

6. Financial Standing

6.1 Most Recent 5-Year Concise Financial Information

6.1.1 Most Recent 5-Year Concise Consolidated Balance Sheet and Consolidated Statement of Comprehensive income

Concise Consolidated Balance Sheet

Unit : NT\$ thousands

Item \ Period		Most recent 5-Year Financial Information(Note1)					2023 (As of March 31) (Note3)
		2018	2019	2020	2021	2022	
Current assets		275,427,144	278,747,752	361,960,347	421,786,551	342,985,667	-
Net property, plant and equipment		42,868,387	40,673,093	36,572,342	42,209,556	51,515,209	-
Intangible assets		1,077,197	957,532	1,104,234	1,730,173	2,149,731	-
Other assets		19,729,847	23,797,958	29,185,522	31,571,526	36,257,167	-
Total assets		339,102,575	344,176,335	428,822,445	497,297,806	432,907,774	-
Current Liabilities	Before Distribution	239,878,889	238,928,971	313,699,489	365,583,359	286,725,416	-
	After Distribution	244,105,529	244,610,195	319,958,144	371,841,222	(Note2)	-
Non-current liabilities		25,692,104	21,346,290	31,196,877	39,229,668	27,529,802	-
Total Liabilities	Before Distribution	265,570,993	260,275,261	344,896,366	404,813,027	314,255,218	-
	After Distribution	269,797,633	265,956,485	351,155,021	411,070,890	(Note2)	-
Equity attributable to owners of the Company		68,945,197	73,950,584	71,565,777	77,916,938	96,382,149	-
Common stock		28,421,220	28,406,121	28,406,121	29,032,521	29,016,021	-
Capital surplus		22,863,619	24,681,872	25,760,011	28,834,524	35,050,440	-
Retained Earnings	Before Distribution	22,321,828	24,398,715	26,853,167	31,098,687	36,357,506	-
	After Distribution	18,095,188	18,717,491	20,594,512	24,840,824	(Note2)	-
Other equity		(4,128,234)	(3,536,124)	(7,846,263)	(9,441,535)	(2,550,702)	-
Treasury stock		(533,236)	-	(1,607,259)	(1,607,259)	(1,491,116)	-
Non-controlling interests		4,586,385	9,950,490	12,360,302	14,567,841	22,270,407	-
Stockholders' Equity	Before Distribution	73,531,582	83,901,074	83,926,079	92,484,779	118,652,556	-
	After Distribution	69,304,942	78,219,850	77,667,424	86,226,916	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Note3: The financial information for the first quarter of 2023 has not been reviewed by CPA.

Concise Consolidated Statement of Comprehensive income

Unit : NT\$ thousands

Item \ Period	Most Recent 5-Year Financial Information(Note1)					2023(As of March 31) (Note2)
	2018	2019	2020	2021	2022	
Operating revenue	889,536,347	878,255,078	845,011,844	862,082,848	984,619,156	-
Gross profit	37,559,256	42,158,550	46,053,180	51,134,716	69,728,692	-
Operating income	10,766,016	13,299,845	14,471,062	16,374,638	27,472,144	-
Non-operating income and expenses	(1,107,178)	(523,779)	2,374,313	2,859,639	(2,761,230)	-
Profit before tax	9,658,838	12,776,066	16,845,375	19,234,277	24,710,914	-
Net income for continuing operations	7,285,189	9,726,243	12,907,896	14,727,811	19,017,547	-
Income from discontinued operations, net of income tax effect	-	-	-	-	-	-
Net income	7,285,189	9,726,243	12,907,896	14,727,811	19,017,547	-
Other comprehensive income for the year, net of tax	518,936	253,372	(4,006,611)	(2,018,306)	7,756,858	-
Total comprehensive income for the year	7,804,125	9,979,615	8,901,285	12,709,505	26,774,405	-
Profit attributable to owners of the Company	4,908,472	6,800,768	8,681,762	10,468,030	11,162,451	-
Profit attributable to non-controlling interests	2,376,717	2,925,475	4,226,134	4,259,781	7,855,096	-
Total comprehensive income attributable to owners of the Company	5,350,283	7,111,916	4,822,894	8,548,311	18,022,661	-
Total comprehensive income attributable to non-controlling interests	2,453,842	2,867,699	4,078,391	4,161,194	8,751,744	-
EPS	1.76	2.40	3.10	3.76	4.01	-

Note1: The above financial information audited by CPA.

Note2: The financial information for the first quarter of 2023 has not been reviewed by CPA.

6.1.2 Most Recent 5-Year Concise Balance Sheet and Statement of Comprehensive income**Concise Balance Sheet**

Unit : NT\$ thousands

Item \ Period		Most recent 5-Year Financial Information(Note1)					2023(As of March 31) (Note3)
		2018	2019	2020	2021	2022	
Current assets		272,726,574	248,501,869	230,953,283	269,815,506	236,493,988	-
Net property, plant and equipment		4,747,740	5,039,467	6,184,970	6,495,454	8,248,308	-
Intangible assets		941,498	770,210	813,574	882,987	742,042	-
Other assets		85,934,997	92,740,696	91,009,826	104,218,206	116,103,234	-
Total assets		364,350,809	347,052,242	328,961,653	381,412,153	361,747,659	-
Current Liabilities	Before Distribution	275,431,812	252,691,831	232,420,701	274,859,012	251,760,472	-
	After Distribution	279,658,452	258,373,055	238,679,356	281,116,875	(Note2)	-
Non-current liabilities		19,973,800	20,409,827	24,975,175	28,636,203	13,605,038	-
Total Liabilities	Before Distribution	295,405,612	273,101,658	257,395,876	303,495,215	265,365,510	-
	After Distribution	299,632,252	278,782,882	263,654,531	309,753,078	(Note2)	-
Common stock		28,421,220	28,406,121	28,406,121	29,032,521	29,016,021	-
Capital surplus		22,863,619	24,681,872	25,760,011	28,834,524	35,050,442	-
Retained Earnings	Before Distribution	22,321,828	24,398,715	26,853,167	31,098,687	36,357,506	-
	After Distribution	18,095,188	18,717,491	20,594,512	24,840,824	(Note2)	-
Other equity		(4,128,234)	(3,536,124)	(7,846,263)	(9,441,535)	(2,550,702)	-
Treasury stock		(533,236)	-	(1,607,259)	(1,607,259)	(1,491,116)	-
Stockholders' Equity	Before Distribution	68,945,197	73,950,584	71,565,777	77,916,938	96,382,149	-
	After Distribution	64,718,557	68,269,360	65,307,122	71,659,075	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Note3: The financial information for the first quarter of 2023 has not been reviewed by CPA.

Concise Statement of Comprehensive income

Unit : NT\$ thousands

Item \ Period	Most Recent 5-Year Financial Information(Note1)					2023(As of March 31) (Note2)
	2018	2019	2020	2021	2022	
Operating revenue	750,900,387	735,742,458	687,686,152	670,440,580	686,828,694	-
Gross profit	15,923,674	20,346,611	20,821,366	19,463,851	31,664,017	-
Operating income	(261,813)	2,390,152	1,667,656	(1,771,129)	5,879,652	-
Non-operating income and expenses	4,183,144	4,133,229	6,994,556	12,534,210	5,054,429	-
Profit before tax	3,921,331	6,523,381	8,662,212	10,763,081	10,934,081	-
Net income for continuing operations	4,908,472	6,800,768	8,681,762	10,468,030	11,162,451	-
Income from discontinued operations, net of income tax effect	-	-	-	-	-	-
Net income	4,908,472	6,800,768	8,681,762	10,468,030	11,162,451	-
Other comprehensive income for the year, net of tax	441,811	311,148	(3,858,868)	(1,919,719)	6,860,210	-
Total comprehensive income for the year	5,350,283	7,111,916	4,822,894	8,548,311	18,022,661	-
EPS	1.76	2.40	3.10	3.76	4.01	-

Note1: The above financial information audited by CPA.

Note2: The financial information for the first quarter of 2023 has not been reviewed by CPA.

6.1.3 CPAs and Their Opinions for Most Recent 5-Year

Year	Name of CPA	Auditor's Opinion
2018	Li- Li, Lu, Chia-Hsin, Chang	Unqualified opinion
2019	Ya-Ling, Chen, Chia-Chien, Tang	Unqualified opinion
2020	Ya-Ling, Chen, Chia-Chien, Tang	Unqualified opinion
2021	Ya-Ling, Chen, Chia-Chien, Tang	Unqualified opinion
2022	Ya-Ling, Chen, Chia-Chien, Tang	Unqualified opinion

6.2 Most Recent 5-Year Financial Analysis

6.2.1 Financial Analysis-For Consolidated Report

Item		Most recent 5-Year Financial Information					2023(As of March 31) (Note3)
		2018	2019	2020	2021	2022	
Financial ratio	Total liabilities to total assets (%)	78.32	75.62	80.43	81.40	72.59	-
	Long-term debts to net property, plant and equipment (%)	231.46	258.76	314.78	312.05	283.77	-
Ability to payoff debt	Current ratio (%)	114.82	116.67	115.38	115.37	119.62	-
	Quick Ratio (%)	75.88	79.61	84.18	69.99	64.13	-
	Interest protection	3.03	3.66	8.17	11.23	5.13	-
Ability to operate	A/R turnover (times)	8.35	7.02	6.51	5.97	7.53	-
	A/R turnover days	43.71	51.99	56.06	61.13	48.45	-
	Inventory turnover (times)	9.37	9.55	8.85	6.32	5.75	-
	Account payable turnover (times)	6.25	6.02	6.31	5.73	6.60	-
	Days sales outstanding	38.95	38.21	41.24	57.75	63.49	-
	Fixed assets turnover (times)	22.37	21.03	21.88	21.89	21.01	-
	Total assets turnover (times)	2.67	2.57	2.19	1.86	2.12	-
Earning ability	Return on assets (%)	3.26	3.90	3.80	3.49	5.05	-
	Return on equity attributable to shareholders of the parent (%)	7.32	9.52	11.93	14.01	12.81	-
	PBT to pay-in capital(%)	33.98	44.98	59.30	66.25	85.16	-
	Net income ratio (%)	0.82	1.11	1.53	1.71	1.93	-
	EPS (NTD)	1.76	2.40	3.10	3.76	4.01	-
Cash flow	Cash flow ratio (%)	1.73	7.78	(Note 2)	(Note 2)	18.66	-
	Cash flow adequacy ratio (%)	44.73	88.37	36.45	(Note 2)	25.07	-
	Cash reinvestment ratio (%)	0.66	9.29	(Note 2)	(Note 2)	23.98	-
Leverage	Operating leverage	2.63	2.47	2.57	2.54	2.12	-
	Financial leverage	1.79	1.57	1.19	1.13	1.28	-
<p>The reasons for all financial ratio changes within the most recent two years are as follows (exempt from analysis less than 20%):</p> <p>Interest protection: The decrease is mainly caused by the increase of interest expense.</p> <p>A/R turnover (times): The increase is mainly caused by the increase of operating revenue and the decrease of Accounts Receivable.</p> <p>A/R turnover days: The decrease is mainly caused by the increase of AR turnover.</p> <p>Return on assets: The increase is mainly by the increase of interest expense.</p> <p>PBT to pay-in capital: The increase is mainly caused by the increase of profit before tax.</p>							

Note:1 The above financial information audited by CPA.

Note2: The analysis of negative cash flow from operating activities is meaningless.

Note3: The financial information for the first quarter of 2023 has not been reviewed by CPA.

1. Financial Ratio

(1) Total liabilities to Total assets = Total liabilities / Total assets

(2) Long-term fund to property, plant and equipment = (Net equity + Non-current liabilities) / Net property, plant and equipment

2. Ability to Pay off Debt

(1) Current ratio = Current Assets / Current liability

(2) Quick ratio = (Current assets – Inventory – Prepaid expenses) / Current liability

(3) Interest protection = Net income before income tax and interest expense / Interest expense

3. Ability to Operate

(1) Account receivable (including account receivable and notes receivable from operation) turnover = Net sales / the Average of account receivable (including account receivable and notes receivable from operation) balance

(2) A/R turnover day = 365 / account receivable turnover

(3) Inventory turnover = Cost of Goods Sold / the average of inventory

(4) Account payable (including account payable and notes payable from operation) turnover = Cost of goods sold / the average of account payable (including account payable and notes payable from operation) balance

(5) Inventory turnover day = 365 / Inventory turnover

(6) Fixed assets turnover = Net sales / Net Fixed Assets

(7) Total assets turnover = Net sales / Total assets

4. Earning Ability

(1) Return on assets = [PAT + Interest expense × (1 – effective tax rate)] / the average of total assets

(2) Return on Equity Attributable to Shareholders of the Parent = Net Income Attributable to Shareholders of the Parent / Average Equity Attributable to Shareholders of the Parent

(3) Net income ratio = PAT / Net sales

(4) EPS = (Profit attributable to owners of the Company – Dividend from prefer stock) / weighted average outstanding shares

5. Cash Flow

(1) Cash flow ratio = Cash flow from operating activities / Current liability

(2) Cash flow adequacy ratio = Most recent 5-year Cash flow from operating activities / Most recent 5-year (Capital expenditure + the increase of inventory + cash dividend)

(3) Cash investment ratio = (Cash flow from operating activities – cash dividend) / (Gross property, plant and equipment + long-term investment + other non-current assets + working capital)

6. Leverage

(1) Operating leverage = (Net revenue – variable cost of goods sold and operating expense) / operating income

(2) Financial leverage = Operating income / (Operating income – interest expenses)

6.2.2 Financial Analysis-For Parent-company-only

Item \ Period(Note1)		Most recent 5-Year Financial Information					2023(As of March 31) (Note4)
		2018	2019	2020	2021	2022	
Financial ratio	Total liabilities to total assets (%)	81.08	78.69	78.24	79.57	73.36	-
	Long-term debts to Net property, plant and equipment (%)	1872.87	1872.43	1560.90	1640.43	1333.45	-
Ability to payoff debt	Current ratio (%)	99.02	98.34	99.37	98.17	93.94	-
	Quick Ratio (%)	94.29	91.55	88.48	86.19	78.72	-
	Interest protection	2.29	3.19	7.82	12.09	3.74	-
Ability to operate	A/R turnover (times)	3.15	3.25	3.40	3.30	3.41	-
	A/R turnover days	115.97	112.42	107.32	110.60	107.16	-
	Inventory turnover (times)	49.73	49.66	32.24	22.75	18.70	-
	Account payable turnover (times)	3.30	3.48	4.01	4.55	4.50	-
	Days sales outstanding	7.34	7.35	11.32	16.05	19.52	-
	Fixed assets turnover (times)	156.94	150.35	122.53	105.74	93.17	-
	Total assets turnover (times)	2.00	2.07	2.03	1.89	1.85	-
Earning ability	Return on assets (%)	1.96	2.58	2.87	3.17	3.86	-
	Return on equity (%)	7.32	9.52	11.93	14.01	12.81	-
	PBT to pay-in capital	13.80	22.96	30.49	37.07	37.68	-
	Net income ratio (%)	0.65	0.92	1.26	1.56	1.63	-
	EPS (NTD)	1.76	2.40	3.10	3.76	4.01	-
Cash flow	Cash flow ratio (%)	0.37	0.91	(Note2)	(Note2)	(Note2)	-
	Cash flow adequacy ratio (%)	151.32	167.25	(Note2)	(Note2)	(Note2)	-
	Cash reinvestment ratio (%)	(Note2)	(Note2)	(Note2)	(Note2)	(Note2)	-
Leverage	Operating leverage	(Note2)	7.25	10.74	(Note2)	4.71	-
	Financial leverage	(Note3)	(Note2)	4.20	(Note3)	3.10	-
The reasons for all financial ratio changes within the most recent two years are as follows (exempt from analysis less than 20%): Interest protection: The decrease is mainly caused by the increase of interest expense. Inventory turnover (times): The increase is mainly caused by the decrease of average inventory. Return on assets: The increase is mainly by the increase of PAT excluding interest expense.							

Note:1 The above financial information audited by CPA.

Note2: The negative ratio lacks significance of analysis .

Note3:The operating income is loss and hence not being calculated.

Note4:The financial information for the first quarter of 2023 has not been reviewed by CPA.

1. Financial Ratio

(1) Total liabilities to Total assets= Total liabilities / Total assets

(2) Long-term fund to property, plant and equipment=(Net equity + Non-current liabilities) / Net property, plant and equipment

2. Ability to Pay off Debt

(1) Current ratio= Current Assets / Current liability

(2) Quick ratio= (Current assets – Inventory – Prepaid expenses) / Current liability

(3) Interest protection=Net income before income tax and interest expense / Interest expense

3. Ability to Operate

(1) Account receivable (including account receivable and notes receivable from operation) turnover=Net sales / the Average of account receivable (including account receivable and notes receivable from operation) balance

(2) A/R turnover day=365 / account receivable turnover

(3) Inventory turnover= Cost of Goods Sold / the average of inventory

(4) Account payable (including account payable and notes payable from operation)turnover=Cost of goods sold / the average of account payable (including account payable and notes payable from operation) balance

(5) Inventory turnover day=365 / Inventory turnover

(6) Fixed assets turnover=Net sales / Net Fixed Assets

(7) Total assets turnover=Net sales / Total assets

4. Earning Ability

(1) Return on assets= [PAT + Interest expense × (1 – effective tax rate)] / the average of total assets

(2) Return on equity= PAT / the average of net equity

(3) Net income ratio= PAT / Net sales

(4) EPS =(PAT – Dividend from prefer stock) / weighted average outstanding shares

5. Cash Flow

(1) Cash flow ratio=Cash flow from operating activities / Current liability

(2) Cash flow adequacy ratio=Most recent 5-year Cash flow from operating activities / Most recent 5-year (Capital expenditure + the increase of inventory + cash dividend)

(3) Cash investment ratio=(Cash flow from operating activities – cash dividend) / (Gross property, plant and equipment + long-term investment + other non-current assets + working capital)

6. Leverage

(1) Operating leverage=(Net revenue – variable cost of goods sold and operating expense) / operating income

(2) Financial leverage=Operating income / (Operating income – interest expenses)

6.3 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Wistron's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Wistron Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Wistron Corporation

Convener of the Audit Committee :



March 14, 2023

6.4 Financial statements of the latest year

Representation Letter

The entities that are required to be included in the combined financial statements of Wistron Corporation as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Wistron Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Wistron Corporation
Chairman: Simon Lin
Date: March 14, 2023





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Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the consolidated financial statements of Wistron Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note 4(q) "Revenue from contracts with customers" for accounting policy, and Note 6(u) for the relevant disclosures for revenue recognition to the financial statements.

