

**WIWYNN CORPORATION AND SUBSIDIARIES****CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
for the Three Months Ended March 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' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of significant accounting policies	10~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	12~35
(7) Related-party transactions	35~39
(8) Pledged assets	39
(9) Commitments and contingencies	39~40
(10) Losses due to major disasters	40
(11) Subsequent events	40
(12) Other	40
(13) Other disclosures	
(a) Information on significant transactions	40~41, 42~46
(b) Information on investments	41, 47
(c) Information on investment in mainland China	41, 48
(d) Major shareholders	41
(14) Segment information	41



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

To the Board of Directors Wiwynn Corporation:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Wiwynn Corporation and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial statement position of Wiwynn Corporation audits subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



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

KPMG

Taipei, Taiwan (Republic of China)  
May 8, 2023

**Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022**

**Wiwynn Corporation and Subsidiaries**

**Consolidated Balance Sheets**

**March 31, 2023, December 31, and March 31, 2022**

(Expressed in Thousands of New Taiwan dollars)

Assets		March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and Equity		March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 27,697,645	28	26,231,920	30	18,281,355	21	2100	Short-term borrowings (note 6(k))	\$ 10,354,360	10	-	-	17,745,640	20
1110	Financial assets at fair value through profit or loss-current (note 6(b))	7,337	-	-	-	18,304	-	2120	Financial liabilities at fair value through profit or loss-current (note 6(b))	-	-	-	-	36,138	-
1170	Accounts receivable, net (notes 6(c) and (r))	30,047,422	30	18,690,495	21	14,873,804	17	2130	Contract liabilities-current (note 6(r))	3,900,403	4	5,296,970	6	3,559,033	4
1180	Accounts receivable-related parties, net (notes 6(c), (r) and 7)	198,188	-	1,090,375	1	247,008	-	2170	Notes payable and accounts payable	10,862,420	11	15,083,798	17	11,008,397	12
1200	Other receivables (note 6(d))	238	-	2,493	-	3,282	-	2180	Accounts payable-related parties (note 7)	11,894,622	12	11,381,122	13	12,099,571	13
1210	Other receivables-related parties (notes 6(d) and 7)	492,371	-	1,307,048	1	1,155,809	1	2200	Other payables (note 6(s))	2,956,202	3	3,104,403	3	2,364,047	3
130X	Inventories (notes 6(e) and 8)	34,463,752	35	36,011,736	41	50,930,467	57	2220	Other payables-related parties (note 7)	65,633	-	45,770	-	77,005	-
1479	Other current assets (note 6(j))	855,235	1	717,023	1	1,034,977	1	2230	Current tax liabilities	3,705,177	4	2,912,316	3	1,543,006	2
	<b>Total current assets</b>	<u>93,762,188</u>	<u>94</u>	<u>84,051,090</u>	<u>95</u>	<u>86,545,006</u>	<u>97</u>	2280	Lease liabilities-current (notes 6(m) and 7)	213,986	-	211,343	-	157,355	-
	<b>Non-current assets:</b>							2399	Other current liabilities	547,045	1	526,716	1	591,332	1
1550	Investments accounted for using equity method (note 6(f))	181,651	-	198,890	-	238,855	-		<b>Total current liabilities</b>	<u>44,499,848</u>	<u>45</u>	<u>38,562,438</u>	<u>43</u>	<u>49,181,524</u>	<u>55</u>
1600	Property, plant and equipment (notes 6(g), 7 and 9)	2,754,863	3	2,156,578	2	1,143,093	2	2530	<b>Non-current liabilities:</b>						
1755	Right-of-use assets (notes 6(h) and 7)	975,272	1	995,434	1	703,830	1	2540	Bonds payable (note 6(l))	9,440,492	9	9,439,683	11	9,436,987	10
1780	Intangible assets (notes 6(i) and 7)	129,852	-	137,551	-	96,955	-	2570	Long-term borrowings (note 6(k))	1,500,000	2	-	-	-	-
1840	Deferred tax assets	639,469	1	639,799	1	305,318	-	2570	Deferred tax liabilities	286,411	-	286,411	-	219,246	-
1990	Other non-current assets (notes 6(j) and 8)	1,037,600	1	658,440	1	297,637	-	2580	Lease liabilities-non-current (notes 6(m) and 7)	790,021	1	801,865	1	545,197	1
	<b>Total non-current assets</b>	<u>5,718,707</u>	<u>6</u>	<u>4,786,692</u>	<u>5</u>	<u>2,785,688</u>	<u>3</u>	2640	Net defined benefit liabilities-non-current	8,481	-	8,431	-	13,597	-
								2645	Guarantee deposits received	944,074	1	951,948	1	-	-
									<b>Total non-current liabilities</b>	<u>12,969,479</u>	<u>13</u>	<u>11,488,338</u>	<u>13</u>	<u>10,215,027</u>	<u>11</u>
									<b>Total liabilities</b>	<u>57,469,327</u>	<u>58</u>	<u>50,050,776</u>	<u>56</u>	<u>59,396,551</u>	<u>66</u>
									<b>Equity (notes 6(f) and (p)):</b>						
								3110	Common shares	1,748,408	2	1,748,408	2	1,748,408	2
								3200	Capital surplus	8,817,380	9	8,817,380	10	8,817,380	10
								3300	Retained earnings	30,337,825	30	27,039,558	31	19,581,224	22
								3400	Other equity	1,107,955	1	1,181,660	1	(212,869)	-
									<b>Total equity</b>	<u>42,011,568</u>	<u>42</u>	<u>38,787,006</u>	<u>44</u>	<u>29,934,143</u>	<u>34</u>
<b>Total assets</b>		<u>\$ 99,480,895</u>	<u>100</u>	<u>88,837,782</u>	<u>100</u>	<u>89,330,694</u>	<u>100</u>	<b>Total liabilities and equity</b>	<u>\$ 99,480,895</u>	<u>100</u>	<u>88,837,782</u>	<u>100</u>	<u>89,330,694</u>	<u>100</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with Standards on Auditing

