

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

**With Independent Auditors' Review Report  
for the Nine Months Ended September 30, 2024 and 2023**

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

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## Independent Auditors' Review Report

To the Board of Directors Wiwynn Corporation:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Wiwynn Corporation and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Wiwynn Corporation and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



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

KPMG

Taipei, Taiwan (Republic of China)  
November 13, 2024

**Notes to Readers**

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

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

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

## Wiwynn Corporation and Subsidiaries

## Consolidated Balance Sheets

September 30, 2024, December 31, and September 30, 2023

(Expressed in Thousands of New Taiwan dollars)

Assets		September 30, 2024		December 31, 2023		September 30, 2023		Liabilities and Equity		September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 47,440,739	27	37,494,848	42	19,367,134	23	2100	Short-term borrowings (note 6(k))	\$ 1,946,548	1	383,793	-	2,549,120	3
1110	Financial assets at fair value through profit or loss-current (note 6(b))	-	-	-	-	12	-	2120	Financial liabilities at fair value through profit or loss-current (note 6(b))	-	-	-	-	4,380	-
1170	Accounts receivable, net (notes 6(c) and (r))	42,124,736	24	10,131,202	11	24,838,342	29	2130	Contract liabilities-current (note 6(r))	6,017,042	3	5,950,026	7	5,402,611	6
1180	Accounts receivable-related parties, net (notes 6(c), (r) and 7)	117,198	-	232,029	-	388,033	-	2170	Notes payable and accounts payable	38,066,311	22	15,144,834	17	13,339,351	17
1200	Other receivables (note 6(d))	73,103	-	866	-	28,565	-	2180	Accounts payable-related parties (note 7)	9,045,326	5	5,024,520	6	3,954,648	5
1210	Other receivables-related parties (notes 6(d) and 7)	112,919	-	57,861	-	878,644	1	2200	Other payables (notes 6(s) and 7)	4,938,192	3	4,114,698	5	4,198,404	5
130X	Inventories (notes 6(e) and 8)	70,348,602	39	30,179,170	35	30,508,203	36	2220	Other payables-related parties (note 7)	233,159	-	222,494	-	313,502	-
1479	Other current assets (note 6(j))	1,372,837	1	1,099,323	1	839,130	1	2230	Current tax liabilities	2,505,139	1	1,233,004	1	269,499	-
	<b>Total current assets</b>	<b>161,590,134</b>	<b>91</b>	<b>79,195,299</b>	<b>89</b>	<b>76,848,063</b>	<b>90</b>	2280	Lease liabilities-current (notes 6(m) and 7)	651,586	-	332,877	-	346,809	-
<b>Non-current assets:</b>								2320	Current portion of long-term liabilities (note 6(l))	4,725,000	3	2,500,000	3	-	-
1510	Financial assets at fair value through profit or loss-non-current (note 6(b))	580,598	-	-	-	-	-	2399	Other current liabilities	964,513	1	1,587,769	2	1,952,571	2
1550	Investments accounted for using equity method (note 6(f))	117,449	-	159,246	-	186,330	-		<b>Total current liabilities</b>	<b>69,092,816</b>	<b>39</b>	<b>36,494,015</b>	<b>41</b>	<b>32,330,895</b>	<b>38</b>
1600	Property, plant and equipment (notes 6(g), 7 and 9)	8,601,480	5	5,625,693	7	4,568,203	6	<b>Non-current liabilities:</b>							
1755	Right-of-use assets (notes 6(h) and 7)	3,826,818	2	1,473,002	2	1,590,988	2	2500	Financial liabilities at fair value through profit or loss-non-current (notes 6(b) and (l))	160,274	-	-	-	-	-
1780	Intangible assets (notes 6(i) and 7)	170,571	-	132,389	-	120,057	-	2530	Bonds payable (note 6(l))	22,935,892	13	6,942,918	8	9,442,109	12
1840	Deferred tax assets	1,013,346	1	1,012,261	1	641,829	1	2540	Long-term borrowings (note 6(k))	1,500,000	1	1,500,000	2	1,500,000	2
1990	Other non-current assets (notes 6(j) and 8)	1,192,258	1	1,247,507	1	1,274,749	1	2570	Deferred tax liabilities	465,694	-	465,674	-	286,411	-
	<b>Total non-current assets</b>	<b>15,502,520</b>	<b>9</b>	<b>9,650,098</b>	<b>11</b>	<b>8,382,156</b>	<b>10</b>	2580	Lease liabilities-non-current (notes 6(m) and 7)	3,021,170	2	1,188,100	1	1,281,828	1
								2640	Net defined benefit liabilities-non-current	7,118	-	6,638	-	8,576	-
								2645	Guarantee deposits received	13,338	-	14,000	-	-	-
									<b>Total non-current liabilities</b>	<b>28,103,486</b>	<b>16</b>	<b>10,117,330</b>	<b>11</b>	<b>12,518,924</b>	<b>15</b>
									<b>Total liabilities</b>	<b>97,196,302</b>	<b>55</b>	<b>46,611,345</b>	<b>52</b>	<b>44,849,819</b>	<b>53</b>
								<b>Equity (notes 6(f), (l) and (p)):</b>							
								3110	Common shares	1,858,408	1	1,748,408	2	1,748,408	2
								3200	Capital surplus	36,962,362	21	8,839,619	10	8,839,619	10
								3300	Retained earnings	38,721,303	22	30,335,745	34	26,826,405	31
								3400	Other equity	2,354,279	1	1,310,280	2	2,965,968	4
									<b>Total equity</b>	<b>79,896,352</b>	<b>45</b>	<b>42,234,052</b>	<b>48</b>	<b>40,380,400</b>	<b>47</b>
									<b>Total liabilities and equity</b>	<b>\$ 177,092,654</b>	<b>100</b>	<b>88,845,397</b>	<b>100</b>	<b>85,230,219</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 177,092,654</b>	<b>100</b>	<b>88,845,397</b>	<b>100</b>	<b>85,230,219</b>	<b>100</b>								

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 and nine months ended September 30, 2024 and 2023

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

	For the three months ended September 30				For the nine months ended September 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (notes 6(r) and 7)</b>								
	\$ 97,818,367	100	52,817,250	100	244,927,484	100	183,351,284	100	
5000	<b>Operating costs (notes 6(e), (g), (h), (i), (m), (n), (s), 7 and 12)</b>								
	87,386,234	89	47,762,928	91	218,400,897	89	167,154,217	91	
	<b>Gross profit from operations</b>								
	10,432,133	11	5,054,322	9	26,526,587	11	16,197,067	9	
	<b>Operating expenses (notes 6(c), (g), (h), (i), (m), (n), (s), 7 and 12):</b>								
6100	Selling expenses	408,454	-	245,183	-	945,684	-	802,557	-
6200	Administrative expenses	477,761	1	481,541	1	1,374,065	1	1,277,795	1
6300	Research and development expenses	1,445,877	2	1,075,619	2	4,031,156	2	2,899,273	2
6450	Expected credit loss(gain)	194,994	-	206	-	207,558	-	(7,311)	-
	<b>Total operating expenses</b>	2,527,086	3	1,802,549	3	6,558,463	3	4,972,314	3
	<b>Net operating income</b>	7,905,047	8	3,251,773	6	19,968,124	8	11,224,753	6
	<b>Non-operating income and expenses (notes 6(f), (g), (h), (l), (m), (t) and 7):</b>								
7100	Interest income	477,909	-	109,011	-	860,233	-	298,178	-
7020	Other gains and losses	(78,556)	-	210,981	-	296,517	-	294,146	-
7050	Finance costs	(357,367)	-	(293,401)	-	(1,030,071)	-	(785,767)	-
7370	Share of loss of associates and joint ventures accounted for using equity method	(7,713)	-	(14,418)	-	(46,323)	-	(45,145)	-
	<b>Total non-operating income and expenses</b>	34,273	-	12,173	-	80,356	-	(238,588)	-
7900	<b>Income before tax</b>	7,939,320	8	3,263,946	6	20,048,480	8	10,986,165	6
7950	<b>Income tax expense (note 6(o))</b>	1,611,409	2	648,890	1	4,319,609	2	2,457,278	1
	<b>Net income</b>	6,327,911	6	2,615,056	5	15,728,871	6	8,528,887	5
8300	<b>Other comprehensive income (loss) (notes 6(f) and (p)):</b>								
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign financial statements	(826,426)	-	1,239,068	2	1,039,473	1	1,773,962	1
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	(5,058)	-	6,507	-	4,526	-	10,346	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	(831,484)	-	1,245,575	2	1,043,999	1	1,784,308	1
8300	<b>Other comprehensive income (net of tax)</b>	(831,484)	-	1,245,575	2	1,043,999	1	1,784,308	1
8500	<b>Total comprehensive income</b>	\$ 5,496,427	6	3,860,631	7	16,772,870	7	10,313,195	6
	<b>Profit attributable to:</b>								
8610	Owners of parent	\$ 6,327,911	6	2,615,056	5	15,728,871	6	8,528,887	5
	<b>Comprehensive income attributable to:</b>								
8710	Owners of parent	\$ 5,496,427	6	3,860,631	7	16,772,870	7	10,313,195	6
	<b>Earnings per share (expressed in New Taiwan dollars) (note 6(q))</b>								
9750	<b>Basic earnings per share</b>	\$ 34.36		14.96		88.38		48.78	
9850	<b>Diluted earnings per share</b>	\$ 33.56		14.92		85.56		48.62	

See accompanying notes to consolidated financial statements.