Description of the key audit matter

The Group is a listed company influencing the public interest, and its financial performance is highly expected by the investors. Therefore, the revenue recognition has been identified as a key audit matter.



In relation to the key audit matter above, our audit procedures included

- Testing the Group's controls surrounding the revenue recognition and cash collection for key manual and system base controls, tracing general ledgers to sales systems and reconciling the differences.
- Understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the trend and variance analysis on the revenue from major customers to evaluate if there are significant unusual transactions.
- Inspecting whether there are any significant sales returns and allowances after year end to assess the reasonableness of the transactions.

2. Inventory valuation

Please refer to Note 4(g) "Inventory" for accounting policy, Note 5(a) for accounting assumption and estimation uncertainty of inventory and Note 6(g) for the disclosure of the valuation of inventory to the financial statements.

Description of the key audit matter

Inventories are stated at the lower of cost or net realizable value. The rapid development of technology and the advance of new electronic products can have a significant impact on market demand, which may lead to product obsolescence that will affect the cost of inventory to be higher than its net realizable value. Consequently, the valuation of inventories has been identified as another key audit matter.

In relation to the key audit matter above, our audit procedures included

- Examining the inventory aging report and analyzing the variation in inventories.
- Verifying the appropriateness of the management's methodology to determine the inventory valuation and assess if the obsolete stocks have been included in the aforesaid evaluation.
- Evaluating the selling price used for the Group's inventory valuation and the changes on fair values of the inventories subsequently; selecting samples to assess the reasonableness of the net realizable values by comparing them to the original documents.
- Examining the records for the management to identify each obsolete and damaged goods.
- Evaluating the adequacy of the disclosure in inventory allowance.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya-Ling Chen and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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)

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:			Liabilities and Equity	
Cash and cash equivalents (note 6(a))	\$	66,337,316	16	70,154,241	14	2100		Short-term loans (notes 6(i) and (af))	29
Current financial assets at fair value through profit or loss (note 6(b))		8,387,194	2	12,085,449	3	2120		Current financial liabilities at fair value through profit or loss (note 6(b))	-
Current financial assets at amortized cost, net (note 6(c))		298,652	-	1,404,046	-	2130		Current contract liabilities (note 6(z))	1
Note and trade receivables, net (notes 6(e) and (z))		100,136,450	23	161,012,134	32	2170		Note and trade payables	34
Trade receivables-related parties (notes 6(e), (z) and 7)		95,877	-	153,371	-	2180		Trade payables-related parties (note 7)	-
Other receivables-related parties (notes 6(f) and 7)		4,010	-	13,689	-	2220		Other payables-related parties (note 7)	-
Current tax assets		858,817	-	754,750	-	2280		Current lease liabilities (notes 6(s), (af) and 7)	-
Inventory (note 6(g))		156,889,151	36	161,378,122	33	2322		Current portion of long-term loans (notes 6(q) and (af))	-
Other current assets (notes 6(f) and (p))		9,980,200	2	14,830,749	3	2365		Current refund liability (note 6(z))	2
Total current assets		342,985,667	79	421,786,551	85	2399		Other current liabilities (notes 6(q) and (ab))	8
Non-current assets:								Total current liabilities	74
Non-current financial assets at fair value through profit or loss (note 6(b))		167,366	-	584,803	-	2530		Non-current liabilities:	-
Non-current financial assets at fair value through other comprehensive income (note 6(d))		6,729,413	2	6,613,497	1	2540		Bonds payable (notes 6(r) and (af))	2
Equity-accounted investments (note 6(h))		8,358,899	2	7,107,549	2	2570		Long-term loans (notes 6(q) and (af))	5
Property, plant and equipment (notes 6(m) and 7)		51,515,209	12	42,209,556	9	2580		Deferred tax liabilities (note 6(v))	-
Right-of-use assets (notes 6(n) and 7)		8,304,295	2	6,858,206	1	2600		Non-current lease liabilities (notes 6(s), (af) and 7)	-
Intangible assets (note 6(o))		2,149,731	-	1,730,173	-			Other non-current liabilities (notes 6(q), (u) and (af))	-
Deferred tax assets (note 6(v))		7,850,927	2	6,181,969	1			Total non-current liabilities	7
Other non-current assets (notes 6(p), (u) and 8)		4,846,267	1	4,225,502	1			Total liabilities	81
Total non-current assets		89,922,107	21	75,511,255	15	3110		Equity attributable to owners of parent (notes 6(o), (j), (w) and (x)):	6
								Ordinary shares	6
								Capital surplus	6
								Retained earnings	6
								Other equity	3
								Treasury shares	19
								Total equity attributable to owners of parent	33
								Non-controlling interests (notes 6(i) and (w))	3
								Total equity	39
Total assets	\$	432,907,774	100	497,297,806	100			Total liabilities and equity	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION AND SUBSIDIARIES
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2022		2021	
		Amount	%	Amount	%
4000	Net revenues (notes 6(z) and 7)	\$ 984,619,156	100	862,082,848	100
5000	Cost of sales (notes 6(g), (m), (n), (o), (s), (u), (x), (ab), 7 and 12)	914,890,464	93	810,948,132	94
5900	Gross profit	69,728,692	7	51,134,716	6
	Operating expenses (notes 6(e), (f), (m), (n), (o), (s), (u), (x), (ab), 7 and 12):				
6100	Selling	11,433,187	1	9,467,427	1
6200	Administrative	5,815,369	-	4,531,156	1
6300	Research and development	25,007,992	3	20,761,495	2
	Total operating expenses	42,256,548	4	34,760,078	4
6900	Operating income	27,472,144	3	16,374,638	2
7000	Non-operating income and expenses (notes 6(h), (k), (r), (s), (t), (aa) and 7):				
7100	Interest income	1,989,775	-	1,306,757	-
7010	Other income	569,391	-	499,624	-
7020	Other gains and losses	(108,575)	-	2,816,161	-
7050	Finance costs	(5,988,155)	(1)	(1,880,091)	-
7060	Shares of associates and joint ventures accounted for equity method	776,334	-	117,188	-
	Total non-operating income and expenses	(2,761,230)	(1)	2,859,639	-
7900	Profit before tax	24,710,914	2	19,234,277	2
7950	Less: Income tax expenses (note 6(v))	5,693,367	-	4,506,466	-
8200	Net profit	19,017,547	2	14,727,811	2
8300	Other comprehensive income (notes 6(h), (u) and (v))				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	297,547	-	(92,369)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(876,369)	-	414,501	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	8,156	-	(11,071)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	75,002	-	19,225	-
		(645,668)	-	291,836	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	8,277,826	1	(2,241,595)	(1)
8370	Shares 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	124,700	-	(68,547)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		8,402,526	1	(2,310,142)	(1)
	Total other comprehensive income, net of tax	7,756,858	1	(2,018,306)	(1)
8500	Total comprehensive income	\$ 26,774,405	3	12,709,505	1
	Net profit attributable to (notes 6(l) and (w)):				
8610	Owners of parent	\$ 11,162,451	1	10,468,030	1
8620	Non-controlling interests	7,855,096	1	4,259,781	1
		\$ 19,017,547	2	14,727,811	2
	Comprehensive income attributable to (notes 6(l) and (w)):				
8710	Owners of parent	\$ 18,022,661	2	8,548,311	1
8720	Non-controlling interests	8,751,744	1	4,161,194	-
		\$ 26,774,405	3	12,709,505	1
	Earnings per share (in dollars) (note 6(y))				
9750	Basic earnings per share	\$ 4.01		3.76	
9850	Diluted earnings per share	\$ 3.84		3.64	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION AND SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings					Other equity						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation arising from issuance of restricted shares	Total	Treasury shares	Total equity attributable to owners of parent
Balance at January 1, 2021	\$ 28,406,121	25,760,011	9,150,601	3,536,124	14,166,442	26,833,167	(6,525,783)	(320,738)	(999,742)	(7,846,263)	(1,607,259)	83,926,079
Net profit	-	-	-	-	10,468,030	10,468,030	-	-	-	-	-	14,727,811
Other comprehensive income	-	-	-	-	(81,478)	(81,478)	(2,216,978)	378,737	-	(1,838,241)	-	14,727,811
Transfer of retained earnings to special reserve	-	-	-	-	10,386,552	10,386,552	(2,216,978)	378,737	-	(1,838,241)	-	14,727,811
Legal reserve	-	-	813,568	-	(813,568)	-	-	-	-	-	-	14,727,811
Special reserve	-	-	-	3,310,397	(3,310,397)	-	-	-	-	-	-	14,727,811
Cash dividends	-	-	-	-	(6,258,655)	(6,258,655)	-	-	-	-	-	14,727,811
Changes in equity of associates and joint ventures accounted for using equity method	-	349,390	-	-	-	-	-	-	-	-	-	14,727,811
Changes in ownership interests in subsidiaries	-	(13,657)	-	-	(130)	(130)	-	-	-	-	-	14,727,811
Disposal of part of the equity of the subsidiary	-	3,354,164	-	-	-	-	11,335	4	-	11,339	-	14,727,811
Share-based payment transactions	626,400	(626,400)	-	-	528	528	-	-	348,855	348,855	-	14,727,811
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,225	117,225	-	(117,225)	-	(117,225)	-	14,727,811
Changes in non-controlling interests	-	11,016	-	-	-	-	-	-	-	-	11,016	14,727,811
Balance at December 31, 2021	29,032,521	28,834,524	9,964,169	6,846,521	14,287,997	31,098,687	(8,731,426)	(59,222)	(650,887)	(9,441,535)	(1,607,259)	92,484,779
Net profit	-	-	-	-	11,162,451	11,162,451	-	-	-	-	-	19,017,547
Other comprehensive income	-	-	-	-	245,513	245,513	7,513,416	(898,719)	-	6,614,697	-	19,017,547
Transfer of retained earnings to special reserve	-	-	-	-	11,407,964	11,407,964	(7,513,416)	(898,719)	-	6,614,697	-	19,017,547
Legal reserve	-	-	1,050,417	-	(1,050,417)	-	-	-	-	-	-	19,017,547
Special reserve	-	-	-	1,944,127	(1,944,127)	-	-	-	-	-	-	19,017,547
Cash dividends	-	-	-	-	(6,257,863)	(6,257,863)	-	-	-	-	-	19,017,547
Changes in equity of associates and joint ventures accounted for using equity method	-	302,059	-	-	(203)	(203)	-	-	-	-	-	19,017,547
Share-based payment transactions	-	(2,888)	-	-	-	-	-	-	-	-	-	19,017,547
Disposal of part of the equity of the subsidiary	-	(70,095)	-	-	(1,040)	(1,040)	-	-	-	-	-	19,017,547
Share-based payment transactions	(16,500)	(43,308)	-	-	396	396	16,821	-	368,880	368,880	-	19,017,547
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	109,565	109,565	-	(109,565)	-	(109,565)	-	19,017,547
Changes in non-controlling interests	-	27,641	-	-	-	-	-	-	-	-	-	19,017,547
Balance at December 31, 2022	\$ 29,016,021	\$ 35,050,440	\$ 11,014,586	\$ 8,790,648	\$ 16,552,272	\$ 36,357,506	\$ (1,201,189)	\$ (1,067,506)	\$ (282,007)	\$ (2,550,702)	\$ (1,491,116)	\$ 96,382,149

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.) WISTRON CORPORATION AND SUBSIDIARIES Consolidated Statement of Cash Flows For the years ended December 31, 2022 and 2021 (Expressed in Thousands of New Taiwan Dollars)		
	2022	2021
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 24,710,914	19,234,277
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	11,015,505	8,866,390
Amortization expense	459,606	358,719
Gain on reversal of expected credit losses	(74,187)	(22,057)
Net losses on financial assets or liabilities at fair value through profit or loss	4,130,860	1,322,249
Interest expenses	5,988,155	1,880,091
Interest income	(1,989,775)	(1,306,757)
Dividend income	(237,597)	(253,965)
Compensation cost arising from share-based payments	313,533	353,496
Shares of profit of associates and joint ventures accounted for using equity method	(776,334)	(117,188)
Gains on disposal of property, plant and equipment	(10,220)	(661,743)
Property, plant and equipment reclassified as expenses	26,077	70,191
Other non-current assets reclassified as expenses	29,605	7,374
Losses (gains) on disposal of investments	989	(2,294,821)
Impairment loss on assets	4,660	760,735
Other investment loss	175,098	89,411
Lease modification gains	(56,622)	(2,741)
Other income	-	(229)
Amortization of bank arrangement fees	12,612	16,937
Total adjustments to reconcile profit	19,011,965	9,066,092
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in note and trade receivables	68,813,782	(34,916,877)
Decrease in trade receivables-related parties	60,114	152,733
Decrease in other receivables-related parties	10,535	609
Decrease (increase) in inventories	17,308,258	(68,003,436)
Decrease (increase) in other current assets	5,647,927	(3,028,196)
Total changes in operating assets	91,840,616	(105,795,167)
Changes in operating liabilities:		
Increase in current contract liabilities	2,300,584	1,615,963
Increase (decrease) in note and trade payables	(70,673,862)	54,692,305
Increase (decrease) in trade payables-related parties	(371,748)	195,092
Increase (decrease) in other payables-related parties	(32,235)	48,949
Increase (decrease) in current refund liability	(2,151,957)	1,357,606
Increase (decrease) in other current liabilities	(2,539,209)	2,586,424
Decrease in other non-current liabilities	(177,425)	(142,452)
Total changes in operating liabilities	(73,645,852)	60,353,887
Net changes in operating assets and liabilities	18,194,764	(45,441,280)
Total adjustments	37,206,729	(36,375,188)
Cash generated from (used in) operations	61,917,643	(17,140,911)
Interest received	2,699,872	1,644,851
Dividends received	631,209	652,654
Interest paid	(6,166,717)	(2,049,224)
Income taxes paid	(5,641,991)	(4,643,279)
Net cash generated from (used in) operating activities	53,440,016	(21,535,909)

See accompanying notes to financial statements.

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows (continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,234,298)	(935,663)
Proceeds from disposal of financial assets at fair value through other comprehensive income	231,169	450,432
Return of financial assets at fair value through other comprehensive income	41,902	57,890
Proceeds from disposal of financial assets at amortized cost	1,105,394	(1,404,046)
Acquisition of financial assets at fair value through profit or loss	(5,370,426)	(18,409,564)
Proceeds from disposal of financial assets at fair value through profit or loss	5,578,262	18,457,904
Acquisition of equity-accounted investees	(395,080)	(313,743)
Proceeds from disposal of equity-accounted investees	-	15,508
Net cash flow from acquisition of subsidiaries	-	(2,108,639)
Proceeds from disposal of subsidiaries	-	1,505,919
Acquisition of property, plant and equipment	(13,609,393)	(10,496,324)
Proceeds from disposal of property, plant and equipment	635,313	674,881
Proceeds from disposal of right-of-use assets	205,514	-
Increase in refundable deposits	(891,292)	(332,538)
Acquisition of intangible assets	(843,320)	(683,971)
Net cash inflows from business combination	-	181,351
Decrease in other financial assets	245,237	63,538
Increase in other non-current assets	(2,438,167)	(3,320,335)
Net cash flows used in investing activities	(16,739,185)	(16,597,400)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	824,176,953	645,122,074
Repayments of short-term loans	(861,547,581)	(603,585,094)
Proceeds from issuance of bonds	-	4,442,325
Increase in long-term loans	18,179,231	28,208,148
Repayments of long-term loans	(28,355,477)	(23,501,491)
Increase (decrease) in guarantee deposits received	1,218,915	(289,750)
Repayments of lease liabilities	(814,303)	(1,111,490)
Cash dividends paid	(6,257,467)	(6,258,127)
Treasury shares transferred to employees	113,255	-
Disposal of ownership interests in subsidiaries (without losing control)	7,390,742	4,028,293
Change in non-controlling interests	(2,498,175)	(2,473,198)
Others	27,641	11,016
Net cash flows generated from (used in) financing activities	(48,366,266)	44,592,706
Effect of exchange rate changes on cash and cash equivalents	7,848,510	(2,508,957)
Net increase (decrease) in cash and cash equivalents	(3,816,925)	3,950,440
Cash and cash equivalents at beginning of year	70,154,241	66,203,801
Cash and cash equivalents at end of year	\$ 66,337,316	70,154,241

See accompanying notes to financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Information and Unless Otherwise Specified)

(1) Company history

Wistron Corporation (the “Company”) was incorporated on May 30, 2001, as a company limited by shares under the laws of the Republic of China (ROC). In pursuant to a restructuring plan of Acer Inc. (AI) to improve its business performance and competitiveness, the Company was formed to acquire the net assets spun off from AI’s DMS (Design, Manufacturing, and Service products) business.

The Company and its subsidiaries (hereinafter, jointly referred to as the “Group”), are currently engaged in the research, development, design, manufacturing, testing and sales of the following products and semi-finished products, and their peripheral equipment, parts and components:

- (i) desktop computers, notebook computers, motherboards, servers, system platforms, high-speed and multi-function multiple-CPU computer systems, multi-media computers, network computers, consumer-type computers and special computers, micro-processors, CD-ROMs, PDAs, panel PCs, pocket computers and interface cards;
- (ii) video and internet telephones, video conferencing equipment and telecommunication equipment;
- (iii) digital satellite TV receivers, set-top boxes, digital video decoders and multi-media appliance products;
- (iv) digital cameras, CD-ROM drives and DVD-ROM drives;
- (v) wireless receiver products (mobile phones, wireless LAN cards, and Bluetooth communication modules);
- (vi) LCD TVs and other electronic audio & visual products;
- (vii) design and merchandising of computer software and programs;
- (viii) import and export trade relevant to the business of this company;
- (ix) maintenance and cleaning of electronics products;
- (x) recycling of electronic waste;
- (xi) in vitro diagnostic device, therapeutic equipment, intelligent assistive device, diagnostic x-ray unit, physiological signal diagnostic device and medical data system;
- (xii) manufacturing, processing and selling of electronic products for automobile.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

The consolidated financial statements for the years ended December 31, 2022 and 2021 were authorized for issuance by the Board of Directors on March 14, 2023.

(3) New standards and interpretations not yet adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) 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, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (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, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

- (a) Statement of compliance

The 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 consolidated financial statements, the Chinese version shall prevail.

