

WIWYNN CORPORATION AND SUBSIDIARIES**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report
for the Three Months Ended March 31, 2024 and 2023**

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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.

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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, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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 Standard 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 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 position of Wiwynn Corporation audits subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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 Chen, Ya-Ling and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2024

Notes to Readers

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

Wiwynn Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(r) and 7)	\$ 69,628,237	100	74,225,838	100
5000	Operating costs (notes 6(e), (g), (h), (i), (m), (n), (s), 7 and 12)	<u>61,923,174</u>	<u>89</u>	<u>68,043,277</u>	<u>92</u>
	Gross profit from operations	<u>7,705,063</u>	<u>11</u>	<u>6,182,561</u>	<u>8</u>
	Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (s), 7 and 12):				
6100	Selling expenses	240,455	-	298,824	-
6200	Administrative expenses	406,813	1	367,532	1
6300	Research and development expenses	1,201,291	2	914,296	1
6450	Expected credit loss	-	-	121,310	-
	Total operating expenses	<u>1,848,559</u>	<u>3</u>	<u>1,701,962</u>	<u>2</u>
	Net operating income	<u>5,856,504</u>	<u>8</u>	<u>4,480,599</u>	<u>6</u>
	Non-operating income and expenses (notes 6(b), (f), (g), (h), (l), (m), (t) and 7):				
7100	Interest income	218,636	-	95,985	-
7020	Other gains and losses	177,206	-	(159,711)	-
7050	Finance costs	(328,536)	-	(236,139)	-
7370	Share of associates and joint ventures accounted for using equity method	<u>(21,665)</u>	<u>-</u>	<u>(16,753)</u>	<u>-</u>
	Total non-operating income and expenses	<u>45,641</u>	<u>-</u>	<u>(316,618)</u>	<u>-</u>
7900	Income before tax	5,902,145	8	4,163,981	6
7950	Income tax expense (note 6(o))	<u>1,194,871</u>	<u>1</u>	<u>865,714</u>	<u>1</u>
	Net income	<u>4,707,274</u>	<u>7</u>	<u>3,298,267</u>	<u>5</u>
8300	Other comprehensive income (loss) (notes 6(f) and (p)):				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,581,844	2	(73,219)	-
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	7,625	-	(486)	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	<u>1,589,469</u>	<u>2</u>	<u>(73,705)</u>	<u>-</u>
8300	Other comprehensive income (net of tax)	<u>1,589,469</u>	<u>2</u>	<u>(73,705)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 6,296,743</u>	<u>9</u>	<u>3,224,562</u>	<u>5</u>
	Profit attributable to:				
8610	Owners of parent	<u>\$ 4,707,274</u>	<u>7</u>	<u>3,298,267</u>	<u>5</u>
	Comprehensive income attributable to:				
8710	Owners of parent	<u>\$ 6,296,743</u>	<u>9</u>	<u>3,224,562</u>	<u>5</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(q))				
9750	Basic earnings per share	<u>\$ 26.92</u>		<u>18.86</u>	
9850	Diluted earnings per share	<u>\$ 26.87</u>		<u>18.78</u>	

See accompanying notes to financial statements.

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

Wiwynn Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan dollars)

	Retained earnings					Other equity		Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	
Balance on January 1, 2023	\$ 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
Balance on March 31, 2023	\$ 1,748,408	8,817,380	3,094,770	431,020	26,812,035	30,337,825	1,107,955	42,011,568
Balance on January 1, 2024	\$ 1,748,408	8,839,619	4,512,302	-	25,823,443	30,335,745	1,310,280	42,234,052
Net income	-	-	-	-	4,707,274	4,707,274	-	4,707,274
Other comprehensive income	-	-	-	-	-	-	1,589,469	1,589,469
Total comprehensive income	-	-	-	-	4,707,274	4,707,274	1,589,469	6,296,743
Balance on March 31, 2024	\$ 1,748,408	8,839,619	4,512,302	-	30,530,717	35,043,019	2,899,749	48,530,795

See accompanying notes to consolidated financial statements.

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

Wiwynn Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan dollars)

	For the three months ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Income before tax	\$ 5,902,145	4,163,981
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	352,983	191,785
Amortization expense	32,132	31,156
Expected credit loss	-	121,310
Net profit on financial assets or liabilities at fair value through profit	(6,232)	(11,958)
Interest expense	328,536	236,139
Interest income	(218,636)	(95,985)
Share of loss of associates and joint ventures accounted for using equity method	21,665	16,753
Losses on disposal of property, plant and equipment	67	1,053
Total adjustments to reconcile profit	510,515	490,253
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets mandatorily measured at fair value through profit or loss-current	6,161	4,621
Increase in accounts receivable, net	(11,337,132)	(11,586,235)
Decrease in accounts receivable-related parties, net	302,072	892,187
Decrease (increase) in other receivable	(30,313)	2,255
Decrease in other receivable-related parties	21,058	826,213
Decrease (increase) in inventories	(17,167,957)	1,267,267
Decrease (increase) in other current assets	105,360	(59,212)
Total changes in operating assets	(28,100,751)	(8,652,904)
Changes in operating liabilities:		
Increase in held-for-trading financial liabilities	2,447	-
Decrease in contract liabilities-current	(529,369)	(1,396,567)
Increase (decrease) in notes and accounts payable	9,975,182	(4,097,915)
Increase in accounts payable-related parties	3,997,366	708,062
Decrease in other payable	(294,946)	(196,308)
Increase (decrease) in other payable-related parties	(145,291)	19,863
Increase in other current liabilities	176,061	21,256
Increase in net defined benefit liabilities	88	50
Total changes in operating liabilities	13,181,538	(4,941,559)
Total changes in operating assets and liabilities	(14,919,213)	(13,594,463)
Total adjustments	(14,408,698)	(13,104,210)
Cash outflow generated from operations	(8,506,553)	(8,940,229)
Interest received	211,556	93,458
Interest paid	(313,674)	(192,231)
Income taxes paid	(90,495)	(133,400)
Net cash used in operating activities	(8,699,166)	(9,172,402)
Cash flows from (used in) investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	(406,518)	-
Acquisition of property, plant and equipment	(971,660)	(617,303)
Proceeds from disposal of property, plant and equipment	3,867	62
Acquisition of intangible assets	(24,207)	(22,760)
Decrease (increase) in other non-current assets	138,600	(245,804)
Increase in prepayments for equipment	(156,107)	(202,636)
Net cash used in investing activities	(1,416,025)	(1,088,441)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	316,653,572	16,280,479
Decrease in short-term borrowings	(316,107,475)	(5,939,214)
Increase in long-term borrowings	-	1,500,000
Payment of lease liabilities	(118,517)	(52,094)
Net cash flows from financing activities	427,580	11,789,171
Effect of exchange rate changes on cash and cash equivalents	701,799	(62,603)
Net increase (decrease) in cash and cash equivalents	(8,985,812)	1,465,725
Cash and cash equivalents at beginning of period	37,494,848	26,231,920
Cash and cash equivalents at end of period	\$ 28,509,036	27,697,645

See accompanying notes to consolidated financial statements.