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

**Wiwynn Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan dollars)**

	Retained earnings					Other equity		Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	
<b>Balance on January 1, 2023</b>	\$ 1,748,408	8,817,380	3,094,770	431,020	23,513,768	27,039,558	1,181,660	38,787,006
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	1,417,532	-	(1,417,532)	-	-	-
Special reserve	-	-	-	(431,020)	431,020	-	-	-
Cash dividends	-	-	-	-	(8,742,040)	(8,742,040)	-	(8,742,040)
Net income	-	-	-	-	8,528,887	8,528,887	-	8,528,887
Other comprehensive income	-	-	-	-	-	-	1,784,308	1,784,308
Total comprehensive income	-	-	-	-	8,528,887	8,528,887	1,784,308	10,313,195
Changes in equity of associates and joint ventures accounted for using equity method	-	22,239	-	-	-	-	-	22,239
<b>Balance on September 30, 2023</b>	<u>\$ 1,748,408</u>	<u>8,839,619</u>	<u>4,512,302</u>	<u>-</u>	<u>22,314,103</u>	<u>26,826,405</u>	<u>2,965,968</u>	<u>40,380,400</u>
<b>Balance on January 1, 2024</b>	\$ 1,748,408	8,839,619	4,512,302	-	25,823,443	30,335,745	1,310,280	42,234,052
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	1,203,823	-	(1,203,823)	-	-	-
Cash dividends	-	-	-	-	(7,343,313)	(7,343,313)	-	(7,343,313)
Net income	-	-	-	-	15,728,871	15,728,871	-	15,728,871
Other comprehensive income	-	-	-	-	-	-	1,043,999	1,043,999
Total comprehensive income	-	-	-	-	15,728,871	15,728,871	1,043,999	16,772,870
Cash subscription	110,000	26,958,032	-	-	-	-	-	27,068,032
Recognition of equity component of convertible bonds issued	-	1,164,711	-	-	-	-	-	1,164,711
<b>Balance on September 30, 2024</b>	<u>\$ 1,858,408</u>	<u>36,962,362</u>	<u>5,716,125</u>	<u>-</u>	<u>33,005,178</u>	<u>38,721,303</u>	<u>2,354,279</u>	<u>79,896,352</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 nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan dollars)

	For the nine months ended September 30	
	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Income before tax	\$ 20,048,480	10,986,165
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	1,235,171	624,385
Amortization expense	121,520	89,122
Expected credit loss (gain)	207,558	(7,311)
Net profit on financial assets or liabilities at fair value through profit (losses)	26,222	(6,768)
Interest expense	1,030,071	785,767
Interest income	(860,233)	(298,178)
Share of loss of associates and joint ventures accounted for using equity method	46,323	45,145
Losses on disposal of property, plant and equipment	2,270	612
Gain on disposal of investments	-	(5,339)
Prepayments for equipment reclassified as expenses	369	-
Lease modification gains	-	(21)
Total adjustments to reconcile profit	1,809,271	1,227,414
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets mandatorily measured at fair value through profit or loss-current	14,824	6,756
Increase in accounts receivable, net	(32,396,933)	(5,443,845)
Decrease in accounts receivable-related parties, net	123,987	702,342
Increase in other receivable	(72,599)	(23,693)
Decrease (increase) in other receivable-related parties	(55,058)	582,437
Decrease (increase) in inventories	(39,289,403)	6,788,282
Increase in other current assets	(177,708)	(159,361)
Total changes in operating assets	(71,852,890)	2,452,918
Changes in operating liabilities:		
Increase in held-for-trading financial liabilities	-	4,380
Increase in contract liabilities-current	67,016	105,641
Increase (decrease) in notes and accounts payable	22,646,140	(2,211,590)
Increase (decrease) in accounts payable-related parties	3,809,658	(7,921,532)
Increase in other payable	852,960	1,002,834
Increase in other payable-related parties	10,665	267,732
Increase (decrease) in other current liabilities	(690,483)	409,705
Increase in net defined benefit liabilities	480	143
Total changes in operating liabilities	26,696,436	(8,342,687)
Total changes in operating assets and liabilities	(45,156,454)	(5,889,769)
Total adjustments	(43,347,183)	(4,662,355)
Cash inflow (outflow) generated from operations	(23,298,703)	6,323,810
Interest received	826,508	302,407
Interest paid	(965,834)	(749,614)
Income taxes paid	(3,163,538)	(5,014,800)
<b>Net cash flows from (used in) operating activities</b>	<b>(26,601,567)</b>	<b>861,803</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets designated at fair value through profit or loss	(580,598)	-
Acquisition of property, plant and equipment	(2,570,074)	(2,551,360)
Proceeds from disposal of property, plant and equipment	3,886	582
Increase in refundable deposits	(118,992)	-
Acquisition of intangible assets	(156,886)	(70,242)
Decrease in other non-current assets	146,386	278,026
Increase in prepayments for equipment	(788,864)	(1,030,780)
<b>Net cash used in investing activities</b>	<b>(4,065,142)</b>	<b>(3,373,774)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	49,515,706	300,285,698
Decrease in short-term borrowings	(48,159,463)	(297,736,158)
Proceeds from issuing bonds	19,444,877	-
Increase in long-term borrowings	-	1,500,000
Increase in guarantee deposits received	(662)	-
Payment of lease liabilities	(601,624)	(187,921)
Cash dividends paid	(7,343,313)	(8,742,040)
Cash subscription	27,068,032	-
<b>Net cash flows from (used in) financing activities</b>	<b>39,923,553</b>	<b>(4,880,421)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>689,047</b>	<b>527,606</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,945,891</b>	<b>(6,864,786)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>37,494,848</b>	<b>26,231,920</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 47,440,739</b>	<b>19,367,134</b>

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 nine months ended September 30, 2024 and 2023**

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

**(1) Company history**

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

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on November 13, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>	January 1, 2027

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## WIWYNN CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

#### (4) Summary of material accounting policies:

##### (a) Statement of compliance

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

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

##### (b) Basis of consolidation

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

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Wiwynn Technology Service Japan, Inc. (WYJP)	Sales of cloud data center equipment	100 %	100 %	100 %	-
The Company	Wiwynn International Corporation (WYUS)	Sales of cloud data center equipment	100 %	100 %	100 %	-
The Company	Wiwynn Technology Service Hong Kong Limited (WYHK)	Investment activities and sale of cloud data center equipment	100 %	100 %	100 %	-
The Company	Wiwynn Korea Ltd. (WYKR)	Sales of cloud data center equipment	100 %	100 %	100 %	-

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
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 and sales 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 %	-

Note 1: The financial statements of the aforementioned subsidiaries were reviewed by the certified accountant.

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

(c) Financial instruments

(i) Financial liabilities and equity instruments

1) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(d) Employee benefits

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

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

(e) 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 IFRS Accounting Standards (in accordance with IAS34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts**

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

(a) Cash and cash equivalents

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Cash on hand	\$ 328	330	330
Demand and checking deposits	34,719,350	27,608,712	13,687,584
Time deposits	<u>12,721,061</u>	<u>9,885,806</u>	<u>5,679,220</u>
	<b><u>\$ 47,440,739</u></b>	<b><u>37,494,848</u></b>	<b><u>19,367,134</u></b>

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

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
<b>Mandatorily measured at fair value through profit or loss:</b>			
Derivative instruments not used for hedging			
Foreign currency forward contracts	\$ -	-	12
Total	\$ -	-	12

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

	September 30, 2024	December 31, 2023	September 30, 2023
<b>Held-for-trading financial liabilities:</b>			
Foreign currency forward contracts	\$ -	-	4,380
Total	\$ -	-	4,380

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:

	September 30, 2023		
	Contract amount (in thousand)	Currency	Maturity date
<b>Foreign currency forward contracts:</b>			
Foreign currency forward sold	USD\$ <u>48,000</u>	USD to NTD	2023/10/2~2023/11/2

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

	September 30, 2024	December 31, 2023	September 30, 2023
<b>Mandatorily measured at fair value through profit or loss:</b>			
Derivative instruments not used for hedging			
Non-derivative financial assets			
Private Preferred stock	\$ 250,624	-	-
Private fund	329,974	-	-
Total	\$ <u>580,598</u>	-	-

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

(iv) Financial liability at fair value through profit or loss-non-current

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<b>Designated at fair value through profit or loss:</b>			
Convertible Bonds with embedded derivative instrument	\$ <u>160,274</u>	<u>-</u>	<u>-</u>