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

- (b) Basis of consolidation

- (i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) List of subsidiaries in the consolidated financial statements

1) Subsidiaries which are engaged in research, design, testing, manufacturing and sales of computers, servers, multi-media appliance products, automobile parts, telecommunication products, network systems, and medical devices:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	International Standards Laboratory Corp. ("ISL", Taiwan)	100.00	100.00	
the Company	Wistron Mexico, S.A. de C.V. ("WMX", Mexico)	100.00	100.00	
the Company	Wistron Technology (Malaysia) Sdn. Bhd. ("WMMY", Malaysia)	100.00	100.00	
the Company	Wistron Mobile Solutions Corporation ("WCH", U.S.A.)	100.00	100.00	
the Company	Wistron InfoComm (Czech), s.r.o. ("WCCZ", Czech Republic)	100.00	100.00	
the Company	Wistron Technology Service (America) Corporation ("WTS", U.S.A.)	100.00	100.00	
the Company	Wistron InfoComm (Vietnam) Co., Ltd ("WVN", Vietnam)	100.00	100.00	
the Company/WLB/WCL	Wiwynn Corporation ("WYHQ", Taiwan)	43.44	48.08	(Note 1)
WAKS	XTRONICS (Kunshan) Electronics Technology Co., Ltd ("XTRKS", China)	100.00	100.00	
Cowin/AIIH	Wistron InfoComm (Zhongshan) Corporation ("WZS", China)	100.00	100.00	
Win Smart	Wistron InfoComm (Kunshan) Co., Ltd. ("WAKS", China)	100.00	100.00	
Win Smart	Wistron InfoComm (Taizhou) Co., Ltd. ("WTZ", China)	100.00	100.00	
Win Smart	Wistron InfoComm (CHONGQING) Co., Ltd. ("WCQ", China)	100.00	100.00	
Win Smart	Wistron InfoComm Technology Service (Kunshan) Co., Ltd. ("WRKS", China)	100.00	100.00	(Note 2)
WSC	Wistron InfoComm (Chengdu) Co., Ltd. ("WCD", China)	100.00	100.00	
AIIH	Wistron Optronics (Kunshan) Co., Ltd. ("WOOK", China)	100.00	100.00	
WVS	Wistron InfoComm Technology (Zhongshan) Co., Ltd. ("WTZS", China)	100.00	100.00	
WCL	Creator Technology B.V. ("WCT", Netherlands)	-	100.00	(Note 3)
WCL	Abilliant Corporation ("WAC", Taiwan)	100.00	100.00	
WYHQ	Wiwynn Technology Service Japan, Inc. ("WYJP", Japan)	100.00	100.00	
WYHQ	Wiwynn International Corporation ("WYUS", U.S.A.)	100.00	100.00	
WYHQ	Wiwynn Korea Ltd. ("WYKR", South Korea)	100.00	100.00	
WYHQ	Wiwynn Mexico, S.A. de C.V. ("WYMX", Mexico)	100.00	100.00	
WYHQ	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD. ("WYMY", Malaysia)	100.00	100.00	
WYHQ	Wiwynn Technology Service Mexico SA De CV (WYSMX, Mexico)	100.00	-	(Note 4)
WYHK	Wiwynn Technology Service Kunshan, Ltd. ("WYKS", China)	100.00	100.00	
WMH/WLB/WCL	Wistron Medical Technology Corporation ("WMT", Taiwan)	92.14	91.76	(Note 5)
WMH	B-Temia Asia Pte Ltd. ("BTA", Singapore)	-	70.00	(Note 6)
WMT	B-Temia Asia Pte Ltd. ("BTA", Singapore)	100.00	-	(Note 6)
WMT	Wistron Medical Tech (Chongqing) Co., Ltd. ("WMCQ", China)	100.00	100.00	
WSSG/WHK	Wistron InfoComm Manufacturing (India) Private Limited ("WMMI", India)	100.00	100.00	
BTA	Keeogo Japan K.K. ("KJP", Japan)	100.00	100.00	
the Company/WLB	WiBASE Industrial Solutions ("WIS", Taiwan)	52.87	52.92	(Note 7)
WSC	Wistron InfoComm Computer (Chengdu) Co., Ltd ("WCCD", China)	100.00	100.00	
BTA	KEEOGO MALAYSIA SDN. BHD ("KMY", Malaysia)	60.00	60.00	
WCL	KAOHSIUNG OPTO-ELECTRONICS INC. ("KOE", Taiwan)	100.00	100.00	
KOE	OPTO-ELECTRONICS (Kunshan) Co., Ltd. ("KOEKS", China)	100.00	-	(Note 8)
WMMY/WSSG	Wistron Automotive Electronics (India) Private Limited ("WAEI", India)	100.00	-	(Note 8)
WGEH	AiSails Power Inc.("AIS", Taiwan)	86.67	-	(Note 9)

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Subsidiaries which are engaged in sale and maintenance of computer products and related parts and components, data storage equipment, and digital monitoring systems:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	SMS InfoComm Corporation ("WTX", U.S.A.)	100.00	100.00	
the Company/WDH/WCL /WLB	WiAdvance Technology Corporation ("AGI", Taiwan)	78.63	-	(Note 10)
the Company/WDH/WCL	WiAdvance Technology Corporation ("AGI", Taiwan)	-	79.66	(Note 10)
the Company	Anwith Technology Corporation ("WCHQ", Taiwan)	100.00	100.00	
the Company	SMS InfoComm (Singapore) Pte. Ltd. ("WSSG", Singapore)	100.00	100.00	
the Company	Service Management Solutions Mexico SA de C.V. ("WSMX", Mexico)	100.00	100.00	
the Company	Wistron InfoComm (Philippines) Corporation ("WSPH", Philippines)	100.00	100.00	
the Company	SMS InfoComm Global Service (CQ) ("WSCQ", China)	100.00	100.00	
the Company/AIIH	SMS InfoComm Technology Services and Management Solutions Ltd. ("WBR", Brazil)	100.00	100.00	
the Company/WCL	SMS InfoComm Technology Services Limited Company ("WTR", Turkey)	100.00	100.00	
WLLC	Wistron InfoComm Technology (America) Corporation ("WITX", U.S.A.)	100.00	100.00	
WLLC	Wistron InfoComm Technology (Texas) Corporation ("WITT", U.S.A.)	100.00	100.00	
Win Smart	Wistron Service (Kunshan) Corp. ("WSKS", China)	100.00	100.00	
Win Smart	Wistron Hong Kong Limited ("WHK", Hong Kong)	100.00	100.00	
Win Smart	SMS (Kunshan) Co., Ltd. ("WMKS", China)	100.00	100.00	
AIIH	Wistron Optronics (Shanghai) Co., Ltd. ("WOSH", China)	100.00	100.00	
AIIH	Wistron K.K. ("WJP", Japan)	100.00	100.00	
WSSG/WHK	ICT Service Management Solutions (India) Private Limited ("WIN", India)	100.00	100.00	
the Company	SMS InfoComm (Czech) s.r.o. ("WSCZ", Czech Republic)	100.00	100.00	

3) Subsidiary which is engaged in software research, development, design, trading and consultation:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
AIIH	Wistron InfoComm (Shanghai) Corporation ("WSH", China)	100.00	100.00	

4) Subsidiaries engaged in recycling of electronic products:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	Wistron GreenTech (Texas) Corporation ("WGTX", U.S.A.)	100.00	100.00	
WGHK	Wistron Advanced Materials (Kunshan) Co., Ltd. ("WGKS", China)	100.00	100.00	

5) Subsidiaries which engaged in internet platform development, providing and selling application services and consultation.

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	WiEdu Hong Kong Limited ("WEHK", Hong Kong)	100.00	100.00	
WLB/WDH	WIEDU CORPORATION ("WETW", Taiwan)	89.37	88.12	(Note 11)
WEHK	Weshtek Information Technology Services Co., Ltd., Shanghai ("WESH", China)	-	100.00	(Note 12)
WDH	Wistron AiEDGE Corporation ("WAUS", U.S.A.)	100.00	100.00	
WMMI	Smartiply India Private Limited ("STI", India)	99.99	99.99	

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Investment and holding companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	Cowin Worldwide Corporation (“Cowin”, British Virgin Islands)	100.00	100.00	
the Company	Wise Cap Limited Company (“WCL”, Taiwan)	100.00	100.00	
the Company	Win Smart Co., Ltd. (“Win Smart”, British Virgin Islands)	100.00	100.00	
the Company	Wistron LLC (“WLLC”, U.S.A.)	100.00	100.00	
the Company	WisVision Corporation (“WVS”, British Virgin Islands)	100.00	100.00	
the Company	Wistron Advanced Materials (Hong Kong) Limited (“WGHK”, Hong Kong)	100.00	100.00	
the Company	WiEDU Holding Co., Ltd (“WEDH”, Seychelles)	-	100.00	(Note 3)
the Company	WiseCap (Hong Kong) Limited (“WCHK”, Hong Kong)	100.00	100.00	
WCL	LE BEN Investment Ltd (“WLB”, Taiwan)	100.00	100.00	
the Company/AIIH	Wistron Europe Holding Cooperatie U.A. (“WEH”, Netherlands)	-	100.00	(Note 3)
Win Smart	Wistron Hong Kong Holding Limited (“WHHK”, Hong Kong)	100.00	100.00	
WHHK	Wistron Investment (Sichuan) Co., Ltd. (“WSC”, China)	100.00	100.00	
WYHQ	Wiwynn Technology Service Hong Kong Limited (“WYHK”, Hong Kong)	100.00	100.00	
the Company	Wistron Medical Tech Holding Company (“WMH”, Taiwan)	100.00	100.00	
the Company	Wistron Digital Technology Holding Company (“WDH”, Taiwan)	100.00	100.00	
the Company	AIH Holding Corporation (“AIH”, British Virgin Islands)	100.00	100.00	
the Company	Wistron Green Energy Holding Company (“WGEH”, Taiwan)	100.00	-	(Note 4)

7) Lease companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	Wistron InfoComm Mexico S.A. de C.V. (“WIMX”, Mexico)	100.00	100.00	
the Company	WiSuccess Asset Management Corporation (“WCA”, Taiwan)	100.00	100.00	

(Note 1): The Group disposed 4.64% and 2.70% of WYHQ’s equity ownership in the 1st quarter of 2022 and the 4th quarter of 2021, respectively. The aforementioned transactions had no effect on the control of the subsidiary.

(Note 2): For the change of WRKS’s Chinese name, please refer to the Chinese version of the consolidated financial statements.

(Note 3): The liquidation process is completed in the 3rd quarter of 2022.

(Note 4): The capital was injected in the 2nd quarter of 2022.

(Note 5): WLB, a subsidiary of the Group, repurchased the shares from its former employees from the 2nd to the 4th quarter of 2022 and in the 4th quarter of 2021, resulting in an increase in the shareholdings of the Group in WMT.

(Note 6): WMH, a subsidiary of the Group, acquired 30% of the shares of BTA in the 1st quarter of 2022. WMH transferred its entire shareholding in BTA to WMT in the 4th quarter of 2022.

(Note 7): WLB, a subsidiary of the Group, repurchased the shares from former employees in the 4th quarter of 2022, resulting in an increase in the shareholdings of the Group in WIS. However, the employees of WIS exercised their employee stock options between the 3rd quarter and the 4th quarter of 2022, which resulted in an increase in the number of outstanding shares and a decrease in the percentage of shares held by the Group to 52.87%.

(Note 8): The capital was injected in the 3rd quarter of 2022.

(Note 9): The capital was injected in the 4th quarter of 2022.

(Note 10): WLB, a subsidiary of the Group, repurchased the shares from former its employees between the 3rd quarter and the 4th quarter of 2022. The aforementioned transactions resulted in an increase in the shareholdings of the Group in AGI. However, the employees of AGI exercised their employee stock options in the 1st and the 4th quarter of 2022, which resulted in an increase in the number of outstanding shares and a decrease in the percentage of shares held by the Group to 78.63%.

(Note 11): WLB, a subsidiary of the Group, repurchased the shares from former employees from the 4th quarter of 2021 to the 2nd quarter of 2022. The aforementioned transactions resulted in an increase in the shareholdings of the Group in WETW.

(Note 12): WESH remitted the remaining balance in the 4th quarter of 2022. The liquidation process is still in progress.

(iii) Subsidiaries excluded from consolidated: None.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at present value;
- 3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The Group’s consolidated financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Group at exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedges are effective.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the New Taiwan Dollars at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period;
- (iv) The asset is cash or a cash equivalent, but excluding the asset restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period;
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

Cash comprises cash on hand and demand and check deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

1) Classification of financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – equity investment; or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the “trade receivables” line item.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, note and trade receivables, other receivables and guarantee deposits), trade receivables measured at FVOCI.

The Group measures loss allowance at an amount equal to lifetime ECL. The Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed; both qualitative and quantitative information and also basing on the Group’s historical experiences and informed credit assessment as well as forward-looking information. For the financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the standard cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The standard cost method is adopted for inventory costing and the difference between standard cost and actual cost is allocated proportionately to inventory except for an unfavorable variance from normal capacity.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of the significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount and it shall be allocated on a systematic basis over its useful life. The items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Buildings and improvements: 20 to 50 years
- 2) Machinery and equipment: 3 to 10 years

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 3) Molding equipment: 1 year
- 4) Research and development equipment: 3 to 5 years
- 5) Furniture, fixtures and other equipment: 3 to 10 years

The Group reviews depreciation methods, useful lives, and residual values at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments or penalties for purchase or termination options that are reasonably certain to be exercised.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the Group's evaluation of purchase options; or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there is any lease modifications to the assets, scope and other terms of the lease.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases with less than 12 month and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as occurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- 1) Patents: 10 years
- 2) Software: 1 to 10 years
- 3) Customer relationships: 5 to 14 years
- 4) Professional technology: 20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjust if appropriate.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(m) Concession (Intangible assets on account)

The Group signed a “Build-Operate-Transfer” (BOT) agreement with Taipei City Government to obtain the operating rights of Taipei Digi-Creative Center. The government owns the buildings and facilities which the Group invested in the construction, that is as a consideration provided in the service concession arrangement. The above-mentioned agreement is accounted for under the intangible assets of IFRIC 12 “Service Concession Arrangements”. The construction costs are amortized on a straight-line basis from the beginning of the BOT agreement to the agreement expiry date.

(n) Impairment of non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(p) Treasury stock

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly accountable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve – Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve – Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

When the treasury stock is cancelled, the “Capital Reserve – Stock Issuance Premium” and “Share Capital” shall be debited in proportion to the equity.

If the book value is higher than the total amount of the face value and the stock issue premium, the difference will be offset against the same type of treasury stock.

If the capital reserve generated is insufficient, it will be offset against the retained surplus;

The total amount shall be credited to the capital reserve generated by the stock exchange of the same type of treasury.

(q) Revenue from contracts with customers

Revenue is measured basing on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’s main types of revenue are explained below:

(i) Sale of goods

The Group manufactures and sells electronic products to international brand customers. The Group recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the related risk and rewards of ownership are transferred, and there is no continuing management involvement with the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group often offers volume discounts to its customers based on aggregate sales. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group provides customers with the extended warranty. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Group would sell the product and the extended warranty separately in similar circumstances and to similar customers. The Group recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Service revenue

The Group provide maintenance service. The Group will recognize the revenue when the performance obligation completed.

(iii) Financing components

The Group does not expect to have almost contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(r) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Group evaluates the fair value of its borrowings (from financial institutions with government assistance in the form of a guarantee) based on the market interest rates, and recognizes the difference between the fair value and the interests paid as non-operating income.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The grant date of share-based payment is the date that the subscription price and shares are authorized by the Board of Directors.

(t) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(u) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (v) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest's proportionate share of the acquiree's identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Earnings per share

The Group discloses the Company basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as accrued employees' remuneration.

(x) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses including revenues and expenses relating to transactions with other components of the Group. Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, the management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the parent company only financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and have been updated to reflect the impact of COVID-19 pandemic are as follows:

- Inventory valuation

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The valuation of the inventory is mainly determined basing on the demand of products in the future. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(g) for further description of the valuation of inventories.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 256,203	27,941
Demand and check deposits	43,870,712	57,108,389
Time deposits	22,210,401	13,017,911
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 66,337,316</u>	<u>70,154,241</u>

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

(i) Current financial assets at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 4,688	206
Foreign currency forward contracts	147,596	21,162
Non-derivative financial assets		
Listed companies	8,234,910	12,064,081
Total	<u>\$ 8,387,194</u>	<u>12,085,449</u>

(ii) Current financial liabilities at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ -	9,224
Foreign currency forward contracts	161	19,730
Total	<u>\$ 161</u>	<u>28,954</u>

The Group used derivative financial instruments to hedge the certain foreign exchange risk the Group was exposed to, arising from its operating, financing and investing activities. As of December 31, 2022 and 2021, derivative financial instruments not qualified for hedge accounting were as follows:

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Foreign currency swap contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD <u>75,000</u>	TWD Put / USD Call	2023/1/6~2023/1/11

December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD <u>145,000</u>	TWD Put / USD Call	2022/1/7~2022/1/28

2) Foreign currency forward contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD <u>704,000</u>	TWD Put / USD Call	2023/1/3~2023/3/6

December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD <u>160,000</u>	USD Put / CNY Call	2022/1/5~2022/3/31
USD <u>495,000</u>	TWD Put / USD Call	2022/1/5~2022/2/7
USD <u>20,000</u>	CNY Put / USD Call	2022/1/7

(iii) Non-current financial assets at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Convertible bonds	\$ 80,402	70,680
Simple Agreement for Future Equity (SAFE)	86,964	-
Listed companies	-	514,123
	<u>\$ 167,366</u>	<u>584,803</u>

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

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Current financial asset at amortized cost

	December 31, 2022	December 31, 2021
Restricted deposits	<u>\$ 298,652</u>	<u>1,404,046</u>

According to “Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds”, the Group had submitted an investment proposal and was approved by National Taxation Bureau, Ministry of Finance. Based on the regulation, the deposits are restricted only to the approved investment plan, and shall not be used for other purposes.

(d) Non-current financial asset at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 2,979,466	4,245,492
Unlisted companies	1,179,928	604,548
Unlisted fund	<u>2,570,019</u>	<u>1,763,457</u>
Total	<u>\$ 6,729,413</u>	<u>6,613,497</u>

(i) Equity investment at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represented those investments that the Group intended to hold for long-term for strategic purposes.

The Group sold portion of its shares in Marvell Technology, Inc., Jafco AT Fund VI L.P., AOpen Inc. and US Bionics with a fair value of \$231,169 during 2022, as well as disposed portion of its shares in Alpha Networks Inc., AOpen Inc., Airdog Inc., Hiroia Communications Pte. Ltd., Dell Technologies Inc., and U.S. Bionics with a fair value of \$450,116 during 2021, resulting in the Group to recognized the net gains of \$109,565 and \$117,225, respectively, which were accounted for as under other comprehensive income; then later on, were reclassified to retained earnings.