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

Wiwynn Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(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 7, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. 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, 2024:

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

(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:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. 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:

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

(4) Summary of material accounting policies:

(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 Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
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)	Manufacturing and sales of cloud data center equipment	100 %	100 %	100 %	-

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
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 %	100 %	-
WYHK	Wiwynn Technology Service KunShan Ltd. (WYKS)	Sales of cloud data center equipment	100 %	100 %	100 %	-

Note 1: 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) 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.

(d) 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 measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. 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.

(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 IFRSs Accounting Standards (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 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, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except for the following disclosures, there is no material difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand	\$ 332	330	327
Demand and checking deposits	17,566,386	27,608,712	12,524,501
Time deposits	<u>10,942,318</u>	<u>9,885,806</u>	<u>15,172,817</u>
	<u>\$ 28,509,036</u>	<u>37,494,848</u>	<u>27,697,645</u>

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

(i) Financial assets at fair value through profit or loss-current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Foreign currency forward contracts	\$ <u>71</u>	<u>-</u>	<u>7,337</u>
Total	<u>\$ 71</u>	<u>-</u>	<u>7,337</u>

(ii) Financial liabilities at fair value through profit or loss-current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Held-for-trading financial liabilities:			
Foreign currency forward contracts	\$ <u>2,447</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,447</u>	<u>-</u>	<u>-</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:

	<u>March 31, 2024</u>		
	<u>Contract amount (in thousand)</u>	<u>Currency</u>	<u>Maturity date</u>
Foreign currency forward contracts:			
Foreign currency forward sold	USD\$ <u>21,000</u>	USD to NTD	2024/4/22~2024/4/30

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2023		
	Contract amount (in thousand)	Currency	Maturity date
Foreign currency forward contracts:			
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

(iii) Financial assets at fair value through profit or loss-non-current

	March 31, 2024	December 31, 2023	March 31, 2023
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Non-derivative financial assets			
Private Preferred stock	\$ 250,624	-	-
Private fund	<u>155,894</u>	-	-
Total	<u>\$ 406,518</u>	<u>-</u>	<u>-</u>

Please refer to Note 6(t) for the measurement of fair value recognized in profit or loss.

(c) Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable—measured at amortized cost	\$ 8,354,636	5,980,128	22,589,266
Accounts receivable—related parties—measured at amortized cost	25,200	232,029	198,188
Accounts receivable—measured at fair value through other comprehensive income	13,298,271	4,151,074	7,587,501
Less: loss allowance	<u>-</u>	<u>-</u>	<u>(129,345)</u>
	<u>\$ 21,678,107</u>	<u>10,363,231</u>	<u>30,245,610</u>

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.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	March 31, 2024		
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	\$ 21,632,583		-
Past due under 30 days	43,263		-
Past due 31 to 60 days	<u>2,261</u>		<u>-</u>
Total	<u>\$ 21,678,107</u>		<u>-</u>

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

	March 31, 2023		
	Gross carrying amount	Weighted - average loss rate	Loss allowance provision
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>\$ 30,374,955</u>		<u>129,345</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended March 31	
	2024	2023
Balance on January 1	\$ -	7,818
Impairment losses recognized	-	121,310
Effect of changes in foreign exchange rates	-	217
Balance on March 31	<u>\$ -</u>	<u>129,345</u>

As of March 31, 2024, December 31 and March 31, 2023, 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, 2024, December 31 and March 31, 2023, the Group sold its accounts receivable without recourse as follows:

Unit: USD in thousands

March 31, 2024						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>563,969</u>	<u>657,963</u> (Note)	<u>563,969</u>	<u>-</u>	5.70%-6.30%	None
December 31, 2023						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>791,295</u>	<u>531,662</u> (Note)	<u>791,295</u>	<u>-</u>	5.74%-6.21%	None
March 31, 2023						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>367,750</u>	<u>595,340</u> (Note)	<u>367,750</u>	<u>-</u>	5.29%-5.93%	None

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

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Other receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	\$ 31,707	866	238
Other receivables - related parties	36,803	57,861	492,371
Less: loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,510</u>	<u>58,727</u>	<u>492,609</u>

As of March 31, 2024, December 31 and March 31, 2023, the other receivables were not pledged.

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

(e) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 24,844,179	9,449,699	13,883,994
Finished goods	20,345,956	17,037,030	16,428,761
Inventory in transit	<u>3,459,479</u>	<u>3,692,441</u>	<u>4,150,997</u>
	<u>\$ 48,649,614</u>	<u>30,179,170</u>	<u>34,463,752</u>

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

	For the three months ended March 31,	
	2024	2023
Losses on valuation of inventories	\$ 32,164	1,395,219
Royalty	3,251	15,746
Others	<u>(904)</u>	<u>(936)</u>
	<u>\$ 34,511</u>	<u>1,410,029</u>

As of March 31, 2024, December 31 and March 31, 2023, the inventories of the Group had pledged, please refer to note 8.

(f) Investments accounted for using equity method

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

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	<u>\$ 145,206</u>	<u>159,246</u>	<u>181,651</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
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(i) Associates

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

Name of associate	Nature of Relationship with the Group	Main operating location / Registered Country of the Company	Proportion of Shareholding and voting rights		
			March 31, 2024	December 31, 2023	March 31, 2023
LiquidStack Holding B.V.	R&D of liquid cooling technology	Netherlands	15.13 %	15.13 %	20.00 %

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

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant associates' equity	\$ <u>145,206</u>	<u>159,246</u>	<u>181,651</u>
		For the three months ended March 31,	
		2024	2023
Attributable to the Group:			
Net loss from continuing operations		\$ (21,665)	(16,753)
Other comprehensive (loss) income		<u>7,625</u>	<u>(486)</u>
Comprehensive income		<u>\$ (14,040)</u>	<u>(17,239)</u>

(ii) Pledge

As of March 31, 2024, December 31 and March 31, 2023, the investments accounted for using equity method were not pledged.

