Risk Management and Internal Control Statement

Wison Engineering Services Co. Ltd. ("Wison Engineering" or the "Company") attaches importance to risk management and internal control. Based on its business characteristics, strategic objectives, and operating environment, the Company has established a risk management and internal control system covering areas such as corporate governance, strategy, operations, finance, marketing, and legal matters. The Company adheres to internationally accepted enterprise risk management concepts, integrating risk considerations into strategy formulation, business decisions, project execution, and daily management, thereby supporting sound operation and sustainable development.

I. Risk Management

The board of directors of the Company (the "Board") assumes overall responsibility for the Company's risk management and internal control system. It is responsible for approving the risk management framework, policies, organizational structure, and assessment criteria, as well as for reviewing material risk assessments, material risk response plans, and enterprise risk management reports. The Board, with the assistance of the audit committee of the Company (the "Audit Committee") and management, supervises the adequacy and effectiveness of the risk management and internal control system.

II. Three Lines of Defense

The Company adopts a three lines of defense model with clear responsibilities and mutual coordination, and the Audit Committee is responsible for reviewing and supervising the risk management and internal control systems of Company:
First Line of Defense: Business and functional departments assume ownership of day-to-day risks. They are responsible for identifying, assessing, and managing risks related to their business activities and responsibilities, implementing internal controls and risk response measures, and promptly reporting changes in risks.
Second Line of Defense: The risk control department is responsible for establishing and improving risk management standards and processes, organizing and coordinating risk assessments, consolidating risk information, monitoring the implementation of key risk responses and internal controls, and providing risk management information to management and the Board. The Audit Committee is responsible for reviewing and supervising the financial reporting procedures and risk management and internal control systems of the Group, and providing advice and recommendations to the Board. The Board evaluated the sufficiency and effectiveness of risk management and internal control systems and the internal audit function of the Company through the audit committee. The Board considered the existing systems to be effective and adequate.

Third Line of Defense: Internal audit maintains appropriate independence and objectivity. Independent evaluations of risk management, internal control, and governance processes are conducted through systematic and standardized methods. In accordance with the annual audit plan, internal audit conducts audits of internal control, operational activity, engineering project, or specialized areas. It reports the audit results and matters for improvement to the Company's president, the Board and the Audit Committee. Where applicable, it conducts follow-up audits to check the implementation of corrective actions and improvement recommendations.

III. Risk Management Process

The Company manages risks that may affect its strategic objectives and business operations through procedures such as risk identification, risk assessment, risk response, and supervision and reporting.

Risk Identification and Assessment: The Company periodically identifies and updates key risks by considering its strategic objectives, business activities, and changes in the internal and external environment. It assesses these risks in terms of likelihood of occurrence and potential impact to determine risk priority. The Company conducts special risk assessments in a timely manner when significant changes occur in its business or operating environment.

Risk Appetite and Response: The Company assesses residual risk by considering its risk appetite, risk tolerance, and existing control measures. For risks requiring focused management, the Company adopts appropriate measures of acceptance, mitigation, avoidance, or transfer, and defines the responsible department, action plan, and completion timeline.

Monitoring and Reporting: Risk owners are responsible for tracking changes in risks and the implementation of response measures. The risk control department is responsible for consolidating and supervising relevant risk information. Material risks or matters that may exceed acceptable levels are submitted to management, the Audit Committee, or the Board for review in accordance with the Company's established mechanisms.

IV. Review Frequency

The Company conducts key risk identification at least once a year. According to current management arrangements, risk owners and risk experts, in principle, update risk assessment information quarterly. The risk control department collects and integrates the key risk lists from all departments semi-annually. The Board, in principle, reviews the semi-annual and annual risk management report twice a year. For the response plans for different risks, the Company tracks and conducts spot checks on their implementation on a regular basis, depending on the nature and changes of the risks.

V. Risk Culture and Continuous Improvement

The Company enhances the risk awareness and risk management capabilities of directors, management personnel, and relevant employees through appropriate risk management communication, cross-departmental risk assessments, dissemination of risk management knowledge, and appropriate training, promoting the integration of risk management into strategy, business operations, and project management.

The Company continuously reviews and improves its risk management and internal control system based on business development, the external environment, changes in risks, supervision and inspection, internal audits, and the implementation of corrective actions.