are the same as those described in the consolidated financial statements. Please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

(c) Products and services information:

The Group is a single operation segment; therefore, the Group' s revenue was not disclosed by categories of products or services.

(d) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets that are based on the geographical location of the assets.

Revenue from external customers:

Geography	2023	2022
America	$ 190,096,753	233,994,036
Europe	28,795,628	36,285,287
Asia	20,075,549	19,456,058
Others	2,933,059	3,140,659
	$ 241,900,989	**292,876,040**

Non-current assets:

Geography	December 31, 2023	December 31, 2022
Asia	$ 4,865,031	1,831,733
America	3,323,799	1,751,698
	$ 8,188,830	**3,583,431**

Non-current assets include the property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, aside from deferred tax assets, investments accounted for using equity method and financial instruments.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
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(e) Major customers

The amounts of sales to external customers representing greater than 10% of net revenue were as follows:

Customer	2023	2022
Customer A	$ 111,546,046	153,624,651
Customer B	67,067,178	99,362,386
Customer C	50,523,244	11,325,827
	$ 229,136,468	**264,312,864**

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Table 1 Guarantees and endorsements for other parties
(December 31, 2023)

No.	Name of guarantor	Counter - party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to subsidiary in Mainland China	Notes
		Name	Relationship with the company (Note 3)											
0	The Company	WYMX	2	12,670,215	1,432,086	1,357,697	1,357,697	29,608	3.21%	21,117,026	Y	N	N	Note 4
0	The Company	WYUS	2	12,670,215	86,034	55,275	55,275	-	0.13%	21,117,026	Y	N	N	Note 4
0	The Company	WYMY	2	12,670,215	141	-	-	-	0.00%	21,117,026	Y	N	N	Note 4

(Note 1) The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's lastest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 2) The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's lastest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 3) Relationship with the Company:

1. Ordinary business relationship.
2. Subsidiary which owned more than 50% by the guarantor.
3. An investee owned more than 50% in total by both the guarantor and its subsidiary.
4. An investee owned more than 90% by the guarantor or its subsidiary.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre - construction homes pursuant to the Consumer Protection Act for each other.

(Note 4) The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

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Table 2 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of share capital

(December 31, 2023)

Name of company	Category and name of security		Account name	Name of counter - party	Relationship with the company	Beginning balance		Purchases		Sales				Ending balance		Notes
						Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount	
The Company	WYUS	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	569,010	18,136,234	400,000	12,320,000	-	-	-	-	969,010	30,792,233	(Note)
The Company	WYMY	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	336,764	2,304,502	231,628	1,539,208	-	-	-	-	568,392	3,634,746	(Note)
The Company	WYMX	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	769,675	1,410,512	344,086	614,580	-	-	-	-	1,113,761	2,884,214	(Note)

(Note): The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

Table 3 Acquisition of real estate with amount exceeding the lower of NT$300 million or 20% of share capital
(December 31, 2023)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Name of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquistion	Other Terms
							Owner	Relationships	Tranfer Date	Amount			
WYMY	Property,plant and equipment-Land	2021/9	307,504	payment:100%	SENAI AIRPORT CITY SDN. BHD.	non-related party	-	-	-	-	Refer to appraisal report issued by professional appraiser	For the Company's future operations	-
WYMY	Property,plant and equipment-Land	2021/9	187,901	payment:100%	SENAI AIRPORT CITY SDN. BHD.	non-related party	-	-	-	-	Refer to appraisal report issued by professional appraiser	For the Company's future operations	-
WYMY	Property,plant and equipment-Building	2022/3	884,074	payment:97%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-
WYMY	Property,plant and equipment-Building	2022/8	2,185,795	payment:54%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-

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Table 4 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(December 31, 2023)

Name of company	Related Party	Nature of relationship	Transaction details				Transaction with terms different from others		Notes/ Accounts receivable (payable)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment Terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
The Company	WYUS	The Company's subsidiary	Sale	35,793,960	40.49%	OA150	-	-	5,260,002	41.53%	(Note)
"	WYJP	The Company's subsidiary	Sale	3,246,957	3.67%	OA90	-	-	214,968	1.70%	(Note)
"	WYKR	The Company's subsidiary	Sale	1,463,292	1.66%	OA90	-	-	86,930	0.69%	(Note)
"	WYKS	The Company's subsidiary	Sale	784,659	0.89%	OA90	-	-	265,138	2.09%	(Note)
"	WYHK	The Company's subsidiary	Sale	559,295	0.63%	OA90	-	-	103,528	0.82%	(Note)
"	WIN	The Company's other related company	Sale	684,012	0.77%	OA90	-	-	212,554	1.68%	-
"	WHQ	The Company's parent company	Purchase	46,538,355	69.22%	OA45	-	-	(4,241,641)	(47.30%)	-
"	WYMY	The Company's subsidiary	Purchase	3,337,223	4.96%	OA30	-	-	(42,094)	(0.47%)	(Note)
"	WYUS	The Company's subsidiary	Purchase	2,315,252	3.44%	OA90	-	-	(237,001)	(2.64%)	(Note)
WYUS	WBR	WYUS's other related company	Sale	308,304	0.16%	OA90	-	-	16,188	0.45%	-
"	The Company	WYUS's parent company	Sale	2,315,252	1.44%	OA90	-	-	237,001	6.97%	(Note)
"	WITX	WYUS's other related company	Purchase	2,792,364	1.52%	OA90	-	-	(621,608)	(3.70%)	-
"	WHQ	WYUS's parent company	Purchase	493,868	0.27%	OA45	-	-	(121,053)	(0.72%)	-
"	The Company	WYUS's parent company	Purchase and Service cost	35,793,960	20.12%	OA150	-	-	(5,260,002)	(31.34%)	(Note)
"	WYMX	WYUS's affiliate company	Processing fee	3,600,097	1.97%	OA60	-	-	(339,563)	(2.02%)	(Note)
WYJP	The Company	WYJP's parent company	Purchase	3,246,957	100.00%	OA90	-	-	(214,968)	(100.00%)	(Note)
WYKR	The Company	WYKR's parent company	Purchase	1,463,292	100.00%	OA90	-	-	(86,930)	(100.00%)	(Note)
WYHK	The Company	WYHK's parent company	Purchase	559,295	70.87%	OA90	-	-	(103,528)	(76.33%)	(Note)
"	WHQ	WYHK's parent company	Purchase	215,752	27.32%	OA45	-	-	(33,140)	(23.67%)	-
WYMY	The Company	WYMY's parent company	Sale	3,337,223	100.00%	OA30	-	-	42,094	100.00%	(Note)
"	WHQ	WYMY's parent company	Purchase	174,179	3.77%	OA45	-	-	-	0.00%	-
WYKS	The Company	WYKS's parent company	Purchase	784,659	100.00%	OA90	-	-	(265,138)	(100.00%)	(Note)
WYMX	WYUS	WYMX's affiliate company	Processing income	3,600,097	100.00%	OA60	-	-	339,563	100.00%	(Note)

(Note): The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 5 Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(December 31, 2023)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance	Notes
					Amount	Action taken			
Account Receivables									
The Company	WIN	The Company's other related company	212,554	427.91%	-	-	51,633	-	-
"	WYUS	The Company's subsidiary	5,260,002	301.21%	-	-	3,614,759	-	(Note)
"	WYJP	The Company's subsidiary	214,968	680.98%	-	-	-	-	(Note)
"	WYHK	The Company's subsidiary	103,528	272.30%	-	-	101,152	-	(Note)
"	WYKS	The Company's subsidiary	265,138	382.19%	-	-	37,157	-	(Note)
WYUS	The Company	WYUS's parent company	237,001	802.92%	-	-	77,608	-	(Note)
WYMX	WYUS	WYMX's affiliate company	339,563	1162.38%	-	-	339,563	-	(Note)
Other Receivables									
The Company	WYJP	The Company's subsidiary	201,762	-	-	-	-	-	(Note)
"	WYMY	The Company's subsidiary	195,287	-	43,186	Collecting	76,424	-	(Note)
WYUS	WYMY	WYUS's affiliate company	104,934	-	80,257	Collecting	76,823	-	(Note)
WYMY	WYUS	WYMY's affiliate company	106,271	-	-	-	106,271	-	(Note)

(Note): The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

Table 6 Significant intercompany transactions and business relationships between parent company and its subsidiaries
(December 31, 2023)

No.	Name of company	Name of counter-party	Nature of relationship (Note 1)	Intercompany transactions			
				Account name	Amount	Trading Terms	Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	WYUS	1	Sale	35,793,960	OA150	14.80%
0	The Company	WYJP	1	Sale	3,246,957	OA90	1.34%
0	The Company	WYKR	1	Sale	1,463,292	OA90	0.60%
0	The Company	WYHK	1	Sale	559,295	OA90	0.23%
0	The Company	WYKS	1	Sale	784,659	OA90	0.32%
1	WYUS	The Company	2	Sale	2,315,252	OA90	0.96%
1	WYMY	The Company	2	Sale	3,337,223	OA30	1.38%
2	WYMX	WYUS	3	Processing income	3,600,097	OA60	1.49%
0	The Company	WYUS	1	Account receivable	5,260,002	OA150	5.92%
0	The Company	WYKS	1	Account receivable	265,138	OA90	0.30%
0	The Company	WYJP	1	Account receivable	214,968	OA90	0.24%
0	The Company	WYHK	1	Account receivable	103,528	OA90	0.12%
0	The Company	WYKR	1	Account receivable	86,930	OA90	0.10%
1	WYUS	The Company	2	Account receivable	237,001	OA90	0.27%
1	WYMY	The Company	2	Account receivable	42,094	OA30	0.05%
2	WYMX	WYUS	3	Account receivable	339,563	OA60	0.38%

Note 1: relationship:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 2: The section only discloses the information of sales and accounts receivable of inter-company transactions, as well as is not disclosed the purchase and accounts payable of counter-party due to duplicate.

Note 3: Calculated by using the transaction amount, divided by the consolidated net revenues and total assets.

