

WIWYNN CORPORATION AND SUBSIDIARIES**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report
for the Three Months Ended March 31, 2025 and 2024**

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

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	11~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	13~44
(7) Related-party transactions	44~48
(8) Pledged assets	48
(9) Commitments and contingencies	49
(10) Losses due to major disasters	49
(11) Subsequent events	49
(12) Other	49
(13) Other disclosures	
(a) Information on significant transactions	50, 51~55
(b) Information on investments	50, 56
(c) Information on investment in Mainland China	50, 57
(14) Segment information	50



安侯建業聯合會計師事務所
KPMG

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

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

Independent Auditors' Review Report

To the Board of Directors Wiwynn Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Wiwynn Corporation and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, 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 and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance for the three months and three months ended March 31, 2025 and 2024, as well as its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 8, 2025

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 Balance Sheets

March 31, 2025, December 31, and March 31, 2024

(Expressed in Thousands of New Taiwan dollars)

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (note 6(a))	\$	47,104,889	18	48,328,503	25	28,509,036	26	2100	Short-term borrowings (note 6(l))	\$	28,993,388	11	1,399,750	1	941,948	1
1110	Financial assets at fair value through profit or loss-current (note 6(b))		326	-	-	-	71	-	2120	Financial liabilities at fair value through profit or loss-current (note 6(b))		618	-	-	-	2,447	-
1170	Accounts receivable, net (notes 6(d) and (s))		72,442,543	27	37,619,778	20	21,652,907	19	2130	Contract liabilities-current (note 6(s))		5,221,319	2	5,667,154	3	5,420,658	5
1180	Accounts receivable-related parties, net (notes 6(d), (s) and 7)		366,358	-	29,014	-	25,200	-	2170	Notes payable and accounts payable		76,555,863	29	48,060,521	26	25,641,037	23
1200	Other receivables (note 6(e))		16,291	-	16,807	-	31,707	-	2180	Accounts payable-related parties (note 7)		11,424,676	4	5,524,973	3	9,308,702	8
1210	Other receivables-related parties (notes 6(e) and 7)		1,105,227	-	38,052	-	36,803	-	2200	Other payables (note 6(t))		5,547,072	2	5,190,316	3	3,860,521	4
130X	Inventories (notes 6(f) and 8)		124,074,609	47	86,211,320	45	48,649,614	44	2220	Other payables-related parties (note 7)		209,921	-	149,348	-	77,203	-
1479	Other current assets (note 6(k))		1,709,866	1	1,439,321	1	1,019,313	1	2230	Current tax liabilities		6,784,527	3	4,223,932	2	2,323,192	2
Total current assets			246,820,109	93	173,682,795	91	99,924,651	90	2280	Lease liabilities-current (notes 6(n) and 7)		685,889	-	752,367	-	432,290	-
Non-current assets:									2321	Current portion of bonds payable (note 6(m))		4,725,000	2	4,725,000	2	2,500,000	2
1510	Financial assets at fair value through profit or loss-non-current (note 6(b))		551,472	-	567,424	-	406,518	-	2322	Current portion of long-term borrowings (note 6(l))		1,500,000	1	-	-	-	-
1517	Financial assets at fair value through other comprehensive income-non-current (note 6(c))		291,630	-	-	-	-	-	2399	Other current liabilities		606,228	-	671,053	-	1,821,265	2
									Total current liabilities			142,254,501	54	76,364,414	40	52,329,263	47
									Non-current liabilities:								
1550	Investments accounted for using equity method (note 6(g))		127,684	-	141,860	-	145,206	-	2500	Financial liabilities at fair value through profit or loss-non-current (notes 6(b) and (m))		170,047	-	97,728	-	-	-
1600	Property, plant and equipment (notes 6(h), 7 and 9)		10,567,259	4	9,163,225	5	6,855,661	6	2530	Bonds payable (note 6(m))		20,571,844	8	20,503,745	11	6,943,727	6
1755	Right-of-use assets (notes 6(i) and 7)		3,787,578	1	3,983,374	2	2,095,761	2	2540	Long-term borrowings (note 6(l))		-	-	1,500,000	1	1,500,000	1
1780	Intangible assets (notes 6(j) and 7)		150,944	-	174,348	-	125,496	-	2570	Deferred tax liabilities		740,814	-	740,814	-	465,702	-
1840	Deferred tax assets		1,489,215	1	1,487,438	1	1,017,508	1	2580	Lease liabilities-non-current (notes 6(n) and 7)		3,115,733	1	3,256,049	2	1,721,835	2
1990	Other non-current assets (notes 6(k) and 8)		1,972,023	1	1,478,364	1	941,247	1	2640	Net defined benefit liabilities-non-current		40	-	-	-	6,726	-
Total non-current assets			18,937,805	7	16,996,033	9	11,587,397	10	2645	Guarantee deposits received		13,244	-	13,244	-	14,000	-
									Total non-current liabilities			24,611,722	9	26,111,580	14	10,651,990	9
									Total liabilities			166,866,223	63	102,475,994	54	62,981,253	56
									Equity (notes 6(g), (m) and (q)):								
									3110	Common shares		1,858,408	1	1,858,408	1	1,748,408	2
									3200	Capital surplus		37,006,591	14	37,006,591	19	8,839,619	8
									3300	Retained earnings		55,538,906	21	45,745,536	24	35,043,019	30
									3400	Other equity		4,487,786	1	3,592,299	2	2,899,749	4
									Total equity			98,891,691	37	88,202,834	46	48,530,795	44
Total assets		\$	265,757,914	100	190,678,828	100	111,512,048	100	Total liabilities and equity		\$	265,757,914	100	190,678,828	100	111,512,048	100

See accompanying notes to consolidated financial statements.

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

Wiwynn Corporation and Subsidiaries**Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan dollars, Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2025		2024	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(s) and 7)	\$170,655,284	100	69,628,237	100
5000	Operating costs (notes 6(f), (h), (i), (j), (n), (o), (t), 7 and 12)	<u>155,805,809</u>	<u>91</u>	<u>61,923,174</u>	<u>89</u>
	Gross profit from operations	<u>14,849,475</u>	<u>9</u>	<u>7,705,063</u>	<u>11</u>
	Operating expenses (notes 6(d), (h), (i), (j), (n), (o), (t), 7 and 12):				
6100	Selling expenses	469,996	-	240,455	-
6200	Administrative expenses	573,672	1	406,813	1
6300	Research and development expenses	1,579,051	1	1,201,291	2
6450	Expected credit loss	<u>246,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total operating expenses	<u>2,868,796</u>	<u>2</u>	<u>1,848,559</u>	<u>3</u>
	Net operating income	<u>11,980,679</u>	<u>7</u>	<u>5,856,504</u>	<u>8</u>
	Non-operating income and expenses (notes 6(b), (g), (h), (i), (m), (n), (u) and 7):				
7100	Interest income	244,336	-	218,636	-
7020	Other gains and losses	1,008,652	1	177,206	-
7050	Finance costs	(694,209)	(1)	(328,536)	-
7370	Share of loss of associates and joint ventures accounted for using equity method	<u>(16,062)</u>	<u>-</u>	<u>(21,665)</u>	<u>-</u>
	Total non-operating income and expenses	<u>542,717</u>	<u>-</u>	<u>45,641</u>	<u>-</u>
7900	Income before tax	12,523,396	7	5,902,145	8
7950	Income tax expense (note 6(p))	<u>2,730,026</u>	<u>1</u>	<u>1,194,871</u>	<u>1</u>
	Net income	<u>9,793,370</u>	<u>6</u>	<u>4,707,274</u>	<u>7</u>
8300	Other comprehensive income (loss) (notes 6(g) and (q)):				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	893,601	1	1,581,844	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,886	-	7,625	-
8399	Income tax related to items that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>895,487</u>	<u>1</u>	<u>1,589,469</u>	<u>2</u>
8300	Other comprehensive income (net of tax)	<u>895,487</u>	<u>1</u>	<u>1,589,469</u>	<u>2</u>
8500	Total comprehensive income	<u>\$ 10,688,857</u>	<u>7</u>	<u>6,296,743</u>	<u>9</u>
	Profit attributable to:				
8610	Owners of parent	<u>\$ 9,793,370</u>	<u>6</u>	<u>4,707,274</u>	<u>7</u>
	Comprehensive income attributable to:				
8710	Owners of parent	<u>\$ 10,688,857</u>	<u>7</u>	<u>6,296,743</u>	<u>9</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(r))				
9750	Basic earnings per share	<u>\$ 52.70</u>		<u>26.92</u>	
9850	Diluted earnings per share	<u>\$ 51.37</u>		<u>26.87</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, 2025 and 2024