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WIWYNN CORPORATION AND SUBSIDIARIES
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(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, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Research and development equipment</u>	<u>Machinery and equipment</u>	<u>Lease improvements</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:								
Balance on January 1, 2024	\$ 678,890	819,526	243,258	1,476,758	545,285	1,511,568	2,345,332	7,620,617
Additions	-	-	1,499	85,872	26,842	46,971	810,476	971,660
Disposals	-	-	-	(9,436)	-	(1,327)	(15)	(10,778)
Reclassification (Note)	-	-	-	126,360	517,558	225,250	(533,911)	335,257
Effect of changes in foreign exchange rates	17,124	8,539	-	3,372	24,220	44,712	80,830	178,797
Balance on March 31, 2024	<u>\$ 696,014</u>	<u>828,065</u>	<u>244,757</u>	<u>1,682,926</u>	<u>1,113,905</u>	<u>1,827,174</u>	<u>2,702,712</u>	<u>9,095,553</u>
Balance on January 1, 2023	\$ 168,929	-	225,454	839,654	429,162	1,066,182	851,023	3,580,404
Additions	-	-	395	2,351	33,580	47,395	533,582	617,303
Disposals	-	-	-	(1,670)	(4,600)	(819)	-	(7,089)
Reclassification (Note)	-	-	4,876	-	24,996	72,106	(37,014)	64,964
Effect of changes in foreign exchange rates	11,423	-	-	(450)	3,186	13,289	21,726	49,174
Balance on March 31, 2023	<u>\$ 180,352</u>	<u>-</u>	<u>230,725</u>	<u>839,885</u>	<u>486,324</u>	<u>1,198,153</u>	<u>1,369,317</u>	<u>4,304,756</u>
Accumulated depreciation:								
Balance on January 1, 2024	\$ -	19,986	174,819	553,373	352,911	893,835	-	1,994,924
Depreciation	-	10,293	8,140	64,251	47,604	97,391	-	227,679
Disposals	-	-	-	(5,635)	-	(1,209)	-	(6,844)
Effect of changes in foreign exchange rates	-	360	-	2,028	1,818	19,927	-	24,133
Balance on March 31, 2024	<u>\$ -</u>	<u>30,639</u>	<u>182,959</u>	<u>614,017</u>	<u>402,333</u>	<u>1,009,944</u>	<u>-</u>	<u>2,239,892</u>
Balance on January 1, 2023	\$ -	-	144,942	399,481	273,142	606,261	-	1,423,826
Depreciation	-	-	8,475	36,212	18,064	68,085	-	130,836
Disposals	-	-	-	(939)	(4,438)	(597)	-	(5,974)
Effect of changes in foreign exchange rates	-	-	-	(314)	134	1,385	-	1,205
Balance on March 31, 2023	<u>\$ -</u>	<u>-</u>	<u>153,417</u>	<u>434,440</u>	<u>286,902</u>	<u>675,134</u>	<u>-</u>	<u>1,549,893</u>
Carrying value:								
Balance on January 1, 2024	<u>\$ 678,890</u>	<u>799,540</u>	<u>68,439</u>	<u>923,385</u>	<u>192,374</u>	<u>617,733</u>	<u>2,345,332</u>	<u>5,625,693</u>
Balance on March 31, 2024	<u>\$ 696,014</u>	<u>797,426</u>	<u>61,798</u>	<u>1,068,909</u>	<u>711,572</u>	<u>817,230</u>	<u>2,702,712</u>	<u>6,855,661</u>
Balance on January 1, 2023	<u>\$ 168,929</u>	<u>-</u>	<u>80,512</u>	<u>440,173</u>	<u>156,020</u>	<u>459,921</u>	<u>851,023</u>	<u>2,156,578</u>
Balance on March 31, 2023	<u>\$ 180,352</u>	<u>-</u>	<u>77,308</u>	<u>405,445</u>	<u>199,422</u>	<u>523,019</u>	<u>1,369,317</u>	<u>2,754,863</u>

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

As of March 31, 2024, December 31 and March 31, 2023, the property, plant and equipment were not pledged.

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WIWYNN CORPORATION AND SUBSIDIARIES
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(h) Right-of-use assets

The cost and accumulated depreciation of the Group leases land, buildings and other equipment for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2024	\$ 11,880	2,213,314	9,673	2,234,867
Acquisitions	-	657,199	79	657,278
Effect of changes in foreign exchange rates	-	117,554	72	117,626
Balance on March 31, 2024	<u>\$ 11,880</u>	<u>2,988,067</u>	<u>9,824</u>	<u>3,009,771</u>
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>\$ -</u>	<u>1,478,659</u>	<u>2,743</u>	<u>1,481,402</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 247	760,385	1,233	761,865
Depreciation	149	124,350	805	125,304
Effect of changes in foreign exchange rates	-	26,822	19	26,841
Balance on March 31, 2024	<u>\$ 396</u>	<u>911,557</u>	<u>2,057</u>	<u>914,010</u>
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>\$ -</u>	<u>504,432</u>	<u>1,698</u>	<u>506,130</u>
Carrying amount:				
Balance on January 1, 2024	<u>\$ 11,633</u>	<u>1,452,929</u>	<u>8,440</u>	<u>1,473,002</u>
Balance on March 31, 2024	<u>\$ 11,484</u>	<u>2,076,510</u>	<u>7,767</u>	<u>2,095,761</u>
Balance on January 1, 2023	<u>\$ -</u>	<u>994,234</u>	<u>1,200</u>	<u>995,434</u>
Balance on March 31, 2023	<u>\$ -</u>	<u>974,227</u>	<u>1,045</u>	<u>975,272</u>

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WIWYNN CORPORATION AND SUBSIDIARIES
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(i) Intangible assets

	<u>Software</u>	<u>Other</u>	<u>Total</u>
Carrying amount:			
Balance on January 1, 2024	\$ <u>131,349</u>	<u>1,040</u>	<u>132,389</u>
Balance on March 31, 2024	\$ <u>124,456</u>	<u>1,040</u>	<u>125,496</u>
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>

There were no significant additions, disposal, impairment loss or reversal gain for intangible assets for the three months ended March 31, 2024 and 2023. 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, 2023.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other current assets:			
Tax refundable	\$ 486,515	632,625	298,203
Other prepayments	352,734	303,489	218,386
Others	<u>180,064</u>	<u>163,209</u>	<u>338,646</u>
	<u>\$ 1,019,313</u>	<u>1,099,323</u>	<u>855,235</u>
Other non-current assets:			
Refundable deposits	\$ 91,903	246,153	314,904
Restricted deposits	60,817	43,608	29,337
Prepayments for equipment	788,527	957,746	193,631
Prepayments for land	<u>-</u>	<u>-</u>	<u>499,728</u>
	<u>\$ 941,247</u>	<u>1,247,507</u>	<u>1,037,600</u>