(ii) For the disclosure of market risk, please refer to Note 6(ac).

(iii) The aforementioned financial assets were not pledged.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Note and trade receivables

	December 31, 2022	December 31, 2021
Note receivables from operating activities	\$ 3,783	6,252
Trade receivables-measured at amortized cost	84,828,187	158,453,371
Trade receivables-measured at FVOCI	15,517,347	3,187,532
Trade receivables-related parties-measured at amortized cost	93,877	153,371
Less: loss allowance	(212,867)	(635,021)
	<u>\$ 100,230,327</u>	<u>161,165,505</u>

The Group had managed a portion of its trade receivables that was held within a business model whose objective was achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Group applied 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, note and trade receivables had been grouped basing on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

	December 31, 2022		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 98,872,082	0.0006%~0.019%	9,832
1 to 60 days past due	1,324,366	2.921%~6.049%	46,457
61 to 180 days past due	89,584	5.502%~20.269%	7,410
181 to 300 days past due	10,906	18.743%~66.122%	2,680
More than 301 days past due	146,256	41.603%~100%	145,847
Total	<u>\$ 100,443,194</u>		<u>212,226</u>

	December 31, 2021		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 159,860,932	0.001%~0.036%	18,898
1 to 60 days past due	1,189,691	5.109%~11.646%	76,706
61 to 180 days past due	224,402	5.888%~36.250%	17,507
181 to 300 days past due	4,048	15.832%~68.339%	1,123
More than 301 days past due	521,453	44.003%~100%	519,476
Total	<u>\$ 161,800,526</u>		<u>633,710</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in the loss allowance for note and trade receivables were as follows:

	For the years ended December 31,	
	2022	2021
Balance on January 1	\$ 635,021	628,778
Impairment losses reversed	(74,187)	(1,213)
Amounts written off	(349,144)	(4,044)
Effect of changes in consolidated entities	-	11,957
Effect of changes in foreign exchange rates	1,177	(457)
Balance on December 31	<u>\$ 212,867</u>	<u>635,021</u>

The Group entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Group did not have the responsibility to assume the default risk of the transferred trade receivables but was liable for the losses incurred on any business dispute. The Group derecognized the above trade receivables because it had transferred substantially all of the risks and rewards of their ownership and it did not have any continuing involvement in them.

As of December 31, 2022 and 2021, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

	December 31, 2022					
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
Financial institutions	\$ 3,355,214	4,329,528 (Note)	3,355,214	974,314	4.87%~6.10%	None

	December 31, 2021					
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
Financial institutions	\$ 3,014,990	3,466,372 (Note)	3,014,990	451,382	0.45%~1.26%	None

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

As of December 31, 2022 and 2021, the note and trade receivables were not pledged.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Other receivables

	December 31, 2022	December 31, 2021
Other current assets-other receivables	\$ 4,490,320	5,720,760
Other receivables-related parties	4,010	13,689
Less: loss allowance	<u>(18,254)</u>	<u>(413,717)</u>
	<u>\$ 4,476,076</u>	<u>5,320,732</u>

As of December 31, 2022 and 2021, there were no significant changes in credit quality and risk of the other receivables, and the overdue amounts were impaired.

The movements in the loss allowance for other receivables were as follows:

	For the years ended December 31, 2022	2021
Balance on January 1	\$ 413,717	480,898
Impairment losses reversed	-	(20,844)
Amounts written off	<u>(395,463)</u>	<u>(46,337)</u>
Balance on December 31	<u>\$ 18,254</u>	<u>413,717</u>

(g) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 75,989,639	95,422,476
Work in progress	4,228,205	9,061,760
Finished goods	56,631,829	36,442,860
Inventory in transit	<u>20,039,478</u>	<u>20,451,026</u>
	<u>\$ 156,889,151</u>	<u>161,378,122</u>

For the years ended December 31, 2022 and 2021, the details of cost of sales were as follows:

	For the years ended December 31, 2022	2021
Cost of goods sold	\$ 910,674,096	808,456,618
Loss on valuation of inventories	4,410,526	2,061,349
Loss on inventory physical count	11,999	12,876
Income from sale of scraps	<u>(206,157)</u>	<u>(216,851)</u>
Unallocated manufacturing overhead	<u>-</u>	<u>634,140</u>
	<u>\$ 914,890,464</u>	<u>810,948,132</u>

As of December 31, 2022 and 2021, the inventories were not pledged.

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(h) Equity-accounted investees

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

	December 31, 2022	December 31, 2021
Associates	<u>\$ 8,358,899</u>	<u>7,107,549</u>

(i) The fair value of investments in associates of the Group for which there were public price quotations were as follows:

	December 31, 2022		December 31, 2021	
	Book value	Fair value	Book value	Fair value
WNC	\$ 4,610,468	7,047,356	3,861,857	7,011,401
WITS	718,232	1,397,327	647,131	1,488,567
Formosa Prosonic Industries Berhad (FPI)	769,488	1,558,810	553,100	1,720,315
T-Conn Precision Corporation (TPE)	178,523	456,251	173,110	1,036,002
	\$ 6,276,711	10,459,744	5,235,198	11,256,285

(ii) For the years ended December 31, 2022 and 2021, the recognized share of profits and other comprehensive income of associates were as follows:

	For the years ended December 31, 2022	2021
Attributable to the Group:		
Net profit	\$ 776,334	117,188
Other comprehensive income	<u>132,856</u>	<u>(79,618)</u>
Comprehensive income	<u>\$ 909,190</u>	<u>37,570</u>

(iii) The financial information on associates was as follows (before being adjusted to the Group's proportionate share):

	December 31, 2022	December 31, 2021
Total assets	<u>\$ 89,122,976</u>	<u>67,165,918</u>
Total liabilities	<u>\$ 57,241,374</u>	<u>39,068,928</u>

	For the years ended December 31, 2022	2021
Revenue	<u>\$ 117,617,456</u>	<u>90,078,697</u>
Profit	<u>\$ 3,458,603</u>	<u>1,310,640</u>

(iv) Collateral

As of December 31, 2022 and 2021, the investments in aforementioned equity-accounted investees were not pledged.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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- (v) Judgement of whether the Group has substantive control over its investees

Although the Group was the first major shareholder of some of its associates, the Group failed to obtain more than half of the total number of their directors. It also failed to reach any contractual agreement with the other investors to align and exercise other voting rights. Therefore, the Group only has significant influence, but not control, over its associates.

- (i) Business combination

Wise Cap Limited Company (WCL), one of the subsidiaries, acquired 100% of shares of Kaohsiung OptoElectronics Inc. (KOE) from JDI Taiwan Inc. for \$2,108,639 on December 1, 2021, and had a de facto control over the main operating policies of KOE. Therefore, KOE was accounted for as a subsidiary of the Group. KOE is mainly engaged in LCD business in the products of TFT LCD module for automobile electronics, industrial control, and medical device.

The acquisition is expected to provide the Group with an increased share of the market through access to the acquiree's customer base and reducing the costs through economies of scale.

- (i) The fair value of the major category of transfer consideration on the acquisition date:

Cash	\$ <u><u>2,108,639</u></u>
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- (ii) Identifiable assets acquired and liabilities assumed

The fair value of identifiable assets acquired and liabilities assumed on the acquisition date are detailed as follows:

Cash and cash equivalents	\$ 181,351
Trade receivables	1,183,764
Other receivables (including related parties)	111,983
Inventories	1,421,134
Other current assets	25,429
Property, plant and equipment (Note 6(m))	871,758
Right-of-use assets (Note 6(n))	33,017
Intangible assets (Note 6(o))	138,751
Other non-current assets	73,722
Short-term loans	(332,028)
Note and trade payables	(1,430,951)
Other payables and other current liabilities	(298,045)
Other non-current liabilities	<u>(95,298)</u>
	<u><u>\$ 1,884,587</u></u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iii) The goodwill is attributable mainly to the skills and technical talent of KOE's work force and the synergies expected to be achieved from integrating the company into the Group's existing LCD module business.

Goodwill arising from the acquisition has been recognized as follows:

Transfer consideration	\$ 2,108,639
Less: fair value of identifiable net assets	<u>(1,884,587)</u>
Goodwill	<u><u>\$ 224,052</u></u>

- (j) Disposal of part of equity ownership of subsidiaries without losing control

In the 1st quarter of 2022 and the 4th quarter of 2021, the Group disposed 4.64% and 2.70% of its shares, respectively, in WYHQ, resulting in its shareholding in WYHQ to decrease from 48.08% to 43.44% and 50.78% to 48.08%, respectively. Since the above transactions did not have any impact on the Group's control over its subsidiary, the equity change was regarded as an equity transaction.

The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

	<u>2022</u>	<u>2021</u>
Consideration transferred from the non-controlling interests	\$ 7,390,742	4,072,537
Book value of the non-controlling interests	(1,371,414)	(707,034)
Other equity adjustments	<u>(16,821)</u>	<u>(11,339)</u>
Capital surplus – difference between consideration and carrying amount of subsidiaries acquired or disposed	<u><u>\$ 6,002,507</u></u>	<u><u>3,354,164</u></u>

- (k) Loss of control over a subsidiary

The Group disposed its entire shareholdings in WEKS and WJC to Luxshare Precision Industry Co. Ltd. on January 1, 2021, and lost control over them. The transaction price was CNY3.35 billion, resulting in the disposal gain of CNY512 million, which was reported as under "other gains and losses" in non-operating income and expenses.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The carrying amount of assets and liabilities of WEKS and WJC on the date of disposal was as follow:

	January 1, 2021
Cash and cash equivalents	\$ 3,342,273
Trade receivables-related parties	16,841,737
Other receivables-related parties	284,385
Inventories	18,734,536
Other current assets	2,042,543
Property, plant and equipment	4,005,374
Right-of-use assets	197,493
Other non-current assets	316,412
Short-term loans	(5,281,195)
Note and trade payables	(7,052,863)
Trade payables-related parties	(17,759,847)
Other payables-related parties	(507,796)
Other current liabilities	(3,054,935)
Other non-current liabilities	(6,225)
Carrying value of net assets	<u>\$ 12,101,892</u>

(l) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiary was as follows:

Subsidiary	Main operation location	Percentage of non-controlling interests	
		December 31, 2022	December 31, 2021
WYHQ	Taiwan	56.56 %	51.92 %

The following information of the aforementioned subsidiary was not adjusted with the Group's percentage of controlling interests:

	December 31, 2022	December 31, 2021
Total assets	<u>\$ 88,837,782</u>	<u>84,737,458</u>
Total liabilities	<u>\$ 50,050,776</u>	<u>57,367,432</u>
	<u>For the years ended</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
Revenue	<u>\$ 292,876,040</u>	<u>192,625,942</u>
Profit	<u>\$ 14,174,709</u>	<u>8,648,012</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(m) Property, plant and equipment

	Land	Building and improvements	Machinery and equipment	Molding equipment	Research and development equipment	Office equipment	Other equipment	Total
Cost or deemed cost:								
Balance at January 1, 2022	\$ 4,127,452	27,980,025	33,344,959	12,382,473	2,600,670	2,674,258	11,985,463	95,095,300
Additions	159,233	169,232	4,546,801	849,331	281,518	424,991	7,178,287	13,609,393
Reclassification (Note)	498,876	2,963,902	1,163,619	1,076,304	23,901	131,127	(3,256,822)	2,600,907
Reclassified from expenses (as expenses)	-	(20,567)	(2,794)	-	-	880	(3,596)	(26,077)
Disposals	-	(2,393,837)	(3,571,261)	(2,184,848)	(41,339)	(156,887)	(633,592)	(8,981,764)
Effect of changes in foreign exchange rates	108,385	2,612,005	3,004,742	735,977	5,643	173,612	1,215,931	7,856,295
Balance at December 31, 2022	<u>\$ 4,893,946</u>	<u>31,310,760</u>	<u>38,486,066</u>	<u>12,859,237</u>	<u>2,870,393</u>	<u>3,247,981</u>	<u>16,485,671</u>	<u>110,154,054</u>
Balance at January 1, 2021	\$ 3,551,250	27,181,335	28,241,211	15,389,051	2,331,818	2,467,641	8,679,066	87,841,372
Effect of change in consolidated entities	-	706,922	2,657,549	-	-	53,259	8,208	3,425,938
Additions	612,364	691,971	3,621,364	619,138	257,274	343,964	4,350,249	10,496,324
Reclassification (Note)	23,363	532,565	2,698,590	1,006,717	54,501	24,321	29,066	4,369,123
Reclassified as expenses	-	-	(74)	-	-	(190)	(69,927)	(70,191)
Disposals	-	(358,152)	(3,111,052)	(4,472,343)	(41,385)	(160,170)	(742,653)	(8,885,755)
Effect of changes in foreign exchange rates	(59,525)	(774,616)	(762,629)	(160,090)	(1,538)	(54,567)	(268,546)	(2,081,511)
Balance at December 31, 2021	<u>\$ 4,127,452</u>	<u>27,980,025</u>	<u>33,344,959</u>	<u>12,382,473</u>	<u>2,600,670</u>	<u>2,674,258</u>	<u>11,985,463</u>	<u>95,095,300</u>
Accumulated depreciation and impairment loss :								
Balance at January 1, 2022	\$ -	13,596,847	17,934,000	11,342,875	2,073,519	1,937,712	6,000,791	52,885,744
Depreciation	-	1,549,820	4,411,910	2,018,132	224,169	335,356	1,426,792	9,966,179
Disposals	-	(2,384,315)	(3,009,553)	(2,184,848)	(41,337)	(143,278)	(593,340)	(8,356,671)
Effect of changes in foreign exchange rates	-	1,219,330	1,596,940	631,999	5,434	122,879	567,011	4,143,593
Balance at December 31, 2022	<u>\$ -</u>	<u>13,981,682</u>	<u>20,933,297</u>	<u>11,808,158</u>	<u>2,261,785</u>	<u>2,252,669</u>	<u>7,401,254</u>	<u>58,638,845</u>
Balance at January 1, 2021	\$ -	11,978,092	15,297,258	14,637,831	1,928,895	1,822,152	5,604,802	51,269,030
Effect of change in consolidated entities	-	450,542	2,046,471	-	-	50,421	6,746	2,554,180
Depreciation	-	1,481,506	3,598,818	1,317,262	187,452	248,251	1,168,875	8,002,164
Impairment loss	-	373,811	-	-	-	-	41,720	415,531
Disposals	-	(330,737)	(2,576,227)	(4,472,343)	(41,323)	(145,123)	(654,156)	(8,219,909)
Effect of changes in foreign exchange rates	-	(356,367)	(432,320)	(139,875)	(1,505)	(37,989)	(167,196)	(1,135,252)
Balance at December 31, 2021	<u>\$ -</u>	<u>13,596,847</u>	<u>17,934,000</u>	<u>11,342,875</u>	<u>2,073,519</u>	<u>1,937,712</u>	<u>6,000,791</u>	<u>52,885,744</u>
Carrying value:								
Balance at December 31, 2022	<u>\$ 4,893,946</u>	<u>17,329,078</u>	<u>17,552,769</u>	<u>1,051,079</u>	<u>608,608</u>	<u>995,312</u>	<u>9,084,417</u>	<u>51,515,209</u>
Balance at January 1, 2021	<u>\$ 3,551,250</u>	<u>15,203,243</u>	<u>12,943,953</u>	<u>751,220</u>	<u>402,923</u>	<u>645,489</u>	<u>3,074,264</u>	<u>36,572,342</u>
Balance at December 31, 2021	<u>\$ 4,127,452</u>	<u>14,383,178</u>	<u>15,410,959</u>	<u>1,039,598</u>	<u>527,151</u>	<u>736,546</u>	<u>5,984,672</u>	<u>42,209,556</u>

(Note): Reclassifications are mainly transferring from other non-current assets-advances payments for equipment and transferring from others-construction in process to building and improvements.

As of December 31, 2022 and 2021, the property, plant and equipment were not pledged.