(Expressed in Thousands of New Taiwan dollars)

	Retained earnings				Other equity	
	Common	Capital	Legal	Unappropriated	Exchange	Total
	shares	surplus	reserve	retained	differences on	equity
				earnings	translation of	
					foreign financial	
					statements	
				Total		
Balance on January 1, 2024	<u>\$ 1,748,408</u>	<u>8,839,619</u>	<u>4,512,302</u>	<u>25,823,443</u>	<u>1,310,280</u>	<u>42,234,052</u>
Net income	-	-	-	4,707,274	-	4,707,274
Other comprehensive income	-	-	-	-	1,589,469	1,589,469
Total comprehensive income	-	-	-	4,707,274	1,589,469	6,296,743
Balance on March 31, 2024	<u>\$ 1,748,408</u>	<u>8,839,619</u>	<u>4,512,302</u>	<u>30,530,717</u>	<u>2,899,749</u>	<u>48,530,795</u>
Balance on January 1, 2025	<u>\$ 1,858,408</u>	<u>37,006,591</u>	<u>5,716,125</u>	<u>40,029,411</u>	<u>3,592,299</u>	<u>88,202,834</u>
Net income	-	-	-	9,793,370	-	9,793,370
Other comprehensive income	-	-	-	-	895,487	895,487
Total comprehensive income	-	-	-	9,793,370	895,487	10,688,857
Balance on March 31, 2025	<u>\$ 1,858,408</u>	<u>37,006,591</u>	<u>5,716,125</u>	<u>49,822,781</u>	<u>4,487,786</u>	<u>98,891,691</u>

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, 2025 and 2024****(Expressed in Thousands of New Taiwan dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Income before tax	\$ 12,523,396	5,902,145
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	505,894	352,983
Amortization expense	51,540	32,132
Expected credit loss	246,077	-
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	31,687	(6,232)
Interest expense	694,209	328,536
Interest income	(244,336)	(218,636)
Share of loss of associates and joint ventures accounted for using equity method	16,062	21,665
Losses on disposal of property, plant and equipment	29,424	67
Prepayments for equipment reclassified as expenses	17,050	-
Lease modification gains	(2,010)	-
Total adjustments to reconcile profit	1,345,597	510,515
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets mandatorily measured at fair value through profit or loss-current	58,440	6,161
Increase in accounts receivable, net	(34,424,741)	(11,337,132)
(Increase) decrease in accounts receivable-related parties, net	(254,083)	302,072
Decrease (increase) in other receivable	591	(30,313)
(Increase) decrease in other receivable-related parties	(1,067,175)	21,058
Increase in inventories	(36,522,618)	(17,167,957)
(Increase) decrease in other current assets	(207,225)	105,360
Total changes in operating assets	(72,416,811)	(28,100,751)
Changes in operating liabilities:		
Increase in held-for-trading financial liabilities	618	2,447
Decrease in contract liabilities-current	(445,835)	(529,369)
Increase in notes and accounts payable	27,785,622	9,975,182
Increase in accounts payable-related parties	5,341,760	3,997,366
Increase (decrease) in other payable	271,444	(294,946)
Increase (decrease) in other payable-related parties	60,573	(145,291)
Increase in other current liabilities	195,445	176,061
Increase in net defined benefit liabilities	40	88
Total changes in operating liabilities	33,209,667	13,181,538
Total changes in operating assets and liabilities	(39,207,144)	(14,919,213)
Total adjustments	(37,861,547)	(14,408,698)
Cash outflow generated from operations	(25,338,151)	(8,506,553)
Interest received	232,396	211,556
Interest paid	(555,805)	(313,674)
Income taxes paid	(198,776)	(90,495)
Net cash used in operating activities	(25,860,336)	(8,699,166)
Cash flows from (used in) investing activities:		
Acquisition of financial assets designated at fair value through other comprehensive income	(291,630)	-
Acquisition of financial assets designated at fair value through profit or loss	-	(406,518)
Acquisition of property, plant and equipment	(1,568,434)	(971,660)
Proceeds from disposal of property, plant and equipment	12,435	3,867
Increase in refundable deposits	(116,291)	-
Acquisition of intangible assets	(28,298)	(24,207)
Decrease in other non-current assets	-	138,600
Increase in prepayments for equipment	(437,024)	(156,107)
Net cash used in investing activities	(2,429,242)	(1,416,025)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	50,299,253	316,653,572
Decrease in short-term borrowings	(22,881,930)	(316,107,475)
Decrease in guarantee deposits received	(268,867)	-
Payment of lease liabilities	(180,569)	(118,517)
Net cash flows from financing activities	26,967,887	427,580
Effect of exchange rate changes on cash and cash equivalents	98,077	701,799
Net decrease in cash and cash equivalents	(1,223,614)	(8,985,812)
Cash and cash equivalents at beginning of period	48,328,503	37,494,848
Cash and cash equivalents at end of period	\$ 47,104,889	28,509,036

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, 2025 and 2024

(Expressed in Thousands of New Taiwan dollars, Unless Otherwise Specified)

(1) Company history

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

- (i) Computer and peripheral equipments
- (ii) Data storage media
- (iii) Electric appliances and media products
- (iv) Information software
- (v) Export business relating to the business of the Company
- (vi) Management consult services
- (vii) Information software services
- (viii) Data processing services

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 2025.

(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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

For financial assets with contingent features that are not related directly to a change in basic lending risks or costs (e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract), the amendments introduce an additional test to assess the “solely payments of principal and interest on the principal amount outstanding” criterion. In accordance with the Q&A published by the FSC on February 26, 2025, the Group did not elect to early adopt the application guidance in Section 4.1 of the amendments on January 1, 2025.

- (c) The impact of IFRS Accounting Standards 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. 	January 1, 2027

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> • 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

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements 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 (altogether 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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(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, 2025	December 31, 2024	March 31, 2024	
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 sales 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 %	-
The Company	Wiwynn Mexico, S.A.de C.V. (WYMX)	Manufacturing of cloud data center equipment	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 %	-
The Company	Wiwynn Smart Manufacturing Corporation (WYMTN)	Manufacturing and sales of cloud data center equipment	100 %	- %	- %	(Note 1)
The Company	Wiwynn Technology Corporation (WYMUS)	Manufacturing and sales of cloud data center equipment	100 %	- %	- %	(Note 2)

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: WYMTN was registered on January 20, 2025.

Note 2: WYMUS was registered on January 16, 2025.

Note 3: 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 IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The 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, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. Please refer to note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 327	326	332
Demand and checking deposits	15,670,915	22,128,177	17,566,386
Time deposits	<u>31,433,647</u>	<u>26,200,000</u>	<u>10,942,318</u>
	<u>\$ 47,104,889</u>	<u>48,328,503</u>	<u>28,509,036</u>

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

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

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Foreign currency forward contracts	\$ <u>326</u>	-	71
Total	<u>\$ 326</u>	<u>-</u>	<u>71</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Held-for-trading financial liabilities:			
Foreign currency forward contracts	\$ <u>618</u>	-	2,447
Total	<u>\$ 618</u>	<u>-</u>	<u>2,447</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:

	March 31, 2025		
	Contract amount (in thousand)	Currency	Maturity date
Foreign currency forward contracts:			
Foreign currency forward sold	USD\$ <u>26,000</u>	USD to NTD	2025/4/21~2025/4/30

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		March 31, 2024		
		Contract amount (in thousand)	Currency	Maturity date
Foreign currency forward contracts:				
	Foreign currency forward sold	USD\$ <u>21,000</u>	USD to NTD	2024/4/22~2024/4/30
(iii) Financial assets at fair value through profit or loss-non-current				
		March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at fair value through profit or loss:				
Non-derivative financial assets				
	Private Preferred stock	\$ 211,404	227,582	250,624
	Private fund	<u>340,068</u>	<u>339,842</u>	<u>155,894</u>
	Total	<u>\$ 551,472</u>	<u>567,424</u>	<u>406,518</u>
(iv) Financial liability at fair value through profit or loss-non-current				
		March 31, 2025	December 31, 2024	March 31, 2024
Designated at fair value through profit or loss:				
	Convertible Bonds with embedded derivative instrument	<u>\$ 170,047</u>	<u>97,728</u>	<u>-</u>
Please refer to Note 6(u) for the measurement of fair value recognized in profit or loss.				
(c) Financial asset at fair value through other comprehensive income-non-current				
		March 31, 2025	December 31, 2024	March 31, 2024
Equity investments at fair value through other comprehensive income:				
	Unlisted companies	<u>\$ 291,630</u>	<u>-</u>	<u>-</u>
(i) Equity investment at fair value through other comprehensive income				
The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represented those investments that the Group intended to hold for long-term for strategic purposes.				
(ii) The aforementioned financial assets were not pledged.				