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Information on investments (excluding investees in mainland China)

The following are the information on investees for January 1 to December 31, 2023 (excluding information on investees in mainland China):

Name of the investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of December 31, 2023			The highest percentage of the periods	Net income (losses) of the investee	Share of profits/losses of investee	Notes
				December 31, 2023	December 31, 2022	Shares(In thousands)	Percentage of ownership	Carrying value				
The Company	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	360,068	100.00%	94,080	94,080	(Note)
"	WYUS	U.S.A	Sales of cloud data center equipment	28,773,581	16,453,581	969,010	100.00%	30,792,233	100.00%	351,025	351,025	(Note)
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	288,537	100.00%	27,369	27,369	(Note)
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	200,822	100.00%	25,870	25,870	(Note)
"	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	3,839,933	2,300,724	568,392	100.00%	3,634,746	100.00%	(130,008)	(130,008)	(Note)
"	WYMX	Mexico	Human resources service provision and cloud data center equipment manufacturing	1,741,251	1,126,671	1,113,761	100.00%	2,884,214	100.00%	616,825	616,825	(Note)
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	65,538	100.00%	(5,031)	(5,031)	(Note)
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	15.13%	159,246	20.00%	(395,957)	(63,979)	-

(Note): The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Table 8 Information on investment in mainland China

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 2)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net income (loss) of the investee	The highest percentage of the periods	Percentage of ownership	Investment income (losses) (Note 3)2.	Book value	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow								
WYKS	Sales of cloud data center equipment	10,659	2	10,659 (Note 1)	-	-	10,659	15,881	100.00%	100.00%	15,881	119,980	-	-

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of December 31, 2023 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 6)	Upper Limit on Investment (Note 4)
10,659(USD 350,000)	10,757(USD 350,000)	25,340,431

(Note 1) Wiwynn Technology Service Hong Kong Limited used its own capital to invest in WYKS.

(Note 2) Ways to invest in mainland China:

1.Direct investment in mainland China.

2.Reinvestment in mainland China through third place.

3.Others

(Note 3) The three categories of investment income (losses) recognized were as follows:

1. The financial statements of the investee company were audited by the global accounting firm in cooperation with ROC. accounting firm.
2. The financial statements of the investee company were reviewed by the same auditor of the Taiwan parent company.
3. Others

(Note 4) Amount of upper limit on investment was the higher between sixty percent of total equity or total consolidated equity.

(Note 5) The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(Note 6) Translated using the ending rates on December 31, 2023.

(iii) Significant transactions

For the year ended December 31, 2023, the significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

Appendix 2

2023 Parent Company Only Financial Statements and auditor's report

Stock Code:6669

WIWYNN CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: 8F, No. 90, Sec.1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan
Telephone: (02)6615-8888

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.

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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, 2023 and 2022, 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 material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 Financial Statements Audit and Attestation Engagements of 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 principle audit procedures included understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implantation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales within the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

2. Valuation for slow-moving inventories

Please refer to note 4(g) for "Inventories", note 5 for "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", as well as note 6(d) for the disclosure of valuation of inventory

Description of key audit matter

In order to meet the rapid development of the cloud computing industry and shipping demands, the Company has increased its stock volume, which requires the management to use its subjective judgment in valuating the slow-moving inventories. Therefore, the valuation for slow-moving inventories has been identified as one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management' s estimates on inventory provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management' s methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

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, 2023 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 Chen, Ya-Ling and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2024

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)

Wiwynn Corporation

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 15,735,867	21	16,483,111	23
1170	Accounts receivable, net (notes 6(b) and (q))	6,521,959	8	5,668,368	8
1180	Accounts receivable - related parties, net (notes 6(b), (q) and 7)	6,143,123	8	20,381,475	28
1200	Other receivables (note 6(c))	215	-	1,571	-
1210	Other receivables-related parties (notes 6(c) and 7)	511,340	1	1,694,155	2
130X	Inventories (note 6(d))	6,081,994	8	4,305,270	6
1470	Other current assets (note 6(i))	509,087	1	136,655	-
	Total current assets	35,503,585	47	48,670,605	67
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(e))	36,869,573	49	22,085,144	31
1600	Property, plant and equipment (notes 6(f) and 7)	1,245,867	2	757,957	1
1755	Right-of-use assets (notes 6(g) and 7)	283,898	-	174,811	-
1780	Intangible assets (notes 6(h) and 7)	126,985	-	125,644	-
1840	Deferred tax assets (note 6(n))	892,741	1	599,852	1
1990	Other non-current assets (notes 6(i) and 8)	531,701	1	100,266	-
	Total non-current assets	39,950,765	53	23,843,674	33
	Total assets	$ 75,454,350	100	72,514,279	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Contract liabilities-current (note 6(q))	5,950,026	8	5,296,970	7
2170	Notes payable and accounts payable	4,433,844	6	1,022,101	2
2180	Accounts payable - related parties (note 7)	4,534,279	6	10,228,693	14
2200	Other payables (note 6(r))	4,956,099	7	3,815,618	5
2220	Other payables-related parties (note 7)	170,427	-	414,053	1
2230	Current tax liabilities	1,196,008	2	2,790,452	4
2280	Lease liabilities-current (notes 6(l) and 7)	130,371	-	84,044	-
2320	Current portion of long-term liablilities (notes 6(k))	2,500,000	3	-	-
2399	Other current liabilities	273,111	-	251,528	-
	Total Current liabilities	24,144,165	32	23,903,459	33
	Non-current liabilities:				
2530	Bonds payable (note 6(k))	6,942,918	9	9,439,683	14
2540	Long-term borrowings (notes 6(j))	1,500,000	2	-	-
2570	Deferred tax liabilities (note 6(n))	465,005	1	286,411	-
2580	Lease liabilities-non-current (notes 6(l) and 7)	147,572	-	89,289	-
2640	Net defined benefit liabilities (note 6(m))	6,638	-	8,431	-
2645	Guarantee deposits received	14,000	-	-	-
	Total Non-current liabilities	9,076,133	12	9,823,814	14
	Total liabilities	33,220,298	44	33,727,273	47
	Equity (notes 6(e), (m), (n) and (o)):				
3110	Common shares	1,748,408	2	1,748,408	2
3200	Capital surplus	8,839,619	12	8,817,380	12
3300	Retained earnings	30,335,745	40	27,039,558	37
3400	Other equity	1,310,280	2	1,181,660	2
	Total equity	42,234,052	56	38,787,006	53
	Total liabilities and equity	$ 75,454,350	100	72,514,279	100

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, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(q) and 7)**	$ 88,404,462	100	101,426,047	100
5000	**Operating costs (notes 6(d), (f), (g), (h), (l), (m), (r), 7 and 12)**	67,618,282	76	79,617,295	79
	Gross profit	20,786,180	24	21,808,752	21
5910	Unrealized profit (loss) from sales	(761,708)	1	(257,842)	-
	Net gross profit	20,024,472	23	21,550,910	21
	Operating expenses (notes 6(b), (f), (g), (h), (l), (m), (r), 7 and 12):				
6100	Selling expenses	359,208	-	464,717	1
6200	Administrative expenses	1,538,006	2	1,140,661	1
6300	Research and development expenses	4,016,074	5	3,497,605	3
6450	Expected credit loss (gain)	(7,818)	-	3,132	-
	Total operating expenses	5,905,470	7	5,106,115	5
	Net operating income	14,119,002	16	16,444,795	16
	Non-operating income and expenses (notes 6(e), (f), (k), (l), (s) and 7):				
7100	Interest income	193,263	-	89,243	-
7020	Other gains and losses	252,345	-	874,865	1
7050	Finance costs	(433,472)	-	(160,112)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	916,151	1	424,647	-
	Total non-operating income and expenses	928,287	1	1,228,643	1
7900	**Income before tax**	15,047,289	17	17,673,438	17
7950	**Income tax expense (note 6(n))**	3,003,634	3	3,498,729	3
	Net income	12,043,655	14	14,174,709	14
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	(6,785)	-	764	-
8349	Income tax related to items that may not be reclassified subsequently to profit or loss	1,357	-	(153)	-
	Total items that may not be reclassified subsequently to profit or loss	(5,428)	-	611	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	126,524	-	1,612,680	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,096	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	128,620	-	1,612,680	2
8300	**Other comprehensive income**	123,192	-	1,613,291	2
8500	**Total comprehensive income**	**$ 12,166,847**	**14**	**15,788,000**	**16**
	Earnings per share (expressed in New Taiwan dollars) (note 6(p))				
9750	**Basic earnings per share**	**$ 68.88**		**81.07**	
9850	**Diluted earnings per share**	**$ 68.65**		**80.49**	

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, 2023 and 2022

(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, 2022	$ 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
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	1,417,532	-	(1,417,532)	-	-	-
Special reserve	-	-	-	(431,020)	431,020	-	-	-
Cash dividends	-	-	-	-	(8,742,040)	(8,742,040)	-	(8,742,040)
Net income	-	-	-	-	12,043,655	12,043,655	-	12,043,655
Other comprehensive income	-	-	-	-	(5,428)	(5,428)	128,620	123,192
Total comprehensive income	-	-	-	-	12,038,227	12,038,227	128,620	12,166,847
Changes in equity of associates and joint ventures accounted for using equity method	-	22,239	-	-	-	-	-	22,239
Balance on December 31, 2023	**$ 1,748,408**	**8,839,619**	**4,512,302**	**-**	**25,823,443**	**30,335,745**	**1,310,280**	**42,234,052**