(k) Bank Loans

(i) Short-term borrowings

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

	<u>March 31, 2024</u>			
	<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank borrowings	USD	6.23%~6.29%	2024/4/16~2024/6/14	\$ <u>941,948</u>
Unused credit line				\$ <u>64,912,988</u>

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WIWYNN CORPORATION AND SUBSIDIARIES
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		December 31, 2023			
		<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
	Unsecured bank borrowings	USD	6.35%~6.36%	2024/1/15~2024/1/25	<u>\$ 383,793</u>
	Unused credit line				<u>\$ 64,335,748</u>
		March 31, 2023			
		<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>
		March 31, 2024			
		<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
	Unsecured bank borrowings	NTD	2.71%	2026/1/6	<u>\$ 1,500,000</u>
	Unused credit line				<u>\$ -</u>
		December 31, 2023			
		<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
	Unsecured bank borrowings	NTD	2.74%	2026/1/6	<u>\$ 1,500,000</u>
	Unused credit line				<u>\$ -</u>
		March 31, 2023			
		<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
	Unsecured bank borrowings	NTD	2.76%	2026/1/6	<u>\$ 1,500,000</u>
	Unused credit line				<u>\$ -</u>

(ii) Long-term borrowings

(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.

- (iv) The Group complied with the covenant at the end of the first quarter of 2024. Accordingly, the loan is classified as a non-current liability on 31 March 31, 2024. Moreover, the Group expects to comply with the quarterly covenants for at least 12 months after the reporting date.

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(l) Bonds payable

The details of unsecured ordinary bonds were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total ordinary corporate bonds issued	\$ 9,450,000	9,450,000	9,450,000
Unamortized discounted bonds payable	(6,273)	(7,082)	(9,508)
Subtotal	<u>9,443,727</u>	<u>9,442,918</u>	<u>9,440,492</u>
Less: current portion	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Bonds payable balance at year-end	<u>\$ 6,943,727</u>	<u>6,942,918</u>	<u>9,440,492</u>
		For the three months ended March 31,	
		2024	2023
Interest expense		<u>\$ 17,991</u>	<u>17,954</u>

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	<u>\$ 432,290</u>	<u>332,877</u>	<u>213,986</u>
Non-current	<u>\$ 1,721,835</u>	<u>1,188,100</u>	<u>790,021</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2024	2023
Interest expenses on lease liabilities	<u>\$ 37,611</u>	<u>13,754</u>
Cost and expenses relating to short-term leases	<u>\$ 31,754</u>	<u>38,198</u>

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WIWYNN CORPORATION AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows were as follows:

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	<u>\$ 187,882</u>	<u>104,046</u>

(i) Real estate leases

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

(ii) Other leases

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

(n) Employee benefits

(i) Defined benefit plans

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

	For the three months ended March 31	
	2024	2023
Operating expense	<u>\$ 1,896</u>	<u>472</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Operating cost	\$ 81,007	59,787
Operating expenses	<u>14,097</u>	<u>14,360</u>
	<u>\$ 95,104</u>	<u>74,147</u>

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(o) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	For the three months ended March 31	
	<u>2024</u>	<u>2023</u>
Current tax expense		
Current period	<u>\$ 1,194,871</u>	<u>865,714</u>

(ii) There were no income tax expense recognized in other comprehensive for the three months ended March 31, 2024 and 2023.

(iii) The ROC income tax authorities have examined the Company's income tax returns for all years through 2022.

(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, 2024 and 2023. For the related information, please refer to the note 6(o) of the consolidated financial statements for the year ended December 31, 2023.

(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 26, 2024, the Company's board of directors resolved to appropriation the 2023 earnings. On May 29, 2023, the shareholder's meetings resolved to distribute the 2022 earnings. These earnings were appropriated as follows:

	<u>2023</u>	<u>2022</u>
Dividends distributed to ordinary shareholders		
Cash	<u>\$ 7,343,313</u>	<u>8,742,040</u>

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WIWYNN CORPORATION AND SUBSIDIARIES
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(ii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2024	\$ 1,310,280
Exchange differences on translation of foreign financial statements	1,581,844
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	7,625
Balance on March 31, 2024	\$ 2,899,749
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	(486)
Balance on March 31, 2023	\$ 1,107,955

(q) Earnings per share

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

	For the three months ended March 31,	
	2024	2023
Basic earnings per share:		
Profit attributable to common shareholders of the Company	\$ 4,707,274	3,298,267
Weighted-average common stock outstanding (in thousands)	174,841	174,841
	\$ 26.92	18.86
Diluted earnings per share:		
Profit attributable to common shareholders of the Company	\$ 4,707,274	3,298,267
Weighted-average common stock outstanding (in thousands)	174,841	174,841
Effect of potentially dilutive common stock (in thousands):		
Employee compensation	368	832
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	175,209	175,673
	\$ 26.87	18.78

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(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2024	2023
<u>Primary geographical markets</u>		
America	\$ 49,600,399	57,110,318
Europe	13,016,634	9,582,781
Asia	6,199,744	6,694,840
Other	811,460	837,899
	\$ 69,628,237	74,225,838
<u>Major products</u>		
Hyperscale data center	\$ 69,628,237	74,225,838

(ii) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	\$ 21,652,907	10,131,202	30,176,767
Accounts receivable – related parties	25,200	232,029	198,188
Less: loss allowance	-	-	(129,345)
	\$ 21,678,107	10,363,231	30,245,610
	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities – warranty and advance receivable	\$ 5,420,658	5,950,026	3,900,403

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

The contract liabilities were primarily related to the advance received from customers due to the warranty service and sales of goods. The major change in the balance of contract liabilities was the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the three months ends March 31, 2024 and 2023 that were included in the contract liability balances at the beginning of January 1, 2024 and 2023 were \$691,042 and \$1,922,375, respectively.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 its employees' and directors' compensation as follows:

	For the three months ended March 31,	
	2024	2023
Employees' compensation	\$ 310,000	215,000
Directors' compensation	9,000	9,000
	\$ 319,000	224,000

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, 2023 and 2022, the employees' compensation amounted to \$800,000 thousand and \$935,000 thousand, respectively, and directors' compensation amounted to \$30,000 thousand and \$36,000 thousand, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the board of directors resolved for 2024 and 2023. 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:

	For the three months ended March 31,	
	2024	2023
Interest income from bank deposits	\$ 218,636	95,985

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2024	2023
Foreign exchange gains (losses), net	163,775	(178,789)
Gains on valuation of financial assets and liabilities at fair value	6,232	11,958
Others	7,199	7,120
Total	\$ 177,206	(159,711)

(iii) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31,	
	2024	2023
Interest expenses		
Bank loans	\$ (272,934)	(204,431)
Bonds payable	(17,991)	(17,954)
Others	(37,611)	(13,754)
Total	\$ (328,536)	(236,139)

(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, 2023.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of credit risk

The Group's majority customers are in Cloud Infrastructure and Hyperscale Data Center industries. To reduce concentration of credit risk, the Group evaluates customers' financial positions periodically and requires customers to provide collateral, if necessary. In addition, the Group evaluates the aging of accounts receivable periodically, accrue allowance for doubtful accounts and purchasing insurance contracts of accounts receivable, if necessary. Historically, impairment losses has always been under management's expectation. As of March 31, 2024, December 31 and March 31, 2023, 99.38%, 94.38% and 96.85% of the Group's accounts receivable were concentrated on 3, 3 and 4 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, 2024, December 31 and March 31, 2023, the other receivables were not accrue any loss allowance.

(ii) Liquidity risk

The followings table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
March 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 941,948	952,458	952,458	-	-
Long-term borrowings	1,500,000	1,581,435	40,773	1,540,662	-
Bonds payable (including current portion)	9,443,727	9,545,715	2,560,325	6,985,390	-
Notes and accounts payable (including related parties)	34,949,739	34,949,739	34,949,739	-	-
Other payables (including related parties)	3,916,054	3,916,054	3,916,054	-	-
Lease liabilities (including current and non-current)	2,154,125	2,405,212	553,725	1,716,740	134,747
Other current liabilities	1,311,590	1,311,590	1,311,590	-	-
Guarantee deposits received	14,000	14,000	-	14,000	-
Subtotal	<u>54,231,183</u>	<u>54,676,203</u>	<u>44,284,664</u>	<u>10,256,792</u>	<u>134,747</u>
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	2,447	2,447	2,447	-	-
Carrying amount	2,447	2,447	2,447	-	-
Subtotal	2,447	2,447	2,447	-	-
Total	<u>\$ 54,233,630</u>	<u>54,678,650</u>	<u>44,287,111</u>	<u>10,256,792</u>	<u>134,747</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	\$ 383,793	385,957	385,957	-	-
Long-term borrowings	1,500,000	1,592,624	41,129	1,551,495	-
Bonds payable (including current portion)	9,442,918	9,562,860	2,565,442	6,997,418	-
Notes and accounts payable (including related parties)	20,169,354	20,169,354	20,169,354	-	-
Other payables (including related parties)	4,317,222	4,317,222	4,317,222	-	-
Lease liabilities (including current and non-current)	1,520,977	1,701,769	413,582	1,125,386	162,801
Other current liabilities	952,785	952,785	952,785	-	-
Guarantee deposits received	14,000	14,000	-	14,000	-
Total	<u>\$ 38,301,049</u>	<u>38,696,571</u>	<u>28,845,471</u>	<u>9,688,299</u>	<u>162,801</u>
March 31, 2023					
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	1,582,806	-
Bonds payable	9,440,492	9,615,249	69,535	9,545,714	-
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	674,969	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>11,803,489</u>	<u>223,329</u>

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

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk of financial assets, financial liabilities and others were as follows:

	<u>March 31, 2024</u>		
<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	721,398 USD/NTD=	31.990	23,077,534
	50,743 USD/JPY=	151.380	1,623,283
	30,717 USD/MXN=	16.596	982,637
	14,930 USD/MYR=	4.724	477,612
-	USD/CNY=	7.220	12
-	USD/KRW=	1,346.500	2

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2024			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Non-monetary items</u>			
USD	4,539	USD/NTD= 31.990	145,206
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	662,504	USD/NTD= 31.990	21,193,511
	142,956	USD/MYR= 4.724	4,573,177
	56,402	USD/JPY= 151.380	1,800,430
	159	USD/MXN= 16.596	5,100
December 31, 2023			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	503,680	USD/NTD= 30.735	15,480,581
	16,741	USD/MXN= 16.953	514,528
	10,569	USD/JPY= 141.670	324,839
	5,299	USD/MYR= 4.590	162,872
	-	USD/CNY= 7.108	12
	-	USD/KRW= 1,291.350	2
<u>Non-monetary items</u>			
USD	5,181	USD/NTD= 30.735	159,246
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	343,527	USD/NTD= 30.735	10,558,295
	33,566	USD/MYR= 4.590	1,031,639
	13,539	USD/JPY= 141.670	416,119
	227	USD/MXN= 16.953	6,989

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2023			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	1,139,445 USD/NTD=	30.454	34,700,664
	16,420 USD/JPY=	132.570	500,064
	25,564 USD/MXN=	18.093	778,519
<u>Non-monetary items</u>			
USD	5,965 USD/TWD=	30.454	181,651
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	660,492 USD/NTD=	30.454	20,114,625
	24,571 USD/JPY=	132.570	748,275
	445 USD/MXN=	18.093	13,567
	909 USD/MYR=	4.413	27,678

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, 2024 and 2023, the net income would be changed by \$(56,600) thousand and \$603,004 thousand, respectively. The analysis assumes that all other variables 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, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$163,775 thousand and \$(178,789) thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable rates, the analysis is based on the assumption that the liabilities were outstanding for lifetime on the reporting date.

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WIWYNN CORPORATION AND SUBSIDIARIES
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If the interest rate increased / decreased by 1%, the Group's net income would have been changed by \$6,950 thousand and \$11,835 thousand, respectively, for the three months ended March 31, 2024 and 2023, with all other variable factors that remain constant. This is mainly due to the Group's borrowings at floating variable rate.

(iv) Fair value information

1) Categories and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets, financial liabilities and lease liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value and lease liabilities.