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable—measured at amortized cost	\$ 17,674,803	12,859,989	8,354,636
Accounts receivable—related parties—measured at amortized cost	366,358	29,014	25,200
Accounts receivable—measured at fair value through other comprehensive income	55,024,332	24,770,304	13,298,271
Less: loss allowance	(256,592)	(10,515)	-
	<u><u>\$ 72,808,901</u></u>	<u><u>37,648,792</u></u>	<u><u>21,678,107</u></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.

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, including macroeconomic and relevant industry information. The loss allowance were determined as follows:

March 31, 2025			
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	\$ 72,522,612		-
Past due under 30 days	8,816		-
Past due 31 to 60 days	5,786		-
Past due 61 to 90 days	16,771	5%	838
Past due 91 to 120 days	7,130	50%	3,565
Past due 121 to 180 days	504,378	50%	252,189
Total	<u><u>\$ 73,065,493</u></u>		<u><u>256,592</u></u>

December 31, 2024			
	Gross carrying amount	Weighted - average loss rate	Loss allowance
Current	\$ 36,589,934		-
Past due under 30 days	585,270		-
Past due 31 to 60 days	274,068		-
Past due 61 to 90 days	210,005	5%	10,500
Past due 91 to 120 days	30	50%	15
Total	<u><u>\$ 37,659,307</u></u>		<u><u>10,515</u></u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	For the three months ended March 31	
	2025	2024
Balance on January 1	\$ 10,515	-
Impairment losses recognized	256,592	-
Impairment losses reversed	(10,515)	-
Balance on March 31	<u>\$ 256,592</u>	<u>-</u>

As of March 31, 2025, December 31 and March 31, 2024, the accounts receivable were not pledged.

For further credit risk information, please refer to note 6(v).

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, 2025, December 31 and March 31, 2024, the Group sold its accounts receivable without recourse as follows:

Unit: USD in thousands

March 31, 2025						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>442,473</u>	<u>727,537</u> (Note)	<u>442,473</u>	<u>-</u>	4.65%~5.22%	None

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>557,225</u>	<u>442,775</u> (Note)	<u>557,225</u>	<u>-</u>	4.68%~4.75%	None
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

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

(e) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables	\$ 16,291	16,807	31,707
Other receivables - related parties	1,105,227	38,052	36,803
Less: loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,121,518</u>	<u>54,859</u>	<u>68,510</u>

As of March 31, 2025, December 31 and March 31, 2024, the other receivables were not pledged.

For further credit risk information, please refer to note 6(v).

(f) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 74,133,802	42,963,674	24,844,179
Finished goods	47,218,737	40,658,060	20,345,956
Inventory in transit	<u>2,722,070</u>	<u>2,589,586</u>	<u>3,459,479</u>
	<u>\$ 124,074,609</u>	<u>86,211,320</u>	<u>48,649,614</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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,	
	2025	2024
Loss on valuation of inventories	\$ 1,314,262	32,164
Royalty	19,812	3,251
Others	(753)	(904)
	\$ 1,333,321	34,511

As of March 31, 2025, the inventories were not pledged. As of December 31 and March 31, 2024, the inventories were pledged, please refer to note 8.

(g) 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, 2025	December 31, 2024	March 31, 2024
Associates	\$ 127,684	141,860	145,206

(i) Associates

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, 2025	December 31, 2024	March 31, 2024
Carrying amount of individually insignificant associates' equity	\$ 127,684	141,860	145,206
		For the three months ended March 31,	
		2025	2024
Attributable to the Group:			
Net loss from continuing operations		\$ (16,062)	(21,665)
Other comprehensive income		1,886	7,625
Comprehensive income		\$ (14,176)	(14,040)

(ii) Pledge

As of March 31, 2025, December 31 and March 31, 2024, the investments accounted for using equity method were not pledged.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) 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, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2025	\$ 796,138	898,307	2,443,009	4,606,335	3,632,465	12,376,254
Additions	-	11,037	182,652	131,625	1,243,120	1,568,434
Disposals	-	-	-	(66,440)	-	(66,440)
Reclassification (Note)	-	2,495,082	62,036	136,185	(2,626,143)	67,160
Effect of changes in foreign exchange rates	18,073	43,557	14,468	60,447	39,990	176,535
Balance on March 31, 2025	<u>\$ 814,211</u>	<u>3,447,983</u>	<u>2,702,165</u>	<u>4,868,152</u>	<u>2,289,432</u>	<u>14,121,943</u>
Balance on January 1, 2024	\$ 678,890	819,526	1,476,758	2,300,111	2,345,332	7,620,617
Additions	-	-	85,872	75,312	810,476	971,660
Disposals	-	-	(9,436)	(1,327)	(15)	(10,778)
Reclassification (Note)	-	-	126,360	742,808	(533,911)	335,257
Effect of changes in foreign exchange rates	17,124	8,539	3,372	68,932	80,830	178,797
Balance on March 31, 2024	<u>\$ 696,014</u>	<u>828,065</u>	<u>1,682,926</u>	<u>3,185,836</u>	<u>2,702,712</u>	<u>9,095,553</u>
Accumulated depreciation:						
Balance on January 1, 2025	\$ -	67,142	877,303	2,268,584	-	3,213,029
Depreciation	-	30,878	107,192	202,993	-	341,063
Disposals	-	-	-	(24,235)	-	(24,235)
Effect of changes in foreign exchange rates	-	1,695	1,889	21,243	-	24,827
Balance on March 31, 2025	<u>\$ -</u>	<u>99,715</u>	<u>986,384</u>	<u>2,468,585</u>	<u>-</u>	<u>3,554,684</u>
Balance on January 1, 2024	\$ -	19,986	553,373	1,421,565	-	1,994,924
Depreciation	-	10,293	64,251	153,135	-	227,679
Disposals	-	-	(5,635)	(1,209)	-	(6,844)
Effect of changes in foreign exchange rates	-	360	2,028	21,745	-	24,133
Balance on March 31, 2024	<u>\$ -</u>	<u>30,639</u>	<u>614,017</u>	<u>1,595,236</u>	<u>-</u>	<u>2,239,892</u>
Carrying value:						
Balance on January 1, 2025	<u>\$ 796,138</u>	<u>831,165</u>	<u>1,565,706</u>	<u>2,337,751</u>	<u>3,632,465</u>	<u>9,163,225</u>
Balance on March 31, 2025	<u>\$ 814,211</u>	<u>3,348,268</u>	<u>1,715,781</u>	<u>2,399,567</u>	<u>2,289,432</u>	<u>10,567,259</u>
Balance on January 1, 2024	<u>\$ 678,890</u>	<u>799,540</u>	<u>923,385</u>	<u>878,546</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>1,068,909</u>	<u>1,590,600</u>	<u>2,702,712</u>	<u>6,855,661</u>