Wiwynn Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (notes 6(r) and 7)</b>	\$ 74,225,838	100	50,705,417	100
5000	<b>Operating costs (notes 6(e), (g), (h), (i), (m), (n), (s), 7 and 12)</b>	68,043,277	92	46,790,911	92
	<b>Gross profit from operations</b>	6,182,561	8	3,914,506	8
	<b>Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (s), 7 and 12):</b>				
6100	Selling expenses	298,824	1	244,756	-
6200	Administrative expenses	367,532	1	252,554	1
6300	Research and development expenses	914,296	1	514,582	1
6450	Expected credit loss (gain)	121,310	-	(4,682)	-
	<b>Total operating expenses</b>	1,701,962	3	1,007,210	2
	<b>Net operating income</b>	4,480,599	5	2,907,296	6
	<b>Non-operating income and expenses (notes 6(b), (f), (g), (h), (l), (m), (t) and 7):</b>				
7100	Interest income	95,985	-	10,830	-
7010	Other income	-	-	5	-
7020	Other gains and losses	(159,711)	-	204,374	-
7050	Finance costs	(236,139)	-	(133,090)	-
7370	Share of associates and joint ventures accounted for using equity method	(16,753)	-	(17,563)	-
	<b>Total non-operating income and expenses</b>	(316,618)	-	64,556	-
7900	<b>Income before tax</b>	4,163,981	5	2,971,852	6
7950	<b>Income tax expense (note 6(o))</b>	865,714	1	625,886	1
	<b>Net income</b>	3,298,267	4	2,345,966	5
8300	<b>Other comprehensive income (loss) (notes 6(f) and (p)):</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(73,219)	-	218,151	-
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	(486)	-	-	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	(73,705)	-	218,151	-
8300	<b>Other comprehensive income (net of tax)</b>	(73,705)	-	218,151	-
8500	<b>Total comprehensive income</b>	3,224,562	4	2,564,117	5
	<b>Profit attributable to:</b>				
8610	Owners of parent	\$ 3,298,267	4	2,345,966	5
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 3,224,562	4	2,564,117	5
	<b>Earnings per share (expressed in New Taiwan dollars) (note 6(q))</b>				
9750	<b>Basic earnings per share</b>	\$ 18.86		13.42	
9850	<b>Diluted earnings per share</b>	\$ 18.78		13.38	

See accompanying notes to financial statements.

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**  
**Reviewed only, not audited in accordance with Standards on Auditing**

**Wiwynn Corporation and Subsidiaries**

**Consolidated Statements of Changes in Equity**

**For the three months ended March 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan dollars)**

	Retained earnings					Total	Other equity	Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements	
<b>Balance on January 1, 2022</b>	\$ 1,748,408	8,817,380	2,230,357	237,894	14,767,007	17,235,258	(431,020)	27,370,026
Net income	-	-	-	-	2,345,966	2,345,966	-	2,345,966
Other comprehensive income	-	-	-	-	-	-	218,151	218,151
Total comprehensive income	-	-	-	-	2,345,966	2,345,966	218,151	2,564,117
<b>Balance on March 31, 2022</b>	<b>\$ 1,748,408</b>	<b>8,817,380</b>	<b>2,230,357</b>	<b>237,894</b>	<b>17,112,973</b>	<b>19,581,224</b>	<b>(212,869)</b>	<b>29,934,143</b>
<b>Balance on January 1, 2023</b>	\$ 1,748,408	8,817,380	3,094,770	431,020	23,513,768	27,039,558	1,181,660	38,787,006
Net income	-	-	-	-	3,298,267	3,298,267	-	3,298,267
Other comprehensive income	-	-	-	-	-	-	(73,705)	(73,705)
Total comprehensive income	-	-	-	-	3,298,267	3,298,267	(73,705)	3,224,562
<b>Balance on March 31, 2023</b>	<b>\$ 1,748,408</b>	<b>8,817,380</b>	<b>3,094,770</b>	<b>431,020</b>	<b>26,812,035</b>	<b>30,337,825</b>	<b>1,107,955</b>	<b>42,011,568</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with Standards on Auditing

**Wiwynn Corporation and Subsidiaries**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan dollars)

	For the three months ended March 31	
	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Income before tax	\$ 4,163,981	2,971,852
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	191,785	134,338
Amortization expense	31,156	14,842
Expected credit loss (gain)	121,310	(4,682)
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(11,958)	101,562
Interest expense	236,139	133,090
Interest income	(95,985)	(10,830)
Share of loss of associates and joint ventures accounted for using equity method	16,753	17,563
Losses on disposal of property, plant and equipment	1,053	30
Lease modification gains	-	(335)
Total adjustments to reconcile profit	490,253	385,578
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	4,621	(119,867)
Increase in accounts receivable, net	(11,586,235)	(1,980,125)
Decrease in accounts receivable-related parties, net	892,187	196,530
Decrease in other receivable	2,255	359
Decrease (increase) in other receivable-related parties	826,213	(1,023,412)
Decrease (increase) in inventories	1,267,267	(4,144,586)
Increase in other current assets	(59,212)	(627,771)
Total changes in operating assets	(8,652,904)	(7,698,872)
Changes in operating liabilities:		
Increase in held-for-trading financial liabilities	-	36,138
Increase (decrease) in contract liabilities-current	(1,396,567)	198,061
Increase (decrease) in notes and accounts payable	(4,097,915)	1,768,384
Increase in accounts payable-related parties	708,062	2,397,610
Decrease in other payable	(196,308)	(50,893)
Increase in other payable-related parties	19,863	2,647
Increase (decrease) in other current liabilities	21,256	(86,870)
Increase in net defined benefit liabilities	50	7
Total changes in operating liabilities	(4,941,559)	4,265,084
Total changes in operating assets and liabilities	(13,594,463)	(3,433,788)
Total adjustments	(13,104,210)	(3,048,210)
Cash outflow generated from operations	(8,940,229)	(76,358)
Interest received	93,458	11,618
Interest paid	(192,231)	(115,753)
Income taxes paid	(133,400)	(67,910)
<b>Net cash used in operating activities</b>	(9,172,402)	(248,403)
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(617,303)	(99,837)
Proceeds from disposal of property, plant and equipment	62	-
Acquisition of intangible assets	(22,760)	(1,653)
Increase in other non-current assets	(245,804)	(1,157)
Increase in prepayments for equipment	(202,636)	(40,444)
<b>Net cash used in investing activities</b>	(1,088,441)	(143,091)
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	16,280,479	31,475,262
Decrease in short-term borrowings	(5,939,214)	(35,504,333)
Increase in long-term borrowings	1,500,000	-
Payment of lease liabilities	(52,094)	(37,118)
<b>Net cash flows from (used in) financing activities</b>	11,789,171	(4,066,189)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(62,603)	66,146
<b>Net increase (decrease) in cash and cash equivalents</b>	1,465,725	(4,391,537)
<b>Cash and cash equivalents at beginning of period</b>	26,231,920	22,672,892
<b>Cash and cash equivalents at end of period</b>	\$ 27,697,645	18,281,355

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022**

**Wiwynn Corporation and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**For the three months ended March 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 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 May 8, 2023.