	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 71	-	71	-	71
Private preferred stock	250,624	-	-	250,624	250,624
Private fund	155,894	-	-	155,894	155,894
Subtotal	<u>\$ 406,589</u>	<u>-</u>	<u>71</u>	<u>406,518</u>	<u>406,589</u>
Financial assets at fair value through other comprehensive income					
Accounts receivable	<u>\$ 13,298,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	28,509,036	-	-	-	-
Accounts receivable (including related parties)	8,379,836	-	-	-	-
Other receivable (including related parties)	68,510	-	-	-	-
Other non-current assets	152,720	-	-	-	-
Subtotal	<u>\$ 37,110,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 2,447</u>	<u>-</u>	<u>2,447</u>	<u>-</u>	<u>2,447</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 941,948	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable (including current portion)	9,443,727	-	-	-	-
Notes and accounts payable (including related parties)	34,949,739	-	-	-	-
Other payables (including related parties)	3,916,054	-	-	-	-
Lease liabilities (including current and non-current)	2,154,125	-	-	-	-
Other current liabilities	1,311,590	-	-	-	-
Guarantee deposits received	14,000	-	-	-	-
Subtotal	<u>\$ 54,231,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Accounts receivable	<u>\$ 4,151,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 37,494,848	-	-	-	-
Accounts receivable (including related parties)	6,212,157	-	-	-	-
Other receivable (including related parties)	58,727	-	-	-	-
Other non-current assets	289,761	-	-	-	-
Subtotal	<u>\$ 44,055,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 383,793	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable (including current portion)	9,442,918	-	-	-	-
Notes and accounts payable (including related parties)	20,169,354	-	-	-	-
Other payables (including related parties)	4,317,222	-	-	-	-
Lease liabilities (including current and non-current)	1,520,977	-	-	-	-
Other current liabilities	952,785	-	-	-	-
Guarantee deposits received	14,000	-	-	-	-
Subtotal	<u>\$ 38,301,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 7,337	-	7,337	-	7,337
Financial assets at fair value through other comprehensive income					
Accounts receivable	7,587,501	-	-	-	-
Financial assets measured at amortized cost					
Cash and cash equivalents	27,697,645	-	-	-	-
Accounts receivable (including related parties)	22,658,109	-	-	-	-
Other receivable (including related parties)	492,609	-	-	-	-
Other non-current assets	344,241	-	-	-	-
Subtotal	\$ 51,192,604	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 10,354,360	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable	9,440,492	-	-	-	-
Notes and accounts payable (including related parties)	22,757,042	-	-	-	-
Other payables (including related parties)	3,003,825	-	-	-	-
Lease liabilities (including current and non-current)	1,004,007	-	-	-	-
Guarantee deposits received	944,074	-	-	-	-
Subtotal	\$ 49,003,800	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

The fair value of financial instruments which traded in an active market was based on the quoted market price. The quotation announced by the stock exchange center or exchange center of central government bond, might be regarded as the fair value of the listed equity securities and debt instruments which was traded in an active market.

A financial instrument was regarded as being quoted in an active market if quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions taking place 'regularly' was a matter of judgment and depended on the facts and circumstances of the market for the instrument. Quoted market prices might not be indicative of the fair value of an instrument if the activity in the market was infrequent, the market was not well-established, only small volumes were traded, or bid-ask spreads were very wide. Determining whether a market was active involves judgment.

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WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Measurements of fair value of financial instruments without an active market were based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that could be extrapolated from either similar financial instruments or discounted cash flow method or the market transaction prices of the similar companies or other valuation techniques, including models, was calculated based on available market data at the reporting date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments was based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

Fair value of forward currency was usually determined by the forward and swap currency exchange rate.

3) Transfers between Level 1 and Level 2: none.

4) Changes between Level 3:

	Fair value through profit or loss
	Non-derivative financial assets mandatorily measured at fair value through profit or loss
Balance at January 1, 2024	\$ -
Acquisition	406,518
Balance at March 31, 2024	\$ 406,518

5) Quantified information on significant unobservable inputs (level 3) used in fair value measurement

The Group's financial instruments that used level 3 inputs to measure fair value include "financial assets measured at fair value through equity investments and private fund investments".

Most of the fair value measurements categorized within level 3 used the single and significant unobservable input. Equity investments without an active market contained multiple significant unobservable inputs. The significant unobservable inputs of the equity investments were independent from each other, as a result, there was no relevance between them.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through profit or loss-equity investments without an active market	Net asset value method	Net asset value	The estimated fair value would increase if the Net assets higher
Financial assets measured at fair value through profit or loss-private fund investments	Net asset value method	Net asset value	The estimated fair value would increase if the Net assets higher

- 6) Fair value measurements in level 3-sensitivity analysis of reasonably possible alternative assumptions.

The Group's measurement on the fair value of financial instruments was deemed reasonable despite different valuation models or assumptions might lead to different results. For fair value measurements in level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	<u>Inputs</u>	<u>Increase or decrease</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2024						
Financial assets measured at fair value through profit or loss-Private fund investments	Net asset value method	5%	\$ 12,531	(12,531)	-	-
	Net asset value method	5%	7,795	(7,795)	-	-

The favorable and unfavorable effects represented the changes in fair value, which was based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflected the effects of changes in a single input, and it did not include the interrelationships with another input.

- 7) 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.

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WIWYNN CORPORATION AND SUBSIDIARIES
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March 31, 2024						
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	\$ 953,803	953,803	-	-	-	-

March 31, 2024						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	\$ 9,517,346	953,803	8,563,543	-	-	8,563,543

December 31, 2023						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	\$ 303,828	303,828	-	-	-	-

December 31, 2023						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	\$ 4,545,469	303,828	4,241,641	-	-	4,241,641

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

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WIWYNN CORPORATION AND SUBSIDIARIES
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(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, 2023.

(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, 2023. 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, 2023. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2023.

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

For the three months ended March 31, 2024 and 2023, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes				Foreign exchange movement	March 31, 2024
			Change in lease payments	Addition	Interest expenses	Reclassification		
Short-term borrowings	\$ 383,793	546,097	-	-	-	-	12,058	941,948
Long-term borrowings	1,500,000	-	-	-	-	-	-	1,500,000
Bonds payable	6,942,918	-	-	-	809	-	-	6,943,727
Current portion of long-term liabilities	2,500,000	-	-	-	-	-	-	2,500,000
Lease liabilities	1,520,977	(118,517)	-	657,278	-	-	94,387	2,154,125
Guarantee deposits received	14,000	-	-	-	-	-	-	14,000
Total liabilities from financing activities	<u>\$ 12,861,688</u>	<u>427,580</u>	<u>-</u>	<u>657,278</u>	<u>809</u>	<u>-</u>	<u>106,445</u>	<u>14,053,800</u>