(c) Accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable—measured at amortized cost	\$ 10,068,955	5,980,128	19,545,443
Accounts receivable—related parties—measured at amortized cost	117,198	232,029	388,033
Accounts receivable—measured at fair value through other comprehensive income	32,263,265	4,151,074	5,293,406
Less: loss allowance	<u>(207,484)</u>	<u>-</u>	<u>(507)</u>
	<u>\$ 42,241,934</u>	<u>10,363,231</u>	<u>25,226,375</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. The loss allowance were determined as follows:

	<u>September 30, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted - average loss rate</u>	<u>Loss allowance</u>
Current	\$ 40,612,333		-
Past due under 30 days	428,124		-
Past due 31 to 60 days	623,687		-
Past due 61 to 90 days	411,452	5%	20,573
Past due 91 to 120 days	<u>373,822</u>	50%	<u>186,911</u>
Total	<u>\$ 42,449,418</u>		<u>207,484</u>

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted - average loss rate</b>	<b>Loss allowance</b>
Current	\$ 10,266,249		-
Past due under 30 days	96,959		-
Past due 31 to 60 days	23		-
Total	<b>\$ 10,363,231</b>		<b>-</b>
	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted - average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 25,053,244		-
Past due under 30 days	163,242		-
Past due 31 to 60 days	245		-
Past due 61 to 90 days	10,151	5%	507
Total	<b>\$ 25,226,882</b>		<b>507</b>

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ -	7,818
Impairment losses recognized	207,558	123,877
Impairment losses reversed	-	(131,188)
Effect of changes in foreign exchange rates	(74)	-
Balance on September 30	<b>\$ 207,484</b>	<b>507</b>

As of September 30, 2024, December 31 and September 30, 2023, the accounts receivable were not pledged.

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

The Group entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred trade receivables but is liable for the losses incurred on any business dispute. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. As of September 30, 2024, December 31 and September 30, 2023, the Group sold its accounts receivable without recourse as follows:

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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Unit: USD in thousands

September 30, 2024						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>-</u>	<u>1,000,000</u> (Note)	<u>-</u>	<u>-</u>	None	None
December 31, 2023						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>791,295</u>	<u>531,662</u> (Note)	<u>791,295</u>	<u>-</u>	5.74%~6.21%	None
September 30, 2023						
Purchaser	Assignment Facility	Amount Advanced Unpaid	Amount Advanced Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Collateral
Financial institutions	\$ <u>156,253</u>	<u>600,000</u> (Note)	<u>156,253</u>	<u>-</u>	6.04%~6.24%	None

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

(d) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables	\$ 73,103	866	28,565
Other receivables - related parties	112,919	57,861	878,644
Less: loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 186,022</u>	<u>58,727</u>	<u>907,209</u>

As of September 30, 2024, December 31 and September 30, 2023, the other receivables were not pledged.

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

(e) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 37,263,197	9,449,699	16,596,717
Finished goods	31,320,461	17,037,030	12,287,714
Inventory in transit	<u>1,764,944</u>	<u>3,692,441</u>	<u>1,623,772</u>
	<u>\$ 70,348,602</u>	<u>30,179,170</u>	<u>30,508,203</u>

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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Except cost of goods sold, the remaining gains or losses which were recognized as cost of sales were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Losses (gain) on valuation of inventories	\$ 195,590	(90,152)	681,501	1,187,040
Royalty	15,973	3,044	26,524	28,603
Others	(31)	(346)	(1,036)	(3,697)
	<u>\$ 211,532</u>	<u>(87,454)</u>	<u>706,989</u>	<u>1,211,946</u>

As of September 30, 2024, December 31 and September 30, 2023, the inventories were pledged, please refer to note 8.

(f) Investments accounted for using equity method

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

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Associates	<u>\$ 117,449</u>	<u>159,246</u>	<u>186,330</u>

(i) Associates

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

<b>Name of associate</b>	<b>Nature of Relationship with the Group</b>	<b>Main operating location / Registered Country of the Company</b>	<b>Proportion of Shareholding and voting rights</b>		
			<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
LiquidStack Holding B.V.	R&D of liquid cooling technology	Netherlands	15.13 %	15.13 %	15.13 %

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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.

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Carrying amount of individually insignificant associates' equity	\$ <u>117,449</u>	<u>159,246</u>	<u>186,330</u>
	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>
Attributable to the Group:			
Net loss from continuing operations	\$ (7,713)	(14,418)	(46,323)
Other comprehensive income	(5,058)	6,507	4,526
Comprehensive income	\$ <u>(12,771)</u>	<u>(7,911)</u>	<u>(41,797)</u>

(ii) Pledge

As of September 30, 2024, December 31 and September 30, 2023, the investments accounted for using equity method were not pledged.

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2024	\$ 678,890	819,526	1,476,758	2,300,111	2,345,332	7,620,617
Additions	109,562	314	538,805	370,426	1,550,967	2,570,074
Disposals	-	-	(17,664)	(6,218)	-	(23,882)
Reclassification (Note)	-	-	285,032	1,796,558	(1,180,820)	900,770
Effect of changes in foreign exchange rates	37,328	121,209	50,522	(152,206)	261,372	318,225
Balance on September 30, 2024	\$ <u>825,780</u>	<u>941,049</u>	<u>2,333,453</u>	<u>4,308,671</u>	<u>2,976,851</u>	<u>11,385,804</u>
Balance on January 1, 2023	\$ 168,929	-	839,654	1,720,798	851,023	3,580,404
Additions	496,745	76,873	16,252	217,496	1,743,994	2,551,360
Disposals	-	-	(1,670)	(10,182)	-	(11,852)
Reclassification (Note)	-	763,517	36,924	199,002	(860,908)	138,535
Effect of changes in foreign exchange rates	25,841	(992)	2,955	63,413	77,179	168,396
Balance on September 30, 2023	\$ <u>691,515</u>	<u>839,398</u>	<u>894,115</u>	<u>2,190,527</u>	<u>1,811,288</u>	<u>6,426,843</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Accumulated depreciation:						
Balance on January 1, 2024	\$ -	19,986	553,373	1,421,565	-	1,994,924
Depreciation	-	32,058	229,746	561,921	-	823,725
Disposals	-	-	(11,839)	(5,887)	-	(17,726)
Effect of changes in foreign exchange rates	-	6,495	3,608	(26,702)	-	(16,599)
Balance on September 30, 2024	<u>\$ -</u>	<u>58,539</u>	<u>774,888</u>	<u>1,950,897</u>	<u>-</u>	<u>2,784,324</u>
Balance on January 1, 2023	\$ -	-	399,481	1,024,345	-	1,423,826
Depreciation	-	9,894	109,716	301,766	-	421,376
Disposals	-	-	(939)	(9,719)	-	(10,658)
Effect of changes in foreign exchange rates	-	(11)	2,252	21,855	-	24,096
Balance on September 30, 2023	<u>\$ -</u>	<u>9,883</u>	<u>510,510</u>	<u>1,338,247</u>	<u>-</u>	<u>1,858,640</u>
Carrying value:						
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 September 30, 2024	<u>\$ 825,780</u>	<u>882,510</u>	<u>1,558,565</u>	<u>2,357,774</u>	<u>2,976,851</u>	<u>8,601,480</u>
Balance on January 1, 2023	<u>\$ 168,929</u>	<u>-</u>	<u>440,173</u>	<u>696,453</u>	<u>851,023</u>	<u>2,156,578</u>
Balance on September 30, 2023	<u>\$ 691,515</u>	<u>829,515</u>	<u>383,605</u>	<u>852,280</u>	<u>1,811,288</u>	<u>4,568,203</u>

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

As of September 30, 2024, December 31 and September 30, 2023, the property, plant and equipment were not pledged.