**(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”

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.  The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments <sup>1</sup> , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.  Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

**(4) Summary of significant accounting policies:**

**(a) Statement of compliance**

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

**(b) Basis of consolidation**

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

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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

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

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

(d) Employee benefits

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

**(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 (in accordance with IAS34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has considered the economic implications of climate change on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(6) Explanation of significant accounts**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to note 6 of the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 327	325	592
Demand and checking deposits	12,524,501	17,178,555	10,280,763
Time deposits	<u>15,172,817</u>	<u>9,053,040</u>	<u>8,000,000</u>
	<u>\$ 27,697,645</u>	<u>26,231,920</u>	<u>18,281,355</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<b>Mandatorily measured at fair value through profit or loss:</b>			
Foreign currency forward contracts	\$ 7,337	-	18,304
	<u>\$ 7,337</u>	<u>-</u>	<u>18,304</u>
<b>Held-for-trading financial liabilities:</b>			
Foreign currency forward contracts	\$ -	-	5,431
Foreign currency swap contracts	<u>-</u>	<u>-</u>	<u>30,707</u>
	<u>\$ -</u>	<u>-</u>	<u>36,138</u>

The Group holds derivative financial instruments to hedge certain foreign exchange risk that the Group is exposed to, arising from its operating activities. The following derivative financial instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Contract amount (in thousand)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Foreign currency forward contracts:</b>			
Foreign currency forward purchased	USD\$ <u>8,000</u>	NTD to USD	2023/8/2~2023/8/7
Foreign currency forward sold	USD\$ <u>6,000</u>	USD to NTD	2023/8/2~2023/8/7
	<b>March 31, 2022</b>		
	<b>Contract amount (in thousand)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Foreign currency swap contracts:</b>			
Foreign currency swap sold	USD\$ <u>120,000</u>	USD to NTD	2022/4/14
<b>Foreign currency forward contracts:</b>			
Foreign currency forward purchased	USD\$ <u>22,000</u>	USD to NTD	2022/4/6~2022/7/20
Foreign currency forward sold	USD\$ <u>22,000</u>	NTD to USD	2022/4/6~2022/9/12

(c) Accounts receivable

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Accounts receivable—measured at amortized cost	\$ 22,589,266	18,463,307	12,110,068
Accounts receivable—related parties—measured at amortized cost	198,188	1,090,375	247,008
Accounts receivable—measured at fair value through other comprehensive income	7,587,501	235,006	2,763,740
Less: loss allowance	<u>(129,345)</u>	<u>(7,818)</u>	<u>(4)</u>
	<b><u>\$ 30,245,610</u></b>	<b><u>19,780,870</u></b>	<b><u>15,120,812</u></b>

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:

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted - average loss rate</b>	<b>Loss allowance</b>
Current	\$ 29,493,581	-	-
Past due under 30 days	161,421	-	-
Past due 31 to 60 days	46,353	-	-
Past due 61 to 90 days	457,835	5%	22,892
Past due 91 to 180 days	214,473	49%	105,161
Past due 181 to 270 days	<u>1,292</u>	100%	<u>1,292</u>
Total	<u><u>\$ 30,374,955</u></u>		<u><u>129,345</u></u>

  

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted - average loss rate</b>	<b>Loss allowance</b>
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	<u>14,555</u>	11%	<u>1,553</u>
Total	<u><u>\$ 19,788,688</u></u>		<u><u>7,818</u></u>

  

	<b>March 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted - average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 15,078,002	-	-
Past due under 30 days	40,242	-	-
Past due 31 to 60 days	2,338	-	-
Past due 61 to 90 days	95	-	-
Past due 91 to 180 days	<u>139</u>	3%	<u>4</u>
Total	<u><u>\$ 15,120,816</u></u>		<u><u>4</u></u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance on January 1	\$ 7,818	4,686
Impairment losses recognized	121,310	-
Impairment losses reversed	-	(4,682)
Effect of changes in foreign exchange rates	217	-
Balance on March 31	<u><u>\$ 129,345</u></u>	<u><u>4</u></u>

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

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

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 March 31, 2023, December 31 and March 31, 2022, the Group sold its accounts receivable without recourse as follows:

Unit: USD in thousands

<b>March 31, 2023</b>						
<b>Purchaser</b>	<b>Assignment Facility</b>	<b>Amount Advanced Unpaid</b>	<b>Amount Advanced Paid</b>	<b>Amount Recognized in Other Receivables</b>	<b>Range of Interest Rate</b>	<b>Collateral</b>
Financial institutions	\$ <u>367,750</u>	<u>595,340</u> (Note)	<u>367,750</u>	-	5.29%~5.93%	None
<b>December 31, 2022</b>						
<b>Purchaser</b>	<b>Assignment Facility</b>	<b>Amount Advanced Unpaid</b>	<b>Amount Advanced Paid</b>	<b>Amount Recognized in Other Receivables</b>	<b>Range of Interest Rate</b>	<b>Collateral</b>
Financial institutions	\$ <u>841,848</u>	<u>202,080</u> (Note)	<u>841,848</u>	-	4.87%~5.37%	None
<b>March 31, 2022</b>						
<b>Purchaser</b>	<b>Assignment Facility</b>	<b>Amount Advanced Unpaid</b>	<b>Amount Advanced Paid</b>	<b>Amount Recognized in Other Receivables</b>	<b>Range of Interest Rate</b>	<b>Collateral</b>
Financial institutions	\$ <u>762,669</u>	<u>90,597</u> (Note)	<u>762,669</u>	-	0.52%~1.46%	None

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

(Continued)



**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (d) Other receivables

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Other receivables	\$ 238	2,493	3,282
Other receivables - related parties	492,371	1,307,048	1,155,809
Less: loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 492,609</u></b>	<b><u>1,309,541</u></b>	<b><u>1,159,091</u></b>

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

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

## (e) Inventories

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Raw materials	\$ 13,883,994	12,131,458	35,858,806
Finished goods	16,428,761	19,540,141	13,430,316
Inventory in transit	<u>4,150,997</u>	<u>4,340,137</u>	<u>1,641,345</u>
	<b><u>\$ 34,463,752</u></b>	<b><u>36,011,736</u></b>	<b><u>50,930,467</u></b>

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

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Losses on valuation of inventories	\$ 1,395,219	71,620
Royalty	15,746	7,520
Others	<u>(936)</u>	<u>(2,168)</u>
	<b><u>\$ 1,410,029</u></b>	<b><u>76,972</u></b>

As of March 31, 2023 and December 31, 2022, the inventories of the Group had pledged, please refer to note 8. There were no such transaction for the year ended March 31, 2022.

## (f) Investments accounted for using equity method

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	<u>\$ 181,651</u>	<u>198,890</u>	<u>238,855</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Associates

On March, 2021, the Group acquired 20% amounted to 1,000 thousand shares 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 Holding B.V. Associates which are material to the Group consisted of the followings:

Name of associate	Nature of Relationship with the Group	Main operating location / Registered Country of the Company	Proportion of Shareholding and voting rights		
			March 31, 2023	December 31, 2022	March 31, 2022
LiquidStack Holding B.V.	R&D of liquid cooling technology	Netherlands	20 %	20 %	20 %

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.