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

As of March 31, 2025, December 31 and March 31, 2024, the property, plant and equipment were not pledged.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) 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, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2025	\$ 2,110,206	3,108,364	16,382	5,234,952
Acquisitions	-	34,500	519	35,019
Disposals	-	(428,534)	(475)	(429,009)
Effect of changes in foreign exchange rates	-	53,631	122	53,753
Balance on March 31, 2025	<u>\$ 2,110,206</u>	<u>2,767,961</u>	<u>16,548</u>	<u>4,894,715</u>
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>
Accumulated depreciation:				
Balance on January 1, 2025	\$ 23,507	1,222,516	5,555	1,251,578
Depreciation	11,003	152,457	1,371	164,831
Disposals	-	(326,718)	(395)	(327,113)
Effect of changes in foreign exchange rates	-	17,788	53	17,841
Balance on March 31, 2025	<u>\$ 34,510</u>	<u>1,066,043</u>	<u>6,584</u>	<u>1,107,137</u>
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>
Carrying amount:				
Balance on January 1, 2025	<u>\$ 2,086,699</u>	<u>1,885,848</u>	<u>10,827</u>	<u>3,983,374</u>
Balance on March 31, 2025	<u>\$ 2,075,696</u>	<u>1,701,918</u>	<u>9,964</u>	<u>3,787,578</u>
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>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Intangible assets

	<u>Software</u>	<u>Others</u>	<u>Total</u>
Carrying amount:			
Balance on January 1, 2025	\$ <u>173,308</u>	<u>1,040</u>	<u>174,348</u>
Balance on March 31, 2025	\$ <u>149,904</u>	<u>1,040</u>	<u>150,944</u>
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>

There were no significant additions, disposal, impairment loss or reversal gain for intangible assets for the three months ended March 31, 2025 and 2024. Please refer to note 12 for the amounts of amortization. For other related information, please refer to the note 6(i) of the consolidated financial statements for the year ended December 31, 2024.

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other current assets:			
Tax refundable	\$ 844,204	750,640	486,515
Other prepayments	614,371	487,420	352,734
Others	<u>251,291</u>	<u>201,261</u>	<u>180,064</u>
	<u>\$ 1,709,866</u>	<u>1,439,321</u>	<u>1,019,313</u>
Other non-current assets:			
Refundable deposits	\$ 225,060	106,493	91,903
Restricted deposits	161,302	160,916	60,817
Prepayments for equipment	1,585,661	1,205,663	788,527
Net defined benefit asset, non-current	<u>-</u>	<u>5,292</u>	<u>-</u>
	<u>\$ 1,972,023</u>	<u>1,478,364</u>	<u>941,247</u>

(l) Bank Loans

(i) Short-term borrowings

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

	<u>March 31, 2025</u>			
	<u>Currency</u>	<u>Interest rate collars</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank borrowings	USD	4.75%~5.24%	2025/4/2~2025/7/3	\$ <u>28,993,388</u>
Unused credit line				\$ <u>64,007,737</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	USD	5.18%~5.33%	2025/1/24~2025/2/20	\$ <u><u>1,399,750</u></u>
Unused credit line				\$ <u><u>88,692,940</u></u>
March 31, 2024				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	USD	6.23%~6.29%	2024/4/16~2024/6/14	\$ <u><u>941,948</u></u>
Unused credit line				\$ <u><u>64,912,988</u></u>
(ii) Long-term borrowings				
March 31, 2025				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	NTD	2.90%	2026/1/6	\$ 1,500,000
Less: Current portion				(1,500,000)
Total				\$ <u><u>-</u></u>
Unused credit line				\$ <u><u>-</u></u>
December 31, 2024				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	NTD	2.89%	2026/1/6	\$ <u><u>1,500,000</u></u>
Unused credit line				\$ <u><u>-</u></u>
March 31, 2024				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank borrowings	NTD	2.71%	2026/1/6	\$ <u><u>1,500,000</u></u>
Unused credit line				\$ <u><u>-</u></u>

(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 net tangible assets, 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) Compliance of covenant

The Group complied with the covenant terms as of December 31 and March 31, 2024, and these are classified as a non-current liability. Moreover, the Group expects to comply with the quarterly covenants for at least 12 months after the reporting date.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Bonds payable

(i) The details of unsecured ordinary bonds were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total ordinary corporate bonds issued	\$ 6,950,000	6,950,000	9,450,000
Unamortized discounted bonds payable	(3,038)	(3,847)	(6,273)
Subtotal	6,946,962	6,946,153	9,443,727
Less: current portion	(4,725,000)	(4,725,000)	(2,500,000)
Bonds payable balance at period-end	<u><u>\$ 2,221,962</u></u>	<u><u>2,221,153</u></u>	<u><u>6,943,727</u></u>
		For the three months ended March 31,	
		2025	2024
Interest expense		<u><u>\$ 12,838</u></u>	<u><u>17,991</u></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.

(ii) The details of unsecured convertible bonds payable were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total convertible bonds issued	\$ 19,545,600	19,545,600	-
Unamortized discounted bonds payable	(1,195,718)	(1,263,008)	-
Bonds issued at end period	<u><u>\$ 18,349,882</u></u>	<u><u>18,282,592</u></u>	<u><u>-</u></u>
Proceeds from issuance	\$ 19,444,877	19,444,877	-
Equity components - conversion rights	(1,164,711)	(1,164,711)	-
Embedded derivatives instruments - put/ call options, recognized as financial liability at fair value through profit or loss-non-current	(119,228)	(119,228)	-
Liability components at issuance date	18,160,938	18,160,938	-
Interest expense at an effective interest rate of 1.47%	188,944	121,654	-
Liability components	<u><u>\$ 18,349,882</u></u>	<u><u>18,282,592</u></u>	<u><u>-</u></u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company issued its first 5-year unsecured overseas convertible bonds on the Singapore Exchange Securities Trading Limited on July 17, 2024, amounting to US\$600,000 thousand, at zero coupon rate, with the maturity date set on July 17, 2029, based on a resolution approved during its board meeting held on June 13, 2024, with approval No.11303482721 from the Financial Supervisory Commission on July 9, 2024. Furthermore, the bonds will be converted to NTD at a fixed rate of 32.576. Thereafter, the fixed NTD amount will be converted to an equivalent amount in USD for payment using the prevailing exchange rate at the time of transaction; while the conversion price of NT\$3,220.62, consisting 122.92% of the closing price of the Company's common share on the pricing date of the Taipei Exchange (July 10, 2024), shall be adjusted in accordance with the relevant anti-dilution provisions of the indenture, with other rights and obligations of the Company in issuing this corporate bond are as follows:

Except for early redemption, repurchases and cancellations, exercise of conversion rights by the bondholders and the cessation of conversion period, from the day following the three months after the issuance of the bonds to (1) ten days before the maturity date or (2) the fifth business day prior to the repurchase date if the bondholders exercise their put option or the date of early redemption of the bonds (excluding the maturity date), the bondholders may request the issuing company to convert the bonds into shares of common stocks in accordance with the provisions of the relevant laws and the Trust Deed.

The convertible bonds may be redeemed in advance by the Company from the day following the third anniversary of the issuance until the maturity date. If the closing price of the Company's common stock on the Taiwan Stock Exchange reaches 130% of the amount obtained by multiplying the amount of early redemption using the conversion price, and dividing it by the face value for twenty trading days out of thirty consecutive business days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance, the Company may redeem all or part of the bonds at the early redemption amount.

The above-mentioned convertible bonds included two components: (i) equity, which was accounted as capital surplus-stock option; and (ii) liability, with the original recognized effective rate of 1.47%.

(n) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>685,889</u>	<u>752,367</u>	<u>432,290</u>
Non-current	\$ <u>3,115,733</u>	<u>3,256,049</u>	<u>1,721,835</u>

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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest expenses on lease liabilities	\$ <u>44,079</u>	<u>37,611</u>
Cost and expenses relating to short-term leases	\$ <u>28,589</u>	<u>31,754</u>

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

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>253,237</u>	<u>187,882</u>

(i) Real estate leases

The Group leases land and buildings for its office space and factory. The leases of land run for 20 to 60 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.

(o) Employee benefits

(i) Defined benefit plans

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

	For the three months ended March 31,	
	2025	2024
Operating expense	\$ <u>3,460</u>	<u>1,896</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan were as follows:

	For the three months ended March 31,	
	2025	2024
Operating cost	\$ 121,651	81,007
Operating expenses	<u>15,241</u>	<u>14,097</u>
	\$ <u>136,892</u>	<u>95,104</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	For the three months ended March 31,	
	2025	2024
Current tax expense		
Current period	\$ 2,730,026	1,194,871

(ii) There were no income tax expense recognized in other comprehensive for the three months ended March 31, 2025 and 2024.