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Income before tax	$ 15,047,289	17,673,438
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	508,557	438,851
Amortization expense	100,223	69,810
Expected credit loss(gain)	(7,818)	3,132
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(40,517)	100,986
Interest expense	433,472	160,112
Interest income	(193,263)	(89,243)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(916,151)	(424,647)
Losses on disposal of property, plant and equipment	428	27
Gain on disposal of other assets	(21)	-
Gain on disposal of investments	(5,339)	-
Unrealized losses from sales	761,708	257,842
Prepayments for equipment reclassified as expenses	-	66
Total adjustments to reconcile profit	641,279	516,936
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	40,517	(100,986)
Decrease (increase) in accounts receivable, net	(845,773)	1,343,068
Decrease (increase) in accounts receivable-related parties, net	14,238,352	(3,619,547)
Decrease in other receivable	1,356	1,978
Decrease (increase) in other receivable-related parties	1,182,815	(231,336)
Decrease (increase) in inventories	(1,776,724)	2,114,774
Decrease (increase) in other current assets	(374,642)	155,843
Total changes in operating assets	12,465,901	(336,206)
Changes in operating liabilities:		
Increase in contract liabilities-current	653,056	1,935,998
Increase (decrease) in notes and accounts payable	3,411,743	(879,671)
Increase (decrease) in accounts payable-related parties	(5,694,414)	1,884,467
Increase in other payable	1,131,426	1,741,748
Increase (decrease) in other payable-related parties	(243,626)	162,170
Increase in other current liabilities	21,583	52,952
Decrease in net defined benefit liabilities	(8,578)	(4,395)
Total changes in operating liabilities	(728,810)	4,893,269
Total changes in operating assets and liabilities	11,737,091	4,557,063
Total adjustments	12,378,370	5,073,999
Cash inflow generated from operations	27,425,659	22,747,437
Interest received	195,474	84,209
Interest paid	(421,183)	(157,782)
Income taxes paid	(4,711,016)	(1,946,134)
Net cash flows from operating activities	22,488,934	20,727,730
Cash flows from (used in) investing activities:		
Increase in other receivables－related parties	-	276,900
Acquisition of investments accounted for using equity method	(14,473,788)	(14,423,956)
Acquisition of property, plant and equipment	(624,270)	(154,843)
Proceeds from disposal of property, plant and equipment	581	107
Acquisition of intangible assets	(101,564)	(96,722)
Increase in other financial assets	(13,998)	(5,951)
Increase in prepayments for equipment	(675,540)	(154,558)
Net cash used in investing activities	(15,888,579)	(14,559,023)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	296,814,845	82,979,590
Decrease in short-term borrowings	(296,814,845)	(87,548,440)
Increase in long-term borrowings	1,500,000	-
Increase in guarantee deposits received	14,000	-
Payment of lease liabilities	(119,559)	(77,063)
Cash dividends paid	(8,742,040)	(4,371,020)
Net cash used in financing activities	(7,347,599)	(9,016,933)
Net decrease in cash and cash equivalents	(747,244)	(2,848,226)
Cash and cash equivalents at beginning of period	16,483,111	19,331,337
Cash and cash equivalents at end of period	**$ 15,735,867**	**16,483,111**

See accompanying notes to financial statements.

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Wiwynn Corporation (the "Company") was incorporated on March 3, 2012, as a company limited by shares under the laws of the Republic of China (ROC). Wiwynn Corporation was engaged in research, development, design, testing and sales of abovementioned products, semi-products, peripheral equipments and parts:

(i) Computer and peripheral equipments

(ii) Data storage media

(iii) Electric appliances and media products

(iv) Information software

(v) Export business relating to the business of the Company

(vi) Management consult services

(vii) Information software services

(viii) Data processing services

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

The financial statements were authorized for issuance by the Board of Directors on February 26, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the following new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

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

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

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

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

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Functional and presentation currency

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

(c) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

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

(ii) Foreign operations

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

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

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current. An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company; therefore, those receivables are measured at FVOCI. However, they are included in the ‘accounts receivable’ line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivable, refundable deposits and other financial assets), debt investments measured at FVOCI.

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

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

The Company holds time deposits for domestic financial institutions, and it is considered to be low credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

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

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

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

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

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

3) Financial liabilities

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

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

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured individually at the lower of cost and net realizable value. The standard cost method is adopted for inventory costing and the difference between standard cost and actual cost is allocated proportionately to inventory except for an unfavorable variance from normal capacity. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate. When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

When preparing the financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Depreciation

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

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

1) Research and developments equipment: 4 years

2) Machinery and equipment: 4~6 years

3) Office equipment: 4 years

4) Lease improvements: 3 years

5) Other equipment: 1~4 years

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

(k) Lease

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

(i) As a leasee

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

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

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

(Continued)

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

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

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

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

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

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

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

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

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(l) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

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

Intangible assets is software. Amortization is recognized in profit or loss on a straight-line basis 3 years for the estimated useful lives of intangible assets, from the date that they are available for use.

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

(m) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(n) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

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

The Company provides customers with the extended warranty. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Company would sell the product and the extended warranty separately in similar circumstances and to similar customers.

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

2) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

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

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Defined benefit plan

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

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

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

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

(iii) Short-term employee benefits

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

(p) Income taxes

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(Continued)

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the below exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(q) Earnings per share

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

(r) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statement.

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

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The Company likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the financial statements.

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

Valuation of inventories

The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(d) for further description of the valuation of inventories.

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Notes to the Parent Company Only Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 280	280
Demand and checking deposits	6,635,587	7,482,831
Time deposits	9,100,000	9,000,000
	$ 15,735,867	16,483,111

Please refer to note 6(t) for the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(b) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable－measured at amortized cost	$ 4,816,010	5,459,222
Accounts receivable－related parties－measured at amortized cost	6,143,123	20,381,475
Accounts receivable－measured at fair value through other comprehensive income	1,705,949	216,964
Less: loss allowance	-	(7,818)
	$ 12,665,082	26,049,843

The Company has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income.

The Company applies the simplified approach to provide for expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	$ 12,568,464		-
Past due under 30 days	96,595		-
Past due 31 to 60 days	23		-
Total	$ 12,665,082		-

(Continued)

WIWYNN CORPORATION
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	December 31, 2022		
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	$ 25,996,928		-
Past due under 30 days	49,144		-
Past due 31 to 60 days	7,648	51%	3,877
Past due 61 to 90 days	2,388	100%	2,388
Past due 91 to 180 days	1,553	100%	1,553
Total	**$ 26,057,661**		**7,818**

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

	2023	2022
Balance on January 1	$ 7,818	4,686
Impairment losses recognized	-	12,431
Impairment losses reversed	(7,818)	(9,299)
Balance on December 31	**$ -**	**7,818**

As of December 31, 2023 and 2022, the accounts receivable were not pledged.

For further credit risk information, please refers to note 6(t).

The Company entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Company does not have the responsibility to assume the default risk of the transferred trade receivables but is liable for the losses incurred on any business dispute. The Company derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. As of December 31, 2023 and 2022, the Company sold its accounts receivable without recourse as follows:

Unit: USD in thousands

December 31, 2023						
Purchaser	**Assignment Facility**	**Amount Advanced Unpaid**	**Amount Advanced Paid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Collateral**
Financial institutions	**$ -**	**436,213**	**-**	**-**	-	None

December 31, 2022						
Purchaser	**Assignment Facility**	**Amount Advanced Unpaid**	**Amount Advanced Paid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Collateral**
Financial institutions	**$ 83,904**	**202,080**	**83,904**	**-**	5.15%~5.36%	None

WIWYNN CORPORATION
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(c) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	$ 215	1,571
Other receivables - related parties	511,340	1,694,155
Less: loss allowance	-	-
	$ 511,555	**1,695,726**

For further credit risk information, please refers to note 6(t).

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 3,194,275	2,174,432
Finished goods	2,752,919	2,009,375
Inventory in transit	134,800	121,463
	$ 6,081,994	**4,305,270**

Except cost of goods sold, the remaining gains or losses which were recognized as cost of sales were as follow:

	2023	2022
Royalty	$ 32,266	47,541
Losses on valuation of inventories	586,354	225,652
Loss on supplier inventory reserve	500,494	972,048
	$ 1,119,114	**1,245,241**

As of December 31, 2023 and 2022, the inventories were not pledged.

(e) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Subsidiaries	$ 36,710,327	21,886,254
Associates	159,246	198,890
	$ 36,869,573	**22,085,144**

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(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

On March, 2021, the Company acquired 1,000 thousand shares, equivalent to 20% of LiquidStack Holding B.V. (LiquidStack) for $276,609 thousand (USD 10,000 thousand) in cash, resulting in the Company to have significant influence over LiquidStack. In the 2nd quarter of 2023, the Company did not subscribe proportionately in the capital increase of LiquidStack, resulting in its shareholding in LiquidStack to decrease from 20.00% to 15.13%. Since the above transactions did not have any impact on the Company's significant influence over LiquidStack, the equity change was regarded as an equity transaction. The following summarizes the changes in equity of the associate due to changes in the equity of associates amounting to $22,239, recognized as capital surplus. The relevant information was as follows:

Name of associate	Nature of Relationship with the Group	Main operating location / Registered Country of the Company	Proportion of Shareholding and voting rights December 31, 2023	December 31, 2022
LiquidStack Holding B.V.	R&D of liquid cooling technology	Netherlands	15.13 %	20 %

The Company's financial information on investments accounted for using the equity method that are individually insignificant was as follows. This financial information is included in the consolidated financial statements.

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	$ 159,246	198,890

	2023	2022
Attributable to the Company:		
Net profit (loss) from continuing operations	$ (63,979)	(67,968)
Other comprehensive income	2,096	16,767
Comprehensive income	$ (61,883)	(51,201)

(iii) Pledge

As of December 31, 2023 and 2022, the investments accounted for using equity method were not pledged.

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

		Research and development equipment	Machinery and equipment	Office equipment	Lease improvements	Other equipment	Total
Cost or deem cost:							
Balance on January 1, 2023	$	225,454	784,731	115,384	379,263	382,375	1,887,207
Additions		15,411	514,458	17,916	15,896	60,589	624,270
Disposals		(2,483)	(1,670)	(4,681)	(4,600)	(25)	(13,459)
Reclassification (Note)		4,876	88,953	374	56,593	107,306	258,102
Balance on December 31, 2023	$	**243,258**	**1,386,472**	**128,993**	**447,152**	**550,245**	**2,756,120**
Balance on January 1, 2022	$	185,806	738,729	81,526	275,357	262,686	1,544,104
Additions		40,645	21,765	36,514	17,334	38,585	154,843
Disposals		(3,055)	-	(4,258)	-	(1,183)	(8,496)
Reclassification (Note)		2,058	24,237	1,602	86,572	82,287	196,756
Balance on December 31, 2022	$	**225,454**	**784,731**	**115,384**	**379,263**	**382,375**	**1,887,207**
Accumulated depreciation:							
Balance on January 1, 2023	$	144,942	361,041	59,846	271,459	291,962	1,129,250
Depreciation		32,360	143,333	26,314	72,530	118,916	393,453
Disposals		(2,483)	(939)	(4,565)	(4,438)	(25)	(12,450)
Balance on December 31, 2023	$	**174,819**	**503,435**	**81,595**	**339,551**	**410,853**	**1,510,253**
Balance on January 1, 2022	$	118,683	231,225	43,742	173,911	205,512	773,073
Depreciation		29,313	129,816	20,229	97,548	87,633	364,539
Disposals		(3,054)	-	(4,125)	-	(1,183)	(8,362)
Balance on December 31, 2022	$	**144,942**	**361,041**	**59,846**	**271,459**	**291,962**	**1,129,250**
Carrying value:							
Balance on December 31, 2023	$	**68,439**	**883,037**	**47,398**	**107,601**	**139,392**	**1,245,867**
Balance on December 31, 2022	$	**80,512**	**423,690**	**55,538**	**107,804**	**90,413**	**757,957**
Balance on January 1, 2022	$	**67,123**	**507,504**	**37,784**	**101,446**	**57,174**	**771,031**

(Note): Reclassified from prepayment for equipment.