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount of individually insignificant associates' equity	\$ <u>181,651</u>	<u>198,890</u>	<u>238,855</u>
		<b>For the three months ended March 31,</b>	
		<b>2023</b>	<b>2022</b>
Attributable to the Group:			
Net loss from continuing operations		\$ (16,753)	(17,563)
Other comprehensive (loss) income		(486)	6,327
Comprehensive income		<u>\$ (17,239)</u>	<u>(11,236)</u>

(ii) Pledge

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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Property, plant and equipment

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

	Land	Research and development equipment	Machinery and equipment	Office equipment	Lease improvements	Other equipment	Construction in progress	Total
Cost or deemed cost:								
Balance on January 1, 2023	\$ 168,929	225,454	839,654	231,912	429,162	834,270	851,023	3,580,404
Additions	-	395	2,351	16,866	33,580	30,529	533,582	617,303
Disposals	-	-	(1,670)	(785)	(4,600)	(34)	-	(7,089)
Reclassification (Note)	-	4,876	-	4,550	24,996	67,556	(37,014)	64,964
Effect of changes in foreign exchange rates	11,423	-	(450)	2,001	3,186	11,288	21,726	49,174
Balance on March 31, 2023	<u>\$ 180,352</u>	<u>230,725</u>	<u>839,885</u>	<u>254,544</u>	<u>486,324</u>	<u>943,609</u>	<u>1,369,317</u>	<u>4,304,756</u>
Balance on January 1, 2022	\$ -	185,806	784,754	168,602	275,357	510,047	40,056	1,964,622
Additions	-	12,268	14,487	13,944	1,747	26,260	31,131	99,837
Disposals	-	-	-	(957)	-	(409)	-	(1,366)
Reclassification (Note)	-	1,987	-	-	56,332	29,352	-	87,671
Effect of changes in foreign exchange rates	-	-	1,549	3,796	-	12,378	3,070	20,793
Balance on March 31, 2022	<u>\$ -</u>	<u>200,061</u>	<u>800,790</u>	<u>185,385</u>	<u>333,436</u>	<u>577,628</u>	<u>74,257</u>	<u>2,171,557</u>
Accumulated depreciation:								
Balance on January 1, 2023	\$ -	144,942	399,481	111,093	273,142	495,168	-	1,423,826
Depreciation	-	8,475	36,212	13,378	18,064	54,707	-	130,836
Disposals	-	-	(939)	(574)	(4,438)	(23)	-	(5,974)
Effect of changes in foreign exchange rates	-	-	(314)	297	134	1,088	-	1,205
Balance on March 31, 2023	<u>\$ -</u>	<u>153,417</u>	<u>434,440</u>	<u>124,194</u>	<u>286,902</u>	<u>550,940</u>	<u>-</u>	<u>1,549,893</u>
Balance on January 1, 2022	\$ -	118,683	256,576	68,784	173,911	308,248	-	926,202
Depreciation	-	7,009	34,632	9,539	22,740	23,858	-	97,778
Disposals	-	-	-	(927)	-	(409)	-	(1,336)
Effect of changes in foreign exchange rates	-	-	910	1,056	-	3,854	-	5,820
Balance on March 31, 2022	<u>\$ -</u>	<u>125,692</u>	<u>292,118</u>	<u>78,452</u>	<u>196,651</u>	<u>335,551</u>	<u>-</u>	<u>1,028,464</u>
Carrying value:								
Balance on January 1, 2023	<u>\$ 168,929</u>	<u>80,512</u>	<u>440,173</u>	<u>120,819</u>	<u>156,020</u>	<u>339,102</u>	<u>851,023</u>	<u>2,156,578</u>
Balance on March 31, 2023	<u>\$ 180,352</u>	<u>77,308</u>	<u>405,445</u>	<u>130,350</u>	<u>199,422</u>	<u>392,669</u>	<u>1,369,317</u>	<u>2,754,863</u>
Balance on January 1, 2022	<u>\$ -</u>	<u>67,123</u>	<u>528,178</u>	<u>99,818</u>	<u>101,446</u>	<u>201,799</u>	<u>40,056</u>	<u>1,038,420</u>
Balance on March 31, 2022	<u>\$ -</u>	<u>74,369</u>	<u>508,672</u>	<u>106,933</u>	<u>136,785</u>	<u>242,077</u>	<u>74,257</u>	<u>1,143,093</u>

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

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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(h) Right-of-use assets

The cost and accumulated depreciation of the Group leases buildings and other equipment for the three months ended March 31, 2023 and 2022, were as follows:

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance on January 1, 2023	\$ 1,427,500	2,747	1,430,247
Acquisitions	7,032	-	7,032
Disposals	(250)	-	(250)
Effect of changes in foreign exchange rates	44,377	(4)	44,373
Balance on March 31, 2023	<u>\$ 1,478,659</u>	<u>2,743</u>	<u>1,481,402</u>
Balance on January 1, 2022	\$ 916,328	5,309	921,637
Acquisitions	35,310	-	35,310
Disposals	(5,259)	-	(5,259)
Effect of changes in foreign exchange rates	39,283	16	39,299
Balance on March 31, 2022	<u>\$ 985,662</u>	<u>5,325</u>	<u>990,987</u>
Accumulated depreciation:			
Balance on January 1, 2023	\$ 433,266	1,547	434,813
Depreciation	60,797	152	60,949
Disposals	(250)	-	(250)
Effect of changes in foreign exchange rates	10,619	(1)	10,618
Balance on March 31, 2023	<u>\$ 504,432</u>	<u>1,698</u>	<u>506,130</u>
Balance on January 1, 2022	\$ 247,566	2,545	250,111
Depreciation	36,280	280	36,560
Disposals	(5,259)	-	(5,259)
Effect of changes in foreign exchange rates	5,730	15	5,745
Balance on March 31, 2022	<u>\$ 284,317</u>	<u>2,840</u>	<u>287,157</u>
Carrying amount:			
Balance on January 1, 2023	<u>\$ 994,234</u>	<u>1,200</u>	<u>995,434</u>
Balance on March 31, 2023	<u>\$ 974,227</u>	<u>1,045</u>	<u>975,272</u>
Balance on January 1, 2022	<u>\$ 668,762</u>	<u>2,764</u>	<u>671,526</u>
Balance on March 31, 2022	<u>\$ 701,345</u>	<u>2,485</u>	<u>703,830</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (i) Intangible assets

	<u>Software</u>	<u>Other</u>	<u>Total</u>
Carrying amount:			
Balance on January 1, 2023	\$ <u>136,511</u>	<u>1,040</u>	<u>137,551</u>
Balance on March 31, 2023	\$ <u>128,812</u>	<u>1,040</u>	<u>129,852</u>
Balance on January 1, 2022	\$ <u>97,692</u>	<u>1,040</u>	<u>98,732</u>
Balance on March 31, 2022	\$ <u>95,915</u>	<u>1,040</u>	<u>96,955</u>

There were no significant additions, disposal, impairment loss or reversal gain for intangible assets for the three months ended March 31, 2023 and 2022. Please refer to note 12 for the amounts of amortization. For other related information, please refer to the note 6(h) of the consolidated financial statements for the year ended December 31, 2022.