(h) Right-of-use assets

The cost and accumulated depreciation of the Group leases land, buildings and other equipment for the nine months ended September 30, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2024	\$ 11,880	2,213,314	9,673	2,234,867
Acquisitions	2,098,326	810,746	6,197	2,915,269
Disposals	-	(19,025)	-	(19,025)
Effect of changes in foreign exchange rates	-	(207,733)	769	(206,964)
Balance on September 30, 2024	<u>\$ 2,110,206</u>	<u>2,797,302</u>	<u>16,639</u>	<u>4,924,147</u>
Balance on January 1, 2023	\$ -	1,427,500	2,747	1,430,247
Acquisitions	11,880	663,193	9,357	684,430
Disposals	-	(1,806)	(2,304)	(4,110)
Effect of changes in foreign exchange rates	-	146,977	17	146,994
Balance on September 30, 2023	<u>\$ 11,880</u>	<u>2,235,864</u>	<u>9,817</u>	<u>2,257,561</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 247	760,385	1,233	761,865
Depreciation	12,259	396,366	2,821	411,446
Disposals	-	(19,025)	-	(19,025)
Effect of changes in foreign exchange rates	-	(57,170)	213	(56,957)
Balance on September 30, 2024	<u>\$ 12,506</u>	<u>1,080,556</u>	<u>4,267</u>	<u>1,097,329</u>
Balance on January 1, 2023	\$ -	433,266	1,547	434,813
Depreciation	99	202,264	646	203,009
Disposals	-	(1,806)	(1,766)	(3,572)
Effect of changes in foreign exchange rates	-	32,316	7	32,323
Balance on September 30, 2023	<u>\$ 99</u>	<u>666,040</u>	<u>434</u>	<u>666,573</u>
Carrying amount:				
Balance on January 1, 2024	<u>\$ 11,633</u>	<u>1,452,929</u>	<u>8,440</u>	<u>1,473,002</u>
Balance on September 30, 2024	<u>\$ 2,097,700</u>	<u>1,716,746</u>	<u>12,372</u>	<u>3,826,818</u>
Balance on January 1, 2023	<u>\$ -</u>	<u>994,234</u>	<u>1,200</u>	<u>995,434</u>
Balance on September 30, 2023	<u>\$ 11,781</u>	<u>1,569,824</u>	<u>9,383</u>	<u>1,590,988</u>

(i) Intangible assets

	<u>Software</u>	<u>Other</u>	<u>Total</u>
Carrying amount:			
Balance on January 1, 2024	<u>\$ 131,349</u>	<u>1,040</u>	<u>132,389</u>
Balance on September 30, 2024	<u>\$ 169,531</u>	<u>1,040</u>	<u>170,571</u>
Balance on January 1, 2023	<u>\$ 136,511</u>	<u>1,040</u>	<u>137,551</u>
Balance on September 30, 2023	<u>\$ 119,017</u>	<u>1,040</u>	<u>120,057</u>

There were no significant additions, disposal, impairment loss or reversal gain for intangible assets for the nine months ended September 30, 2024 and 2023. Please refer to note 12 for the amounts of amortization. For other related information, please refer to the note 6(h) of the consolidated financial statements for the year ended December 31, 2023.

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

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other current assets:			
Tax refundable	\$ 609,039	632,625	374,446
Other prepayments	446,339	303,489	263,218
Others	317,459	163,209	201,466
	<b>\$ 1,372,837</b>	<b>1,099,323</b>	<b>839,130</b>
Other non-current assets:			
Refundable deposits	\$ 105,950	246,153	290,896
Restricted deposits	159,828	43,608	31,085
Prepayments for equipment	926,480	957,746	952,768
	<b>\$ 1,192,258</b>	<b>1,247,507</b>	<b>1,274,749</b>

(k) Bank Loans

(i) Short-term borrowings

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

<b>September 30, 2024</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>
Unsecured bank borrowings	USD	5.55%~5.70%	2024/10/25~2024/12/20
Unused credit line			<b>\$ 1,946,548</b>
			<b>\$ 79,701,608</b>
<b>December 31, 2023</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>
Unsecured bank borrowings	USD	6.35%~6.36%	2024/1/15~2024/1/25
Unused credit line			<b>\$ 383,793</b>
			<b>\$ 64,335,748</b>
<b>September 30, 2023</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>
Unsecured bank borrowings	USD	5.40%~5.93%	2023/10/6~2023/10/20
Unused credit line			<b>\$ 2,549,120</b>
			<b>\$ 60,023,925</b>

(ii) Long-term borrowings

<b>September 30, 2024</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>
Unsecured bank borrowings	NTD	2.85%	2026/1/6
Unused credit line			<b>\$ 1,500,000</b>
			<b>\$ -</b>

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

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

  

	<b>September 30, 2023</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank borrowings	NTD	2.74%	2026/1/6	<b>\$ 1,500,000</b>
Unused credit line				<b>\$ -</b>

(iii) Breach of covenant – Long-term borrowings

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

(iv) Compliance of covenant

The Group complied with the covenant at the end of the third quarter of 2024 is classified as a non-current liability on September 30, 2024. Moreover, the Group expects to comply with the quarterly covenants for at least 12 months after the reporting date.

(l) Bonds payable

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Total ordinary corporate bonds issued	\$ 9,450,000	9,450,000	9,450,000
Unamortized discounted bonds payable	(4,656)	(7,082)	(7,891)
Subtotal	9,445,344	9,442,918	9,442,109
Less: current portion	(4,725,000)	(2,500,000)	-
Bonds payable balance at year-end	<b>\$ 4,720,344</b>	<b>6,942,918</b>	<b>9,442,109</b>

  

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense	<b>\$ 18,336</b>	<b>18,336</b>	<b>54,472</b>	<b>54,435</b>

(Continued)

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

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

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

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

	<b>September 30, 2024</b>
Total convertible bonds issued	\$ 19,545,600
Unamortized discounted bonds payable	<u>(1,330,052)</u>
Bonds issued at end period	<b><u>\$ 18,215,548</u></b>
Proceeds from issuance (less transaction cost of 100,723 thousand)	\$ 19,444,877
Equity components (less transaction cost amortized to equity component of \$6,071 thousand)	(1,164,711)
Embedded derivatives instruments - put/ call options, recognized as financial liability at fair value through profit or loss-non-current	<u>(119,228)</u>
Liability components at issuance date (less transaction cost allocated to liability component of 94,652 thousand)	18,160,938
Interest expense at an effective interest rate of 1.47%	<u>54,610</u>
Liability components at September 30, 2024	<b><u>\$ 18,215,548</u></b>

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:

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

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%.

(m) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	\$ <u>651,586</u>	<u>332,877</u>	<u>346,809</u>
Non-current	\$ <u>3,021,170</u>	<u>1,188,100</u>	<u>1,281,828</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expenses on lease liabilities	\$ <u>61,005</u>	<u>20,097</u>	<u>138,144</u>	<u>47,440</u>
Cost and expenses relating to short-term leases	\$ <u>34,074</u>	<u>33,057</u>	<u>101,167</u>	<u>109,004</u>

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>840,935</u>	<u>344,365</u>

(Continued)

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

(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.

(n) Employee benefits

(i) Defined benefit plans

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating expense	<b>\$ 2,997</b>	<b>591</b>	<b>7,336</b>	<b>1,552</b>

(ii) Defined contribution plans

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 87,113	63,313	257,476	185,544
Operating expenses	14,644	14,749	42,710	43,686
	<b>\$ 101,757</b>	<b>78,062</b>	<b>300,186</b>	<b>229,230</b>

(o) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	<b>\$ 1,611,409</b>	<b>648,890</b>	<b>4,319,609</b>	<b>2,457,278</b>

(Continued)

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

- (ii) There were no income tax expense recognized in other comprehensive for the nine months ended September 30, 2024 and 2023.
- (iii) The ROC income tax authorities have examined the Company's income tax returns for all years through 2022.
- (p) Capital and other equity

(i) Common shares

As of September 30, 2024 and 2023, the Company's authorized capital consisted of 250,000 thousand shares, with a par value of \$10 per share, amounting to \$2,500,000 thousands, of which, 185,841 thousand shares and 174,841 thousand shares, respectively, were issued and outstanding.

In order to raise funds for future development, the Board of Directors of the Company resolved to increase the Company's capital by issuing common shares of stock to participate in the issuance of global depositary receipts (GDRs) on June 13, 2024, and the offering was approved by the Financial Supervisory Commission (FSC) in letter No. 1130348272 on July 9, 2024. On July 10, 2024, the Company completed the pricing for the GDRs at the amount of US\$76.05 per unit of GDRs, and the cash capital increase was made by issuing 11,000,000 common shares of stock on July 15, 2024, with each GDR being issued for 1 shares of the Company's common shares of stock. The Company has listed its global depositary receipts on the Luxembourg Stock Exchange.

(ii) Capital surplus

The components of capital surplus were as follows:

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
A premium issuance of common shares for cash	\$ 35,394,542	8,436,510	8,436,510
Share options of convertible bonds	1,164,711	-	-
Employee stock options	364,685	364,685	364,685
Change in equity of associates and joint ventures accounted for using equity method	22,239	22,239	22,239
Others	16,185	16,185	16,185
	<b><u>\$ 36,962,362</u></b>	<b><u>8,839,619</u></b>	<b><u>8,839,619</u></b>

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## **WIWYNN CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

According to the R.O.C. Company Act, capital surplus can firstly be used to offset a deficit, and only the realized capital surplus can be used to increase the common shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of common shares and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common shares outstanding.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that if the Company has a profit as a result of the yearly accounting closing, ten percent of the profit net of tax and the amount for making up of any accumulated loss shall be set aside as legal reserve, and thereafter an amount, including the reserved special reserve, shall be set aside, along with any undistributed profits accumulated from previous years to be identified as profits to be distributed. The amount of dividends to shareholders shall not less than 10% of profit from the currency year.