As of December 31, 2023 and 2022, the property, plant and equipment were not pledged.

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(g) Right-of-use assets

The cost and accumulated depreciation of the Company leases land, buildings and other equipment for the years ended 2023 and 2022, were as follows:

	Land	Buildings	Other equipment	Total
Cost:				
Balance on January 1, 2023	$ -	400,033	2,304	402,337
Acquisitions	11,880	208,673	4,176	224,729
Disposals	-	(1,806)	(2,304)	(4,110)
Balance on December 31, 2023	**$ 11,880**	**606,900**	**4,176**	**622,956**
Balance on January 1, 2022	$ -	318,525	4,835	323,360
Acquisition	-	97,345	-	97,345
Disposals	-	(15,837)	(2,531)	(18,368)
Balance on December 31, 2022	**$ -**	**400,033**	**2,304**	**402,337**
Accumulated depreciation:				
Balance on January 1, 2023	$ -	226,029	1,497	227,526
Depreciation for the year	247	113,974	883	115,104
Disposals	-	(1,806)	(1,766)	(3,572)
Balance on December 31, 2023	**$ 247**	**338,197**	**614**	**339,058**
Balance on January 1, 2022	$ -	169,449	2,133	171,582
Depreciation for the year	-	72,417	1,895	74,312
Disposals	-	(15,837)	(2,531)	(18,368)
Balance on December 31, 2022	**$ -**	**226,029**	**1,497**	**227,526**
Carrying amount:				
Balance on December 31, 2023	**$ 11,633**	**268,703**	**3,562**	**283,898**
Balance at December 31, 2022	**$ -**	**174,004**	**807**	**174,811**
Balance at January 1, 2022	**$ -**	**149,076**	**2,702**	**151,778**

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(h) Intangible assets

The cost and accumulated amortization of the intangible assets for the years ended December 31, 2023 and 2022, were as follows:

	Software	Others	Total
Costs:			
Balance on January 1, 2023	$ 254,487	1,040	255,527
Additions	101,564	-	101,564
Balance on December 31, 2023	**$ 356,051**	**1,040**	**357,091**
Balance on January 1, 2022	$ 157,765	1,040	158,805
Additions	96,722	-	96,722
Balance on December 31, 2022	**$ 254,487**	**1,040**	**255,527**
Accumulated amortization:			
Balance on January 1, 2023	$ 129,883	-	129,883
Amortization	100,223	-	100,223
Balance on December 31, 2023	**$ 230,106**	**-**	**230,106**
Balance on January 1, 2022	$ 60,073	-	60,073
Amortization	69,810	-	69,810
Balance on December 31, 2022	**$ 129,883**	**-**	**129,883**
Carrying value:			
Balance on December 31, 2023	**$ 125,945**	**1,040**	**126,985**
Balance on December 31, 2022	**$ 124,604**	**1,040**	**125,644**
Balance on January 1, 2022	**$ 97,692**	**1,040**	**98,732**

(i) Amortization

For the years ended December 31, 2023 and 2022, the amortization of intangible assets is included in the statement of comprehensive income:

	2023	2022
Operating costs	$ 14,919	17,831
Operating expenses	85,304	51,979
	$ 100,223	**69,810**

(ii) Pledge

As of December 31, 2023 and 2022, the intangible assets were not pledged.

(Continued)

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Notes to the Parent Company Only Financial Statements

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

	December 31, 2023	December 31, 2022
Other current assets:		
Tax refundable	$ 255,305	66,582
Other prepayments	248,494	62,574
Others	5,288	7,499
	$ 509,087	**136,655**
Other non-current assets:		
Refundable deposits	$ 35,236	35,265
Restricted deposits	43,608	29,582
Prepayments for equipment	452,857	35,419
	$ 531,701	**100,266**

As of December 31, 2023 and 2022, the other non-current assets of the Company had been pledged as collateral for subsidiaries, please refer to note 8.

(j) Bank Loans

(i) Long-term borrowings

	December 31, 2023			
	Currency	**Interest rate collars**	**Expiration**	**Amount**
Unsecured bank borrowings	NTD	2.74%	2026/1/6	**$ 1,500,000**
Unused credit line				**$ -**

There was no such transaction as of December 31, 2022.

(ii) Breach of covenant－Long-term borrowings

According to the loan agreement, during the loan repayment periods, the Company must comply with certain financial covenants, such as current ratio, net debt to equity ratio, interest coverage ratio and tangible net worth, based on its audited annual consolidated financial statements, which shall be reviewed after issuance. Also, the Company is required to provide its financial statements semi-annually. Furthermore, if the financial ratios mentioned above cannot be maintained, the Company shall be granted an improvement period of 6 months, starting from the day after the audited annual consolidated financial statements were issued. However, if the Company failed to do so, the financial covenants may be renegotiated with the bank.

WIWYNN CORPORATION
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(k) Bonds payable

The details of unsecured ordinary bonds were as follows:

	December 31, 2023	December 31, 2022
Total ordinary corporate bonds issued	$ 9,450,000	9,450,000
Unamortized discounted bonds payable	(7,082)	(10,317)
Subtotal	9,442,918	9,439,683
Less: current portion	(2,500,000)	-
Bonds payable balance at year-end	**$ 6,942,918**	**9,439,683**

	2023	2022
Interest expense	**$ 72,770**	**72,770**

The Company issued 4,450 unsecured 5-years ordinary corporate bonds, and pays interest yearly at a fixed interest rate of 0.63% in Taiwan on August 6, 2021. It is agreed that half of principal will be repaid in the fourth and fifth years.

The Company issued 5,000 unsecured 5-years ordinary corporate bonds, and pays interest yearly at a fixed interest rate of 0.83% in Taiwan on October 20, 2020. It is agreed that half of principal will be repaid in the fourth and fifth years.

(l) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	**$ 130,371**	**84,044**
Non-current	**$ 147,572**	**89,289**

For the maturity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest expenses on lease liabilities	**$ 4,707**	**3,857**
Cost and expenses relating to short-term leases	**$ 45,205**	**41,358**

The amounts recognized in the statement of cash flows were as follows:

	2023	2022
Total cash outflow for leases	**$ 169,471**	**122,278**

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(i) Real estate leases

The Company leases land and buildings for its plants and office space and factory. The leases of land run for 20 years, of office space typically for a period of 2 to 5 years, and of factory for 2 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases other equipment, with lease terms of 3 to 5 years. In some cases, the Company has options to purchase the assets at the end of the contract term.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present values and plan assets at fair value are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 69,534	67,182
Fair value of plan assets	(62,896)	(58,751)
Net defined benefit liabilities	**$ 6,638**	**8,431**

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

1) Composition of plan assets

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

The Company' s Bank of Taiwan and Taipei Fubon commercial bank labor pension reserve account balance amounted to $62,896 thousand and $58,751 thousand, respectively, as of December 31, 2023 and 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

2) Movements in present value of the defined benefit obligations

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

	2023	2022
Defined benefit obligations at January 1	$ 67,182	67,270
Current service cost	444	401
Interest expenses	1,021	370
Net remeasurements of defined benefit liability	6,176	(859)
Benefit paid by the plan	(5,289)	-
Defined benefit obligations at December 31	**$ 69,534**	**67,182**

3) Movements of defined benefit plan assets

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

	2023	2022
Fair value of plan assets at January 1	$ 58,751	53,680
Interest income	885	288
Net remeasurements of defined benefit assets	(609)	(95)
Amounts contributed to plan	9,158	4,878
Benefit paid by the plan	(5,289)	-
Fair value of plan assets at December 31	**$ 62,896**	**58,751**

4) Expenses recognized in profit or loss

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

	2023	2022
Current service cost	$ 444	401
Net interest of net liabilities for defined benefit obligations	136	82
	$ 580	**483**
Operating expense	**$ 580**	**483**

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2023 and 2022, was as follows:

	2023	**2022**
Accumulated amount at January 1	$ 12,517	13,281
Recognized during the period	6,785	(764)
Accumulated amount at December 31	**$ 19,302**	**12,517**

6) Actuarial assumptions

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

	December 31, 2023	**December 31, 2022**
Discount rate	1.625 %	1.750 %
Future salary increases	4.000 %	4.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $5,868 thousand.

The weighted-average lifetime of the defined benefits plans for 2023 is 14.04 years.

7) Sensitivity analysis

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

	Effects to the defined benefit obligation	
	Increase 0.25%	**Decrease 0.25%**
December 31, 2023:		
Discount rate (change in 0.25%)	$ (1,295)	1,352
Future salary increases (change in 0.25%)	1,297	(1,250)
December 31, 2022:		
Discount rate (change in 0.25%)	(1,437)	1,497
Future salary increases (change in 0.25%)	1,441	(1,386)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above.

The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

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(i) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company's pension costs under the defined contribution plan were $110,789 thousand and $90,594 thousand for the years 2023 and 2022, respectively.

(n) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	2023	2022
Current tax expense		
Current period	$ 3,054,205	3,776,263
Adjustments for prior periods	62,367	(25,945)
	3,116,572	3,750,318
Deferred tax expense (profit)		
Origination and reversal of temporary difference	(112,938)	(251,589)
Income tax expense	**$ 3,003,634**	**3,498,729**

The amount of income tax recognized in other comprehensive income (loss) for 2023 and 2022 were as follows:

	2023	2022
Items that may not be reclassified subsequently to profit or loss:		
Gains (loss) on remeasurements of defined benefit plans	**$ 1,357**	**(153)**

(ii) Reconciliation of income tax and profit before tax for 2023 and 2022 are as follows:

	2023	2022
Income before tax	$ 15,047,289	17,673,438
Income tax using the Company's domestic tax rate	3,009,458	3,534,688
Undistributed earnings additional tax	150,537	57,511
Tax incentives	(218,728)	(67,525)
Prior-period tax adjustments	62,367	(25,945)
Income tax expense	**$ 3,003,634**	**3,498,729**

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax asset and liability

There were no significant unrecognized deferred tax assets and liabilities as of December 31, 2023 and 2022.