## (j) Other current assets and other non-current assets

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Other current assets:			
Tax refundable	\$ 298,203	236,445	148,208
Prepayments for purchase	-	-	653,412
Other prepayments	218,386	210,875	203,630
Others	<u>338,646</u>	<u>269,703</u>	<u>29,727</u>
	<u>\$ 855,235</u>	<u>717,023</u>	<u>1,034,977</u>
Other non-current assets:			
Refundable deposits	\$ 314,904	334,990	103,867
Restricted deposits	29,337	29,582	27,573
Prepayments for equipment	193,631	55,700	49,428
Prepayments for land	<u>499,728</u>	<u>238,168</u>	<u>116,769</u>
	<u>\$ 1,037,600</u>	<u>658,440</u>	<u>297,637</u>

## (k) Bank Loans

## (i) Short-term borrowings

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

	<u>March 31, 2023</u>			
	<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank borrowings	USD	5.35%~5.52%	2023/4/7~2023/4/27	\$ <u>10,354,360</u>
Unused credit line				\$ <u>45,007,868</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>March 31, 2022</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank borrowings	USD	0.7%~1.37%	2022/4/6~2022/6/9	\$ 17,745,640
Unused credit line				\$ 27,503,870

(ii) Long-term borrowings

	<b>March 31, 2023</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank borrowings	TWD	2.76%	2026/1/6	\$ 1,500,000
Unused credit line				\$ -

There were no such transaction as of December 31 and March 31, 2022.

(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.

(l) Bonds payable

The details of unsecured ordinary bonds were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Total ordinary corporate bonds issued	\$ 9,450,000	9,450,000	9,450,000
Unamortized discounted bonds payable	(9,508)	(10,317)	(13,013)
Bonds payable balance at period-end	\$ 9,440,492	9,439,683	9,436,987
		<b>For the three months ended March 31,</b>	
		<b>2023</b>	<b>2022</b>
Interest expense		\$ 17,954	17,685

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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.

(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Current	\$ <u>213,986</u>	<u>211,343</u>	<u>157,355</u>
Non-current	\$ <u>790,021</u>	<u>801,865</u>	<u>545,197</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest expenses on lease liabilities	\$ <u>13,754</u>	<u>10,804</u>
Expenses relating to short-term leases	\$ <u>38,198</u>	<u>41,811</u>

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

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	\$ <u>104,046</u>	<u>89,733</u>

(i) Real estate leases

The Group leases land and buildings for its office space and factory. The leases of office space typically run for a period of 1 to 7 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 Group leases other equipment, with lease terms of 2 to 3 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(n) Employee benefits

(i) Defined benefit plans

The expenses recognized in expense for the Group were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Operating expense	\$ <b>472</b>	<b>222</b>

(ii) Defined contribution plans

The Group's expenses under the pension plan for the three months ended March 31, 2023 and 2022 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Operating cost	\$ 59,787	32,019
Operating expenses	14,360	11,032
	\$ <b>74,147</b>	<b>43,051</b>

(o) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax expense		
Current period	\$ <b>865,714</b>	<b>625,886</b>

(ii) There were no income tax expense recognized in other comprehensive income for the three months ended March 31, 2023 and 2022.

(iii) The ROC income tax authorities have examined the Company's income tax returns for all years through 2020.

(p) Capital and other equity

Except for the following disclosures, there was no significant difference in capital and other equity for the three months ended March 31, 2023 and 2022. For the related information, please refer to the note 6(o) of the consolidated financial statements for the year ended December 31, 2022.

(Continued)



**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) 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) Earnings distribution

On February 22, 2023, the Company's board of directors resolved to appropriation the 2022 earnings. On May 31, 2022, the shareholder's meetings resolved to distribute the 2021 earnings. These earnings were appropriated as follows:

	<u>2022</u>	<u>2021</u>
Dividends distributed to ordinary shareholders		
Cash	<u>\$ 8,742,040</u>	<u>4,371,020</u>

(ii) Other equity (net of tax)

	<u>Exchange differences on translation of foreign financial statements</u>
Balance on January 1, 2023	\$ 1,181,660
Exchange differences on translation of foreign financial statements	(73,219)
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	<u>(486)</u>
Balance on March 31, 2023	<u>\$ 1,107,955</u>
Balance on January 1, 2022	\$ (431,020)
Exchange differences on translation of foreign financial statements	<u>218,151</u>
Balance on March 31, 2022	<u>\$ (212,869)</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (q) Earnings per share

The calculation of basic and diluted earnings per share (unit: NTD in dollar) is as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share:		
Profit attributable to common shareholders of the Company	\$ <u>3,298,267</u>	<u>2,345,966</u>
Weighted-average common stock outstanding (in thousands)	<u>174,841</u>	<u>174,841</u>
	<u>\$ 18.86</u>	<u>13.42</u>
Diluted earnings per share:		
Profit attributable to common shareholders of the Company	\$ <u>3,298,267</u>	<u>2,345,966</u>
Weighted-average common stock outstanding (in thousands)	174,841	174,841
Effect of potentially dilutive common stock (in thousands):		
Employee compensation	<u>832</u>	<u>518</u>
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	<u>175,673</u>	<u>175,359</u>
	<u>\$ 18.78</u>	<u>13.38</u>

## (r) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<u>Primary geographical markets</u>		
America	\$ 57,110,318	39,159,957
Europe	9,582,781	6,293,425
Asia	6,694,840	4,144,633
Other	<u>837,899</u>	<u>1,107,402</u>
	<u>\$ 74,225,838</u>	<u>50,705,417</u>
<u>Major products</u>		
Hyperscale data center	<u>\$ 74,225,838</u>	<u>50,705,417</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Contract balance

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Accounts receivable	\$ 30,176,767	18,698,313	14,873,808
Accounts receivable – related parties	198,188	1,090,375	247,008
Less: loss allowance	(129,345)	(7,818)	(4)
	<b>\$ 30,245,610</b>	<b>19,780,870</b>	<b>15,120,812</b>
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Contract liabilities – provisions for warranty	<b>\$ 3,900,403</b>	<b>5,296,970</b>	<b>3,559,033</b>

For details on accounts receivable and loss allowance, please refer to note 6(c).

The contract liabilities primarily related to the advance consideration received from customers for the electronic components under sales contracts, for which revenue is recognized when products are delivered to customers.

The major change in the balance of contract liabilities is the difference between the time frame of the performance obligation to be satisfied and the payment to be received. There was no significant changes during the current period.

(s) 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:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Employees' compensation	\$ 215,000	155,000
Directors' compensation	9,000	7,500
	<b>\$ 224,000</b>	<b>162,500</b>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder's meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2022 and 2021, the employees' compensation amounted to \$935,000 thousand and \$574,000 thousand, respectively, and directors' compensation amounted to \$36,000 thousand and \$27,450 thousand, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the board of directors resolved for 2023 and 2022. The related information can be available on Market Observation Post System Website.