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(n) Right-of-use assets

The Group leased many assets including land, building and improvements, office equipment and other equipment. Information about leases for which the Group as a lessee was as below:

	Land	Building and improvements	Office equipment	Other equipment	Total
Cost:					
Balance at January 1, 2022	\$ 4,664,832	5,686,157	46,794	110,524	10,508,307
Addition	171,968	1,820,502	18,696	20,075	2,031,241
Decrease	(146,897)	(383,532)	-	(16,173)	(546,602)
Effect of changes in foreign exchange rates	364,344	565,072	357	1,443	931,216
Balance at December 31, 2022	<u>\$ 5,054,247</u>	<u>7,688,199</u>	<u>65,847</u>	<u>115,869</u>	<u>12,924,162</u>
Balance at January 1, 2021	\$ 3,451,042	5,137,882	29,006	72,597	8,690,527
Effect of changes in consolidated entities	33,210	10,057	-	2,994	46,261
Addition	1,277,928	984,321	17,844	45,280	2,325,373
Decrease	-	(283,464)	-	(9,868)	(293,332)
Effect of changes in foreign exchange rates	(97,348)	(162,639)	(56)	(479)	(260,522)
Balance at December 31, 2021	<u>\$ 4,664,832</u>	<u>5,686,157</u>	<u>46,794</u>	<u>110,524</u>	<u>10,508,307</u>
Accumulated depreciation:					
Balance at January 1, 2022	\$ 610,161	2,966,904	19,753	53,283	3,650,101
Depreciation	109,189	892,014	13,814	34,309	1,049,326
Decrease	(4,374)	(372,526)	-	(15,194)	(392,094)
Effect of changes in foreign exchange rates	59,701	252,096	166	571	312,534
Balance at December 31, 2022	<u>\$ 774,677</u>	<u>3,738,488</u>	<u>33,733</u>	<u>72,969</u>	<u>4,619,867</u>
Balance at January 1, 2021	\$ 535,213	2,504,770	11,401	30,377	3,081,761
Effect of changes in consolidated entities	4,574	7,450	-	1,220	13,244
Depreciation	85,187	742,149	8,387	28,503	864,226
Decrease	-	(221,665)	-	(6,633)	(228,298)
Effect of changes in foreign exchange rates	(14,813)	(65,800)	(35)	(184)	(80,832)
Balance at December 31, 2021	<u>\$ 610,161</u>	<u>2,966,904</u>	<u>19,753</u>	<u>53,283</u>	<u>3,650,101</u>
Carrying value:					
Balance at December 31, 2022	<u>\$ 4,279,570</u>	<u>3,949,711</u>	<u>32,114</u>	<u>42,900</u>	<u>8,304,295</u>
Balance at January 1, 2021	<u>\$ 2,915,829</u>	<u>2,633,112</u>	<u>17,605</u>	<u>42,220</u>	<u>5,608,766</u>
Balance at December 31, 2021	<u>\$ 4,054,671</u>	<u>2,719,253</u>	<u>27,041</u>	<u>57,241</u>	<u>6,858,206</u>

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WISTRON CORPORATION AND SUBSIDIARIES
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(o) Intangible assets

	Patent	Goodwill	Software	Professional technology	Customer relationships	Operating concession	Total
Costs:							
Balance at January 1, 2022	\$ 171,129	807,191	890,564	123,343	138,751	289,416	2,420,394
Additions	800	-	505,519	710	-	336,291	843,320
Decrease	-	-	(9,739)	-	-	-	(9,739)
Reclassification	-	-	33,374	-	-	-	33,374
Effect of changes in foreign exchange rates	3,018	-	21,050	13,466	-	-	37,534
Balance at December 31, 2022	<u>\$ 174,947</u>	<u>807,191</u>	<u>1,440,768</u>	<u>137,519</u>	<u>138,751</u>	<u>625,707</u>	<u>3,324,883</u>
Balance at January 1, 2021	\$ 387,318	583,139	874,454	126,028	-	-	1,970,939
Effect of changes in consolidated entities	-	224,052	-	-	138,751	-	362,803
Additions	-	-	393,612	943	-	289,416	683,971
Decrease	(212,459)	-	(371,707)	-	-	-	(584,166)
Effect of changes in foreign exchange rates	(3,730)	-	(5,795)	(3,628)	-	-	(13,153)
Balance at December 31, 2021	<u>\$ 171,129</u>	<u>807,191</u>	<u>890,564</u>	<u>123,343</u>	<u>138,751</u>	<u>289,416</u>	<u>2,420,394</u>
Accumulated amortization:							
Balance at January 1, 2022	\$ 121,509	-	498,915	68,971	826	-	690,221
Amortization	17,671	-	427,853	4,171	9,911	-	459,606
Decrease	-	-	(9,739)	-	-	-	(9,739)
Reclassification	-	-	11,662	-	-	-	11,662
Effect of changes in foreign exchange rates	3,018	-	12,742	7,642	-	-	23,402
Balance at December 31, 2022	<u>\$ 142,198</u>	<u>-</u>	<u>941,433</u>	<u>80,784</u>	<u>10,737</u>	<u>-</u>	<u>1,175,152</u>
Balance at January 1, 2021	\$ 314,689	-	484,649	67,367	-	-	866,705
Amortization	22,501	-	331,814	3,578	826	-	358,719
Impairment loss	-	-	60,425	-	-	-	60,425
Decrease	(212,459)	-	(371,707)	-	-	-	(584,166)
Effect of changes in foreign exchange rates	(3,222)	-	(6,266)	(1,974)	-	-	(11,462)
Balance at December 31, 2021	<u>\$ 121,509</u>	<u>-</u>	<u>498,915</u>	<u>68,971</u>	<u>826</u>	<u>-</u>	<u>690,221</u>
Carrying value:							
Balance at December 31, 2022	<u>\$ 32,749</u>	<u>807,191</u>	<u>499,335</u>	<u>56,735</u>	<u>128,014</u>	<u>625,707</u>	<u>2,149,731</u>
Balance at January 1, 2021	<u>\$ 72,629</u>	<u>583,139</u>	<u>389,805</u>	<u>58,661</u>	<u>-</u>	<u>-</u>	<u>1,104,234</u>
Balance at December 31, 2021	<u>\$ 49,620</u>	<u>807,191</u>	<u>391,649</u>	<u>54,372</u>	<u>137,925</u>	<u>289,416</u>	<u>1,730,173</u>

- (i) The Group signed a “Build-Operate-Transfer of Taipei Digi-Creative Center” agreement with Taipei City Government to obtain the operating right. As of December 31, 2022, the Group had paid development concession premium amounting to \$625,707.

- (ii) Impairment testing for goodwill

For impairment testing purposes, goodwill had been allocated to the cash generating units (CGU) brought forth from the developing and manufacturing service of the Group.

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The carrying amounts of goodwill were as follows:

	December 31, 2022	December 31, 2021
Developing and manufacturing services cash-generating units	\$ 561,485	561,485
Other segment cash-generating units	245,706	245,706
	<u>\$ 807,191</u>	<u>807,191</u>

The goodwill generated from the Group's acquisition of the Lite-On Technology Corp.'s Digital Display Business Unit in 2008 was allocated to the CGU brought forth from the developing and manufacturing service of the Group, wherein the profitability of which is expected to bring benefits to the Group. As for the Group's acquisition of KOE in 2021, the goodwill, which was attributable mainly to the expected growth of sales revenue and the skills and technical talent of its work force, was allocated to the other segment of the CGU.

International Accounting Standard No. 36 requires that goodwill acquired in a business combination be tested for impairment at least annually. The impairment test for goodwill consists of allocating goodwill to the cash generating units that are expected to benefit from the combined effects of the business combination. The recoverable amounts of both the aforementioned cash generating units are determined based on their value in use. The value in use is determined by discounting the future cash flows expected to be generated from the continuing use of the unit.

The key assumptions used in the estimation of the value in use(including goodwill) are set out below.

	December 31, 2022	December 31, 2021
Pre-tax discount rate	3.73 %	2.74 %

The discount rate was a pre-tax measure based on the rate of the 10-year government bonds issued by the Taiwan government in the same currency as the cash flows, adjusted for a risk premium to reflect both the increase in risk on investing generally in equities and the systemic risk of the specific CGU.

Cash flows in the following five years were included in the discounted cash flow model, which was based on the financial forecast for the following year approved by the management.

Budgeted EBITDA over the financial forecast period was based on expectations of future outcome, taking into account the past experience, adjusted for the anticipated revenue growth. Revenue growth is projected by taking into account the historical growth levels experienced over the past few years.

(iii) Collateral

As of December 31, 2022 and 2021, the intangible assets were not pledged.

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(p) Other current assets and non-current assets

	December 31, 2022	December 31, 2021
(i) Other current assets:		
Other receivables, net	\$ 4,472,066	5,307,043
Tax refundable	2,588,861	3,827,017
Prepaid royalties	204,729	228,032
Other prepayments	2,027,548	4,298,796
Other financial assets (Note)	378,334	568,964
Others	308,662	600,897
	<u>\$ 9,980,200</u>	<u>14,830,749</u>
	December 31, 2022	December 31, 2021
(ii) Other non-current assets:		
Advance payments for equipment	\$ 1,342,677	2,435,900
Refundable deposits	1,873,333	938,540
Others	1,630,257	851,062
	<u>\$ 4,846,267</u>	<u>4,225,502</u>

(Note): Other financial assets were time deposits which did not qualify as cash equivalents.

(q) Bank loans

(i) Short-term loans

December 31, 2022				
	Currency	Interest rate collar	Expiration	Amount
Unsecured bank loans	USD	2.20%~6.65%	2023/1/1~2023/7/30	\$ 47,741,336
Unsecured bank loans	TWD	1.40%~2.07%	2023/1/3~2023/6/28	49,253,830
Unsecured bank loans	BRL	16.79%	2023/3/20	290,330
Unsecured bank loans	EUR	2.02%~2.86%	2023/1/1~2023/1/30	3,611,609
Unsecured bank loans	CZK	7.95%	2023/1/1	237,470
Unsecured bank loans	CNY	1.70%~3.70%	2023/1/13~2023/12/19	6,926,019
Unsecured bank loans	JPY	0.36%~0.91%	2023/1/4~2023/3/30	6,218,827
Total				<u>\$ 114,279,421</u>
Unused credit line				<u>\$ 201,254,855</u>

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December 31, 2021				
	Currency	Interest rate collar	Expiration	Amount
Unsecured bank loans	USD	0.51%~1.90%	2022/1/1~2022/12/29	\$ 117,478,556
Unsecured bank loans	TWD	0.55%~1.33%	2022/1/3~2022/6/25	21,912,800
Unsecured bank loans	CZK	4.70%	2022/1/1	463,729
Unsecured bank loans	EUR	0.63%~0.95%	2022/1/1~2022/1/25	367,009
Unsecured bank loans	JPY	0.37%~0.38%	2022/1/31	337,400
Unsecured bank loans	CNY	3.30%~3.90%	2022/1/6~2022/9/23	280,031
Unsecured bank loans	AUD	0.80%	2022/1/14	60,134
Total				<u>\$ 140,899,659</u>
Unused credit line				<u>\$ 118,701,768</u>

(ii) Long-term loans

December 31, 2022				
	Currency	Interest rate collar	Expiration	Amount
Unsecured bank loans	USD	5.81%~6.01%	2023/5/23~2024/3/10	\$ 12,150,619
Unsecured bank loans	TWD	1.10%~2.07%	2025/3/2~2032/1/15	2,480,297
Unsecured bank loans	EUR	2.65%	2024/7/31	519,359
Unsecured bank loans	CNY	2.50%	2024/1/23	1,326,000
Subtotal				16,476,275
Less: current portion				(5,527,440)
Total				<u>\$ 10,948,835</u>
Unused credit line				<u>\$ 25,951,718</u>

December 31, 2021				
	Currency	Interest rate collar	Expiration	Amount
Unsecured bank loans	USD	0.70%~1.17%	2022/3/7~2024/3/10	\$ 24,455,598
Less: current portion				(1,218,360)
Total				<u>\$ 23,237,238</u>
Unused credit line				<u>\$ 2,396,840</u>

(iii) Breach of covenant

- 1) On May 23, 2018, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 21 other participating banks and which was extended on December 25, 2020, with significant terms as follows:

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

As of December 31, 2022, the credit line has been reduced to USD300,000,000 in accordance with the loan agreement.

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- 2) On December 31, 2020, the Company entered into a 3-year loan with Mega Bank (the lead bank) and 8 other participating banks, with significant terms as follows:

Total credit line: USD360,000,000

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

According to the loan agreement, during the loan repayment periods, the Company must comply with certain financial covenants, such as current ratio, debt ratio, interest coverage ratio and tangible net assets, based on its audited annual consolidated financial statements and reviewed semi-annual consolidated financial statements. If a breach of contract occurs, the Company's credit line will immediately be restricted and will no longer be available for use without the approval of the majority of banks involved.

(iv) Government low-interest loan

- 1) In 2022, to expand its operation through constructing factories and for business purpose, the Group obtains the government low interest loans from Mega Bank, Bank of Taiwan, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, and Taipei Fubon Commercial Bank, in accordance with the "Loans for Returning Overseas Taiwanese Businesses", with significant terms as follows:

Total credit line : \$8,643,200, without revolving.

Maturity date : From January, 2029 to January, 2032.

As of December 31, 2022, the used credit line of \$1,331,730 was based on the market interest rates. The differences between the market interest rates and the actual amounts paid were recognized as the deferred income under current and non-current liabilities in accordance with the government grants.

- 2) In 2022, to expand its operation through constructing factories, and purchasing machinery and equipment, as well as for business purpose, KOE, a subsidiary of the Group, obtained the government low interest loans from First Bank, Bank of Taiwan, Chang Hwa Commercial Bank, Taiwan Cooperative Bank, Cathay United Bank, Hua Nan Commercial Bank and Far Eastern International Bank, under "Accelerated Investment by Domestic Corporations", with significant terms as follows:

Total credit line : \$7,060,000, without revolving.

Maturity date : From December, 2027 to December, 2029.

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As of December 31, 2022, the used credit line of \$226,909 was measured based on the market interest rates. The differences between the market interest rates and the actual amounts paid were recognized as deferred income under current liabilities and non-current liabilities in accordance with the government grants.

- (v) The interest expenses for short-term and long-term loans for the year ended December 31, 2022 and 2021 were disclosed in Note 6(aa).

(r) Bonds payable

Wiwynn, a subsidiary of the Group, issued 4,450 unsecured 5-years ordinary corporate bonds, and paid interest annually at a fixed interest rate of 0.63% in Taiwan on August 6, 2021. It is agreed that half of the principal will be repaid in the fourth and fifth years. Wiwynn also issued 5,000 unsecured 5-years ordinary corporate bonds, and paid interest annually at a fixed interest rate of 0.83% in Taiwan on October 20, 2020. It is agreed that half of the principal will be repaid in the fourth and fifth years.

The details of unsecured convertible bonds were as follows:

	December 31, 2022	December 31, 2021
Total ordinary corporate bonds issued	\$ 9,450,000	9,450,000
Unamortized discounted corporate bonds payable	(10,317)	(13,552)
Corporate bonds issued balance at reporting date	<u>\$ 9,439,683</u>	<u>9,436,448</u>
	<u>2022</u>	<u>2021</u>
Interest expense	<u>\$ 72,770</u>	<u>55,130</u>

(s) Lease liabilities

	December 31, 2022	December 31, 2021
Current	<u>\$ 2,073,795</u>	<u>1,684,637</u>
Non-current	<u>\$ 3,062,540</u>	<u>1,991,385</u>

For the disclosure of maturity analysis, please refer to Note 6(ac).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2022	2021
Interests on lease liabilities	<u>\$ 89,944</u>	<u>73,521</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 357,755</u>	<u>207,537</u>
Expenses relating to short-term leases	<u>\$ 378,527</u>	<u>298,335</u>
Expenses relating to leases of low-value assets	<u>\$ 13,712</u>	<u>32,759</u>
COVID-19-related rent concessions (recognized as other income)	<u>\$ -</u>	<u>229</u>

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	For the years ended December 31, 2022	2021
Total cash outflow for leases	<u>\$ 1,654,241</u>	<u>1,723,642</u>

(i) Leases of land, buildings and improvement

As of December 31, 2022 the Group leased land, building and improvements for its office spaces, factories, warehouses and staff dormitories. The leases of land ran for a period of 3 to 40 years, and of buildings typically for 1 to 10 years. Furthermore, the Group leased office equipment, transportation equipment and other equipment, with lease terms typically of 1 to 5 years. Some leases contained extension options. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period will not be included within lease liabilities.

As of December 31, 2022, there was not the occurrence of either a significant event or a significant change in circumstances and the reassessment of the lease required.

(ii) Other leases

In some cases, the Group also leased buildings, office equipment and transportation equipment with contract terms less than one year. These leases were short-term or leases of low-value items. The Group had elected not to recognize right-of-use assets and lease liabilities for these leases.

(t) Operating leases

The Group leased a number of offices, staff dormitories, factories and facilities under operating leases. The Group had classified these leases as operating leases, because it did not transfer substantially all of the risks and rewards incidental to the ownership of the assets. For the years ended December 31, 2022 and 2021, rental income recognized in profit or loss, were \$331,794 and \$245,659, respectively.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2022	December 31, 2021
Less than one year	<u>\$ 207,218</u>	<u>11,045</u>

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(u) Employee benefits

(i) Defined benefit plans

The movements in the present value of the defined benefit obligations and net defined benefit liabilities (assets) were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ -	6,469
Fair value of plan assets	-	(6,948)
Net defined benefit assets (accounted for under “Other non-current assets”)	\$ -	(479)
	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 2,334,923	2,631,070
Fair value of plan assets	(1,714,792)	(1,508,168)
Net defined benefit liabilities (accounted for under “Other non-current liabilities”)	\$ <u>620,131</u>	<u>1,122,902</u>

The domestic entities of the Group made defined benefit plans contributions to the pension fund account to Bank of Taiwan and Taipei Fubon commercial bank that provided pension for employees upon retirement. Plans (covered by the Labor Standards Law) entitled a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

The foreign entities of the Group, WSPH and WJP, adopted defined benefit plans.

1) Composition of plan assets

The domestic entities of the Group allocated pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds were managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The foreign entities of the Group made defined benefit plans contributions to the pension fund in accordance with the local regulations.

The Group's labor pension reserve account balance amounted to \$1,714,792 and \$1,515,116 as of December 31, 2022 and 2021, respectively. The utilization of the labor pension fund assets of the domestic entities of the Group included the asset allocation and yield of the fund. Please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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2) The movements in the present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations were as follows:

	2022	2021
Balance at January 1	\$ 2,637,539	2,312,374
Current service cost and interests	35,426	36,815
Benefit paid by the plan	(85,135)	(110,464)
Benefit paid by the Group	(50,796)	(58,569)
Net remeasurements of defined benefit liabilities (assets)		
— Actuarial gains arising from changes in financial assumptions	(256,901)	(5,105)
— Experience adjustments	69,198	47,568
— Losses (gains) arising from changes in demographic assumptions	(12,200)	65,144
Liabilities arising from business combination	-	351,989
Effect of change in foreign exchange rates	(2,208)	(2,213)
Balance at December 31	\$ <u>2,334,923</u>	<u>2,637,539</u>

3) The movements in the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group were as follows:

	2022	2021
Fair value of plan assets at January 1	\$ 1,515,116	1,213,077
Contribution paid by the Group	171,950	101,869
Benefit paid by the plan	(85,135)	(110,464)
Expected return on plan assets	8,860	8,454
Net remeasurements of defined benefit liabilities (assets)		
— Return on plan assets	104,001	15,238
Assets acquired by business combination	-	286,942
Balance at December 31	\$ <u>1,714,792</u>	<u>1,515,116</u>

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WISTRON CORPORATION AND SUBSIDIARIES
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4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021, were as follow:

	<u>2022</u>	<u>2021</u>
Current service cost	\$ 18,622	19,947
Net interest on the net defined benefit liabilities	16,804	16,868
Net remeasurements of defined benefit liabilities (assets)		
— Return on plan assets	104,001	15,238
Actual return on plan assets	(112,861)	(23,692)
Exchange differences	(615)	26
	<u>\$ 25,951</u>	<u>28,387</u>
	<u>2022</u>	<u>2021</u>
Cost of sales	\$ 18,356	19,328
Selling expenses	3,049	4,549
Administrative expenses	2,759	3,125
Research and development expenses	1,787	1,385
	<u>\$ 25,951</u>	<u>28,387</u>

5) The remeasurements of the net defined benefit liabilities (assets) recognized in other comprehensive income

As of December 31, 2022 and 2021, the Group's remeasurements of the net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	<u>2022</u>	<u>2021</u>
Balance as of January 1	\$ 998,765	906,396
Recognized during the year	(297,547)	92,369
Balance as of December 31	<u>\$ 701,218</u>	<u>998,765</u>

6) Actuarial assumptions

The Group's principal actuarial assumptions at the reporting dates were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.75%~7.4%	0.500%~5.2%
Future salary increases	1.57%~4.0%	1.31%~4.0%

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The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after December 31, 2022 was \$66,451.