(iii) The ROC income tax authorities have examined the Company's income tax returns for all years through 2023.

(q) 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, 2025 and 2024. For the related information, please refer to the note 6(p) of the consolidated financial statements for the year ended December 31, 2024.

(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 27, 2025, the Company's board of directors resolved to appropriate the 2024 earnings. On May 24, 2024, the shareholders' meeting resolved to distribute the 2023 earnings. These earnings were appropriated as follows:

	2024	2023
Dividends distributed to ordinary shareholders		
Cash	\$ 13,752,219	7,343,313

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2025	\$ 3,592,299
Exchange differences on translation of foreign financial statements	893,601
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>1,886</u>
Balance on March 31, 2025	<u><u>\$ 4,487,786</u></u>
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	<u>7,625</u>
Balance on March 31, 2024	<u><u>\$ 2,899,749</u></u>

(r) 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,	
	2025	2024
Basic earnings per share:		
Profit attributable to common shareholders of the Company	\$ <u>9,793,370</u>	<u>4,707,274</u>
Weighted-average common stock outstanding (in thousands)	<u>185,841</u>	<u>174,841</u>
	<u>\$ 52.70</u>	<u>26.92</u>
Diluted earnings per share:		
Profit attributable to common shareholders of the Company	\$ 9,793,370	4,707,274
Interest Expense and other gains and losses on convertible bonds net of tax	<u>111,688</u>	<u>-</u>
Profit attributable to common shareholders (diluted)	<u>\$ 9,905,058</u>	<u>4,707,274</u>
Weighted-average common stock outstanding (in thousands)	185,841	174,841
Effect of potentially dilutive common stock (in thousands):		
Employee compensation (in thousands)	907	368
Effect of conversion of convertible bonds (in thousands)	<u>6,069</u>	<u>-</u>
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	<u>192,817</u>	<u>175,209</u>
	<u>\$ 51.37</u>	<u>26.87</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2025	2024
<u>Primary geographical markets</u>		
America	\$ 144,863,842	49,600,399
Europe	16,833,762	13,016,634
Asia	7,832,877	6,199,744
Other	<u>1,124,803</u>	<u>811,460</u>
	<u>\$ 170,655,284</u>	<u>69,628,237</u>
<u>Major products</u>		
Hyperscale data center	<u>\$ 170,655,284</u>	<u>69,628,237</u>

(ii) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	\$ 72,699,135	37,630,293	21,652,907
Accounts receivable-related parties	366,358	29,014	25,200
Less: loss allowance	<u>(256,592)</u>	<u>(10,515)</u>	<u>-</u>
Total	<u>\$ 72,808,901</u>	<u>37,648,792</u>	<u>21,678,107</u>
	March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities-warranty and advance receivable	<u>\$ 5,221,319</u>	<u>5,667,154</u>	<u>5,420,658</u>

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

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, 2025 and 2024 that were included in the contract liability balances at the beginning of the years were \$797,865 and \$691,042, respectively.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) 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 distribute 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,	
	2025	2024
Employees' compensation	\$ 650,000	310,000
Directors' compensation	<u>15,000</u>	<u>9,000</u>
	<u>\$ 665,000</u>	<u>319,000</u>

The amount of employees' and directors' compensation were estimated based on profit before tax, net of the amount of compensation, and multiplied by the rule of Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year.

For the year ended December 31, 2024, the estimated employees' compensation and directors' compensation amounted to \$1,500,000 and \$600,000, respectively. The difference between the estimated employee compensation and the actual amount approved by the Board of Directors was NT\$100,000, which was accounted for as a change in accounting estimate and would be recognized as profit or loss in 2025.

For the year ended December 31, 2023, the employees' compensation and directors' compensation amounted to \$800,000 and \$30,000, respectively, the amounts, as stated in the consolidated financial statements, were identical to those approved by the board of directors. The related information can be available on Market Observation Post System Website.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

For the three months ended March 31,	
2025	2024
Interest income from bank deposits	
\$ 244,336	218,636

(ii) Other gains and losses

The details of other gains and losses were as follows:

For the three months ended March 31,	
2025	2024
Foreign exchange gains, net	
\$ 971,097	163,775
Gains (losses) on valuation of financial assets and liabilities at fair value	
(31,687)	6,232
Others	
69,242	7,199
Total	
\$ 1,008,652	177,206

(iii) Finance costs

The details of finance costs were as follows:

For the three months ended March 31,	
2025	2024
Interest expenses	
Bank loans	
\$ (570,002)	(272,934)
Bonds payable	
(80,128)	(17,991)
Others	
(44,079)	(37,611)
Total	
\$ (694,209)	(328,536)

(v) 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(u) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The 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, 2025, December 31 and March 31, 2024, 96.66%, 98.54% and 99.38% of the Group's accounts receivable were all concentrated on 3 specific customers. Accordingly, concentrations of credit risk exist.

(ii) Receivable and debt securities

For credit risk exposure of accounts receivable, please refer to note 6(d). Other financial assets at amortized cost include 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, 2025, December 31 and March 31, 2024, the other receivables did not accrue any loss allowance.

(iii) Liquidity risk

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

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
March 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 28,993,388	29,150,047	29,150,047	-	-
Long-term borrowings (including current portion)	1,500,000	1,543,550	1,543,550	-	-
Bonds payable (including current portion)	25,296,844	26,530,990	4,755,474	21,775,516	-
Notes and accounts payable (including related parties)	87,980,539	87,980,539	87,980,539	-	-
Other payables (including related parties)	5,756,993	5,756,993	5,756,993	-	-
Lease liabilities (including current and non-current)	3,801,622	4,677,773	843,833	2,443,835	1,390,105
Guarantee deposits received	13,244	13,244	-	13,244	-
Subtotal	<u>\$ 153,342,630</u>	<u>155,653,136</u>	<u>130,030,436</u>	<u>24,232,595</u>	<u>1,390,105</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>
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	\$ 618	618	618	-	-
Carrying amount	618	618	618	-	-
Convertible bonds with embedded derivative instrument:					
Outflow	170,047	170,047	-	170,047	-
Carrying amount	170,047	170,047	-	170,047	-
Subtotal	170,665	170,665	618	170,047	-
Total	<u>\$ 153,513,295</u>	<u>155,823,801</u>	<u>130,031,054</u>	<u>24,402,642</u>	<u>1,390,105</u>
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,399,750	1,408,923	1,408,923	-	-
Long-term borrowings	1,500,000	1,543,920	43,326	1,500,594	-
Bonds payable (including current portion)	25,228,745	26,543,018	4,764,046	21,778,972	-
Notes and accounts payable (including related parties)	53,585,494	53,585,494	53,585,494	-	-
Other payables (including related parties)	5,339,664	5,339,664	5,339,664	-	-
Lease liabilities (including current and non-current)	4,008,416	4,930,221	920,923	2,569,645	1,439,653
Other current liabilities	267,966	267,966	267,966	-	-
Guarantee deposits received	13,244	13,244	-	13,244	-
Subtotal	91,343,279	93,632,450	66,330,342	25,862,455	1,439,653
Derivative financial liabilities					
Convertible bonds with embedded derivative instrument:					
Outflow	97,728	97,728	-	97,728	-
Carrying amount	97,728	97,728	-	97,728	-
Subtotal	97,728	97,728	-	97,728	-
Total	<u>\$ 91,441,007</u>	<u>93,730,178</u>	<u>66,330,342</u>	<u>25,960,183</u>	<u>1,439,653</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 related parties)	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	54,231,183	54,676,203	44,284,664	10,256,792	134,747
Derivative financial liabilities					
Foreign currency forward contacts:					
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