(t) Non-operating income and expenses

(i) Interest income

The details of Interest income were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ <u>95,985</u>	<u>10,830</u>

(ii) Other income

The details of other income were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Others	\$ <u>-</u>	<u>5</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Foreign exchange gains (losses), net	\$ (178,789)	301,650
Gains (losses) on valuation of financial assets and liabilities at fair value	11,958	(101,562)
Others	<u>7,120</u>	<u>4,286</u>
Total	<u>\$ (159,711)</u>	<u>204,374</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Interest expenses		
Bank loans	\$ (204,431)	(104,601)
Bonds payable	(17,954)	(17,685)
Others	(13,754)	(10,804)
Total	<b>\$ (236,139)</b>	<b>(133,090)</b>

(u) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2022.

(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

As of March 31, 2023, December 31 and March 31, 2022, 96.85%, 92.18% and 85.38% of the Group's accounts receivable were concentrated on 4, 5 and 3 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(c). 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.

As of March 31, 2023, December 31 and March 31, 2022, the other receivables were not accrue any loss allowance.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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	1-2 years	2-5 years	More than 5 years
<b>March 31, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 10,354,360	10,402,381	10,402,381	-	-	-
Long-term borrowings	1,500,000	1,624,209	41,403	41,403	1,541,403	-
Bonds payable	9,440,492	9,615,249	69,535	2,560,325	6,985,389	-
Notes and accounts payable (including related parties)	22,757,042	22,757,042	22,757,042	-	-	-
Other payables (including related parties)	3,003,825	3,003,825	3,003,825	-	-	-
Lease liabilities (including current and non-current)	1,004,007	1,156,525	258,227	204,634	470,335	223,329
Guarantee deposits received	944,074	944,074	944,074	-	-	-
Total	<u>\$ 49,003,800</u>	<u>49,503,305</u>	<u>37,476,487</u>	<u>2,806,362</u>	<u>8,997,127</u>	<u>223,329</u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities						
Bonds payable	\$ 9,439,683	9,632,396	69,535	2,565,442	6,997,419	-
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	245,769	344,374	372,193
Guarantee deposits received	951,948	951,948	951,948	-	-	-
Total	<u>\$ 41,001,904</u>	<u>41,405,234</u>	<u>30,880,037</u>	<u>2,811,211</u>	<u>7,341,793</u>	<u>372,193</u>
<b>March 31, 2022</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 17,745,640	17,771,718	17,771,718	-	-	-
Bonds payable	9,436,987	9,684,785	69,535	69,535	9,545,715	-
Notes and accounts payable (including related parties)	23,107,968	23,107,968	23,107,968	-	-	-
Other payables (including related parties)	2,428,663	2,428,663	2,428,663	-	-	-
Lease liabilities (including current and non-current)	702,552	848,914	161,138	181,208	252,241	254,327
Subtotal	<u>53,421,810</u>	<u>53,842,048</u>	<u>43,539,022</u>	<u>250,743</u>	<u>9,797,956</u>	<u>254,327</u>
Derivative financial liabilities						
Foreign currency swap contacts:						
Outflow	3,404,880	3,404,880	3,404,880	-	-	-
Inflow	3,374,173	3,374,173	3,374,173	-	-	-
Carrying amount	<u>30,707</u>	<u>30,707</u>	<u>30,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency forward contracts:						
Outflow	5,431	5,431	5,431	-	-	-
Carrying amount	<u>5,431</u>	<u>5,431</u>	<u>5,431</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>36,138</u>	<u>36,138</u>	<u>36,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 53,457,948</u>	<u>53,878,186</u>	<u>43,575,160</u>	<u>250,743</u>	<u>9,797,956</u>	<u>254,327</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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:

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	1,181,429	30.454	35,979,247	1,054,486	30.708	32,381,171	1,127,094	28.622	32,259,684
<u>Non-monetary items</u>									
USD	5,965	30.454	181,651	6,477	30.708	198,890	8,345	28.622	238,855
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	686,417	30.454	20,904,145	435,066	30.708	13,360,014	694,704	28.622	19,883,817

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 three months ended March 31, 2023 and 2022, the net income would be changed by \$603,004 thousand and \$495,035 thousand and the equity by \$7,266 thousand and \$9,554 thousand due to exchange differences on translation of foreign financial statements. 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 three months ended March 31, 2023 and 2022, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(178,789) thousand and \$301,650 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.

If the interest rate increased / decreased by 1%, the Group's net income would have been changed by \$11,835 thousand and \$15,235 thousand, respectively, for the three months ended March 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.

(Continued)





**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	December 31, 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortized cost</b>					
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	<u>\$ 47,451,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities measured at amortized cost</b>					
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	<u>\$ 41,001,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>March 31, 2022</b>					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial assets	<u>\$ 18,304</u>	<u>-</u>	<u>18,304</u>	<u>-</u>	<u>18,304</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Accounts receivable	<u>2,763,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	18,281,355	-	-	-	-
Accounts receivable (including related parties)	12,357,072	-	-	-	-
Other receivable (including related parties)	1,159,091	-	-	-	-
Other non-current assets	131,440	-	-	-	-
Subtotal	<u>\$ 31,928,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	<u>\$ 36,138</u>	<u>-</u>	<u>36,138</u>	<u>-</u>	<u>36,138</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	17,745,640	-	-	-	-
Bonds payable	9,436,987	-	-	-	-
Notes and accounts payable (including related parties)	23,107,968	-	-	-	-
Other payables (including related parties)	2,428,663	-	-	-	-
Lease liabilities (including current and non-current)	702,552	-	-	-	-
Subtotal	<u>\$ 53,421,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Valuation techniques for financial instruments measured at fair value:

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of foreign currency forward and swap contracts are usually determined by the forward currency exchange rate.

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.

March 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	\$ 87,897	87,897	-	-	-	-

March 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	
Note payable and accounts payable	\$ 11,000,238	87,897	10,912,341	-	-	10,912,341

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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

March 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	\$ 232,444	232,444	-	-	-	-

  

March 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	\$ 11,141,680	232,444	10,909,236	-	-	10,909,236

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2022.

(w) Capital management

The Group's objectives, policies and processes of capital management were the same as those described in the consolidated financial statements for the year ended December 31, 2022. There were no significant changes in the quantified data for capital management as disclosed in the consolidated financial statements for the year ended December 31, 2022. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2022.