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Unrealized exchange loss	Unrealized inter-company profits	Accrued expense	Other	Total
Deferred tax assets:						
Balance at January 1, 2023	$	47,290	150,825	365,986	35,751	599,852
Recognized in profit or loss		(2,868)	152,342	42,022	100,036	291,532
Recognized in other comprehensive income or loss		-	-	-	1,357	1,357
Balance at December 31, 2023	$	**44,422**	**303,167**	**408,008**	**137,144**	**892,741**
Balance at January 1, 2022	$	27,422	99,257	140,645	13,927	281,251
Recognized in profit or loss		19,868	51,568	225,341	21,977	318,754
Recognized in other comprehensive income or loss		-	-	-	(153)	(153)
Balance at December 31, 2022	$	**47,290**	**150,825**	**365,986**	**35,751**	**599,852**

		Recognized share of gain of subsidiaries and associates accounted for equity method	Other	Total
Deferred tax liabilities:				
Balance at January 1, 2023	$	284,073	2,338	286,411
Recognized in profit or loss		180,932	(2,338)	178,594
Balance at December 31, 2023	$	**465,005**	**-**	**465,005**
Balance at January 1, 2022	$	199,143	20,103	219,246
Recognized in profit or loss		84,930	(17,765)	67,165
Balance at December 31, 2022	$	**284,073**	**2,338**	**286,411**

(iv) Assessment of tax

The ROC income tax authorities have examined the Company's income tax returns for all years through 2021.

(o) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized common shares consisted of 250,000 thousand shares with a par value of $10 per share, amounted to $2,500,000 thousands, of which 174,841 thousand shares, were issued and outstanding.

(Continued)

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

(i) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
A premium issuance of common shares for cash	$ 8,436,510	8,436,510
Employee stock options	364,685	364,685
Changes in equity of associates and joint ventures accounted for using equity method	22,239	-
Other	16,185	16,185
	$ 8,839,619	**8,817,380**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's article of incorporation stipulate that if the Company has a profit as a result of the yearly accounting closing, ten percent of the profit net of tax and the amount for making up of any accumulated loss shall be set aside as legal reserve, and thereafter an amount, including the reserved special reserve, shall be set aside, along with any undistributed profits accumulated from previous years to be identified as profits to be distributed. The amount of dividends to shareholders shall not less than ten percent of profit from the currency year.

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Under this approach, the distribution of cash dividend is not lower than 10% of total distribution of dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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Notes to the Parent Company Only Financial Statements

2) Special reserve

In accordance with regulations by the FSC, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings . For the year 2022 and 2021 earnings distribution in 2023 and 2022, the amount to be reclassified to special reserve shall be a portion of current-period after-tax net profit plus items other than current-period after-tax net profit in the undistributed retained earnings and undistributed prior-period earning. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The appropriation of 2022 and 2021 earnings that were approved by the shareholders' meeting on May 29, 2023 and May 31, 2022, respectively, were as follows:

	2022	2021
Dividends distributed to ordinary shareholders		
Cash	$ 8,742,040	4,371,020

The amount of cash dividends for 2023 has been approved during the board meeting held on February 26, 2024. The relevant dividend distributions to shareholder was as follow:

	2023
Dividends distributed to ordinary shareholders	
Cash	$ 7,343,313

(iii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2023	$ 1,181,660
Exchange differences on translation of foreign financial statements	126,524
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,096
Balance on December 31, 2023	$ 1,310,280
Balance on January 1, 2022	$ (431,020)
Exchange differences on translation of foreign financial statements	1,612,680
Balance on December 31, 2022	$ 1,181,660

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(p) Earnings per share

The calculation of basic and diluted earnings per share (unit: New Taiwan dollar) is as follows:

	2023	2022
Basic earnings per share:		
Profit attributable to common shareholders of the Company	$ 12,043,655	14,174,709
Weighted-average common stock outstanding (in thousands)	174,841	174,841
	$ 68.88	81.07
Diluted earnings per share:		
Profit attributable to common shareholders of the Company	$ 12,043,655	14,174,709
Weighted-average common stock outstanding (in thousands)	174,841	174,841
Effect of potentially dilutive common stock (in thousands):		
Employee compensation	596	1,263
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	175,437	176,104
	$ 68.65	80.49

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets		
America	$ 41,926,861	48,051,872
Europe	28,626,286	36,161,692
Asia	14,918,256	14,071,824
Other	2,933,059	3,140,659
	$ 88,404,462	101,426,047
Major products		
Hyperscale data center	$ 88,404,462	101,426,047

(ii) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$ 6,521,959	5,676,186	7,019,254
Accounts receivable – related parties	6,143,123	20,381,475	16,761,928
Less: loss allowance	-	(7,818)	(4,686)
	$ 12,665,082	26,049,843	23,776,496

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		December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - warranty and advance receivable	$	5,950,026	5,296,970	3,360,972

For details on accounts receivable and loss allowance, please refer to note 6(b).

The contract liabilities were primarily related to the advance received from customers due to the warranty service and sales of goods. The major change in the balance of contract liabilities was the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the year ended December 31, 2023 and 2022 that were included in the contract liability balances at the beginning of the years were $3,580,566 and $1,861,424, respectively.

(iii) Transaction price allocated to the remaining performance obligations

The Company recognizes revenue in the amount to which the Company has a right to invoice, thus the Company applies the practical expedient of IFRS 15 and does not disclose information about the transaction price allocated to the remaining performance obligations of the contract.

(r) Employee’s and directors’ compensation

According to the Company’ s Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees’ and directors’ compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 5% of profit as employees’ compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

(ii) No more than 1% of profit as the compensation in cash to the Directors.

The Company estimated it’s employees’ and directors’ compensation as follows:

		2023	2022
Employee's compensation	$	800,000	935,000
Director's compensation		30,000	36,000
	$	830,000	971,000

(Continued)

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The amount of employees' and directors' compensation were estimated based on profit before tax, net of the compensation, and multiplied by the rule of Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2023 and 2022. Related information would be available at the Market Observation Post System website.

(s) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	2023	2022
Interest income from bank deposits	$ 193,263	87,557
Other interest income	-	1,686
Total	**$ 193,263**	**89,243**

(ii) Other gains and losses

The details of other gains and losses were as follows:

	2023	2022
Foreign exchange gains, net	$ 180,655	947,517
Gains (losses) on valuation of financial assets and liabilities at fair value	40,517	(100,986)
Gains on disposals of investments	5,339	-
Others	25,834	28,334
Total	**$ 252,345**	**874,865**

(Continued)

(iii) Finance costs

The details of finance costs were as follows:

		2023	2022
Interest expenses			
Bank loans	$	(355,995)	(83,485)
Bonds payable		(72,770)	(72,770)
Others		(4,707)	(3,857)
Total	$	**(433,472)**	**(160,112)**

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Company’ s majority customers are in Cloud Infrastructure and Hyperscale Data Center industries. To reduce concentration of credit risk, the Company evaluates customers’ financial positions periodically and requires customers to provide collateral, if necessary. In addition, the Company evaluates the aging of accounts receivable periodically, accrue allowance for doubtful accounts and purchasing insurance contracts of accounts receivable, if necessary. Historically, impairment losses has always been under management’ s expectation. As of December 31, 2023 and 2022, 92.15% and 90.30% of the Company’ s accounts receivable were concentrated on 4 and 2 specific customers, respectively. Accordingly, concentrations of credit risk exist.

(ii) Receivable and debt securities

For credit risk exposure of accounts receivables, please refer to note 6(b). Other financial assets at amortized cost includes other receivables.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses (Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f)).

As of December 31, 2023 and 2022, the other receivable were not accrue any loss allowance.

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(iii) Liquidity risk

The followings table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
December 31, 2023					
Non-derivative financial liabilities					
Long-term borrowings	$ 1,500,000	1,592,624	41,129	1,551,495	-
Bonds payable (including current portion)	9,442,918	9,562,860	2,565,442	6,997,418	-
Notes and accounts payable (including related parties)	8,968,123	8,968,123	8,968,123	-	-
Other payables (including related parties)	5,106,556	5,106,556	5,106,556	-	-
Lease liabilities (including current and non-current)	277,943	286,511	134,475	141,596	10,440
Guarantee deposits received	14,000	14,000	-	14,000	-
Total	$ 25,309,540	25,530,674	16,815,725	8,704,509	10,440
December 31, 2022					
Non-derivative financial liabilities					
Bonds payable	$ 9,439,683	9,632,396	69,535	9,562,861	-
Notes and accounts payable (including related parties)	11,250,794	11,250,794	11,250,794	-	-
Other payables (including related parties)	4,211,643	4,211,643	4,211,643	-	-
Lease liabilities (including current and non-current)	173,333	177,739	86,822	90,917	-
Total	$ 25,075,453	25,272,572	15,618,794	9,653,778	-

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

(iv) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousand)	Exchange rate	NTD	Foreign currency (in thousand)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 503,679	30.735	15,480,582	1,027,386	30.708	31,548,967
Non-monetary items						
USD	967,112	30.735	29,724,185	581,112	30.708	17,844,789
MYR	542,791	6.696	3,634,746	329,959	6.984	2,304,502
MXN	1,627,090	1.813	2,949,752	934,571	1.575	1,471,950
Financial liabilities						
Monetary items						
USD	343,527	30.735	10,558,295	405,373	30.708	12,448,196

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2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties), loans and borrowings, notes and accounts payable (including related parties) and other payables (including related parties) that are denominated in foreign currency. A strengthening (weakening) 5% of appreciation (depreciation) of the NTD against the USD for the years ended December 31, 2023 and 2022, the net income would be changed by $196,891 thousand and $764,031 thousand, respectively. The analysis assumes that all other variable remain constant.