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Under this approach, the distribution of cash dividend is not lower than 10% of total distribution of dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with regulations by the FSC, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. For the year 2023 and 2022 earnings distribution in 2024 and 2023, the amount to be reclassified to special reserve shall be a portion of current-period after-tax net profit plus items other than current-period after-tax net profit in the undistributed retained earnings and undistributed prior-period earning. When the debit balance of any of the contra accounts in the shareholders' entity is reserved, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

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

3) Earnings distribution

The appropriation of 2023 and 2022 earnings that were approved by the shareholders' meeting on May 24, 2024 and May 29, 2023, respectively, were as follow:

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

(iv) Other equity (net of tax)

	<b>Exchange differences on translation of foreign financial statements</b>
Balance on January 1, 2024	\$ 1,310,280
Exchange differences on translation of foreign financial statements	1,039,473
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	4,526
Balance on September 30, 2024	<b>\$ 2,354,279</b>
Balance on January 1, 2023	\$ 1,181,660
Exchange differences on translation of foreign financial statements	1,773,962
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	10,346
Balance on September 30, 2023	<b>\$ 2,965,968</b>

(q) Earnings per share

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Basic earnings per share:				
Profit attributable to common shareholders of the Company	<b>\$ 6,327,911</b>	<b>2,615,056</b>	<b>15,728,871</b>	<b>8,528,887</b>
Weighted-average common stock outstanding (in thousands)	<b>184,167</b>	<b>174,841</b>	<b>177,972</b>	<b>174,841</b>
	<b>\$ 34.36</b>	<b>14.96</b>	<b>88.38</b>	<b>48.78</b>

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Diluted earnings per share:				
Profit attributable to common shareholders of the Company	\$ 6,327,911	2,615,056	15,728,871	8,528,887
Interest Expense and other gains and losses on convertible bonds net of tax	<u>76,524</u>	<u>-</u>	<u>76,524</u>	<u>-</u>
Profit attributable to common shareholders (diluted)	<u>\$ 6,404,435</u>	<u>2,615,056</u>	<u>15,805,395</u>	<u>8,528,887</u>
Weighted-average common stock outstanding (in thousands)	184,167	174,841	177,972	174,841
Effect of potentially dilutive common stock (in thousands):				
Employee compensation	606	378	683	589
Effect of conversion of convertible bonds (in thousands)	<u>6,069</u>	<u>-</u>	<u>6,069</u>	<u>-</u>
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands)	<u>190,842</u>	<u>175,219</u>	<u>184,724</u>	<u>175,430</u>
	<u>\$ 33.56</u>	<u>14.92</u>	<u>85.56</u>	<u>48.62</u>
(r) Revenue from contracts with customers				
(i) Disaggregation of revenue				
	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Primary geographical markets</u>				
America	\$ 79,069,974	40,020,981	187,364,059	142,479,797
Europe	11,716,212	7,521,669	33,216,547	23,077,012
Asia	6,339,263	4,531,716	21,946,142	15,381,510
Other	<u>692,918</u>	<u>742,884</u>	<u>2,400,736</u>	<u>2,412,965</u>
	<u>\$ 97,818,367</u>	<u>52,817,250</u>	<u>244,927,484</u>	<u>183,351,284</u>
<u>Major products</u>				
Hyperscale data center	<u>\$ 97,818,367</u>	<u>52,817,250</u>	<u>244,927,484</u>	<u>183,351,284</u>

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

(ii) Contract balance

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts receivable	\$ 42,332,220	10,131,202	24,838,849
Accounts receivable – related parties	117,198	232,029	388,033
Less: loss allowance	<u>(207,484)</u>	<u>-</u>	<u>(507)</u>
Total	<u>\$ 42,241,934</u>	<u>10,363,231</u>	<u>25,226,375</u>
Contract liabilities – warranty and advance receivable	<u>\$ 6,017,042</u>	<u>5,950,026</u>	<u>5,402,611</u>

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

The contract liabilities were primarily related to the advance received from customers due to the warranty service and sales of goods. The major change in the balance of contract liabilities was the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the three months and nine months ends September 30, 2024 and 2023 that were included in the contract liability balances at the beginning of the years were \$965,076, \$467,793, \$3,070,626 and \$2,938,522, respectively.

(s) Employee's and directors' compensation

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees' and directors' compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 5% of profit as employees' compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

(ii) No more than 1% of profit as the compensation in cash to the Directors.

The Company estimated its employees' and directors' compensation as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Employees' compensation	\$ 410,000	165,000	1,040,000	565,000
Directors' compensation	<u>22,000</u>	<u>9,000</u>	<u>40,000</u>	<u>27,000</u>
	<u>\$ 432,000</u>	<u>174,000</u>	<u>1,080,000</u>	<u>592,000</u>

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

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

For the years ended December 31, 2023 and 2022, the employees' compensation amounted to \$800,000 thousand and \$935,000 thousand, respectively, and directors' compensation amounted to \$30,000 thousand and \$36,000 thousand, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the board of directors resolved for 2024 and 2023. The related information can be available on Market Observation Post System Website.

(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ <u>477,909</u>	<u>109,011</u>	<u>860,233</u>	<u>298,178</u>

(ii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign exchange gains (losses), net	\$ (109,422)	216,620	245,132	257,953
Gains (losses) on valuation of financial assets and liabilities at fair value	(34,089)	(9,013)	(26,222)	6,768
Gains on disposal of investments	-	-	-	5,339
Others	<u>64,955</u>	<u>3,374</u>	<u>77,607</u>	<u>24,086</u>
Total	\$ <u>(78,556)</u>	<u>210,981</u>	<u>296,517</u>	<u>294,146</u>

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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(iii) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expenses				
Bank loans	\$ (223,416)	(254,967)	(782,845)	(683,891)
Bonds payable	(72,946)	(18,336)	(109,082)	(54,435)
Others	(61,005)	(20,098)	(138,144)	(47,441)
Total	<b>\$ (357,367)</b>	<b>(293,401)</b>	<b>(1,030,071)</b>	<b>(785,767)</b>

(u) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(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 September 30, 2024, December 31 and September 30, 2023, 96.61%, 94.38% and 95.85% of the Group's accounts receivable were all concentrated on 3 specific customers. Accordingly, concentrations of credit risk exist.

3) Receivable and debt securities

For credit risk exposure of accounts receivable, please refer to note 6(c). Other financial assets at amortized cost includes other receivables.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

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As of September 30, 2024, December 31 and September 30, 2023, the other receivables did not accrue any loss allowance.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,946,548	1,960,900	1,960,900	-	-
Long-term borrowings	1,500,000	1,554,176	42,801	1,511,375	-
Bonds payable (including current portion)	27,660,892	29,056,452	4,772,810	24,283,642	-
Notes and accounts payable (including related parties)	47,111,637	47,111,637	47,111,637	-	-
Other payables (including related parties)	5,171,351	5,171,351	5,171,351	-	-
Lease liabilities (including current and non-current)	3,672,756	4,707,226	815,387	2,534,827	1,357,012
Other current liabilities	434,992	434,992	434,992	-	-
Guarantee deposits received	13,338	13,338	-	13,338	-
Subtotal	<u>87,511,514</u>	<u>90,010,072</u>	<u>60,309,878</u>	<u>28,343,182</u>	<u>1,357,012</u>
Derivative financial liabilities					
Convertible bonds with embedded derivative instrument:					
Outflow	160,274	160,274	-	160,274	-
Carrying amount	160,274	160,274	-	160,274	-
Total	<u>\$ 87,671,788</u>	<u>90,170,346</u>	<u>60,309,878</u>	<u>28,503,456</u>	<u>1,357,012</u>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 383,793	385,957	385,957	-	-
Long-term borrowings	1,500,000	1,592,624	41,129	1,551,495	-
Bonds payable (including current portion)	9,442,918	9,562,860	2,565,442	6,997,418	-
Notes and accounts payable (including related parties)	20,169,354	20,169,354	20,169,354	-	-
Other payables (including related parties)	4,317,222	4,317,222	4,317,222	-	-
Lease liabilities (including current and non-current)	1,520,977	1,701,769	413,582	1,125,386	162,801
Other current liabilities	952,785	952,785	952,785	-	-
Guarantee deposits received	14,000	14,000	-	14,000	-
Total	<u>\$ 38,301,049</u>	<u>38,696,571</u>	<u>28,845,471</u>	<u>9,688,299</u>	<u>162,801</u>
<b>September 30, 2023</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 2,549,120	2,561,802	2,561,802	-	-
Long-term borrowings	1,500,000	1,602,964	41,118	1,561,846	-
Bonds payable	9,442,109	9,580,387	69,535	9,510,852	-
Notes and accounts payable (including related parties)	17,293,999	17,293,999	17,293,999	-	-
Other payables (including related parties)	4,493,320	4,493,320	4,493,320	-	-
Lease liabilities (including current and non-current)	1,628,637	1,887,806	445,153	1,248,301	194,352
Other current liabilities	1,000,308	1,000,308	1,000,308	-	-
Subtotal	<u>37,907,493</u>	<u>38,420,586</u>	<u>25,905,235</u>	<u>12,320,999</u>	<u>194,352</u>
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	4,380	4,380	4,380	-	-
Carrying amount	4,380	4,380	4,380	-	-
Total	<u>\$ 37,911,873</u>	<u>38,424,966</u>	<u>25,909,615</u>	<u>12,320,999</u>	<u>194,352</u>