(x) Investing and financing activities not affecting current cash flow

For the three months ended March 31, 2023 and 2022, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes				March 31, 2023
			Change in lease payments	Addition	Interest expenses	Foreign exchange movement	
Short-term borrowings	\$ -	10,341,265	-	-	-	13,095	10,354,360
Long-term borrowings	-	1,500,000	-	-	-	-	1,500,000
Bonds payable	9,439,683	-	-	-	809	-	9,440,492
Lease liabilities	1,013,208	(52,094)	-	7,032	-	35,861	1,004,007
Guarantee deposits received	951,948	-	-	-	-	(7,874)	944,074
Total liabilities from financing activities	\$ 11,404,839	11,789,171	-	7,032	809	41,082	23,242,933

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	January 1, 2022	Cash flows	Non-cash changes				March 31, 2022
			Change in lease payments	Addition	Interest expense	Foreign exchange movement	
Short-term borrowings	\$ 21,265,920	(4,029,071)	-	-	-	508,791	17,745,640
Bonds payable	9,436,448	-	-	-	539	-	9,436,987
Lease liabilities	671,015	(37,118)	(335)	35,310	-	33,680	702,552
Total liabilities from financing activities	\$ <u>31,373,383</u>	<u>(4,066,189)</u>	<u>(335)</u>	<u>35,310</u>	<u>539</u>	<u>542,471</u>	<u>27,885,179</u>

**(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 March 31, 2023, December 31 and March 31, 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 consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
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

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wistron InfoComm Mexico S.A. de C.V. (WIMX)	Other related parties
Wistron Technology (Malaysia) Sdn. Bhd. (WMMY)	Other related parties
WIEDU CORPORATION (WETW)	Other related parties
Wistron InfoComm Technology Service (Kunshan) Co., Ltd (WRKS)	Other related parties
Wuhan Wistron Virgin Technology & Service INC. (WIWZ)	Other related parties

(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:

	<u>Sales</u>		<u>Receivables from related parties</u>		
	<u>For the three months ended March 31</u>		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
WHQ	\$ 958	31,787	959	15,683	28,432
Other related parties	147,848	92,676	197,229	1,074,692	218,576
	<u>\$ 148,806</u>	<u>124,463</u>	<u>198,188</u>	<u>1,090,375</u>	<u>247,008</u>

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:

	<u>Purchases</u>		<u>Payables to related parties</u>		
	<u>For the three months ended March 31</u>		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
WHQ	\$ 17,740,661	15,978,061	10,884,394	9,838,681	10,926,637
Other related parties	1,006,875	543,275	1,010,228	1,483,242	1,172,856
	<u>\$ 18,747,536</u>	<u>16,521,336</u>	<u>11,894,622</u>	<u>11,321,923</u>	<u>12,099,493</u>

Trading terms of purchase 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**

(iii) Processing fee

The amounts of processing fee and outstanding balance between the Group and related parties were as follows:

	<b>Processing Fee</b>		<b>Payables to related parties</b>		
	<b>For the three months ended March 31</b>		<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
WMX	\$ -	350	-	59,199	78

Trading terms of processing fee transactions with related parties can't be compared with third-party vendors due to product specifications.

(iv) Operating Expense

The amounts of operating expense between the Group and related parties were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
WHQ	\$ 4,692	126,887
Other related parties	56,828	52,847
	<b>\$ 61,520</b>	<b>179,734</b>

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:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
WHQ	\$ -	3,465
Other related parties	3,736	561
	<b>\$ 3,736</b>	<b>4,026</b>

Trading terms of acquisitions of assets with related parties are not significantly different from those with third-party vendors.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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:

	<b>Other receivables from related parties</b>		
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
WHQ	\$ 288,211	1,200,174	605,874
Other related parties:			
WZS	156,709	59,868	376,069
WITX	42,644	35,287	168,163
Other related parties	4,807	11,719	5,703
Total	<b>\$ 492,371</b>	<b>1,307,048</b>	<b>1,155,809</b>

(vii) Other payables

The Group purchased research and development materials, testing services and etc. The outstanding balance were as follows:

	<b>Other payables to related parties</b>		
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
WHQ	\$ 8,289	10,172	39,480
Other related parties	57,344	35,598	37,525
Total	<b>\$ 65,633</b>	<b>45,770</b>	<b>77,005</b>

(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 \$703,232 thousand and \$226,502 thousand, respectively. The outstanding balance of lease liabilities and interest expense were as follows:

	<b>Lease liabilities (including current and non-current)</b>		
	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
WIMX	\$ 526,034	502,283	379,466
WNC	70,206	80,037	68,117
	<b>\$ 596,240</b>	<b>582,320</b>	<b>447,583</b>

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		<u>Interest expense</u>	
		<u>For the three months ended</u>	
		<u>March 31</u>	
		<u>2023</u>	<u>2022</u>
	WIMX	\$ 10,467	8,108
	WNC	367	357
		<u>\$ 10,834</u>	<u>8,465</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

		<u>For the three months</u>	
		<u>ended March 31,</u>	
		<u>2023</u>	<u>2022</u>
	Short-term employee benefits	\$ 35,965	28,576
	Post-employment benefits	184	235
		<u>\$ 36,149</u>	<u>28,811</u>

**(8) Pledged assets:**

The carrying amounts of pledged assets were as follow:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
		<u>2023</u>	<u>2022</u>	<u>2022</u>
Inventory	Inventory guarantee	\$ 944,074	951,948	-
Other non-current assets	Guarantee	29,337	29,582	27,573
		<u>\$ 973,411</u>	<u>981,530</u>	<u>27,573</u>

**(9) Commitments and contingencies:**

(a) Unrecognized contractual commitments

The Group's unrecognized contractual commitments are as follows:

	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2022</u>
Acquisition of property, plant and equipment	<u>\$ 2,142,497</u>	<u>2,415,953</u>	<u>960,671</u>

(b) Contingencies

- (i) Alacritech Inc. filed a patent infringement complaint against the Company in the United States District Court - East District of Texas in June 2016. The Company had appointed an attorney to deal with the matter, with the case is still pending in the court.

(Continued)



**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (ii) Acqis LLC. filed a patent infringement complaint against the Company in the United States District Court - West District of Texas in October 2020. The Company had appointed an attorney to deal with the matter, with the case is still pending in the court.

**(10) Losses due to major disasters: None.**

**(11) Subsequent events:**

The Company resolved to cash subscribe the new share contributed by its subsidiary, Wiwynn Mexico S.A.de C.V. with USD 40,000 thousand in cash, proposed in the Board of Director's meeting held on May 8, 2023.

**(12) Other:**

- (a) A summary of employee benefits, depreciation, and amortization by function, were as follows:

By function	For the three months ended March 31					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	631,072	554,113	1,185,185	373,655	385,128	758,783
Labor and health insurance	92,976	40,307	133,283	54,300	30,485	84,785
Pension	59,787	14,832	74,619	32,019	11,254	43,273
Remuneration of directors	-	9,180	9,180	-	7,690	7,690
Others	13,535	7,869	21,404	1,052	7,131	8,183
Depreciation	132,434	59,351	191,785	96,996	37,342	134,338
Amortization	12,881	18,275	31,156	3,934	10,908	14,842

- (b) Seasonality of operations

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

**(13) Other disclosures:**

- (a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Group for the three months ended March 31, 2023:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: Table 1 attached.
- (iii) Securities held as of March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(Continued)

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
  - (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Table 2 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 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: Please refer to note 6(b).
  - (x) Significant intercompany transactions and business relationships between parent company and its subsidiaries: Table 5 attached.
- (b) Information on investments:
- The following are the information on investments for the three months ended March 31, 2023 (excluding information on investments in mainland China): Table 6 attached.
- (c) Information on investment in mainland China: Table 7 attached.
- (d) Major shareholders:

Unit: Share

Shareholder's Name	Shareholding	Shares	Percentage
Wistron Corporation		65,895,129	37.68 %

**(14) Segment information:**

The Group's core profession is to provide the products and service in data center, and there is no significant segment division. Therefore, the Group's operating decision maker considered it has one reportable segment. Please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Table 1 Guarantees and endorsements for other parties  
(March 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	12,603,470	1,360,931	1,345,284	1,345,284	-	3.20%	21,005,784	Y	N	N	Note 4
0	The Company	WYUS	2	12,603,470	81,267	81,198	81,198	-	0.19%	21,005,784	Y	N	N	Note 4
0	The Company	WYMY	2	12,603,470	141	138	138	-	0.00%	21,005,784	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 latest 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 latest 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.