The weighted average lifetime of the defined benefits plans was 13.30~18 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<u>Effects to the defined benefit obligation</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2022		
Discount rate	\$ (56,219)	58,266
Future salary increases	56,080	(54,419)
December 31, 2021		
Discount rate	(71,740)	74,600
Future salary increases	71,236	(68,929)

There was no change in other assumptions when performing the aforementioned sensitivity analysis. In practice, assumptions might be interactive with each other. The method used on sensitivity analysis was consistent with the calculation on the net pension liabilities.

The method and assumptions used on current sensitivity analysis was the same as those of the prior year.

(ii) Defined contribution plans

The domestic entities of the Group set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. The domestic Group entities set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

The foreign entities of the Group were in accordance with local regulations.

The Group set aside \$1,091,545 and \$828,466 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021, respectively.

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(v) Income Taxes

(i) Income tax expense

- 1) The components of income tax expense for the years ended December 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Current tax expense		
Current period	\$ 8,737,400	4,302,338
Prior period adjustments	<u>38,151</u>	<u>194,215</u>
	<u>8,775,551</u>	<u>4,496,553</u>
Deferred tax expense		
Origination and reversal of temporary difference	<u>(3,082,184)</u>	<u>9,913</u>
Income tax expense	<u>\$ 5,693,367</u>	<u>4,506,466</u>

- 2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ 59,850	(20,038)
Unrealized gains on equity instruments as fair value through other comprehensive income	<u>15,152</u>	<u>39,263</u>
	<u>\$ 75,002</u>	<u>19,225</u>

- 3) The reconciliation of income tax expense and profit before tax for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Profit before tax	<u>\$ 24,710,914</u>	<u>19,234,277</u>
Estimated income tax calculated based on the Company's statutory tax rate	\$ 4,942,182	3,846,855
Tax effects of different tax rates applicable in foreign jurisdiction	2,819,754	1,268,577
Surtax on undistributed earnings	64,503	91,347
Tax-exempt income	(1,769,680)	(1,048,233)
Change in unrecognized temporary differences	(640,161)	(172,700)
Prior-period tax adjustments	38,151	194,215
Others	<u>238,618</u>	<u>326,405</u>
	<u>\$ 5,693,367</u>	<u>4,506,466</u>

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

- a) Deferred tax assets have not been recognized in respect of the following items.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unused tax losses carryforwards	\$ 1,624,895	2,124,671
Deductible temporary differences	<u>3,059,425</u>	<u>2,995,907</u>
	<u>\$ 4,684,320</u>	<u>5,120,578</u>

According to the Income Tax Act, the operating loss as examined and assessed by the local tax authorities could be carried forward for use as a deduction from taxable income over a period of prior years. As of December 31, 2022, the Group's recognized and unrecognized deferred tax assets resulted from loss carryforwards and the expiry year were as follows:

<u>Expiry year</u>	<u>Recognized deferred tax assets</u>	<u>Unrecognized deferred tax assets</u>	<u>Total</u>
2023	\$ -	253,920	253,920
2024	-	211,825	211,825
2025	-	69,635	69,635
2026	-	12,681	12,681
2027	-	222,466	222,466
2028	-	11,918	11,918
2029	-	21,277	21,277
2030	-	17,180	17,180
2031	465	168,488	168,953
2032	17,463	12,559	30,022
After 2033	<u>223,429</u>	<u>622,946</u>	<u>846,375</u>
	<u>\$ 241,357</u>	<u>1,624,895</u>	<u>1,866,252</u>

b) Unrecognized deferred tax assets and liabilities on investment

As of December 31, 2022 and 2021, the temporary differences associated with investments in subsidiaries were not recognized as deferred income tax assets and liabilities as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax assets	<u>\$ 1,602,189</u>	<u>1,571,851</u>
Unrecognized deferred tax liabilities	<u>\$ 7,532,885</u>	<u>7,074,468</u>

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2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Recognized share of loss of subsidiaries and associates accounted for equity method	Unrealized exchange loss	Current refund liability	Allowance for inventory obsolescence and accrued expenses	Loss carryforwards	Tax difference arising from depreciation of property, plant and equipment	Unearned revenue	Others	Total
Deferred tax assets:									
Balance at January 1, 2022	\$ 185,387	-	2,838,803	574,568	219,785	152,654	739,228	1,471,544	6,181,969
Recognized in profit or loss	(185,387)	1,142,643	(1,273,069)	415,813	21,572	(30,399)	946,572	702,606	1,740,351
Recognized in other comprehensive income	-	-	-	-	-	-	-	(71,393)	(71,393)
Balance at December 31, 2022	<u>\$ -</u>	<u>1,142,643</u>	<u>1,565,734</u>	<u>990,381</u>	<u>241,357</u>	<u>122,255</u>	<u>1,685,800</u>	<u>2,102,757</u>	<u>7,850,927</u>
Balance at January 1, 2021	\$ 409,107	-	2,600,917	624,433	264,039	187,714	953,090	1,081,698	6,120,998
Recognized in profit or loss	(223,720)	-	237,886	(49,865)	(44,254)	(35,060)	(213,862)	373,484	44,609
Recognized in other comprehensive income	-	-	-	-	-	-	-	16,362	16,362
Balance at December 31, 2021	<u>\$ 185,387</u>	<u>-</u>	<u>2,838,803</u>	<u>574,568</u>	<u>219,785</u>	<u>152,654</u>	<u>739,228</u>	<u>1,471,544</u>	<u>6,181,969</u>

	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain	Others	Total
Deferred tax liabilities:				
Balance at January 1, 2022	\$ 2,251,928	515,719	286,123	3,053,770
Recognized in profit or loss	(853,256)	(515,719)	27,142	(1,341,833)
Recognized in other comprehensive income	-	-	3,609	3,609
Balance at December 31, 2022	<u>\$ 1,398,672</u>	<u>-</u>	<u>316,874</u>	<u>1,715,546</u>
Balance at January 1, 2021	\$ 2,322,013	271,886	369,762	2,963,661
Recognized in profit or loss	(70,085)	243,833	(119,226)	54,522
Recognized in other comprehensive income	-	-	35,587	35,587
Balance at December 31, 2021	<u>\$ 2,251,928</u>	<u>515,719</u>	<u>286,123</u>	<u>3,053,770</u>

(iii) The Company's tax returns for the years through 2020 were examined and approved by the Taiwan National Tax Administration.

(w) Capital and Other Equities

(i) Capital

As of December 31, 2022 and 2021, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,901,602,000 and 2,903,252,000 shares, were issued and outstanding.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

On June 18, 2020, the Board of Directors resolved to issue 63,000,000 shares with restricted employee rights at par value, amounting to \$630,000, and the Board of Directors authorized the Chairman to set the base date of capital increase as February 18, 2021, the relevant registration procedures have been completed. On May 6, 2022, August 5, 2022, November 4, 2022 and August 5, 2021 and November 5, 2021, the Board of Directors resolved to cancel 150,000 shares, 180,000 shares, 1,320,000 shares and 240,000 shares and 120,000 shares of \$1,500, \$1,800, \$13,200 and \$2,400 and \$1,200, respectively, and the relevant registration procedures have been completed.

(ii) Treasury Shares

1) In order to motivate the employees and improve the operating performance, the Company repurchased 58,769,000 of its own common stock as treasury shares at the amount of \$1,607,259 in accordance with the requirements under section 28(2) of the Securities and Exchange Act based on a resolution approved during the board meeting held on March 24, 2020. The above shares were held by the Company as of December 31, 2022 and 2021. However, 4,245,000 shares were transferred to employees during the year ended December 31, 2022, resulting in the Group to hold 54,524,000 and 58,769,000 treasury shares as of December 31, 2022 and 2021, respectively.

2) Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The shares purchased for the purchase of transferring to employees shall be transferred within five years from the date of share repurchase. Those that were not transferred within the said limit shall be deemed as not issued by the Company and it should be cancelled. Furthermore, treasury shares cannot be pledged for debts, and treasury shares does not carry any shareholder rights until it is transferred.

(iii) Capital surplus

Balances of capital surplus at the reporting dates were as follows:

	December 31, 2022	December 31, 2021
A premium issuance of common stock in exchange for the net assets of the DMS business of AI	\$ 1,800,000	1,800,000
A premium issuance of common shares for cash	20,223,928	20,223,928
Surplus arising from equity-accounted investees	12,408,834	6,174,363
Restricted shares to employees	338,636	381,944
Employee stock options	101,960	109,898
Transaction of treasury shares	62,307	57,257
Other	114,775	87,134
	<u>\$ 35,050,440</u>	<u>28,834,524</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

In accordance with Companies Act, realized capital surplus can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

(iv) Retained Earning

The Company's Articles of Incorporation provide that, when allocating the net profit for each fiscal year, the Company shall first offset its losses in previous years and then set aside the legal reserve at 10% of net profit until the accumulated legal reserve equals the Company's capital; and also set aside special capital reserve in accordance with relevant regulations or as requested by the authorities. Any balance left over and the beginning balance of retaining earnings shall be distributed by way of cash or stock dividends; and the ratio for all dividends shall exceed 10% of the remaining earnings. The appropriations of earnings are approved by the Company's Board of Directors in its meeting and presented for approval by the Company's shareholders in its meeting.

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 the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

On November 21, 2012, the other unearned remuneration for restricted employee shares was not accounted for as contra account of other shareholders' equity in accordance with Decree No.1010051600 issued by the Securities and Futures Bureau.

3) Dividends

As the Group 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 stock dividend is not lower than ten percent of total distribution of dividends.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

4) Earnings Distribution

The amounts of cash dividends of appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meeting held on June 17, 2022 and July 20, 2021, respectively. These earnings were appropriated as follows:

	2021	2020
Dividends distributed to ordinary share holders		
Cash dividends	\$ <u>6,257,863</u>	<u>6,258,655</u>

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements		Unrealized from financial assets measured at fair value through other comprehensive income		Deferred compensation arising from issuance of restricted shares
	Group	Associates	Group	Associates	Group
Balance at January 1, 2022	\$ (8,400,965)	(330,461)	(25,560)	(33,662)	(650,887)
Foreign currency translation differences (net of tax)	7,381,518	131,898	-	-	-
Disposal of part of the equity of the subsidiary	16,821	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	(891,521)	(7,198)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	(109,565)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	368,880
Balance at December 31, 2022	\$ <u>(1,002,626)</u>	<u>(198,563)</u>	<u>(1,026,646)</u>	<u>(40,860)</u>	<u>(282,007)</u>

	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		Deferred compensation arising from issuance of restricted shares
	Group	Associates	Group	Associates	Group
Balance at January 1, 2021	\$ (6,267,368)	(258,415)	(283,577)	(37,161)	(999,742)
Foreign currency translation differences (net of tax)	(2,144,932)	(72,046)	-	-	-
Disposal of part of the equity of the subsidiary	11,335	-	4	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	375,238	3,499	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	(117,225)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	348,855
Balance at December 31, 2021	\$ <u>(8,400,965)</u>	<u>(330,461)</u>	<u>(25,560)</u>	<u>(33,662)</u>	<u>(650,887)</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Non-controlling interests (net of tax)

	<u>2022</u>	<u>2021</u>
Balance on January 1	\$ 14,567,841	12,360,302
Profit attributable to non-controlling interests	7,855,096	4,259,781
Other comprehensive income attributable to non-controlling interests		
Exchange differences on translation of foreign financial statements	896,308	(96,663)
Remeasurements of defined benefit plans	340	(1,924)
Changes in non-controlling interests	<u>(1,049,178)</u>	<u>(1,953,655)</u>
Balance on December 31	<u><u>\$ 22,270,407</u></u>	<u><u>14,567,841</u></u>

(x) Share-based payment transactions

(i) WHQ

1) Restricted shares to employees

- a) A resolution was approved during the shareholders' meeting on June 18, 2020 for a capital increase, wherein the Company to issue 63,000,000 new shares of restricted shares to those fulltime employees who meet the Company's requirements. The above transaction had been registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. Furthermore, on December 23, 2020, the Board of Directors approved to issue all the restricted shares, with the issuance date set on February 18, 2021, wherein the fair value on the grant date amounted to \$30 per share.

Those employees who were granted the restricted share awards are entitled to purchase shares without remuneration, with the condition that these employees continue to provide service to the Company for at least 2 years, 3 years and 4 years (from the grant date), while 34%, 33% and 33% of the restricted shares are vested respectively depending on the completion of both the Company and their personal performance in each year. The restricted shares are kept by a trust, which are appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act based on law and regulations. In addition, the appropriated dividends are also kept by a trust. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares without compensation and cancel the shares thereafter.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Details of the restricted shares of the Company are as follows:

(Unit: in thousand shares)

	<u>2022</u>	<u>2021</u>
Outstanding at 1 January	\$ 62,640	63,000
Vested during the year	(210)	-
Canceled during the year	<u>(1,650)</u>	<u>(360)</u>
Outstanding at 31 December	<u><u>\$ 60,780</u></u>	<u><u>62,640</u></u>

- c) The Company has recovered the cash dividends of \$396 and \$528 distributed for those employees who did not meet the vesting conditions in July 2022 and August 2021, respectively. The relevant registration procedures had been completed.

2) Treasury shares transfer to employees

- a) The Company transferred 58,769,000 shares repurchased in 2020 to employees based on the resolution approved during the board meeting held on November 12, 2020. The treasury shares were granted to the full-time employees of the subsidiary at home and aboard who meet the specific requirement.

- b) Details of the treasury shares transfer to employees of the Company are as follows:

(Unit: in thousand shares)

	<u>2022</u>	<u>2021</u>
Outstanding at 1 January	\$ 58,769	58,769
Vested during the year	<u>(4,245)</u>	<u>-</u>
Outstanding at 31 December	<u><u>\$ 54,524</u></u>	<u><u>58,769</u></u>

- 3) The Company used the Black Scholes model in measuring the fair values of the share-based payment at the grant dates as follows:

	<u>Restricted shares to employees</u>	<u>Treasury shares transfer to employees</u>
Fair value at grant date (in dollars)	30	1.87
Stock price at grant date (in dollars)	-	29.20
Exercise price (in dollars)	-	27.35
Expected life of the option	4 years	0.03 years
Expected volatility	28.33%~29.87%	28.224%
Risk-free interest rate	0.1130%~0.1505%	0.2907%

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) AGI-Employee stock option

AGI, a subsidiary of the Group, issued 1,400,000 units of employee stock options in accordance with the resolution approved by its Board of Directors on September 16, 2020. Each unit of the employee stock option is convertible into 1 new share to employees who meet certain requirements. The term of the stock option certificate is four years, and employees with restricted stock awards are entitled to exercise the option after one year from the date of issuance in accordance with the following schedule:

<u>Grant period</u>	<u>Exercise ratio (cumulative)</u>
September 16, 2021	1/3
September 16, 2022	2/3
September 16, 2023	3/3

1) Measurable parameter of fair value at grant date

AGI used Binary tree model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	<u>2020 employee stock option</u>
Fair value at grant date (in dollars)	\$ 1.06
Stock price at grant date (in dollars)	8.05
Exercise price (in dollars)	10
Expected volatility	25.98 %
Expected life of the option	4 years
Risk-free interest rate	0.2915 %

2) The shares (in thousands) of the employee stock options were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Weighted-average exercise price (expressed in dollars)</u>	<u>Number of option (in thousands)</u>	<u>Weighted-average exercise price (expressed in dollars)</u>	<u>Number of option (in thousands)</u>
Outstanding balance at the beginning of year	\$ 10	1,171	10	1,400
Options exercised	10	(87)	10	(229)
Outstanding balance at the end of year	10	<u>1,084</u>	10	<u>1,171</u>
Exercisable numbers at the end of year		<u>616</u>		<u>237</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The outstanding employee stock options were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Range of exercise price (in dollar)	\$ 10	10
Weighted-average remaining duration (years)	0.71	1.71

(iii) WIS-Employee stock option

WIS, a subsidiary of the Group, issued 2,000 units of employee stock options in accordance with the resolution approved by its Board of Directors on April 27, 2021. Each unit of the employee stock option is convertible into 1 new share to employees who meet certain requirements. The term of the stock option certificate is three years, and employees with restricted stock awards are entitled to exercise the option in accordance with the following schedule:

<u>Grant period</u>	<u>Exercise ratio (cumulative)</u>
May 19, 2022	1/2
May 19, 2023	2/2

1) Measurable parameter of fair value at grant date

WIS used the Black-Scholes model to evaluate the fair value of the stock option at the grant date. The assumptions adopted in this valuation model were as follows:

	<u>2021 employee stock option</u>
Fair value at grant date (in dollars)	\$4.50 / 4.64
Stock price at grant date (in dollars)	16.59
Exercise price (in dollars)	13.00
Expected volatility	27.04 % / 25.93%
Expected life of the option	2 years / 2.5 years
Risk-free interest rate	0.1517 % / 0.1688%

2) The shares (in thousands) of the employee stock options were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Weighted average exercise price (expressed in dollars)</u>	<u>Number of option (in thousands)</u>	<u>Weighted average exercise price (expressed in dollars)</u>	<u>Number of option (in thousands)</u>
Outstanding balance at the beginning of year	\$ 13	2,000	-	-
Options granted	-	-	13	2,000
Options exercised	13	(283)	-	-
Outstanding balance at the end of year	13	<u>1,717</u>	13	<u>2,000</u>
Exercisable numbers at the end of year		<u>717</u>		<u>-</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The outstanding employee stock options were as follows:

	December 31, 2022
Range of exercise price (in dollar)	\$ 13
Weighted-average remaining duration (years)	1.38

(iv) Compensation costs

The compensation costs recognized by the Group in 2022 and 2021 were as follows:

	2022	2021
Restricted shares to employees		
WHQ	\$ 309,072	348,855
Employee stock option		
AGI	272	642
WIS	4,189	3,999
	<u><u>\$ 313,533</u></u>	<u><u>353,496</u></u>

(y) Earnings per share

	2022	2021
Basic EPS:		
Net profit belonging to ordinary shareholders	<u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	<u>2,783,285</u>	<u>2,781,843</u>
Basic EPS (in dollars)	<u><u>\$ 4.01</u></u>	<u><u>3.76</u></u>
Diluted EPS:		
Net profit belonging to ordinary shareholders	<u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	2,783,285	2,781,843
Effect of potentially dilutive ordinary shares (in thousands):		
Employees' remuneration	81,628	75,918
Restricted shares to employees	44,094	15,221
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	<u>2,909,007</u>	<u>2,872,982</u>
Diluted EPS (in dollars)	<u><u>\$ 3.84</u></u>	<u><u>3.64</u></u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

	2022	2021
Primary geographical markets		
United States	\$ 449,173,264	341,837,214
China	122,055,532	156,071,717
Europe	210,921,751	200,642,992
Others	<u>202,468,609</u>	<u>163,530,925</u>
	<u><u>\$ 984,619,156</u></u>	<u><u>862,082,848</u></u>
Major products		
Computer, Communication & Consumer electronics	\$ 925,447,986	805,422,659
Others	<u>59,171,170</u>	<u>56,660,189</u>
	<u><u>\$ 984,619,156</u></u>	<u><u>862,082,848</u></u>

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Note receivables	\$ 3,783	6,252	57,194
Trade receivables	100,345,534	161,640,903	127,798,387
Trade receivables-related parties	93,877	153,371	306,155
Less: loss allowance	<u>(212,867)</u>	<u>(635,021)</u>	<u>(628,778)</u>
Total	<u><u>\$ 100,230,327</u></u>	<u><u>161,165,505</u></u>	<u><u>127,532,958</u></u>
	December 31, 2022	December 31, 2021	January 1, 2021
Current contract liabilities-warranty	<u>\$ 7,958,473</u>	<u>5,656,399</u>	<u>4,040,436</u>
Current refund liability	<u><u>\$ 8,832,142</u></u>	<u><u>10,918,128</u></u>	<u><u>9,560,522</u></u>

For details on note and trade receivables and loss allowance, please refer to Note 6(e).