3) Foreign exchange gain and loss on monetary item

The amount, expressed in functional currency, of foreign exchange gain and loss (including realized and unrealized portion) of the Company's monetary items, and the exchange rate used to translate the original amount to the Company's functional currency, NTD (also the expressed currency), were as follows:

	2023		2022	
	Foreign exchange gain (loss)	**Average exchange rate**	**Foreign exchange gain (loss)**	**Average exchange rate**
NTD	$ 180,655	-	947,517	-

(v) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable rates, the analysis is based on the assumption that the liabilities were outstanding for lifetime on the reporting date.

If the interest rate increased / decreased by 1%, the Company's net income would have been changed by $0 thousand and $115 thousand, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors that remain constant. This is mainly due to the Company's borrowings at floating variable rate.

(vi) Fair value information

1) Categories and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value and investments in equity instruments which do not have any quoted price in an active market in which the fair value cannot be reasonably measured.

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	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Accounts receivable	$ 1,705,949	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 15,735,867	-	-	-	-
Accounts receivable (including related parties)	10,959,133	-	-	-	-
Other receivable (including related parties)	511,555	-	-	-	-
Other non-current assets	78,844	-	-	-	-
Subtotal	$ 27,285,399	-	-	-	-
Financial liabilities measured at amortized cost					
Long-term borrowings	$ 1,500,000	-	-	-	-
Bonds payable (including current portion)	9,442,918	-	-	-	-
Notes and accounts payable (including related parties)	8,968,123	-	-	-	-
Other payables (including related parties)	5,106,556	-	-	-	-
Lease liabilities (including current and non-current)	277,943	-	-	-	-
Guarantee deposits received	14,000	-	-	-	-
Subtotal	$ 25,309,540	-	-	-	-

	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Accounts receivable	$ 216,964	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 16,483,111	-	-	-	-
Accounts receivable (including related parties)	25,832,879	-	-	-	-
Other receivable (including related parties)	1,695,726	-	-	-	-
Other non-current assets	64,847	-	-	-	-
Subtotal	$ 44,076,563	-	-	-	-
Financial liabilities measured at amortized cost					
Bonds payable	$ 9,439,683	-	-	-	-
Notes and accounts payable (including related parties)	11,250,794	-	-	-	-
Other payables (including related parties)	4,211,643	-	-	-	-
Lease liabilities (including current and non-current)	173,333	-	-	-	-
Subtotal	$ 25,075,453	-	-	-	-

(Continued)

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2) Valuation techniques for financial instruments measured at fair value: none

3) Transfers between Level 1 and Level 2: none

4) Changes between Level 3: none.

(vii) Offsetting financial assets and financial liabilities

The Company has financial instruments transactions applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

December 31, 2023

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	$ 303,828	303,828	-	-	-	-

December 31, 2023

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Note payable and accounts payable	$ 4,545,469	303,828	4,241,641	-	-	4,241,641

December 31, 2022

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	$ 169,444	169,444	-	-	-	-

December 31, 2022

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Note payable and accounts payable	$ 9,965,364	169,444	9,795,920	-	-	9,795,920

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(u) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Structure of risk management

The Company’ s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Company’ s Audit Committee oversees how management monitors compliance with the Group’ s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arise principally from the Company’s accounts receivable and investment.

1) Accounts and other receivable

The Company’ s credit policy is transacting with creditworthy customers, and obtains collateral to mitigate risks arising from financial loss due to default. The Company will transact with corporations of credit ratings equivalent to investment grade and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Company will assess the ratings based on other publicly available financial information and transactions records with its major customers. The Company continues to monitor the exposure to credit risk and counterparty credit rating, and evaluate the customers’ credit rating and credit limit via automatic finance system to manage the credit exposure.

The Company did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investment

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Company's finance department. Since the Company's transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stocks companies and non publicly-traded stocks companies, with good credit ratings, there are no incompliance issues and therefore no significant credit risk.

3) Guarantee

According to the Company's policy, the Company can only provide guarantee to which is listed under the regulation. The Company did not provide guarantees to any other company as of December 31, 2023 and 2022.

(iv) Liquidity risk

The Company maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the bank loan facilities and ensures in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company has unused credit lines for bank loans of $55,643,095 thousand and $51,691,236 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities. The currencies used in these transactions are denominated in USD.

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate influence the Company's future cash flow. The Company entering into forward and swap contracts are intended to manage the exchange rate risk due to the Company's current and future demand for foreign currency.

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

The contract periods are decided in consideration of the Company’s foreseeable assets and liabilities and expected cash flow. At the maturity date of the derivative contract, the Company will settle these contracts using the foreign currencies arising from the assets denominated in foreign currency.

2) Interest risk

The Company’ s short-term borrowings, bear floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influence the Company’s future cash flow. The Company reduces the interest risks by negotiating the loan interest rates frequently with banks.

3) Other market price risk

The Company monitors the risk arising from its FVOCI security instruments, which are held for monitoring cash flow requirements and unused capital. The management of the Company monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of directors.

(v) Capital management

The Company’s meets its objectives for managing capital to safeguard the capacity to continue to operate, and provide a return to the shareholders, also, to benefit other related parties, at the same time, to maintain an optional capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

For the year ended December 31, 2023, the Company’s capital management strategy is consistent with 2022. The Company’s debt to asset ratio and debt to capital ratio at the end of the reporting period as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	**December 31, 2022**
Debt to asset ratio	**44%**	**47%**
Debt to capital ratio	**79%**	**87%**

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(w) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes: Addition	Non-cash changes: Interest expenses	Non-cash changes: Reclassification	Non-cash changes: Change in lease payments	December 31, 2023
Long-term borrowings	$ -	1,500,000	-	-	-	-	1,500,000
Bonds payable	9,439,683	-	-	3,235	(2,500,000)	-	6,942,918
Current portion of long-term liabilities	-	-	-	-	2,500,000	-	2,500,000
Lease liabilities	173,333	(119,559)	224,729	-	-	(560)	277,943
Guarantee deposits received	-	14,000	-	-	-	-	14,000
Total liabilities from financing activities	$ 9,613,016	1,394,441	224,729	3,235	-	(560)	11,234,861

	January 1, 2022	Cash flows	Non-cash changes: Addition	Non-cash changes: Interest expenses	Non-cash changes: Reclassification	Non-cash changes: Change in lease payments	December 31, 2022
Short-term borrowings	$ 4,568,850	(4,568,850)	-	-	-	-	-
Bonds payable	9,436,448	-	-	3,235	-	-	9,439,683
Lease liabilities	153,051	(77,063)	97,345	-	-	-	173,333
Total liabilities from financing activities	$ 14,158,349	(4,645,913)	97,345	3,235	-	-	9,613,016

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Wistron Corporation is both the parent company and the ultimate controlling party of the Company. As of December 31, 2023 and 2022, it owns 37.68%, respectively, of all shares outstanding of the Company.

(b) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Wistron Corporation (WHQ)	Parent Company
Wiwynn International Corporation (WYUS)	Subsidiaries
Wiwynn Technology Service Japan, Inc. (WYJP)	Subsidiaries
Wiwynn Korea Ltd. (WYKR)	Subsidiaries
Wiwynn Technology Service Hong Kong Limited (WYHK)	Subsidiaries
Wiwynn Technology Service KunShan Ltd. (WYKS)	Subsidiaries
Wiwynn Technology Service Malaysia SDN. BHD. (WYMY)	Subsidiaries
Wiwynn Mexico, S.A. de C.V. (WYMX)	Subsidiaries
Wiwynn Technology Service Mexico S.A. de C.V.(WYSMX)	Subsidiaries

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

Name of related party	Relationship with the Group
Wistron Mexico, S.A. de C.V. (WMX)	Other related parties
T-CONN Precision Corporation (TPE)	Other related parties
ICT Service Management Solutions (India) Private Limited (WIN)	Other related parties
SMS InfoComm Technology Services and Management Solutions Ltd. (WBR)	Other related parties
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	Other related parties
Wistron InfoComm Technology (America) Corporation (WITX)	Other related parties
ANWITH Technology Corporation (WCHQ)	Other related parties
International Standards Laboratory Corp. (ISL)	Other related parties
Wistron InfoComm (Zhongshan) Corporation (WZS)	Other related parties
WiAdvance Technology Corporation (AGI)	Other related parties
Wistron NeWeb Corporation (WNC)	Other related parties
Wistron Information Technology and Services Corporation (WITS)	Other related parties
Wistron InfoComm (Czech), s.r.o. (WCCZ)	Other related parties
WIEDU CORPORATION (WETW)	Other related parties
Wistron InfoComm Technology (Texas) Corporation (WITT)	Other related parties
Wistron Medical Technology Corporation (WMT)	Other related parties

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balances between the Company and related parties were as follows:

	Sales		Receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
WHQ	$ 9,324	47,508	3	15,306
Subsidiaries:				
WYUS	35,793,960	43,730,667	5,260,002	18,506,683
Others	6,080,129	5,960,556	670,564	1,284,122
Other related parties	752,107	1,296,991	212,554	575,364
	$ 42,635,520	51,035,722	6,143,123	20,381,475

The selling price and payment terms of sales to related parties depend on the economic environment and market competition, and are not significantly different from those with third-party customers.

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Purchases

The amounts of significant purchase and outstanding balances between the Company and related parties were as follows:

	Purchases		Payables to related parties	
	2023	2022	December 31, 2023	December 31, 2022
WHQ	$ 46,538,355	69,270,472	4,241,641	9,795,920
Subsidiaries:				
WYMY	3,337,223	-	42,094	-
Others	2,392,576	1,462,484	243,466	422,290
Other related parties	28,850	163,149	7,078	10,483
	$ 52,297,004	**70,896,105**	**4,534,279**	**10,228,693**

Trading terms of purchase transactions with related parties can't be compared with third-party vendors due to product specifications.

(iii) Operating Expense

The amounts of operating expense between the Company and related parties were as follow:

	2023	2022
WHQ	$ 45,494	181,312
Subsidiaries	34,574	22,302
Other related parties	219,911	181,112
	$ 299,979	**384,726**

Trading terms of operating expense with related parties are not significantly different from those with third-party vendors.