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

(iii) Market risk

1) Currency risk

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

	<b>September 30, 2024</b>		
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	1,563,689	USD/NTD= 31.651	49,492,332
	35,920	USD/MYR= 4.122	1,136,895
	23,267	USD/JPY= 142.950	736,415
	25,252	USD/MXN= 19.696	799,260
	-	USD/CNY= 7.017	12
	-	USD/KRW= 1,312.170	2
<u>Non-monetary items</u>			
USD	3,711	USD/NTD= 31.651	117,449
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	604,297	USD/NTD= 31.651	19,126,599
	139,213	USD/MYR= 4.122	4,406,233
	25,568	USD/JPY= 142.950	809,249
	2,555	USD/MXN= 19.696	80,854

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<b>December 31, 2023</b>			
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	503,680	USD/NTD= 30.735	15,480,581
	16,741	USD/MXN= 16.953	514,528
	10,569	USD/JPY= 141.670	324,839
	5,299	USD/MYR= 4.590	162,872
	-	USD/CNY= 7.108	12
	-	USD/KRW= 1,291.350	2
<u>Non-monetary items</u>			
USD	5,181	USD/NTD= 30.735	159,246
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	343,527	USD/NTD= 30.735	10,558,295
	33,566	USD/MYR= 4.590	1,031,639
	13,539	USD/JPY= 141.670	416,119
	227	USD/MXN= 16.953	6,989
<b>September 30, 2023</b>			
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	520,881	USD/NTD= 32.268	16,807,787
	18,080	USD/JPY= 149.200	583,398
	17,830	USD/MXN= 17.712	575,354
	13,521	USD/MYR= 4.709	436,287
	229	USD/KRW= 1,356.370	7,398
<u>Non-monetary items</u>			
USD	5,774	USD/NTD= 32.268	186,330
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	375,786	USD/NTD= 32.268	12,125,868
	35,779	USD/MYR= 4.709	1,154,530
	22,667	USD/JPY= 149.200	731,400
	271	USD/MXN= 17.712	8,745

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties), loans and borrowings, notes and accounts payable (including related parties) and other payables (including related parties) that are denominated in foreign currency. A strengthening (weakening) 5 % of appreciation (depreciation) of the NTD against the USD for the nine months ended September 30, 2024 and 2023, the net income would be changed by \$1,109,679 thousand and \$175,587 thousand, respectively. The analysis assumes that all other variable remain constant.

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the three-months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$(109,422) thousand, \$216,620 thousand, \$245,132 thousand and \$257,953 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 \$9,186 thousand and \$4,248 thousand, respectively, for the nine months ended September 30, 2024 and 2023, with all other variable factors that remain constant. This is mainly due to the Group's borrowings at floating variable rate.

(iv) Fair value information

1) Categories and fair values of financial instruments

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

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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		December 31, 2023			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 383,793	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable (including current portion)	9,442,918	-	-	-	-
Notes and accounts payable (including related parties)	20,169,354	-	-	-	-
Other payables (including related parties)	4,317,222	-	-	-	-
Lease liabilities (including current and non-current)	1,520,977	-	-	-	-
Other current liabilities	952,785	-	-	-	-
Guarantee deposits received	14,000	-	-	-	-
Subtotal	<u>\$ 38,301,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		September 30, 2023			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 12	-	12	-	12
<b>Financial assets at fair value through other comprehensive income</b>					
Accounts receivable	<u>\$ 5,293,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 19,367,134	-	-	-	-
Accounts receivable (including related parties)	19,932,969	-	-	-	-
Other receivable (including related parties)	907,209	-	-	-	-
Other non-current assets	321,981	-	-	-	-
Subtotal	<u>\$ 40,529,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	<u>\$ 4,380</u>	<u>-</u>	<u>4,380</u>	<u>-</u>	<u>4,380</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 2,549,120	-	-	-	-
Long-term borrowings	1,500,000	-	-	-	-
Bonds payable	9,442,109	-	-	-	-
Notes and accounts payable (including related parties)	17,293,999	-	-	-	-
Other payables (including related parties)	4,493,320	-	-	-	-
Lease liabilities (including current and non-current)	1,628,637	-	-	-	-
Other current liabilities	1,000,308	-	-	-	-
Subtotal	<u>\$ 37,907,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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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.

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.

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>
Balance at January 1, 2024	\$ -
Acquisition	580,598
Balance at September 30, 2024	<u>\$ 580,598</u>

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

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

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

Quantified information of significant unobservable inputs was as follows:

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

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

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

	<u>Inputs</u>	<u>Increase or decrease</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
<b>September 30, 2024</b>						
Financial assets measured at fair value through profit or loss:						
Private fund investments	Net asset value method	5%	\$ 12,531	(12,531)	-	-
Private fund	Net asset value method	5%	16,499	(16,499)	-	-

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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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.

September 30, 2024						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	\$ 1,103,292	1,103,292	-	-	-	-

September 30, 2024						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	\$ 7,876,857	1,103,292	6,773,565	-	-	6,773,565

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

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

September 30, 2023						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other receivable	\$ 464,008	464,008	-	-	-	-

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**Notes to the Consolidated Financial Statements**

September 30, 2023						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes payable and accounts payable	\$ 3,597,466	464,008	3,133,458	-	-	3,133,458

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(w) Capital management

The Group's objectives, policies and processes of capital management were the same as those described in the consolidated financial statements for the year ended December 31, 2023. There were no significant changes in the quantified data for capital management as disclosed in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2023.

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

For the nine months ended September 30, 2024 and 2023, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes					September 30, 2024
			Change in lease payments	Addition	Interest expenses	Reclassification	Foreign exchange movement and others	
Short-term borrowings	\$ 383,793	1,356,243	-	-	-	-	206,512	1,946,548
Long-term borrowings	1,500,000	-	-	-	-	-	-	1,500,000
Bonds payable	6,942,918	19,444,877	-	-	57,036	(2,225,000)	(1,283,939)	22,935,892
Current portion of long-term liabilities	2,500,000	-	-	-	-	2,225,000	-	4,725,000
Lease liabilities	1,520,977	(601,624)	-	2,915,270	-	-	(161,867)	3,672,756
Guarantee deposits received	14,000	(662)	-	-	-	-	-	13,338
Total liabilities from financing activities	<u>\$ 12,861,688</u>	<u>20,198,834</u>	<u>-</u>	<u>2,915,270</u>	<u>57,036</u>	<u>-</u>	<u>(1,239,294)</u>	<u>34,793,534</u>

  

	January 1, 2023	Cash flows	Non-cash changes					September 30, 2023
			Change in lease payments	Addition	Interest expense	Reclassification	Foreign exchange movement	
Short-term borrowings	\$ -	2,549,540	-	-	-	-	(420)	2,549,120
Long-term borrowings	-	1,500,000	-	-	-	-	-	1,500,000
Bonds payable	9,439,683	-	-	-	2,426	-	-	9,442,109
Lease liabilities	1,013,208	(187,921)	(21)	684,430	-	-	118,941	1,628,637
Guarantee deposits received	951,948	-	-	-	-	(965,185)	13,237	-
Total liabilities from financing activities	<u>\$ 11,404,839</u>	<u>3,861,619</u>	<u>(21)</u>	<u>684,430</u>	<u>2,426</u>	<u>(965,185)</u>	<u>131,758</u>	<u>15,119,866</u>

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**WIWYNN CORPORATION AND SUBSIDIARIES**  
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**(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 September 30, 2024, December 31 and September 30, 2023, it owns 35.45%, 37.68% and 37.68%, respectively, of all shares outstanding of the Company.

(b) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wistron Corporation (WHQ)	Parent Company
Wistron InfoComm (Czech), s.r.o. (WCCZ)	Other related parties
Wistron Mexico, S.A. de C.V. (WMX)	Other related parties
ICT Service Management Solutions (India) Private Limited (WIN)	Other related parties
International Standards Laboratory Corp. (ISL)	Other related parties
Wistron InfoComm (Zhongshan) Corporation (WZS)	Other related parties
SMS InfoComm Technology Services and Management Solutions Ltd. (WBR)	Other related parties
Wistron InfoComm (Kushan) Co., Ltd. (WAKS)	Other related parties
SMS InfoComm Corporation (WTX)	Other related parties
Wistron InfoComm Technology (Texas) Corporation (WITT)	Other related parties
Wistron InfoComm Technology (America) Corporation (WITX)	Other related parties
WiAdvance Technology Corporation (AGI)	Other related parties
Wistron K.K. (WJP)	Other related parties
Wistron NeWeb Corporation (WNC)	Other related parties
Wistron Information Technology and Services Corporation (WITS)	Other related parties
T-CONN Precision Corporation (TPE)	Other related parties
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	Other related parties
ANWITH Technology Corporation (WCHQ)	Other related parties
Wistron InfoComm Mexico S.A. de C.V. (WIMX)	Other related parties
WIEDU CORPORATION (WETW)	Other related parties
Wistron InfoComm Technology Service (Kunshan) Co., Ltd (WRKS)	Other related parties
Wistron Medical Technology Corporation (WMT)	Other related parties
Wistron Automotive Electronics (Kunshan) (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 September 30		For the nine months ended September 30		September 30,	December 31,	September 30,
	2024	2023	2024	2023	2024	2023	2023
WHQ	\$ 38	798	12,206	2,311	-	3,231	1,198
Other related parties	120,395	171,430	238,633	865,848	117,198	228,798	386,835
	<u>\$ 120,433</u>	<u>172,228</u>	<u>250,839</u>	<u>868,159</u>	<u>117,198</u>	<u>232,029</u>	<u>388,033</u>