The contract liabilities were primarily related to the advance received from customers due to the warranty service. 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 years ended December 31, 2022 and 2021 that were included in the contract liability balances at the beginning of the years were \$2,494,554 and \$2,266,307, respectively.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	2022	2021
Interest income	\$ <u><u>1,989,775</u></u>	<u><u>1,306,757</u></u>

(ii) Other income

The details of other income were as follows:

	2022	2021
Dividend income	\$ 237,597	253,965
Rental income	<u>331,794</u>	<u>245,659</u>
Total	\$ <u><u>569,391</u></u>	<u><u>499,624</u></u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	2022	2021
Foreign exchange gains, net	\$ 405,296	1,254,828
Gains (losses) on disposal of investments, net	(989)	2,294,821
Gains on disposal of property plant and equipment, net	10,220	661,743
Losses on financial assets or liabilities at fair value through profit or loss, net	(1,043,814)	(1,036,560)
Other investment loss	(175,098)	(89,411)
Grant income	543,539	511,252
Others	<u>152,271</u>	<u>(780,512)</u>
Total	\$ <u><u>(108,575)</u></u>	<u><u>2,816,161</u></u>

(iv) Finance costs

The details of interest expense were as follows:

	2022	2021
Interest expenses	\$ <u><u>(5,988,155)</u></u>	<u><u>(1,880,091)</u></u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) Remunerations to employees and directors

According to the Company's Article of Incorporation, if the Company incur profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall recognize the remuneration to employees and directors by the following rules. However, if the Company have accumulated deficits, it shall reserve the amount for offsetting deficits.

- (i) The Company shall allocate not less than 5% of annual profits as employees' remuneration. The Company may distribute in the ways of shares or cash to the employees, the employees of subsidiaries of the Company, which depends on certain specific requirements determined by the Board of Directors.
- (ii) The Company shall allocate not more than 1% of annual profit as the remuneration to directors in cash.

The estimated amounts of remuneration for the Company's employees and directors were as follows:

	2022	2021
Employees' remuneration	\$ 2,009,595	1,921,750
Directors' remuneration	<u>100,000</u>	<u>102,493</u>
	\$ <u><u>2,109,595</u></u>	<u><u>2,024,243</u></u>

The amounts were calculated by the net profit before tax excluding employees' and directors' remuneration, of each year multiplied by the percentage of employees' and directors' remuneration as specified in the Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses in 2022 and 2021. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year. Shares distributed as employees' remuneration were calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

The amounts, as stated in financial statements, were the same with those of actual distributions for 2022 and 2021. The remuneration to employees 2021 was paid in cash. Related information would be available at the Market Observation Post System website.

(ac) Financial instruments

(i) Credit risk

1) Exposure to credit risk

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Concentration of credit risk

The Group's majority customers were in high-tech industries. To reduce concentration of credit risk, the Group evaluated customers' financial positions periodically and requires its customers to provide collateral or promissory notes, if necessary. Besides, the Group periodically, evaluated the recoverability of trade receivables and recognize as loss allowances for doubtful accounts. Furthermore, it bought insurance for the receivables. As of December 31, 2022 and 2021, 55% and 65% of the Group's trade receivables were concentrated on 4 and 2 specific customers, respectively. Therefore, the Group was exposed to credit risk.

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	More than 5 years
As of December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	\$ 114,279,421	114,629,700	114,629,700	-	-
Note and trade payables (including related parties)	108,802,275	108,802,275	108,802,275	-	-
Other payables (including related parties)	29,252,965	29,252,965	29,252,965	-	-
Lease liabilities	5,136,335	6,058,952	2,155,486	730,796	3,172,670
Bonds payable	9,439,683	9,632,396	69,535	9,562,861	-
Long-term loans (including current portion)	16,476,275	17,317,845	5,657,777	9,966,523	1,693,545
Subtotal	283,386,954	285,694,133	260,567,738	20,260,180	4,866,215
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	161	161	161	-	-
Carrying amount	161	161	161	-	-
Total	\$ 283,387,115	285,694,294	260,567,899	20,260,180	4,866,215
As of December 31, 2021					
Non-derivative financial liabilities					
Short-term loans	\$ 140,899,659	140,993,959	140,993,959	-	-
Note and trade payables (including related parties)	168,304,564	168,304,564	168,304,564	-	-
Other payables (including related parties)	27,653,153	27,653,153	27,653,153	-	-
Lease liabilities	3,676,022	4,182,600	1,731,126	952,537	1,498,937
Bonds payable	9,436,448	9,701,930	69,535	9,632,395	-
Long-term loans (including current portion)	24,455,598	24,872,753	1,219,936	23,652,817	-
Subtotal	374,425,444	375,708,959	339,972,273	34,237,749	1,498,937
Derivative financial liabilities					
Foreign currency swap contracts:					
Outflow	9,224	3,608,924	3,608,924	-	-
Inflow	-	(3,599,700)	(3,599,700)	-	-
Carrying amount	9,224	9,224	9,224	-	-
Foreign currency forward contracts:					
Outflow	19,730	573,530	573,530	-	-
Inflow	-	(553,800)	(553,800)	-	-
Carrying amount	19,730	19,730	19,730	-	-
Subtotal	28,954	28,954	28,954	-	-
Total	\$ 374,454,398	375,737,913	340,001,227	34,237,749	1,498,937

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group did not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

a) Exposure to currency risk

The Group's significant exposures to foreign currency risk were as follows:

December 31, 2022			
	Foreign currency (in thousands)	Exchange rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	254 USD/BRL=	5.289	7,792
	35,069 USD/CZK=	22.715	1,076,900
	263 USD/HKD=	7.797	8,069
	38 USD/INR=	82.500	1,173
	52,243 USD/JPY=	133.090	1,604,254
	- USD/KRW=	1,261.570	1
	9,715 USD/MXN=	19.497	298,334
	7,433,440 USD/TWD=	30.708	228,266,089
	8,581 USD/CNY=	6.948	263,501
	11,438 USD/TRY=	18.726	351,245
CNY	149,473 CNY/TWD=	4.420	660,668
	11,219,017 CNY/USD=	0.144	49,588,053
<u>Non-monetary items</u>			
USD	110,882 USD/TWD=	30.708	3,404,955
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	14 USD/BRL=	5.289	439
	10,849 USD/CZK=	22.715	333,160
	24 USD/HKD=	7.797	727
	29 USD/JPY=	133.090	881
	3,794 USD/MXN=	19.4970	116,524
	6,615,189 USD/TWD=	30.708	203,139,239
	25,621 USD/CNY=	6.948	786,805
	- USD/TRY=	18.726	8
CNY	63,950 CNY/TWD=	4.420	282,662
	11,733,373 CNY/USD=	0.144	51,861,506

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021		
	Foreign currency (In thousands)	Exchange rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	1,926 USD/BRL=	5.706	53,327
	44,365 USD/CZK=	22.063	1,228,458
	29 USD/HKD=	7.799	816
	102 USD/INR=	74.000	2,831
	16,677 USD/JPY=	114.900	461,803
	194 USD/MXN=	20.574	5,389
	21,603,554 USD/TWD=	27.690	598,202,410
	1,581 USD/CNY=	6.368	43,770
CNY	446,532 CNY/TWD=	4.348	1,941,657
	13,359,852 CNY/USD=	0.157	58,507,140
<u>Non-monetary items</u>			
USD	79,285 USD/TWD=	27.690	2,195,393
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	34 USD/BRL=	5.706	938
	17,626 USD/CZK=	22.063	488,085
	15 USD/HKD=	7.799	396
	2,371 USD/MXN=	20.574	65,681
	22,200,312 USD/TWD=	27.690	614,726,639
	14,226 USD/CNY=	6.368	393,946
CNY	68,797 CNY/TWD=	4.348	299,151
	5,296,299 CNY/USD=	0.157	23,037,823

b) Currency risk sensitivity analysis

The Group's exposure to foreign currency risk arose from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, other receivables, loans, trade payables and other payables that were denominated in foreign currency.

A Strengthening (weakening) 5% of appreciation (depreciation) of the TWD against the USD and the CNY as of December 31, 2022 and 2021, would change the net profit after tax by \$1,024,165 and \$857,398, respectively. The analysis assumed that all other variables remain constant.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Interest rate analysis

The interest risk for financial liabilities of the Group would be explained in liquidity risk management stated in this note.

Sensitivity analysis was based on the risk exposure to interest rates on non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumed the variable rate liabilities were outstanding for the whole year on the reporting date.

If the interest rate change by 25 basis points, the Group's net profit after tax would change by \$49,002 and \$131,531 for the years ended December 31, 2022 and 2021, respectively, with all other variable factors that remained constant. This was mainly due to the Group's borrowings in floating variable rate.

3) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting dates were performed using the same basis for profit or loss as illustrated below:

Price of securities at reporting date	For the years ended December 31			
	2022		2021	
	After-tax other comprehensive income	Net profit	After-tax other comprehensive income	Net profit
Increasing 3%	\$ <u>182,962</u>	<u>198,390</u>	<u>185,233</u>	<u>287,125</u>
Decreasing 3%	\$ <u>(182,962)</u>	<u>(198,390)</u>	<u>185,233</u>	<u>287,125</u>

4) Fair value information

a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income was measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount was reasonably close to the fair value, disclosure of fair value information was not required:

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 152,284	-	152,284	-	152,284
Listed companies	8,234,910	8,234,910	-	-	8,234,910
Subtotal	<u>\$ 8,387,194</u>	<u>8,234,910</u>	<u>152,284</u>	<u>-</u>	<u>8,387,194</u>
Current financial assets at fair value through other comprehensive income					
Trade receivables	<u>\$ 15,517,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current financial assets at fair value through profit or loss					
Convertible bonds	\$ 80,402	-	-	80,402	80,402
SAFE	86,964	-	-	86,964	86,964
Subtotal	<u>\$ 167,366</u>	<u>-</u>	<u>-</u>	<u>167,366</u>	<u>167,366</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	<u>\$ 6,729,413</u>	<u>2,979,466</u>	<u>-</u>	<u>3,749,947</u>	<u>6,729,413</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 66,337,316	-	-	-	-
Restricted deposits	1,913,684	-	-	-	-
Note and trade receivables (including related parties)	84,712,980	-	-	-	-
Other receivables (including related parties)	4,476,076	-	-	-	-
Other financial assets	378,334	-	-	-	-
Subtotal	<u>\$ 157,818,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 1,873,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 161</u>	<u>-</u>	<u>161</u>	<u>-</u>	<u>161</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 114,279,421	-	-	-	-
Note and trade payables (including related parties)	108,802,275	-	-	-	-
Other payables (including related parties)	29,252,965	-	-	-	-
Lease liabilities	5,136,335	-	-	-	-
Bonds payable	9,439,683	-	-	-	-
Long-term loans (including current portion)	16,476,275	-	-	-	-
Subtotal	<u>\$ 283,386,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 21,368	-	21,368	-	21,368
Listed companies	12,064,081	12,064,081	-	-	12,064,081
Subtotal	<u>\$ 12,085,449</u>	<u>12,064,081</u>	<u>21,368</u>	<u>-</u>	<u>12,085,449</u>
Current financial assets at fair value through other comprehensive income					
Trade receivables	<u>\$ 3,187,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current financial assets at fair value through profit or loss					
Listed companies	\$ 514,123	514,123	-	-	514,123
Convertible bonds	70,680	-	-	70,680	70,680
Subtotal	<u>\$ 584,803</u>	<u>514,123</u>	<u>-</u>	<u>70,680</u>	<u>584,803</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	<u>\$ 6,613,497</u>	<u>4,245,492</u>	<u>-</u>	<u>2,368,005</u>	<u>6,613,497</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 70,154,241	-	-	-	-
Restricted deposits	1,961,027	-	-	-	-
Note and trade receivables (including related parties)	157,977,973	-	-	-	-
Other receivables (including related parties)	5,320,732	-	-	-	-
Other financial assets	568,964	-	-	-	-
Subtotal	<u>\$ 235,982,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 938,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 28,954</u>	<u>-</u>	<u>28,954</u>	<u>-</u>	<u>28,954</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 140,899,659	-	-	-	-
Note and trade payables (including related parties)	168,304,564	-	-	-	-
Other payables (including related parties)	27,653,153	-	-	-	-
Lease liabilities	3,676,022	-	-	-	-
Bonds payable	9,436,448	-	-	-	-
Long-term loans (including current portion)	24,455,598	-	-	-	-
Subtotal	<u>\$ 374,425,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b) Valuation techniques for financial instruments measured at fair value

i) Non-derivative financial instruments

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

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

A financial instrument was regarded as being quoted in an active market if quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions taking place 'regularly' was a matter of judgment and depended on the facts and circumstances of the market for the instrument.

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

The listed stock was traded in the active market and its fair value was based on the quoted market price accordingly.

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

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

ii) Derivative financial instruments

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

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

c) Transfer between level 1 and level 3:

The Group held an investment in equity shares of Clientron Corp. and Plexbio Corporation, Ltd., which were classified as fair value through other comprehensive income. In the fourth quarter of 2021, both entities listed their equity shares in emerging stock market, and they were actively traded. Besides, the equity shares of Innovium Inc., the Group held, were swapped to the shares of Marvell Technology, Inc., which were actively traded. Additionally, the Group held the investment in equity shares of Dell technologies Inc., which were transferred from class A to class C. As stated above, the fair value measurement was transferred from level 3 to level 1 of the fair value hierarchy in October 2021.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

d) Changes between level 3

The movements in the reconciliation of level 3 fair values during the years ended December 31, 2022 and 2021 were as follows:

	Fair value through profit or loss Non-derivative financial assets mandatorily measured at fair value through profit or loss	Fair value through other comprehensive income Unquoted equity instruments	Total
Balance at January 1, 2022	\$ 70,680	2,368,005	2,438,685
Total gains and losses recognized			
in profit or loss	18,925	-	18,925
in other comprehensive income	-	198,013	198,013
Purchased	77,761	1,234,298	1,312,059
Disposal and return of capital	-	(87,767)	(87,767)
Effect of tax	-	37,398	37,398
Balance at December 31, 2022	<u>\$ 167,366</u>	<u>3,749,947</u>	<u>3,917,313</u>
Balance at January 1, 2021	\$ 74,754	1,770,467	1,845,221
Total gains and losses recognized			
in profit or loss	(4,074)	-	(4,074)
in other comprehensive income	-	179,372	179,372
Purchased	-	897,970	897,970
Disposal and return of capital	-	(103,945)	(103,945)
Effect of tax	-	5,730	5,730
Effect of exchange rate changes	-	(3,048)	(3,048)
Transfers out of level 3	-	(378,541)	(378,541)
Balance at December 31, 2021	<u>\$ 70,680</u>	<u>2,368,005</u>	<u>2,438,685</u>

For the years ended December 31, 2022 and 2021, the total gains and losses that were included in "other gains and losses" and "unrealized gains and losses from financial assets measured at fair value through other comprehensive income" were as follows:

	2022	2021
Total gains and losses recognized:		
in profit or loss, and presented in "other gains and losses"	\$ 18,925	(4,074)
in other comprehensive income, and presented in "unrealized gains (losses) from financial assets measured at fair value through other comprehensive income"	198,013	179,372
	<u>\$ 216,938</u>	<u>175,298</u>

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

The Group's financial instruments that used level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "financial assets measured at fair value through other comprehensive income – equity investments".

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – SAFE and convertible bonds	Binary tree model	·EV/Revenue (as of December 31, 2022, were 0.35~0.43 and December 31, 2021, were 0.71~0.87)	·The estimated fair value would increase if the multiplier was higher.
		·Volatility (as of December 31, 2022 were 37.69%~72.17% and December 31, 2021, were 45.81%~61.94%)	·The estimated fair value would decrease if volatility was higher.
		·Perpetual growth rate (as of December 31, 2022 were 3.0~3.4 and December 31, 2021, were 3.1~3.5)	·The estimated fair value would increase if perpetual growth rate was higher.
		·Cost of capital rate (as of December 31, 2022 were 31%~33% and December 31, 2021, were 29%~31%)	·The estimated fair value would decrease if cost of capital rate was higher.
		·Liquidity discount rate (as of December 31, 2022 were 20.90%~25.33%)	·The estimated fair value would decrease if the liquidity discount rate was higher.
Financial assets measured at fair value through other comprehensive income – equity investments without an active market	Black-Scholes Option Pricing Model	·Volatility (as of December 31, 2022 were 34.23%~39.52%)	·The estimated fair value would decrease if the volatility was higher.
		·Price – book ratio (as of December 31, 2022, were 1.02~22.15 and December 31, 2021, were 1.28~24.76)	·The estimated fair value would increase if the multiplier was higher.
		·Market liquidity discount rate (as of December 31, 2022, and December 31, 2021, were 20%)	·The estimated fair value would decrease if market liquidity discount rate was higher.
		·Net asset value	Not applicable
	Net asset value method	·Net asset value	Not applicable

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- f) 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:

		Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2022						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	\$ 351	(351)	-	-
	Volatility	5%	351	(351)	-	-
	Liquidity discount rate	5%	4,348	(4,348)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	58,996	(58,996)
	Market liquidity discount rate	5%	-	-	58,996	(58,996)
	Net asset value method	5%	-	-	132,661	(132,661)
December 31, 2021						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	510	(510)	-	-
	Volatility	5%	510	(510)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	30,227	(30,227)
	Market liquidity discount rate	5%	-	-	30,227	(30,227)
	Net asset value method	5%	-	-	88,173	(88,173)

The favorable and unfavorable effects represented the changes in fair value, and fair value 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.