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

(iv) Other receivables

The Company purchased raw materials on behalf of related parties and etc. The outstanding balance were as follows:

	Other receivables from related parties	
	December 31, 2023	**December 31, 2022**
WHQ	$ -	11,629
Subsidiaries:		
WYJP	201,762	163,841
WYMY	195,287	28
WYUS	31,452	1,348,896
Other	26,839	62,889
Others related parties:		
WZS	48,171	59,868
Others related parties	7,829	47,004
Total	**$ 511,340**	**1,694,155**

(v) Other payable

The Company purchased research and development materials and related parties paid traveling expenses on behalf of the Company, testing services and etc. The outstanding balance were as follows:

	Other payables to related parties	
	December 31, 2023	**December 31, 2022**
WHQ	$ 20,935	10,172
Subsidiaries:		
WYUS	106,020	372,235
Other	303	364
Other related parties	43,169	31,282
	$ 170,427	**414,053**

WIWYNN CORPORATION

Notes to the Parent Company Only Financial Statements

(vi) Acquisitions of assets

The acquisitions of assets from related parties were as follow:

		2023	2022
WHQ	$	228,297	33,584
Subsidiaries:			
WYUS		15,830	2,638
Other related parties:			
AGI		25,332	18,520
WNC		802	1,107
	$	**270,261**	**55,849**

Trading terms of acquisitions of assets with related parties are not significantly different from those with third-party vendors.

(vii) Financing to related parties

The loans to related parties were as follows:

	2022						
	Date of maximum outstanding balance		**Maximum outstanding balance**	**Ending balance**	**Interest rate**	**Interest income**	**Interest receivables**
WYUS	2022.02	$	**2,241,680**	-	0.75%	**1,686**	-

There were no such transaction as of December 31, 2023.

(viii) Endorsements and guarantees

As of December 31, 2023 and 2022, the Company provided endorsements and guarantees to the Apply for a loan limit and Subsidiaries for lease factory contract amounting to USD $45,973 thousand and USD $47,957 thousand, respectively.

(ix) Leases

The Company signed a lease contract for its factory with WNC, and the total value of the contract was amounted to $326,523 thousand respectively. The outstanding balance of lease liabilities and interest expense were as follows:

		Lease liabilities (including current and non-current)	
		December 31, 2023	**December 31, 2022**
WNC	$	**200,447**	**80,037**

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

	Interest expense	
	December 31, 2023	December 31, 2022
WNC	$ 2,902	1,672

(x) Equity transaction

The amount of the Company subscribed the new shares contributed by the subsidiaries in cash were as follow:

	December 31, 2023	December 31, 2022
WYUS	$ 12,320,000	11,432,000
WYMY	1,539,208	2,064,385
WYMX	614,580	869,546
WYSMX	-	58,025
	$ 14,473,788	14,423,956

The company subscribed the new shares contributed by the associates in cash. Please refer to note 6(e).

(d) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 142,615	163,288
Post-employment benefits	769	960
	$ 143,384	164,248

(8) Pledged assets:

The carrying amounts of pledged assets were as follow:

Pledged assets	Object	December 31, 2023	December 31, 2022
Other non-current assets	Guarantee	$ 29,608	29,582
Other non-current assets	Performance guarantee	14,000	-
		$ 43,608	29,582

(9) Commitments and contingencies: None.

(10) Losses due to major disasters: None.

(11) Subsequent events:None.

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(12) Other:

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

By function / By item	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,311,944	1,829,104	3,141,048	956,495	1,936,070	2,892,565
Labor and health insurance	141,820	118,613	260,433	98,640	99,796	198,436
Pension	62,458	48,911	111,369	46,094	44,983	91,077
Remuneration of directors	-	30,720	30,720	-	36,650	36,650
Others	67,827	34,400	102,227	44,801	31,856	76,657
Depreciation	317,950	190,607	508,557	274,671	164,180	438,851
Amortization	14,919	85,304	100,223	17,831	51,979	69,810

As of December 31, 2023 and 2022, the additional information for employee numbers and employee benefits were as follows:

	2023	2022
Average employees	3,223	2,493
Average directors not in concurrent employment	6	6
Average personnel expenses	$ 1,124	1,310
Average salaries	$ 976	1,163
Adjustment of average employee salaries	(16.08)%	7.39 %
Supervisor's remuneration	$ -	-

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

(a) Directors and managers

The remunerations to directors are in accordance with No.21 of the Company’ s Articles of Incorporation. If the Company has profit (which means income before tax excluding the amounts of remuneration to employees and directors) , no more than 1% of the profit shall be distributed as remuneration to directors in cash.

Furthermore, the remuneration of the Company’ s directors and managers is based on "Rules for directors and managers salary policies, structures and performances assessments". Under the rules, the relevant information is as follows:

(i) The remuneration to directors is based on the individual responsibilities, attendance rate and other performance condition.

(ii) The remuneration to managers based on the Company’ s overall operating performance and individual’ s performance achievement rate, as well as peer salary level in the same industry, position, responsibilities assumed and rationalized correlation of future risks.

Relevant performance appraisal and remuneration reasonableness are approved by the Salary and Remuneration Committee and the Board of Directors, and the remuneration system is reviewed at any time in accordance with the actual operating conditions, and relevant laws and regulations, to meet the Company's sustainable operation and risk management.

(b) Employees' salary:

The Company has established an "Employee Remuneration Policy" which should be approved by the Salary and Remuneration Committee and the Board of Directors. The remuneration includes fixed and variable portions. Fixed remuneration is adjusted by peer salary level in the same industry, while variable remuneration depends on the Company's operating performance, individual authority and performance.

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Company for the year ended December 31, 2023:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: Table 1 attached.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Table 2 attached.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Table 3 attached.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Table 4 attached.

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following are the information on investees for the year ended December 31, 2023 (excluding information on investees in mainland China): Table 5 attached.

(Continued)

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

(c) Information on investment in mainland China: Table 6 attached.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Wistron Corporation	65,895,129	37.68 %

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

WIWYNN CORPORATION

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description (Note 2)		Amount
Cash on hand			$ 280
	NTD	280	
Demand and checking deposits			6,635,587
	NTD	1,413,431	
	USD	127,520	
	JPY	2,360,936	
	EUR	10,414	
	CNY	8,730	
	SGD	5,838	
	AUD	871	
	CHF	5	
	GBP	6,997	
Time deposits			9,100,000
	NTD	9,100,000	
Total			$ 15,735,867

Note 1: The ending rates of foreign currency deposits on December 31, 2023 are as follows:
USD/NTD=30.735

JPY/NTD=0.217

EUR/NTD=33.990

CNY/NTD=4.324

SGD/NTD=23.312

AUD/NTD=21.007

CHF/NTD=36.550

GBP/NTD=39.193

Note 2: Expressed in thousands of foreign currency.
Note 3: The periods of time deposits ranged from 1 to 3 months, and the annual rate ranges between 0.89% and 1.47%.

WIWYNN CORPORATION

Statement of accounts receivables, net

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Company B	$	3,458,985
Company A		1,705,949
Company C		1,245,753
Others (less than 5%)		111,272
Subtotal		6,521,959
	$	**6,521,959**

Statement of other receivables

Item		Amount
Others	**$**	**215**

Statement of inventories

Item		Amount	Net realizable value	Note
Raw materials	$	3,194,275	3,194,275	Note
Finished goods		2,752,919	3,202,579	
Inventory in transit		134,800	134,800	Note
Total	**$**	**6,081,994**	**6,531,654**	

(Note):This inventory is for subsequent manufacturing use, it is not intended to be sold directly, according to the market value of the manufactured goods to calculate its cost, due to its market price is higher than the cost, therefore its cost is listed as the market price.

WIWYNN CORPORATION

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name investee	Beginning Balance Shares (in thousand)	Beginning Balance Amount	Increase Shares (in thousand)	Increase Amount	Decrease Shares (in thousand)	Decrease Amount	Capital surplus Shares	Capital surplus Amount	Gains (losses) on investment	Exchange differences on transaction foreign financial statements	Unrealized profit (loss) from sales	Ending Balance Shares (in thousand)	Ending Balance Percentage of ownership	Ending Balance Amount	Market Value or Net Assets Value Unit price	Market Value or Net Assets Value Total amount	Collateral
WYJP	-	$ 285,165	-	-	-	-	-	-	94,080	(19,177)	-	-	100.00 %	360,068	900,170	360,068	None
WYUS	569,010	18,136,234	400,000	12,320,000	-	-	-	-	351,025	(15,026)	-	969,010	100.00 %	30,792,233	32	30,792,233	〃
WYHK	400	263,788	-	-	-	-	-	-	27,369	(2,620)	-	400	100.00 %	288,537	721	288,537	〃
WYKR	20	178,738	-	-	-	-	-	-	25,870	(3,786)	-	20	100.00 %	200,822	10,041	200,822	〃
WYMY	336,764	2,304,502	231,628	1,539,208	-	-	-	-	(130,008)	(78,956)	-	568,392	100.00 %	3,634,746	6	3,634,746	〃
WYMX	769,675	1,410,512	344,086	614,580	-	-	-	-	616,825	242,297	-	1,113,761	100.00 %	2,884,214	3	2,884,214	〃
WYSMX	40,444	61,438	-	-	-	-	-	-	(5,031)	9,131	-	40,444	100.00 %	65,538	2	65,538	〃
Liquid Stack	1,000	198,890	-	-	-	-	-	22,239	(63,979)	2,096	-	1,000	15.13 %	159,246	159	159,246	〃
Deferred credits	-	(754,123)	-	-	-	-	-	-	-	-	(761,708)	-	-	(1,515,831)		(1,515,831)	
Total		$ 22,085,144		14,473,788		-		22,239	916,151	133,959	(761,708)			36,869,573		36,869,573	

WIWYNN CORPORATION

Statement of notes and accounts payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Vendor I	$ 867,358
Vendor V	367,269
Vendor R	281,761
Vendor S	235,842
Others (less than 5%)	2,681,614
Total	**$ 4,433,844**

Statement of other payables

Item	Description	Amount
Accrued expenses	Salary and Wages、Bonus、Freight, etc.	$ 3,434,110
Supplier inventory reserve		1,502,019
Others(less than 5%)		19,970
		$ 4,956,099

WIWYNN CORPORATION

Statement of other current liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Return merchandise authorization	$ 20,900
Withholding taxes, etc.	20,950
Output tax	229,388
Others (less than 5%)	1,873
Total	$ 273,111