	January 1, 2023	Cash flows	Non-cash changes				Foreign exchange movement	March 31, 2023
			Change in lease payments	Addition	Interest expense	Reclassification		
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	<u>\$ 11,404,839</u>	<u>11,789,171</u>	<u>-</u>	<u>7,032</u>	<u>809</u>	<u>-</u>	<u>41,082</u>	<u>23,242,933</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, 2024, December 31 and March 31, 2023, it owns 37.68%, respectively, of all shares outstanding of the Company.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<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
Wistron InfoComm Mexico S.A. de C.V. (WIMX)	Other related parties
WIEDU CORPORATION (WETW)	Other related parties
Wistron InfoComm Technology Service (Kunshan) Co., Ltd (WRKS)	Other related parties
Wistron Medical Technology Corporation (WMT)	Other related parties

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balances between the Group and related parties were as follows:

	<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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
WHQ	\$ 3,312	958	558	3,231	959
Other related parties	9,000	147,848	24,642	228,798	197,229
	<u>\$ 12,312</u>	<u>148,806</u>	<u>25,200</u>	<u>232,029</u>	<u>198,188</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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
WHQ	\$ 13,287,951	17,740,661	8,741,216	4,395,834	10,884,394
Other related parties	572,621	1,006,875	567,486	628,686	1,010,228
	<u>\$ 13,860,572</u>	<u>18,747,536</u>	<u>9,308,702</u>	<u>5,024,520</u>	<u>11,894,622</u>

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

(iii) Operating Expense

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

	<u>For the three months ended</u>	
	<u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
WHQ	\$ 5,050	4,692
Other related parties	89,667	56,828
	<u>\$ 94,717</u>	<u>61,520</u>

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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Acquisitions of assets

The acquisitions of assets from related parties were as follows:

	For the three months ended	
	March 31,	
	2024	2023
WHQ	\$ 14,860	-
Other related parties	<u>1,476</u>	<u>3,736</u>
	<u>\$ 16,336</u>	<u>3,736</u>

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

(v) Other receivables

The Group purchased raw materials on behalf of related parties, provide of human outsourcing service and etc. The outstanding balance were as follows:

	Other receivables from related parties		
	March 31,	December 31,	March 31,
	2024	2023	2023
WHQ	\$ 27,263	1,860	288,211
Other related parties:			
WZS	97	48,171	156,709
WITX	9,443	7,830	42,644
Other related parties	<u>-</u>	<u>-</u>	<u>4,807</u>
Total	<u>\$ 36,803</u>	<u>57,861</u>	<u>492,371</u>

(vi) Other payables

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

	Other payables to related parties		
	March 31,	December 31,	March 31,
	2024	2023	2023
WHQ	\$ 5,124	21,168	8,289
Other related parties	<u>72,079</u>	<u>201,326</u>	<u>57,344</u>
Total	<u>\$ 77,203</u>	<u>222,494</u>	<u>65,633</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Leases

The Group signed a lease contract for its factory and warehouse with WIMX and WNC, and the total value of the contract was amount to \$899,924 thousand and \$326,523 thousand, respectively. The outstanding balance of lease liabilities and interest expense were as follows:

		Lease liabilities		
		(including current and non-current)		
		March 31,	December 31,	March 31,
		2024	2023	2023
	WIMX	\$ 626,745	602,477	526,034
	WNC	174,594	200,447	70,206
		<u>\$ 801,339</u>	<u>802,924</u>	<u>596,240</u>
		Interest expense		
		For the three months ended		
		March 31,		
		2024	2023	
	WIMX	\$ 21,158	10,467	
	WNC	915	367	
		<u>\$ 22,073</u>	<u>10,834</u>	

(d) Key management personnel compensation

Key management personnel compensation comprised:

		For the three months ended	
		March 31,	
		2024	2023
	Short-term employee benefits	\$ 52,611	35,965
	Post-employment benefits	182	184
		<u>\$ 52,793</u>	<u>36,149</u>

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	March 31,	December 31,	March 31,
		2024	2023	2023
Inventory	Inventory guarantee	\$ 1,311,590	952,785	944,074
Other non-current assets	Guarantee	46,817	29,608	29,337
Other non-current assets	Performance guarantee	14,000	14,000	-
		<u>\$ 1,372,407</u>	<u>996,393</u>	<u>973,411</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

The Group's unrecognized contractual commitments are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	<u>\$ 429,896</u>	<u>1,000,213</u>	<u>2,142,497</u>

(b) As of March 31, 2024, the unused letters of credit were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unused letters of credit	<u>\$ 209,992</u>	<u>-</u>	<u>-</u>

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(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					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item						
Employee benefits						
Salary	904,916	549,373	1,454,289	631,072	554,113	1,185,185
Labor and health insurance	118,689	40,601	159,290	92,976	40,307	133,283
Pension	81,007	15,993	97,000	59,787	14,832	74,619
Remuneration of directors	-	9,180	9,180	-	9,180	9,180
Others	86,720	10,717	97,437	13,535	7,869	21,404
Depreciation	298,114	54,869	352,983	132,434	59,351	191,785
Amortization	5,147	26,985	32,132	12,881	18,275	31,156

(b) Seasonality of operations

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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2024:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: Table 1 attached.
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Table 2 attached.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: Table 3 attached.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Table 4 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 5 attached.
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Table 6 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 7 attached.

(b) Information on investments:

The following are the information on investments for the three months ended March 31, 2024 (excluding information on investments in mainland China): Table 8 attached.

(c) Information on investment in mainland China: Table 9 attached.

(d) Major shareholders:

Unit: Share

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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2024)

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	14,559,238	1,179,726	1,169,423	1,169,423	30,817	2.41%	24,265,397	Y	N	N	(Note 4)
0	The Company	WYUS	2	14,559,238	57,532	57,532	57,532	-	0.12%	24,265,397	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 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)

(March 31, 2024)

securities held by	Category and name of securities		Relationship	Financial statement Account	Ending balance				Notes
					Number of Shares	Book value	Percentage of Ownership	Fair value	
The Company	ZUTA-CORE LTD	Stock	-	Financial assets measured at fair value through profit or loss-non-current	568	250,624	7.92%	250,624	-
The Company	Andra Capital Fund LP	Fund	-	Financial assets measured at fair value through profit or loss-non-current	-	155,894	-	155,894	-

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 3 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital
(March 31, 2024)

Name of company	Category and name of security		Account name	Name of counter - party	Relationship with the company	Beginning balance		Purchases		Sales				Ending balance		Notes
						Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount	
The Company	WYMY	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	568,392	3,634,746	477,620	3,132,800	-	-	-	-	1,046,012	6,992,135	(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 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital
(March 31, 2024)

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-Building	2022/3	860,761	payment:98%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-
WYMY	Property, plant and equipment-Building	2022/8	2,128,158	payment:81%	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 5 Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
(March 31, 2024)