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

(iv) Market risk

1) Currency risk

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

March 31, 2025			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	1,750,599	USD/NTD= 33.182	58,088,370
	47,680	USD/MYR= 4.440	1,582,125
	33,140	USD/MXN= 20.400	1,099,675
	25,202	USD/JPY= 149.160	836,418
	-	USD/CNY= 7.252	13
	-	USD/KRW= 1,473.290	2
<u>Non-monetary items</u>			
USD	3,848	USD/NTD= 33.182	127,684
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,106,899	USD/NTD= 33.182	36,729,136
	464,496	USD/MYR= 4.440	15,412,853
	62,787	USD/JPY= 149.160	2,083,769
	54,797	USD/MXN= 20.400	1,818,301
December 31, 2024			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	1,113,606	USD/NTD= 32.781	36,505,119
	30,311	USD/MXN= 20.693	993,624
	14,144	USD/JPY= 156.060	463,663
	13,601	USD/MYR= 4.477	445,840
	-	USD/CNY= 7.293	13
	-	USD/KRW= 1,472.600	2

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024			
	Foreign currency (in thousands)	Exchange rate	NTD
<u>Non-monetary items</u>			
USD	4,328	USD/NTD= 32.781	141,860
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	502,293	USD/NTD= 32.781	16,465,669
	138,457	USD/MYR= 4.477	4,538,770
	43,791	USD/MXN= 20.693	1,435,526
	2,175	USD/JPY= 156.060	71,292
	-	USD/KRW= 1,472.600	19,725
March 31, 2024			
	Foreign currency (in thousands)	Exchange rate	NTD
<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
<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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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, lease liabilities, 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, 2025 and 2024, the net income (loss) would be changed by \$222,523 thousand and \$(56,600) thousand, respectively. The analysis assumes that all other variable remain constant.

Since the Group has many kinds of functional currency, the information on foreign exchange gains on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gains (including realized and unrealized portions) amounted to \$971,097 thousand and \$163,775 thousand, respectively.

2) Interest rate analysis

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

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

If the interest rate increased / decreased by 1%, the Group's net income would have been changed by \$19,121 thousand and \$6,950 thousand, respectively, for the three months ended March 31, 2025 and 2024, with all other variable factors that remain constant. This is mainly due to the Group's borrowings at floating variable rate.

(v) 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.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		March 31, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss -current						
Derivative financial assets	\$	<u>326</u>	<u>-</u>	<u>326</u>	<u>-</u>	<u>326</u>
Financial assets at fair value through profit or loss -non current						
Private preferred stock	\$	211,404	-	-	211,404	211,404
Private fund		<u>340,068</u>	<u>-</u>	<u>-</u>	<u>340,068</u>	<u>340,068</u>
Subtotal	\$	<u>551,472</u>	<u>-</u>	<u>-</u>	<u>551,472</u>	<u>551,472</u>
Financial assets at fair value through other comprehensive income-current						
Accounts receivable	\$	<u>55,024,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income-non-current						
Equity instruments	\$	<u>291,630</u>	<u>-</u>	<u>-</u>	<u>291,630</u>	<u>291,630</u>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	47,104,889	-	-	-	-
Accounts receivable (including related parties)		17,784,569	-	-	-	-
Other receivable (including related parties)		1,121,518	-	-	-	-
Other non-current assets		<u>391,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$	<u>66,402,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss-current						
Derivative financial liabilities	\$	<u>618</u>	<u>-</u>	<u>618</u>	<u>-</u>	<u>618</u>
Financial liabilities at fair value through profit or loss-non current						
Convertible bonds with embedded derivative	\$	<u>170,047</u>	<u>-</u>	<u>170,047</u>	<u>-</u>	<u>170,047</u>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	28,993,388	-	-	-	-
Long-term borrowings (including current portion)		1,500,000	-	-	-	-
Bonds payable (including current portion)		25,296,844	-	-	-	-
Notes and accounts payable (including related parties)		87,980,539	-	-	-	-
Other payables (including related parties)		5,756,993	-	-	-	-
Lease liabilities (including current and non-current)		3,801,622	-	-	-	-
Guarantee deposits received		<u>13,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$	<u>153,342,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income-non current					
Private preferred stock	\$ 227,582	-	-	227,582	227,582
Private fund	339,842	-	-	339,842	339,842
Subtotal	<u>\$ 567,424</u>	<u>-</u>	<u>-</u>	<u>567,424</u>	<u>567,424</u>
Financial assets at fair value through other comprehensive income-current					
Accounts receivable	<u>\$ 24,770,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 48,328,503	-	-	-	-
Accounts receivable (including related parties)	12,878,488	-	-	-	-
Other receivable (including related parties)	54,859	-	-	-	-
Other non-current assets	267,409	-	-	-	-
Subtotal	<u>\$ 61,529,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss-non current					
Convertible bonds with embedded derivative	<u>\$ 97,728</u>	<u>-</u>	<u>97,728</u>	<u>-</u>	<u>97,728</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 1,399,750	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable (including current portion)	25,228,745	-	-	-	-
Notes and accounts payable (including related parties)	53,585,494	-	-	-	-
Other payables (including related parties)	5,339,664	-	-	-	-
Lease liabilities (including current and non-current)	4,008,416	-	-	-	-
Other current liabilities	267,966	-	-	-	-
Guarantee deposits received	13,244	-	-	-	-
Subtotal	<u>\$ 91,343,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		March 31, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss -current						
Derivative financial assets	\$	<u>71</u>	<u>-</u>	<u>71</u>	<u>-</u>	<u>71</u>
Financial assets at fair value through profit or loss -non current						
Private preferred stock	\$	250,624	-	-	250,624	250,624
Private fund		<u>155,894</u>	<u>-</u>	<u>-</u>	<u>155,894</u>	<u>155,894</u>
Subtotal	\$	<u>406,518</u>	<u>-</u>	<u>-</u>	<u>406,518</u>	<u>406,518</u>
Financial assets at fair value through other comprehensive income-current						
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		<u>152,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$	<u>37,110,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss-non current						
Derivative financial liabilities	\$	<u>2,447</u>	<u>-</u>	<u>2,447</u>	<u>-</u>	<u>2,447</u>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	941,948	-	-	-	-
Long-term borrowings		1,500,000	-	-	-	-
Bonds payable (including related parties)		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		<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$	<u>54,231,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are 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 are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

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

The financial instrument of the Group was not traded in an active market, its fair value was determined basing on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value was discounted for its lack of liquidity in the market.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. The fair value of structured interest derivative financial instruments is determined by using the proper option pricing models, such as Black-Scholes model, or other valuation technique, such as Monte Carlo simulation.

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

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Changes between Level 3:

	<u>Fair value through profit or loss</u> <u>Non-derivative financial assets</u> <u>mandatorily measured at fair</u> <u>value through profit or loss</u> <u>(Held-for-trading non-derivative</u> <u>financial assets)</u>	<u>Fair value through</u> <u>other comprehensive</u> <u>income</u>	
		<u>Unquoted equity</u> <u>instruments</u>	<u>Total</u>
Balance on January 1, 2025	\$ 567,424	-	567,424
Acquisition	-	291,630	291,630
Total gains and losses recognized			
in profit or loss	(18,134)	-	(18,134)
in other comprehensive income	-	-	-
Effect of exchange rate changes	2,182	-	2,182
Balance on March 31, 2025	<u>\$ 551,472</u>	<u>291,630</u>	<u>843,102</u>
Balance on January 1, 2024	\$ -	-	-
Acquisition	406,518	-	406,518
Total gains and losses recognized			
in profit or loss	-	-	-
in other comprehensive income	-	-	-
Balance on March 31, 2024	<u>\$ 406,518</u>	<u>-</u>	<u>406,518</u>

For the three months ended March 31, 2025 and 2024, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive income” were as follows:

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2025</u>	<u>2024</u>
Total gains and losses recognized:		
in profit or loss, and presented in “other gains and losses”	\$ (18,134)	-
in other comprehensive income, and presented in		
“unrealized gains (losses) from financial assets measured		
at fair value through other comprehensive income”	-	-
	<u>\$ (18,134)</u>	<u>-</u>

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 profit or loss - equity investments” and “private fund investments”.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss-equity investments without an active market	Black-Scholes Option Pricing Model	·Volatility (as of March 31, 2025 and December 31, 2024 were 38.96%)	·The estimated fair value would decrease if the volatility was higher.
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Net asset value method	·Net asset value	·The estimated fair value would increase if the net assets were 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 were 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:

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

				Profit or loss		Other comprehensive income	
				Inputs	Increase or decrease	Favorable	Unfavorable
March 31, 2025							
Financial assets measured at fair value through profit or loss:							
Equity investments without an active market	Volatility	5%	\$	11,315	(11,126)	-	-
Private fund	Net asset value method	5%		17,003	(17,003)	-	-
Financial assets measured at fair value through other comprehensive income:							
Equity investments without an active market	Net asset value method	5%		-	-	14,582	(14,582)
December 31, 2024							
Financial assets measured at fair value through profit or loss:							
Equity investments without an active market	Volatility	5%		-	(931)	-	-
Private fund	Net asset value method	5%		16,992	(16,992)	-	-
March 31, 2024							
Financial assets measured at fair value through profit or loss:							
Equity investments without an active market	Net asset value method	5%		12,531	(12,531)	-	-
Private fund	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.