Statement of bonds payable

Bonds name	Trustee	Issuance Date	Interest payment Date	Interest rate	Amount: Total amount	Amount: Repayment paid	Amount: Ending Balance	Amount: Unamortized premiums	Amount: Carrying amount	Repayment	Collateral	Note
Wiwynn Corporation's unsecured bonds-109-1	Bank SinoPac	2020/10/20	10/20	0.83 %	$ 5,000,000	-	5,000,000	(3,117)	4,996,883	half of principal will be repaid in the fourth and fifth years	None	
Wiwynn Corporation's unsecured bonds-110-1	Bank SinoPac	2021/8/6	8/6	0.63 %	4,450,000	-	4,450,000	(3,965)	4,446,035	half of principal will be repaid in the fourth and fifth years	None	
Less: current portion									(2,500,000)			
					$ 9,450,000	-	9,450,000	(7,082)	6,942,918			

WIWYNN CORPORATION

Statement of long-term borrowings

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Bank	Period	Rate	Amount	Collateral
Financial institutions	2023/1/6~2026/1/6	2.74 %	$ **1,500,000**	None

Statement of lease liabilities

Item	Description	Lease term	Discount rate	Ending Balance	Note
Land	Plant	2023/7/1~2043/6/30	2%	$ 11,637	
Buildings	Offices and factories	2019/1/1~2028/3/31	2%	262,890	
Other equipment	Cars	2023/3/31~2028/8/1	2%	3,416	
				277,943	
Less: current portion				(130,371)	
				$ **147,572**	

WIWYNN CORPORATION

Statement of Guarantee deposits received

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Other	$ 14,000
Total	**$ 14,000**

Statement of operating revenue

For the year ended December 31, 2023

Item	Quantity	Amount
Hyperscale data center	7,451 PCS	**$ 88,404,462**

WIWYNN CORPORATION

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Beginning balance of raw materials	$ 2,174,432
Add: Purchases	16,993,146
Processing cost	38
Less: Ending balance of raw materials	(3,194,275)
Transferred to other accounts	(685,036)
Raw materials consumed	15,288,305
Direct labor	1,091,468
Manufacturing overhead	680,295
Cost of finished goods	17,060,068
Add: Beginning balance of finished goods	2,130,838
Purchases	51,110,134
Less: Ending balance of finished goods	(2,887,719)
Transferred to other accounts	(914,153)
Cost of sales of finished goods	66,499,168
Add: Software royalty fees	32,266
Losses on valuation of inventories	586,354
Losses on supplier inventory reserve	500,494
Total cost of sales	**$ 67,618,282**

WIWYNN CORPORATION

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Research and Development Expenses	Expected credit loss (gain)
Salary and wages expenses	$ 109,060	478,528	1,272,236	-
Professional service fees	1,505	590,877	44,023	-
Freight	71,720	-	12,991	-
Welfare funds	107,660	16	16	-
Depreciation expense	638	53,714	136,255	-
Insurance expense	5,527	155,610	63,753	-
Miscellaneous purchases	39,344	42,973	1,515,363	-
Expected credit loss (gain)	-	-	-	(7,818)
Others(less than 5%)	23,754	216,288	971,438	-
Total	**$ 359,208**	**1,538,006**	**4,016,075**	**(7,818)**

Other

Item	Description
Statement of accounts receivable-related parties, net, other receivables-related parties, accounts payable-related parties and other payables-related parties	Disclosure in note 7
Statement of other current assets	Disclosure in note 6(i)
Statement of movement of property, plant and equipment	Disclosure in note 6(f)
Statement of movement of accumulated depreciation of property, plant and equipment	Disclosure in note 6(f)
Statement of movement of right-of-use assets	Disclosure in note 6(g)
Statement of movement of accumulated depreciation of right-of-use assets	Disclosure in note 6(g)
Statement of movement of intangible assets	Disclosure in note 6(h)
Statement of other non-current assets	Disclosure in note 6(i)
Statement of net defined benefit liabilities	Disclosure in note 6(m)
Statement of deferred tax assets and liabilities	Disclosure in note 6(n)
Statement of contract liabilities-current	Disclosure in note 6(q)
Statement of interest income	Disclosure in note 6(s)
Statement of other gains and losses	Disclosure in note 6(s)
Statement of financial costs	Disclosure in note 6(s)
Summary of employee benefits, depreciation, depletion and amortization expense functions incurred during the period	Disclosure in note 12

WIWYNN CORPORATION
Notes to the Parent Company Only Financial Statements

Table 1 Guarantees and endorsements for other parties:
(December 31, 2023)

No.	Name of guarantor	Counter - party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements /guarantees to parent company	Endorsements/ guarantees to subsidiary in Mainland China
		Name	Relationship with the company (Note 3)										
0	The Company	WYMX	2	12,670,215	1,432,086	1,357,697	1,357,697	29,608	3.21%	21,117,026	Y	N	N
0	The Company	WYUS	2	12,670,215	86,034	55,275	55,275	-	0.13%	21,117,026	Y	N	N
0	The Company	WYMY	2	12,670,215	141	-	-	-	0.00%	21,117,026	Y	N	N

(Note 1) The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's lastest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 2) The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's lastest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 3) Relationship with the Company:

1. Ordinary business relationship.
2. Subsidiary which owned more than 50% by the guarantor.
3. An investee owned more than 50% in total by both the guarantor and its subsidiary.
4. An investee owned more than 90% by the guarantor or its subsidiary.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre - construction homes pursuant to the Consumer Protection Act for each other.

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Table 2 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of share capital

(December 31, 2023)

Name of company	Category and name of security		Account name	Name of counter - party	Relationship with the company	Beginning balance		Purchases		Sales				Ending balance	
						Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Price	Cost	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	WYUS	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	569,010	18,136,234	400,000	12,320,000	-	-	-	-	969,010	30,792,233
The Company	WYMY	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	336,764	2,304,502	231,628	1,539,208	-	-	-	-	568,392	3,634,746
The Company	WYMX	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	769,675	1,410,512	344,086	614,580	-	-	-	-	1,113,761	2,884,214

Table 3 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:
(December 31, 2023)

Name of company	Related Party	Nature of relationship	Transaction details				Transaction with terms different from others		Notes/ Accounts receivable (payable)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment Terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
The Company	WYUS	The Company's subsidiary	Sale	35,793,960	40.49%	OA150	-	-	5,260,002	41.53%	
"	WYJP	The Company's subsidiary	Sale	3,246,957	3.67%	OA90	-	-	214,968	1.70%	
"	WYKR	The Company's subsidiary	Sale	1,463,292	1.66%	OA90	-	-	86,930	0.69%	
"	WYKS	The Company's subsidiary	Sale	784,659	0.89%	OA90	-	-	265,138	2.09%	
"	WYHK	The Company's subsidiary	Sale	559,295	0.63%	OA90	-	-	103,528	0.82%	
"	WIN	The Company's other related company	Sale	684,012	0.77%	OA90	-	-	212,554	1.68%	
"	WHQ	The Company's parent company	Purchase	46,538,355	69.22%	OA45	-	-	(4,241,641)	(47.30%)	
"	WYMY	The Company's subsidiary	Purchase	3,337,223	4.96%	OA30	-	-	(42,094)	(0.47%)	
"	WYUS	The Company's subsidiary	Purchase	2,315,252	3.44%	OA90	-	-	(237,001)	(2.64%)	

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Table 4 Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:
(December 31, 2023)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance	Notes
					Amount	Action taken			
Account Receivables									
The Company	WIN	The Company's other related company	212,554	427.91%	-	-	51,633	-	
"	WYUS	The Company's subsidiary	5,260,002	301.21%	-	-	3,614,759	-	
"	WYKS	The Company's subsidiary	265,138	382.19%	-	-	37,157	-	
"	WYJP	The Company's subsidiary	214,968	680.98%	-	-	-	-	
"	WYHK	The Company's subsidiary	103,528	272.30%	-	-	101,152	-	
Other Receivables									
The Company	WYJP	The Company's subsidiary	201,762	-	-	-	-	-	
"	WYMY	The Company's subsidiary	195,287	-	43,186	Collecting	76,424	-	

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Table 5 Information on investments (excluding investees in mainland China):

The following are the information on investees for the year ended December 31, 2023 (excluding information on investees in mainland China):

Name of the investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of the investee	Share of profits/losses of investee	Notes
				December 31, 2023	December 31, 2022	Shares(In thousands)	Percentage of ownership	Carrying value			
The Company	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	360,068	94,080	94,080	-
"	WYUS	U.S.A	Sales of cloud data center equipment	28,773,581	16,453,581	969,010	100.00%	30,792,233	351,025	351,025	-
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	288,537	27,369	27,369	-
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	200,822	25,870	25,870	-
"	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	3,839,933	2,300,724	568,392	100.00%	3,634,746	(130,008)	(130,008)	-
"	WYMX	Mexico	Human resources service provision and cloud data center equipment manufacturing	1,741,251	1,126,671	1,113,761	100.00%	2,884,214	616,825	616,825	-
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	65,538	(5,031)	(5,031)	-
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	15.13%	159,246	(395,957)	(63,979)	-

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Table 6 Information on investment in mainland China:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 2)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net income (loss) of the investee	Percentage of ownership	Investment income (losses) (Note 3)2.	Book value	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow							
WYKS	Sales of cloud data center equipment	10,659	2	10,659 (Note 1)	-	-	10,659	15,881	100%	15,881	119,980	-	-

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of December 31, 2023 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 5)	Upper Limit on Investment (Note 4)
10,659(USD 350,000)	10,757(USD 350,000)	25,340,431

(Note 1) Wiwynn Technology Service Hong Kong Limited used its own capital to invest in WYKS.

(Note 2) Ways to invest in mainland China:

1.Direct investment in mainland China.

2.Reinvestment in mainland China through third place.

3.Others

(Note 3) The three categories of investment income (losses) recognized were as follows:

1. The financial statements of the investee company were audited by the global accounting firm in cooperation with ROC. accounting firm.

2. The financial statements of the investee company were audited by the same auditor of the Taiwan parent company.

3. Others

(Note 4) Amount of upper limit on investment was the higher between sixty percent of total equity or total consolidated equity.

(Note 5) Translated using the ending rates on December 31, 2023.

(iii) Significant transactions

For the year ended December 31, 2023, the significant inter-company transactions with the subsidiary in mainland China, are disclosed in “Information on significant transactions”.

Wiwynn Corporation

Chairman and Chief Strategy Officer:
Emily Hong