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

(ii) Purchases

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

	Purchases				Payables to related parties		
	For the three months ended September 30		For the nine months ended September 30		September 30,	December 31,	September 30,
	2024	2023	2024	2023	2024	2023	2023
WHQ	\$ 12,953,969	9,651,841	34,450,570	38,813,178	7,115,290	4,395,834	3,186,032
Other related parties	1,509,405	692,013	3,176,851	2,159,261	1,930,036	628,686	768,603
	<u>\$ 14,463,374</u>	<u>10,343,854</u>	<u>37,627,421</u>	<u>40,972,439</u>	<u>9,045,326</u>	<u>5,024,520</u>	<u>3,954,635</u>

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

(iii) Processing fee

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

	Processing Fee				Payables to related parties		
	For the three months ended September 30		For the nine months ended September 30		September 30,	December 31,	September 30,
	2024	2023	2024	2023	2024	2023	2023
WMX	\$ -	62	-	4,822	-	-	13

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

(Continued)

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

(iv) Operating Expense

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
WHQ	\$ 4,563	7,366	17,345	28,967
Other related parties	162,033	52,602	389,174	166,306
	<b><u>\$ 166,596</u></b>	<b><u>59,968</u></b>	<b><u>406,519</u></b>	<b><u>195,273</u></b>

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

(v) Acquisitions of assets

The acquisitions of assets from related parties were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
WHQ	\$ -	-	20,460	99
Other related parties:				
AGI	3,088	23,486	41,380	25,332
WZS	3,533	-	3,722	3,510
WCCZ	-	-	1,287	-
WRKS	-	1,905	-	1,905
Other related parties	-	-	-	138
	<b><u>\$ 6,621</u></b>	<b><u>25,391</u></b>	<b><u>66,849</u></b>	<b><u>30,984</u></b>

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

(Continued)

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

(vi) Other receivables

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

	<b>Other receivables from related parties</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
WHQ	\$ 106,837	1,860	532,247
Other related parties:			
WITX	6,082	7,830	1,539
WZS	-	48,171	344,110
Other related parties	-	-	748
<b>Total</b>	<b>\$ 112,919</b>	<b>57,861</b>	<b>878,644</b>

(vii) Other payables

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

	<b>Other payables to related parties</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
WHQ	\$ 3,975	21,168	268,615
Other related parties	229,184	201,326	44,887
<b>Total</b>	<b>\$ 233,159</b>	<b>222,494</b>	<b>313,502</b>

(viii) Leases

The Group signed a lease contract for its factory and warehouse with WIMX and WNC, and the total value of the contract was amount to \$1,011,898 thousand and \$547,116 thousand, respectively. The outstanding balance of lease liabilities and interest expense were as follows:

	<b>Lease liabilities</b>		
	<b>(including current and non-current)</b>		
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
WIMX	\$ 559,229	602,477	590,045
WNC	126,357	200,447	226,172
<b>Total</b>	<b>\$ 685,586</b>	<b>802,924</b>	<b>816,217</b>

(Continued)

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

	<b>Interest expense</b>			
	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
WIMX	\$ 36,072	10,856	76,492	31,652
WNC	663	1,172	2,363	1,859
	<b>\$ 36,735</b>	<b>12,028</b>	<b>78,855</b>	<b>33,511</b>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 69,845	30,596	178,151	101,496
Post-employment benefits	221	182	609	586
	<b>\$ 70,066</b>	<b>30,778</b>	<b>178,760</b>	<b>102,082</b>

**(8) Pledged assets:**

The carrying amounts of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
		<b>2024</b>	<b>2023</b>	<b>2023</b>
Inventory	Inventory guarantee	\$ 434,992	952,785	1,000,308
Other non-current assets	Guarantee	146,491	29,608	31,085
Other non-current assets	Performance guarantee	13,337	14,000	-
		<b>\$ 594,820</b>	<b>996,393</b>	<b>1,031,393</b>

**(9) Commitments and contingencies:**

(a) Unrecognized contractual commitments

The Group's unrecognized contractual commitments are as follows:

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Acquisition of property, plant and equipment	<b>\$ 784,308</b>	<b>1,000,213</b>	<b>1,323,493</b>

(b) As of September 30, 2024, the unused letters of credit were as follows:

	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Unused letters of credit	<b>\$ -</b>	<b>-</b>	<b>131,628</b>

(Continued)



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

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

**(11) Subsequent events:**

- (a) In order to meet operational needs, the Group entered into an agreement of land construction in November 2024 to build a new factory in Tainan Science Park.
- (b) The Group plans to enter into a factory sale and purchase agreement with Tongtai Machine & Tool Co., Ltd., based on a resolution approved at the Board of Directors on November 13, 2024, wherein 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:

By function	For the three months ended September 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
<b>By item</b>						
Employee benefits						
Salary	1,011,725	801,895	1,813,620	689,082	510,143	1,199,225
Labor and health insurance	129,019	41,542	170,561	91,024	37,774	128,798
Pension	87,113	17,641	104,754	63,313	15,340	78,653
Remuneration of directors	-	22,180	22,180	-	9,090	9,090
Others	68,994	12,257	81,251	26,533	8,133	34,666
Depreciation	421,844	65,773	487,617	179,144	49,055	228,199
Amortization	5,865	38,396	44,261	6,948	22,223	29,171

By function	For the nine months ended September 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
<b>By item</b>						
Employee benefits						
Salary	2,917,525	1,992,787	4,910,312	1,976,107	1,564,840	3,540,947
Labor and health insurance	374,061	115,097	489,158	274,692	109,201	383,893
Pension	257,476	50,046	307,522	185,544	45,238	230,782
Remuneration of directors	-	40,630	40,630	-	27,630	27,630
Others	232,208	34,198	266,406	69,002	25,902	94,904
Depreciation	1,063,957	171,214	1,235,171	451,732	172,653	624,385
Amortization	17,029	104,491	121,520	28,669	60,453	89,122

(Continued)

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

(b) Seasonality of operations

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

**(13) Other disclosures:**

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Group for the nine months ended September 30, 2024:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties: Table 1 attached.
- (iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures): Table 2 attached.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: Table 3 attached.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Table 4 attached.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Table 5 attached.
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Table 6 attached.
- (ix) Trading in derivative instruments: Please refer to note 6(b).
- (x) Significant intercompany transactions and business relationships between parent company and its subsidiaries: Table 7 attached.

(b) Information on investments:

The following are the information on investments for the nine months ended September 30, 2024 (excluding information on investments in mainland China): Table 8 attached.

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

- (c) Information on investment in mainland China: Table 9 attached.
- (d) Major shareholders:

Unit: Share

Shareholder's Name	Shareholding	Shares	Percentage
Wistron Corporation		65,895,129	35.45 %

**(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  
(September 30, 2024)

No.	Name of guarantor	Counter - party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to subsidiary in Mainland China	Notes
		Name	Relationship with the company (Note 3)											
0	The Company	WYMX	2	23,968,905	1,200,349	1,157,031	1,157,031	30,490	1.45%	39,948,176	Y	N	N	(Note 4)
0	The Company	WYUS	2	23,968,905	59,053	56,922	56,922	-	0.07%	39,948,176	Y	N	N	(Note 4)

(Note 1) The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's latest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 2) The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's latest net worth, which was audited or reviewed by Certified Public Accountant.

(Note 3) Relationship with the Company:

1. Ordinary business relationship.
2. Subsidiary which owned more than 50% by the guarantor.
3. An investee owned more than 50% in total by both the guarantor and its subsidiary.
4. An investee owned more than 90% by the guarantor or its subsidiary.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre - construction homes pursuant to the Consumer Protection Act for each other.

(Note 4) The aforementioned inter - company transactions have been eliminated in the consolidated financial statements.