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Table 2 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital  
(March 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 Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
WYMY	Property, plant and equipment-Land	2021/9	278,306	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	170,060	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	842,654	payment:68%	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	1,935,677	payment: 6%	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	-

**WIWYNN CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Table 3 Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock  
(March 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	10,794,111	40.37%	OA150	-	-	23,519,263	67.90%	(Note)
"	WYJP	The Company's subsidiary	Sale	755,210	2.82%	OA90	-	-	733,752	2.12%	(Note)
"	WYKR	The Company's subsidiary	Sale	449,152	1.68%	OA90	-	-	439,611	1.27%	(Note)
"	WYKS	The Company's subsidiary	Sale	361,625	1.35%	OA90	-	-	360,950	1.04%	(Note)
"	WHQ	The Company's parent company	Purchase	17,551,780	88.82%	OA45	-	-	(10,912,341)	(88.93%)	-
"	WYUS	The Company's subsidiary	Purchase	377,736	1.91%	OA90	-	-	(415,269)	(3.38%)	(Note)
WYUS	The Company	WYUS's parent company	Sale	377,736	0.92%	OA90	-	-	415,269	2.75%	(Note)
"	The Company	WYUS's parent company	Purchase and Service cost	10,794,111	18.29%	OA150	-	-	(23,519,263)	(67.14%)	(Note)
"	WYMX	WYUS's affiliate company	Processing fee	1,079,971	1.79%	OA60	-	-	(629,368)	(1.80%)	(Note)
"	WITX	WYUS's other related company	Purchase	1,005,840	1.67%	OA90	-	-	(1,009,049)	(2.88%)	-
"	WHQ	WYUS's parent company	Purchase	183,635	0.31%	OA90	-	-	33,204	0.09%	-
WYJP	The Company	WYJP's parent company	Purchase	755,210	100.00%	OA90	-	-	(733,752)	(100.00%)	(Note)
WYKR	The Company	WYKR's parent company	Purchase	449,152	100.00%	OA90	-	-	(439,611)	(100.00%)	(Note)
WYKS	The Company	WYKS's parent company	Purchase	361,625	100.00%	OA90	-	-	(360,950)	(100.00%)	(Note)
WYMX	WYUS	WYMX's affiliate company	Processing income	1,079,971	100.00%	OA60	-	-	629,368	99.96%	(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 4 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock  
(March 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	WYUS	The Company's subsidiary	23,519,263	205.48%	4,045,914	Collecting	12,083,699	-	(Note)
"	WYJP	The Company's subsidiary	733,752	410.33%	4,567	Collecting	-	-	(Note)
"	WYKR	The Company's subsidiary	439,611	674.97%	-	-	-	-	(Note)
"	WYKS	The Company's subsidiary	360,950	571.26%	-	-	-	-	(Note)
"	WIN	The Company's other related company	105,303	196.92%	-	-	-	-	-
WYUS	The Company	WYUS's parent company	415,269	447.84%	115,286	Collecting	-	-	(Note)
WYMX	WYUS	WYMX's affiliate company	629,368	987.11%	-	-	-	-	(Note)
Other Receivables									
The Company	WYUS	The Company's subsidiary	1,463,622	-	44,926	Collecting	106,087	-	(Note)
"	WYKR	The Company's subsidiary	225,196	-	-	-	-	-	(Note)
"	WZS	The Company's other related company	156,709	-	-	-	-	-	-
WYUS	The Company	WYUS's parent company	3,571,789	-	21,492	Collecting	-	-	(Note)
"	WHQ	WYUS's parent company	276,934	-	13,043	Collecting	-	-	-

(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 Significant intercompany transactions and business relationships between parent company and its subsidiaries  
(March 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	10,794,111	OA150	14.54%
0	The Company	WYJP	1	Sale	755,210	OA90	1.02%
0	The Company	WYKR	1	Sale	449,152	OA90	0.61%
0	The Company	WYKS	1	Sale	361,625	OA90	0.49%
1	WYUS	The Company	2	Sale	377,736	OA90	0.51%
2	WYMX	WYUS	3	Processing income	1,079,971	OA60	1.45%
0	The Company	WYUS	1	Account receivable	23,519,263	OA150	23.64%
0	The Company	WYJP	1	Account receivable	733,752	OA90	0.74%
0	The Company	WYKR	1	Account receivable	439,611	OA90	0.44%
0	The Company	WYKS	1	Account receivable	360,950	OA90	0.36%
1	WYUS	The Company	2	Account receivable	415,269	OA90	0.42%
2	WYMX	WYUS	3	Account receivable	629,368	OA60	0.63%

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 6 Information on investments (excluding investees in mainland China)

The following are the information on investees for January 1 to March 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 March 31, 2023			Net income (losses) of the investee	Share of profits/losses of investee	Notes
				March 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%	311,763	27,834	27,834	(Note)
"	WYUS	U.S.A	Sales of cloud data center equipment	16,453,581	16,453,581	569,010	100.00%	18,048,888	62,547	62,547	(Note)
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	270,259	7,557	7,557	(Note)
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	187,533	16,497	16,497	(Note)
"	WYMY	Malaysia	Sales of cloud data center equipment	2,300,724	2,300,724	336,764	100.00%	2,252,497	(29,442)	(29,442)	(Note)
"	WYMX	Mexico	Human resources service provision and cloud data center equipment manufacturing	1,126,671	1,126,671	769,675	100.00%	1,828,404	312,675	312,675	(Note)
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	60,923	(4,527)	(4,527)	(Note)
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	20.00%	181,651	(83,764)	(16,753)	-

(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 7 Information on investment in mainland China

(i) 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 March 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	8,314	100.00%	8,314	115,255	-	(Note 5)

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of March 31, 2023 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 6)	Upper Limit on Investment (Note 4)
10,659(USD 350,000)	10,659(USD 350,000)	25,206,940

(Note 1) Wiyynn 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 reviewed 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 March 31, 2023.

(iii) Significant transactions

For the three months ended March 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".