March 31, 2025						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Other receivables	\$ 1,430,225	1,430,225	-	-	-	-

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2025					
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)	
				Financial instruments	Net amounts (e)=(c)-(d)
				Cash collateral received	
Notes payable and accounts payable	\$ 11,541,701	1,430,225	10,111,476	-	10,111,476
December 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)	
				Financial instruments	Net amounts (e)=(c)-(d)
				Cash collateral received	
Other receivables	\$ 818,197	818,197	-	-	-
December 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)	
				Financial instruments	Net amounts (e)=(c)-(d)
				Cash collateral received	
Notes payable and accounts payable	\$ 4,747,544	818,197	3,929,347	-	3,929,347
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)	
				Financial instruments	Net amounts (e)=(c)-(d)
				Cash collateral received	
Other receivables	\$ 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)	
				Financial instruments	Net amounts (e)=(c)-(d)
				Cash collateral received	
Notes payable and accounts payable	\$ 9,517,346	953,803	8,563,543	-	8,563,543

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

WIWYNN CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

For the three months ended March 31, 2025 and 2024, reconciliations of liabilities arising from financing activities were as follows:

			Non-cash changes					March 31, 2025
			Change in lease payments	Addition	Interest expenses	Reclassification	Foreign exchange movement and others	
	January 1, 2025	Cash flows						
Short-term borrowings	\$ 1,399,750	27,417,323	-	-	-	-	176,315	28,993,388
Long-term borrowings	1,500,000	-	-	-	-	(1,500,000)	-	-
Bonds payable	20,503,745	-	-	-	68,099	-	-	20,571,844
Current portion of long-term borrowings	-	-	-	-	-	1,500,000	-	1,500,000
Lease liabilities (including current and non-current)	4,008,416	(180,569)	(103,906)	35,019	-	-	42,662	3,801,622
Total liabilities from financing activities	<u>\$ 27,411,911</u>	<u>27,236,754</u>	<u>(103,906)</u>	<u>35,019</u>	<u>68,099</u>	<u>-</u>	<u>218,977</u>	<u>54,866,854</u>

			Non-cash changes					March 31, 2024
			Change in lease payments	Addition	Interest expenses	Reclassification	Foreign exchange movement	
	January 1, 2024	Cash flows						
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 borrowings	2,500,000	-	-	-	-	-	-	2,500,000
Lease liabilities (including current and non-current)	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>

(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, 2025, December 31 and March 31, 2024, it owns 35.45%, 35.45% and 37.68%, respectively, of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(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 Medical Technology Corporation (WMT)	Other related parties
Wistron Automotive Electronics (Kunshan) Co., Ltd. (WAEK)	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:

	Sales		Receivables from related parties		
	For the three months ended March 31		March 31,	December 31,	March 31,
	2025	2024	2025	2024	2024
WHQ	\$ -	3,312	-	-	558
Other related parties	361,350	9,000	366,358	29,014	24,642
	\$ 361,350	12,312	366,358	29,014	25,200

The selling price and payment terms of sales to related parties depend on the economic environment and market competition, and are not significantly different from those with third-party customers.

(ii) Purchases

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

	Purchases		Payables to related parties		
	For the three months ended March 31		March 31,	December 31,	March 31,
	2025	2024	2025	2024	2024
WHQ	\$ 16,609,705	13,287,951	10,204,215	4,130,266	8,741,216
Other related parties	974,143	572,621	1,220,461	1,394,707	567,486
	\$ 17,583,848	13,860,572	11,424,676	5,524,973	9,308,702

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:

	For the three months ended March 31,	
	2025	2024
WHQ	\$ 12,132	5,050
Other related parties	152,838	89,667
	\$ 164,970	94,717

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,	
	2025	2024
WHQ	\$ -	14,860
Other related parties:		
WITX	1,416	-
AGI	276	-
Other related parties	-	1,476
	\$ 1,692	16,336

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, 2025	December 31, 2024	March 31, 2024
WHQ	\$ 1,101,425	31,477	27,263
Other related parties:			
WITX	2,338	3,989	9,443
Other related parties	1,464	2,586	97
Total	\$ 1,105,227	38,052	36,803

(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, 2025	December 31, 2024	March 31, 2024
WHQ	\$ 14,143	4,700	5,124
Other related parties	195,778	144,648	72,079
Total	\$ 209,921	149,348	77,203

(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 amounted to \$1,001,898 thousand and \$363,136 thousand, respectively. The outstanding balance of lease liabilities and interest expense were as follows:

		Lease liabilities (including current and non-current)		
		March 31, 2025	December 31, 2024	March 31, 2024
WIMX		\$ 534,655	536,445	626,745
WNC		43	136,046	174,594
		\$ 534,698	672,491	801,339

		Interest expense For the three months ended March 31,	
		2025	2024
WIMX		\$ 19,060	21,158
WNC		421	915
		\$ 19,481	22,073

(d) Key management personnel compensation

Key management personnel compensation comprised:

		For the three months ended March 31,	
		2025	2024
Short-term employee benefits		\$ 106,899	52,611
Post-employment benefits		335	182
		\$ 107,234	52,793

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Inventory	Inventory guarantee	\$ -	267,966	1,311,590
Other non-current assets	Guarantee	147,965	147,579	46,817
Other non-current assets	Performance guarantee	13,337	13,337	14,000
		\$ 161,302	428,882	1,372,407

(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, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	\$ <u>5,243,895</u>	<u>4,689,530</u>	<u>429,896</u>

(b) As of March 31, 2025, December 31 and March 31, 2024, the unused letters of credit were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unused letters of credit	\$ <u>215,247</u>	<u>283,263</u>	<u>209,992</u>

(10) Losses due to major disasters: None.

(11) Subsequent events:

On May 1, 2025, the Board of the subsidiary Wiwynn Technology Corporation resolved to acquire land and buildings from SLC Building 1, LLC. The transaction price is set at USD 59,592 thousand; however, the actual transaction date will be determined upon the execution of the agreement by both parties.

(12) Other:

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

	For the three months ended March 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item						
Employee benefits						
Salary	1,418,839	1,010,071	2,428,910	904,916	549,373	1,454,289
Labor and health insurance	173,416	50,025	223,441	118,689	40,601	159,290
Pension	121,651	18,701	140,352	81,007	15,993	97,000
Remuneration of directors	-	15,270	15,270	-	9,180	9,180
Others	85,136	12,901	98,037	86,720	10,717	97,437
Depreciation	451,651	54,243	505,894	298,114	54,869	352,983
Amortization	6,361	45,179	51,540	5,147	26,985	32,132

(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, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: Table 1 attached.
- (iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Table 2 attached.
- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Table 3 attached.
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Table 4 attached.
- (vi) Significant intercompany transactions and business relationships between parent company and its subsidiaries: Table 5 attached.

(b) Information on investments:

The following are the information on investments for the three months ended March 31, 2025 (excluding information on investments in mainland China): Table 6 attached.

(c) Information on investment in mainland China: Table 7 attached.