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

Table 2 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)  
(September 30, 2024)

securities held by	Category and name of securities		Relationship	Financial statement Account	Ending balance				Notes
					Number of Shares	Book value	Percentage of Ownership	Fair value	
The Company	ZUTA-CORE LTD	Stock	-	Financial assets measured at fair value through profit or loss-non-current	568	250,624	7.92%	250,624	-
The Company	Andra Capital Fund LP	Fund	-	Financial assets measured at fair value through profit or loss-non-current	-	155,894	-	155,894	-
WYUS	Andra Capital Fund LP	Fund	-	Financial assets measured at fair value through profit or loss-non-current	-	174,080	-	174,080	-

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

Table 3 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital  
(September 30, 2024)

Name of company	Category and name of security		Account name	Name of counter - party	Relationship with the company	Beginning balance		Purchases		Sales				Ending balance		Notes
						Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount	
The Company	WYMY	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	568,392	3,634,746	477,620	3,132,800	-	-	-	-	1,046,012	8,332,809	(Note)
The Company	WYUS	Stock	Investment accounted for using equity method	Cash subscription	The company's subsidiary	969,010	30,792,233	500,000	16,465,000	-	-	-	-	1,469,010	47,818,025	(Note)

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

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

Table 4 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital  
(September 30, 2024)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Name of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
WYMY	Property, plant and equipment-Building	2022/3	893,598	payment:98%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-
WYMY	Property, plant and equipment-Building	2022/8	2,382,909	payment:92%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-
WYMY	Property, plant and equipment-Building	2024/6	545,492	payment:10%	HWA HIN SDN. BHD.	non-related party	-	-	-	-	Not applicable because of engaging others to build on its own land	For the Company's future operations	-

## WIWYNN CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Table 5 Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock  
(September 30, 2024)

Name of company	Related Party	Nature of relationship	Transaction details				Transaction with terms different from others		Notes/ Accounts receivable (payable)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment Terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
The Company	WYUS	The Company's subsidiary	Sale	40,212,274	40.18%	OA150	-	-	11,599,488	46.84%	(Note)
"	WYJP	The Company's subsidiary	Sale	4,637,664	4.63%	OA90	-	-	809,249	3.27%	(Note)
"	WYKS	The Company's subsidiary	Sale	855,953	0.86%	OA90	-	-	539,522	2.18%	(Note)
"	WYKR	The Company's subsidiary	Sale	765,717	0.77%	OA90	-	-	93,333	0.38%	(Note)
"	WYHK	The Company's subsidiary	Sale	404,385	0.40%	OA90	-	-	326,746	1.32%	(Note)
"	WHQ	The Company's parent company	Purchase	33,612,099	40.78%	OA45	-	-	(6,773,565)	(43.16%)	-
"	WYUS	The Company's subsidiary	Purchase	2,117,787	2.57%	OA90	-	-	(34,476)	(0.22%)	(Note)
"	WYMY	The Company's subsidiary	Purchase	16,044,936	19.47%	OA30	-	-	(1,054,707)	(6.72%)	(Note)
"	WITX	The Company's other related company	Purchase	108,123	0.13%	OA90	-	-	(81,544)	(0.52%)	-
WYUS	The Company	WYUS's parent company	Sale	2,117,787	1.30%	OA90	-	-	34,476	0.10%	(Note)
"	WBR	WYUS's other related company	Sale	229,125	0.12%	OA90	-	-	117,183	0.40%	-
"	WITX	WYUS's other related company	Purchase	3,067,579	1.38%	OA90	-	-	(1,848,249)	(4.30%)	-
"	WHQ	WYUS's parent company	Purchase	600,891	0.27%	OA45	-	-	(341,725)	(0.79%)	-
"	The Company	WYUS's parent company	Purchase and Service cost	40,212,274	18.41%	OA150	-	-	(11,599,488)	(26.97%)	(Note)
"	WYMX	WYUS's affiliate company	Processing fee	3,360,631	1.49%	OA60	-	-	(750,855)	(1.75%)	(Note)
WYJP	The Company	WYJP's parent company	Purchase	4,637,664	100.00%	OA90	-	-	(809,249)	(100.00%)	(Note)
WYKS	The Company	WYKS's parent company	Purchase	855,953	0.00%	OA90	-	-	(539,522)	100.00%	(Note)
WYKR	The Company	WYKR's parent company	Purchase	765,717	100.00%	OA90	-	-	(93,333)	(100.00%)	(Note)
WYHK	The Company	WYHK's parent company	Purchase	404,385	98.16%	OA90	-	-	(326,746)	(100.00%)	(Note)
WYMY	The Company	WYMY's parent company	Sale	16,044,936	100.00%	OA30	-	-	1,054,707	100.00%	(Note)
"	WHQ	WYMY's parent company	Purchase	235,735	1.36%	OA45	-	-	-	0.00%	-
WYMX	WYUS	WYMX's affiliate company	Processing income	3,360,631	100.00%	OA60	-	-	750,855	100.00%	(Note)

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



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

Table 6 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock  
(September 30, 2024)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance	Notes
					Amount	Action taken			
Account Receivables									
The Company	WYUS	The Company's subsidiary	11,599,488	636.04%	-	-	68,391	-	(Note)
"	WYJP	The Company's subsidiary	809,249	1207.47%	-	-	633,658	-	(Note)
"	WYHK	The Company's subsidiary	326,746	250.62%	-	-	11,890	-	(Note)
"	WYKS	The Company's subsidiary	539,522	283.67%	-	-	-	-	(Note)
WYUS	WBR	WYUS's other affiliate	117,183	450.94%	-	-	1,748	-	-
WYMY	The Company	WYMY's parent company	1,054,707	4402.09%	-	-	1,054,707	-	(Note)
WYMX	WYUS	WYMX's affiliate company	750,855	757.76%	-	-	366,374	-	(Note)
Other Receivables									
The Company	WYMY	The Company's subsidiary	304,576	-	13	Collecting	210,664	-	(Note)
WYUS	The Company	WYUS's parent company	1,880,392	-	52	Collecting	8,981	-	(Note)
"	WYMY	WYUS's affiliate company	242,203	-	-	-	29,841	-	(Note)
"	WHQ	WYUS's parent company	106,837	-	-	-	98,163	-	-

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

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

Table 7 Significant intercompany transactions and business relationships between parent company and its subsidiaries  
(September 30, 2024)

No.	Name of company	Name of counter-party	Nature of relationship (Note 1)	Intercompany transactions			
				Account name	Amount	Trading Terms	Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	WYUS	1	Sale	40,212,274	OA150	16.42%
0	"	WYJP	1	Sale	4,637,664	OA90	1.89%
0	"	WYKS	1	Sale	855,953	OA90	0.35%
0	"	WYKR	1	Sale	765,717	OA90	0.31%
0	"	WYHK	1	Sale	404,385	OA90	0.17%
1	WYUS	The Company	2	Sale	2,117,787	OA90	0.86%
2	WYMY	The Company	2	Sale	16,044,936	OA30	6.55%
3	WYMX	WYUS	3	Processing income	3,360,631	OA60	1.37%
0	The Company	WYUS	1	Account receivable	11,599,488	OA150	6.55%
0	"	WYJP	1	Account receivable	809,249	OA90	0.46%
0	"	WYKS	1	Account receivable	539,522	OA90	0.30%
0	"	WYHK	1	Account receivable	326,746	OA90	0.18%
0	"	WYKR	1	Account receivable	93,333	OA90	0.05%
1	WYUS	The Company	2	Account receivable	34,476	OA90	0.02%
2	WYMY	The Company	2	Account receivable	1,054,707	OA30	0.60%
3	WYMX	WYUS	3	Account receivable	750,855	OA60	0.42%

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.

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Table 8 Information on investments (excluding investees in mainland China)

The following are the information on investees for January 1 to September 30, 2024 (excluding information on investees in mainland China):

Name of the investor	Name of investee	Location	Main business and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of the investee	Share of profits/losses of investee	Notes
				September 30, 2024	December 31, 2023	Shares(In thousands)	Percentage of ownership	Carrying value			
The Company	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	456,071	84,775	84,775	(Note)
"	WYUS	U.S.A	Sales of cloud data center equipment	45,238,581	28,773,581	1,469,010	100.00%	47,818,025	286,054	286,054	(Note)
"	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	327,338	28,430	28,430	(Note)
"	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	200,753	(2,557)	(2,557)	(Note)
"	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	6,972,733	3,839,933	1,046,012	100.00%	8,332,809	444,136	444,136	(Note)
"	WYMX	Mexico	Manufacturing of cloud data center equipment	1,741,251	1,741,251	1,113,761	100.00%	2,910,997	399,154	399,154	(Note)
"	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	100.00%	63,302	5,869	5,869	(Note)
"	LiquidStack	Netherlands	R&D of liquid cooling technology	276,609	276,609	1,000	15.13%	117,449	(305,876)	(46,323)	-

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

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Table 9 Information on investment in mainland China

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 2)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Net income (loss) of the investee	Percentage of ownership	Investment income (losses)		Book value	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow					(Note3)2			
WYKS	Sales of cloud data center equipment	10,659	2	10,659 (Note 1)	-	-	10,659	20,199	100%	20,199	(Note3)2	145,626	-	(Note 5)

(ii) Limitation on investment in mainland China

Accumulated Investment in mainland China as of September 30, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA(Note 6)	Upper Limit on Investment (Note 4)
10,659(USD 350,000)	11,078(USD 350,000)	47,937,811

(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 September 30, 2024.

(iii) Significant transactions

From January 1 to September 30, 2024, the significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".