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	12,684,132	38.63%	OA150	-	-	6,271,350	28.16%	(Note)
"	WYJP	The Company's subsidiary	Sale	1,853,145	5.64%	OA90	-	-	1,804,300	8.10%	(Note)
"	WYKR	The Company's subsidiary	Sale	280,779	0.86%	OA90	-	-	283,890	1.27%	(Note)
"	WYKS	The Company's subsidiary	Sale	114,793	0.35%	OA90	-	-	116,939	0.53%	(Note)
"	WHQ	The Company's parent company	Purchase	13,125,022	44.36%	OA45	-	-	(8,563,543)	(44.61%)	-
"	WYUS	The Company's subsidiary	Purchase	1,360,073	4.60%	OA90	-	-	(1,394,253)	(7.26%)	(Note)
"	WYMY	The Company's subsidiary	Purchase	3,893,646	13.16%	OA30	-	-	(449,286)	(2.34%)	(Note)
WYUS	The Company	WYUS's parent company	Sale	1,360,073	2.89%	OA90	-	-	1,394,253	17.75%	(Note)
"	WITX	WYUS's other related company	Purchase	546,682	0.87%	OA90	-	-	(540,921)	(2.50%)	-
"	The Company	WYUS's parent company	Purchase and Service cost	12,684,132	20.95%	OA150	-	-	(6,271,350)	(29.02%)	(Note)
"	WYMX	WYUS's affiliate company	Processing fee	1,060,543	1.69%	OA60	-	-	(767,104)	(3.53%)	(Note)
WYJP	The Company	WYJP's parent company	Purchase	1,853,145	100.00%	OA90	-	-	(1,804,300)	(100.00%)	(Note)
WYKR	The Company	WYKR's parent company	Purchase	280,779	100.00%	OA90	-	-	(283,890)	(100.00%)	(Note)
WYHK	WYMY	WYHK's affiliate company	Sale	115,424	73.57%	OA90	-	-	117,441	99.93%	(Note)
WYKS	The Company	WYKS's parent company	Purchase	114,793	100.00%	OA90	-	-	(116,939)	(100.00%)	(Note)
WYMY	The Company	WYMY's parent company	Sale	3,893,646	100.00%	OA30	-	-	449,286	100.00%	(Note)
"	WYHK	WYMY's affiliate company	Purchase	115,424	1.74%	OA90	-	-	(117,441)	(1.77%)	(Note)
WYMX	WYUS	WYMX's affiliate company	Processing income	1,060,543	100.00%	OA60	-	-	767,104	100.00%	(Note)

(Note): The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 6 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
(March 31, 2024)

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	6,271,350	879.98%	-	-	-	-	(Note)
"	WYJP	The Company's subsidiary	1,804,300	734.18%	-	-	-	-	(Note)
"	WYKR	The Company's subsidiary	283,890	605.75%	-	-	-	-	(Note)
"	WYKS	The Company's subsidiary	116,939	240.36%	-	-	-	-	(Note)
WYUS	The Company	WYUS's parent company	1,394,253	720.63%	-	-	-	-	(Note)
WYMY	The Company	WYMY's parent company	449,280	6454.21%	-	-	-	-	(Note)
WYMX	WYUS	WYMX's affiliate company	767,104	782.53%	-	-	767,104	-	(Note)
WYHK	WYMY	WYHK's affiliate company	117,441	668.22%	-	-	-	-	(Note)
Other Receivables									
The Company	WYMY	The Company's subsidiary	329,914	-	-	-	478	-	(Note)
WYUS	The Company	WYUS's parent company	663,178	-	155	-	-	-	(Note)
WYUS	WYMY	WYUS's affiliate company	138,618	-	-	-	4,720	-	(Note)

(Note): The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

WIWYNN CORPORATION AND SUBSIDIARIES
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Table 7 Significant intercompany transactions and business relationships between parent company and its subsidiaries
(March 31, 2024)

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	12,684,132	OA150	18.22%
0	The Company	WYJP	1	Sale	1,853,145	OA90	2.66%
0	The Company	WYKR	1	Sale	280,779	OA90	0.40%
0	The Company	WYKS	1	Sale	114,793	OA90	0.16%
1	WYUS	The Company	2	Sale	1,360,073	OA90	1.95%
1	WYMY	The Company	2	Sale	3,893,646	OA30	5.95%
1	WYHK	WYMY	3	Sale	115,424	OA90	0.17%
1	WYMX	WYUS	3	Processing income	1,060,543	OA60	1.52%
0	The Company	WYUS	1	Account receivable	6,271,350	OA150	5.62%
0	The Company	WYJP	1	Account receivable	1,804,300	OA90	1.62%
0	The Company	WYKR	1	Account receivable	283,890	OA90	0.25%
0	The Company	WYKS	1	Account receivable	116,939	OA90	0.10%
1	WYUS	The Company	2	Account receivable	1,394,253	OA90	1.25%
1	WYMY	The Company	2	Account receivable	449,286	OA30	0.40%
1	WYHK	WYMY	3	Account receivable	117,441	OA90	0.11%
1	WYMX	WYUS	3	Account receivable	767,104	OA60	0.69%

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 8 Information on investments (excluding investees in mainland China)

The following are the information on investees for January 1 to March 31, 2024 (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, 2024			Net income (losses) of the investee	Share of profits/losses of investee	Notes
				March 31, 2024	December 31, 2023	Shares(In thousands)	Percentage of ownership	Carrying value			
The Company	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	390,517	39,821	39,821	(Note)
"	WYUS	U.S.A	Sales of cloud data center equipment	28,773,581	28,773,581	969,010	100.00%	32,183,202	131,337	131,337	(Note)
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	307,760	9,245	9,245	(Note)
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	197,544	(3,250)	(3,250)	(Note)
"	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	6,972,733	3,839,933	1,046,012	100.00%	6,992,135	89,862	89,862	(Note)
"	WYMX	Mexico	Human resources service provision and cloud data center equipment manufacturing	1,741,251	1,741,251	1,113,761	100.00%	3,159,843	92,855	92,855	(Note)
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	71,249	1,579	1,579	(Note)
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	15.13%	145,206	(142,872)	(21,665)	-

(Note): The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

WIWYNN CORPORATION AND SUBSIDIARIES
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Table 9 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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	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	5,311	100.00%	5,311	128,317	-	(Note 5)

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of March 31, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 6)	Upper Limit on Investment (Note 4)
10,659(USD 350,000)	11,197(USD 350,000)	29,118,477

(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, 2024.

(iii) Significant transactions

For the year ended March 31, 2024, 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”.