(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, 2025)

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	29,667,507	940,409	916,421	916,421	31,965	0.93%	49,445,845	Y	N	N	(Note 4)
0	The Company	WYUS	2	29,667,507	30,192	30,192	30,192	-	0.03%	49,445,845	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 Securities Held (excluding investment in subsidiaries, associates and joint ventures)

(March 31, 2025)

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	211,404	7.92%	211,404	-
The Company	Andra Capital Fund LP	Fund	-	Financial assets measured at fair value through profit or loss-non-current	-	159,950	-	159,950	-
The Company	LAMBDA, INC.	Stock	-	Financial assets at fair value through other comprehensive income-non-current	500	291,630	0.38%	291,630	-
WYUS	Andra Capital Fund LP	Fund	-	Financial assets measured at fair value through profit or loss-non-current	-	180,118	-	180,118	-

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 3 Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
(March 31, 2025)

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	22,732,277	50.24%	OA150	-	-	39,489,005	72.16%	(Note)
"	WYJP	The Company's subsidiary	Sale	941,780	2.08%	OA90	-	-	691,249	1.26%	(Note)
"	WYKR	The Company's subsidiary	Sale	134,564	0.30%	OA90	-	-	103,767	0.19%	(Note)
"	WYHK	The Company's subsidiary	Sale	303,449	0.67%	OA90	-	-	311,210	0.57%	(Note)
"	WYKS	The Company's subsidiary	Sale	257,481	0.57%	OA90	-	-	264,374	0.48%	(Note)
"	WHQ	The Company's parent company	Purchase	16,485,946	49.63%	OA45	-	-	(10,111,476)	(41.87%)	-
"	WYUS	The Company's subsidiary	Purchase	471,439	1.42%	OA90	-	-	(195,222)	(0.81%)	(Note)
"	WYMY	The Company's subsidiary	Purchase	6,333,170	19.07%	OA30	-	-	(1,497,015)	(6.20%)	(Note)
WYUS	The Company	WYUS's parent company	Sale	471,439	0.48%	OA90	-	-	195,222	0.22%	(Note)
"	WBR	WYUS's other related company	Sale	290,502	0.20%	OA90	-	-	293,611	0.51%	-
"	WITX	WYUS's other related company	Purchase	973,921	0.56%	OA90	-	-	(1,220,166)	(1.24%)	-
"	The Company	WYUS's parent company	Purchase and Service cost	22,732,277	13.51%	OA150	-	-	(39,489,005)	(40.12%)	(Note)
"	WYMX	WYUS's affiliate company	Processing fee	1,379,855	0.79%	OA60	-	-	(905,963)	(0.92%)	(Note)
WYJP	The Company	WYJP's parent company	Purchase	941,780	100.00%	OA90	-	-	(691,249)	(100.00%)	(Note)
WYKR	The Company	WYKR's parent company	Purchase	134,564	100.00%	OA90	-	-	(103,767)	(100.00%)	(Note)
WYHK	The Company	WYHK's parent company	Purchase	303,449	100.00%	OA90	-	-	(311,210)	(99.91%)	(Note)
WYKS	The Company	WYKS's parent company	Purchase	257,481	100.00%	OA90	-	-	(264,374)	(100.00%)	(Note)
WYMY	The Company	WYMY's parent company	Sale	6,333,170	100.00%	OA30	-	-	1,497,015	100.00%	(Note)
WYMX	WYUS	WYMX's affiliate company	Processing income	1,379,855	100.00%	OA60	-	-	905,963	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 4 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
(March 31, 2025)

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	39,489,005	324.08%	1,367,791	Collecting	6,623,557	-	(Note)
"	WYJP	The Company's subsidiary	691,249	988.04%	-	-	216,863	-	(Note)
"	WYKR	The Company's subsidiary	103,767	343.50%	-	-	62,107	-	(Note)
"	WYHK	The Company's subsidiary	311,210	780.05%	-	-	137,244	-	(Note)
"	WYKS	The Company's subsidiary	264,374	287.80%	-	-	-	-	(Note)
WYUS	WBR	WYUS's other related company	293,611	788.43%	-	-	76,038	-	-
"	The Company	WYUS's parent company	195,222	2,738.22%	-	-	-	-	(Note)
WYMY	The Company	WYMY's parent company	1,497,015	2,753.47%	-	-	1,497,015	-	(Note)
WYMX	WYUS	WYMX's affiliate company	905,963	605.17%	-	-	431,448	-	(Note)
Other Receivables									
The Company	WYMY	The Company's subsidiary	1,672,626	-	297	Collecting	970,143	-	(Note)
"	WYJP	The Company's subsidiary	1,392,965	-	-	-	251,770	-	(Note)
"	WYUS	The Company's subsidiary	120,595	-	34	Collecting	38,972	-	(Note)
WYUS	WHQ	WYUS's parent company	1,101,425	-	-	-	1,049,136	-	-
"	The Company	WYUS's parent company	1,083,458	-	-	-	-	-	(Note)
"	WYMY	WYUS's affiliate company	678,272	-	-	-	79,245	-	(Note)

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

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 5 Significant intercompany transactions and business relationships between parent company and its subsidiaries
(March 31, 2025)

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	22,732,277	OA150	13.32%
0	"	WYJP	1	Sale	941,780	OA90	0.55%
0	"	WYKR	1	Sale	134,564	OA90	0.08%
0	"	WYHK	1	Sale	303,449	OA90	0.18%
0	"	WYKS	1	Sale	257,481	OA90	0.15%
1	WYUS	The Company	2	Sale	471,439	OA90	0.28%
2	WYMY	"	2	Sale	6,333,170	OA30	3.71%
3	WYMX	WYUS	3	Processing income	1,379,855	OA60	0.81%
0	The Company	WYUS	1	Account receivable	39,489,005	OA150	14.86%
0	"	WYJP	1	Account receivable	691,249	OA90	0.26%
0	"	WYKR	1	Account receivable	103,767	OA90	0.04%
0	"	WYHK	1	Account receivable	311,210	OA90	0.12%
0	"	WYKS	1	Account receivable	264,374	OA90	0.10%
1	WYUS	The Company	2	Account receivable	195,222	OA90	0.07%
2	WYMY	"	2	Account receivable	1,497,015	OA30	0.56%
3	WYMX	WYUS	3	Account receivable	905,963	OA60	0.34%

Note 1: relationship:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 2: The section only discloses the information of sales and accounts receivable of inter-company transactions, as well as is not disclosed the purchase and accounts payable of counter-party due to duplicate.

Note 3: Calculated by using the transaction amount, divided by the consolidated net revenues and total assets.

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 6 Information on investments (excluding investees in mainland China)

The following are the information on investees for January 1 to March 31, 2025 (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, 2025			Net income (losses) of the investee	Share of profits/losses of investee	Notes
				March 31, 2025	December 31, 2024	Shares(In thousands)	Percentage of ownership	Carrying value			
The Company	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	579,668	52,906	52,906	(Note)
"	WYUS	U.S.A	Sales of cloud data center equipment	45,238,581	45,238,581	1,469,010	100.00%	50,803,874	250,602	250,602	(Note)
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	354,590	11,383	11,383	(Note)
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	186,728	(319)	(319)	(Note)
"	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	6,972,733	6,972,733	1,046,012	100.00%	8,189,825	415,088	415,088	(Note)
"	WYMX	Mexico	Manufacturing of cloud data center equipment	1,741,251	1,741,251	1,113,761	100.00%	3,075,282	127,519	127,519	(Note)
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	66,959	1,198	1,198	(Note)
"	WYMTN	Taiwan	Manufacturing and sales of cloud data center equipment	1,000	-	5	100.00%	1,001	1	1	(Note)
"	WYMUS	U.S.A	Manufacturing and sales of cloud data center equipment	64,702	-	2,000	100.00%	66,360	(4)	(4)	(Note) - (Note1)
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	11.29%	127,684	(140,175)	(16,062)	-

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

(Note1): The Company injected capital on March 27, 2025, but the legal procedures for the subsidiary's capital increase are still under review.

WIWYNN CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Information on investment in mainland China

(i) Information on investment in mainland China

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 2)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net income (loss) of the investee	Percentage of ownership	Investment income (losses)		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	9,458	100%	9,458	(Note3)2	162,935	-	(Note 5)

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of March 31, 2025 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 6)	Upper Limit or Investment (Note 4)
10,659(USD 350,000)	11,614(USD 350,000)	59,335,014

(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, 2025.

(iii) Significant transactions

From January 1 to March 31, 2025, 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”.