- 5) Offsetting financial assets and financial liabilities

The Group had financial instrument transactions applicable to the Section 42 of International Financial Reporting Standards No. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating to those transactions were recognized in the net amount of the balance sheets.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The following tables presented the aforesaid offsetting financial assets and financial liabilities.

Unit: Foreign currency in thousands

December 31, 2022					
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amounts (e)=(c)-(d)
Other non-current assets	USD 12,156,807	12,156,807	-	-	-
	CNY 35,104,655	35,104,655	-	-	-
December 31, 2022					
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial liabilities	Gross amounts of financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amounts (e)=(c)-(d)
Short-term loans	USD 12,156,807	12,156,807	-	-	-
	CNY 35,104,655	35,104,655	-	-	-
December 31, 2021					
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amounts (e)=(c)-(d)
Other non-current assets	USD 15,623,850	15,623,850	-	-	-
	CNY 983,280	983,280	-	-	-
December 31, 2021					
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial liabilities	Gross amounts of financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amounts (e)=(c)-(d)
Short-term loans	USD 15,623,850	15,623,850	-	-	-
	CNY 983,280	983,280	-	-	-

(ad) Financial risk management

(i) By using financial instruments, the Group was exposed to risks as below:

- Credit risk
- Liquidity risk
- Market risk

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Detailed information about exposure risk arising from the aforementioned risks was listed below. The Group's objective, policies and processes for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Group's finance management department provided business services for the overall internal department. It set the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Group minimized the risk exposure through derivative financial instruments. The Shareholder's meeting regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments to which the Group was exposed to. The Group's internal auditors continued with the review of the amount of the risk exposure in accordance with the Group's policy and the risk management policies and procedures. Derivative contracts of the Group with several financial institutions were intended to manage foreign currency exchange and interest rate fluctuation risks.

The chief of finance management department arranged a meeting to review the strategy and performance, then reported the results to Chief Financial Officer and Chairman periodically.

(iii) Credit risk

Credit risk was the risk of financial loss to the Group if a customer or counterparty to financial instruments failed to meet its contractual obligations that arose principally from the Group's note and trade receivables and investments.

1) Note and trade receivables

The Group's credit policy was transacting with creditworthy customers, and obtained collateral to mitigate risks arising from financial loss due to default. The Group would transact with corporations of credit ratings equivalent to investment grade and such ratings were provided by independent rating agencies. Where it was not possible to obtain such information, the Group would assess the ratings based on other publicly available financial information and transactions records with its major customers. The Group continued to monitor the exposure to credit risk and counterparty credit rating, and evaluated the customers' credit rating and credit limit via automatic finance system to manage the credit exposure.

2) Investments

The credit risk exposure in the bank deposits, other financial instruments and equity instruments were measured and monitored by the Group's finance department. Since the Group's transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stocks companies and non publicly-traded stocks companies, there were no incompliance issues and therefore no significant credit risk.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Guarantee

According to the Group's policy, the Group could only provide guarantee to which was listed under the regulation. The Group did not provide guarantees to any non-consolidated subsidiaries as of December 31, 2022 and 2021.

(iv) Liquidity risk

The Group maintained sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervised the bank loan facilities and ensured in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Group. As of December 31, 2022 and 2021, the Group had unused credit facilities for short-term and long-term loans of \$227,206,573 and \$121,098,608, respectively.

(v) Market risk

Market risk was the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices would affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management was to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group was exposed to currency risk on sales, purchases and borrowings that were denominated in a currency other than the respective functional currencies of the Group's entities, the New Taiwan Dollar. The currencies used in these transactions were denominated in TWD, EUR, USD, JPY and CNY.

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate influenced the Group's future cash flow. The Group entering into forward and swap contracts were intended to manage the exchange rate risk due to the Group's current and future demands for foreign currency. The contract periods were decided in consideration of the Group's foreseeable assets and liabilities and expected cash flow. At the maturity date of the derivative contract, the Group would settle these contracts using the foreign currencies arising from the assets denominated in foreign currency.

2) Interest risk

The Group's short-term loans, long-term loans and advances from factoring of trade receivables bore floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influenced the Group's future cash flow. The Group reduced the interest risks by negotiating the loan interest rates frequently with banks.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Other market price risk

The Group monitored the risk arising from its security instruments, which were held for monitoring cash flow requirements and unused capital. The management of the Group monitored the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio were managed on an individual basis, and all buy-and-sell decisions were approved by the Board of Directors.

(ae) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Group managed its capital structure to ensure it had sufficient financial resources to sustain proper liquidity, to invest in capital expenditures, as well as research and development expenses, to repay debts and to distribute dividends in accordance to its plan. The management pursued the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Group aimed to enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio regularly.

The Group controlled the capital structure through regularly reviewing debt-to-equity ratio. The debt-to-equity ratio of the Group as of December 31, 2022 and 2021, were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 314,255,218	404,813,027
Less: cash and cash equivalents	(66,337,316)	(70,154,241)
Net debt	247,917,902	334,658,786
Total equity	118,652,556	92,484,779
Adjusted equity	<u>\$ 366,570,458</u>	<u>427,143,565</u>
Debt-to-equity ratio at December 31	<u>67.63%</u>	<u>78.35%</u>

(Note): Adjusted equity included total equity and net debt.

As of December 31, 2022, the Group's capital management strategy was consistent with the prior years.

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(af) Financing activities not affecting the current cash flow

For the years ended December 31, 2022 and 2021, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes Effect of changes in foreign exchange rates		December 31, 2022
			exchange rates	Others	
Short-term loans	\$ 140,899,659	(37,370,628)	10,750,390	-	114,279,421
Long-term loans (including current portion)	24,455,598	(10,176,246)	2,262,653	(65,730)	16,476,275
Lease liabilities	3,676,022	(814,303)	364,561	1,910,055	5,136,335
Bonds payable	9,436,448	-	-	3,235	9,439,683
Guarantee deposits	388,642	1,218,915	36,044	-	1,643,601
Total liabilities from financing activities	<u>\$ 178,856,369</u>	<u>(47,142,262)</u>	<u>13,413,648</u>	<u>1,847,560</u>	<u>146,975,315</u>

	January 1, 2021	Cash flows	Non-cash changes Effect of changes in foreign exchange rates		December 31, 2021
			exchange rates	Others	
Short-term loans	\$ 102,040,205	41,536,980	(2,677,526)	-	140,899,659
Long-term loans (including current portion)	20,332,308	4,706,657	(600,304)	16,937	24,455,598
Lease liabilities	2,797,316	(1,111,490)	(373,940)	2,364,136	3,676,022
Bonds payable	4,991,783	4,442,325	-	2,340	9,436,448
Guarantee deposits	681,694	(289,750)	(3,302)	-	388,642
Total liabilities from financing activities	<u>\$ 130,843,306</u>	<u>49,284,722</u>	<u>(3,655,072)</u>	<u>2,383,413</u>	<u>178,856,369</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings were entities that had transactions with the Group during the periods covered in the consolidated financial statements.

Names of the related parties	Relationships
T-CONN PRECISION(Zhongshan) CORPORATION (TZS)	The Group's associate
T-CONN PRECISION CORPORATION (TPE)	The Group's associate
HSIEH-YUH TECHNOLOGY CO., LTD. (HYBVI)	The Group's associate
HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. (HYZS)	The Group's associate
Join-Link International Technology Co. Ltd. (JLH)	The Group's associate
Maya International Company, Ltd. (MAYA)	The Group's associate
WNC (Kunshan) Corporation (NQJ)	The Group's associate
Webcom Communication (Kunshan) Corporation (NYC)	The Group's associate
Wistron Neweb (Kunshan) Corporation (NQX)	The Group's associate
Wistron NeWeb Corporation (WNC)	The Group's associate
NEWEB VIETNAM CO., Ltd. (NVNM)	The Group's associate

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WISTRON CORPORATION AND SUBSIDIARIES
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Names of the related parties	Relationships
Fullerton Ltd. (FLT)	The Group's associate
FREE Bionics Taiwan Inc. (FBTW)	The Group's associate
Wistron Information Technology and Services Corporation (WITS)	The Group's associate
XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd (XTRNA)	The Group's associate
LIAN-YI PRECISION (ZHONGSHAN) INC. (LYZ)	The Group's associate
LIAN-YI (FAR EAST) LTD. (LYF)	The Group's associate
B-TEMIA INC. (BTI)	The Group's associate
Formosa Prosonic Industries Berhad (FPI)	The Group's associate
W-Neweb Corporation (NUSA)	The Group's associate
Wistron Information Technology and Services Limited (WIHK)	The Group's associate
WISTRON HUMANITIES FOUNDATION	The Group's other related party

(b) Related party transactions

(i) Sales

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

	Sales	
	2022	2021
Associates	<u>\$ 443,652</u>	<u>649,103</u>

	Receivables from related parties	
	December 31, 2022	December 31, 2021
Associates	<u>\$ 93,877</u>	<u>153,371</u>

The selling prices and payment terms of trade receivables from related parties were based on varied economic environment and market forms. The above selling prices and payment terms with related parties were not significantly different from those with third-party customers.

(ii) Purchases

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

	Purchases	
	2022	2021
Associates	<u>\$ 2,849,336</u>	<u>3,377,417</u>

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Payables to related parties	
	December 31, 2022	December 31, 2021
Associates	\$ <u>727,109</u>	<u>1,010,591</u>

Trading terms of purchase transactions with related parties were not significantly different from those with third-party vendors.

(iii) Rental income and its outstanding balances were as follows:

	Rental Income	
	2022	2021
Rental income		
Associate	\$ <u>3,890</u>	<u>3,810</u>
	Other receivables from related parties	
	December 31, 2022	December 31, 2021
Rental receivables		
Associate	\$ <u>339</u>	<u>334</u>

(iv) Property transactions, operating expenses and their outstanding balances were as follows:

	Acquisition price	
	2022	2021
Acquisition of assets		
Associates	\$ <u>91,510</u>	<u>65,772</u>
Contribution		
Other related party	\$ <u>35,616</u>	<u>29,213</u>
	Other payables to related parties	
	December 31, 2022	December 31, 2021
Payables resulting from acquisition of assets		
Associate	\$ <u>4,117</u>	<u>1,100</u>

(v) The Group acquired 30% shares of BTA from BTI in the first quarter of 2022 with a fair value of \$33,202, which was fully paid as of December 31, 2022.

(vi) The Group leased factories from WNC. The amounts of right-of-use assets and lease liabilities recognized at the beginning were \$226,502. The amounts of interest expense recognized for the years ended December 31, 2022 and 2021 were \$1,672 and \$1,808, respectively. As of December 31, 2022 and 2021, the balances of lease liabilities were \$80,037 and \$70,835, respectively.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Advances to related parties

The Group paid certain expenses on behalf of related parties including purchase, repair expense and other disbursements were as follows:

	Other receivables from related parties	
	December 31, 2022	December 31, 2021
Associates	\$ <u>3,671</u>	<u>13,355</u>

(viii) Advances from related parties

Related parties paid certain expenses on behalf of the Group, including technical services, salaries, and repair expenses were as follows:

	Other payables to related parties	
	December 31, 2022	December 31, 2021
Associates	\$ <u>43,524</u>	<u>78,404</u>

(ix) Receivables from related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Other receivables-related parties:		
Rental receivables	\$ 339	334
Other receivables	<u>3,671</u>	<u>13,355</u>
	\$ <u>4,010</u>	<u>13,689</u>

(x) Payables to related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Other payables-related parties:		
Payable resulting from acquisition of assets	\$ 4,117	1,100
Other payables	<u>43,524</u>	<u>78,404</u>
	\$ <u>47,641</u>	<u>79,504</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Key management personnel remuneration:

	2022	2021
Short-term employee benefits	120,339	94,865
Post-employment benefits	2,892	2,293
Other long-term benefits	2,024	1,230
	<u>125,255</u>	<u>98,388</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Other non-current assets-restricted deposits	Performance guarantee	\$ 1,606,785	156,817
Other non-current assets-restricted deposits	Stand by L/C	1,905	7,373
Other non-current assets-restricted deposits	Custom guarantee	6,342	8,738
		<u>\$ 1,615,032</u>	<u>172,928</u>

(9) Commitments and contingencies:

(a) As of December 31, 2022 and 2021, the unused letters of credit were as follows:

	December 31, 2022	December 31, 2021
Unused letters of credit	<u>\$ 65,461</u>	<u>41,296</u>

(b) Contingencies

- (i) In June of 2016, Alacritech filed a lawsuit against the Group to the United States District Court for the Eastern District of Texas. The accused products were servers and network interface devices. The Court ordered to stay the case in 2017, and has reopend the case in October 2022. The Group still could not assess the possible impact on its financial losses.
- (ii) In October 2020, Acqis LLC filed a lawsuit against the Company and Wiwynn, a subsidiary of the Group, to the United States District Court for the Western District of Texas, The court allowed the plaintiff to withdraw the Company's lawsuit, wherein Wiwynn had appointed an attorney to deal with the matter. The case was still in progress.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

- (a) The appropriation of earnings for 2022 that was approved at the Board of Directors meeting on March 14, 2023, was as follow:

	2022
Ordinary share dividends	
Cash dividends	<u>\$ 7,400,801</u>

The aforesaid appropriation of earnings for 2022 is to be presented for approval in the shareholders' meeting to be held in June 2023.

(12) Other

(a) Total personnel, depreciation and amortization expenses categorized by function were as follows:

	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	22,411,410	18,453,979	40,865,389	19,084,651	16,096,472	35,181,123
Labor and health insurance	3,186,171	1,502,719	4,688,890	2,257,287	1,307,113	3,564,400
Pension	529,769	587,727	1,117,496	338,647	518,206	856,853
Remuneration of directors	-	137,240	137,240	-	128,833	128,833
Others	2,508,702	674,465	3,183,167	3,274,592	604,485	3,879,077
Depreciation	9,656,781	1,358,724	11,015,505	7,753,836	1,112,554	8,866,390
Amortization	44,218	415,388	459,606	20,294	338,425	358,719

(13) Other disclosures

(a) Information on significant transactions

The following was the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2022:

- (i) Financings to other parties: Please see Table 1 attached.
- (ii) Guarantees and endorsements for other parties: Please see Table 2 attached.
- (iii) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 3 attached.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 4 attached.
- (v) Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital :Please see Table 5 attached.

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WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (vi) Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital: None.
- (vii) Total purchases from or sales to related parties with amount exceeding the lower of NT\$100 million or 20% of share capital :Please see Table 6 attached.
- (viii) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital :Please see Table 7 attached.
- (ix) Derivative transactions :Please refer to Note 6(b) for related information.
- (x) Business relationships and significant inter-company transactions :Please see Table 8 attached.
- (b) Information on investees (excluded investment in Mainland China):
Information on investees for the year ended December 31, 2022: Please see Table 9 attached.
- (c) Information on investment in mainland China: Please refer to Table 10.
- (d) Major shareholders: None

(14) Segment information:

(a) General information

The major activities of the Group are the design, manufacture and sale of information technology products. The chief operating decision maker of the Group determines each business group as an operating segment. According to the provisions of the accounting standard, only the “Research and Manufacturing Service Department” qualifies under the quantitative threshold criteria as a reportable segment. Other operating departments are deemed immaterial and need not be disclosed as reportable segment including the client service group and the related new business investment. The performance of the department is evaluated based on the operating profit of the Group.

- (b) Profit or loss data of the reporting segment (including specific revenues and expenses), assets and liabilities of the segment, the basis of measurement, and the related eliminations:

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. The reportable amount is similar to that in the report used by the chief operating decision maker.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group’s operating segment information and reconciliation were as follows:

	2022			
	R&D and Manufacturing	Others	Reconciliation and eliminations	Total
Revenue:				
Revenues from external customers	\$ 925,447,986	59,171,170	-	984,619,156
Segment revenues	7,316,005	711,018	(8,027,023)	-
Total revenues	\$ 932,763,991	59,882,188	(8,027,023)	984,619,156
Segment profit	\$ 23,098,229	4,373,915	(2,761,230)	24,710,914

	2021			
	R&D and Manufacturing	Others	Reconciliation and eliminations	Total
Revenue:				
Revenues from external customers	\$ 805,422,659	56,660,189	-	862,082,848
Segment revenues	5,892,427	929,633	(6,822,060)	-
Total revenues	\$ 811,315,086	57,589,822	(6,822,060)	862,082,848
Segment profit	\$ 14,440,858	1,933,780	2,859,639	19,234,277

(c) Geographical information

In presenting information on the basis of geography, segment assets were based on the geographical location of the assets.

Non-current assets:

<u>Geography</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Taiwan	\$ 16,336,862	12,220,166
Asia	40,730,000	36,399,062
Other countries	8,941,449	5,597,018
Total	\$ 66,008,311	54,216,246

The above non-current assets included property, plant and equipment, right-of-use assets, intangible assets, and other non-current assets, but excluding Goodwill.

(d) Information about revenue from major customers

For the years ended December 31, 2022 and 2021, the amounts of sales to customers representing greater than 10% of net revenue were as follows:

<u>Customer</u>	2022		2021	
	<u>Net revenue</u>	<u>Percentage of net revenue %</u>	<u>Net revenue</u>	<u>Percentage of net revenue %</u>
Customer H	\$ 310,161,092	32	320,428,555	37
Customer I	153,624,651	16	96,202,158	11
Customer C	101,524,048	10	76,054,971	9
Customer B	80,324,785	8	83,726,180	10

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 1 Financing to other parties
(December 31, 2022)

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral Item	Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
0	The Company	WAMY	Other receivables	Yes	1,260,945	-	-	0.50%-2.00%	1	4,926,418	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WSPH	Other receivables	Yes	556,560	-	-	1.50%	1	338,350	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WMMI	Other receivables	Yes	1,347,210	-	-	1.50%	1	9,097,311	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WSPH	Other receivables	Yes	483,150	-	-	1.50%	1	484,573	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	KOE	Other receivables	Yes	3,500,000	1,500,000	1,500,000	2.00%	2	-	Operating Capital	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
1	WAKS	WTZ	Other receivables	Yes	3,832,400	614,160	614,160	1.50%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	XTBKS	Other receivables	Yes	1,017,538	110,500	110,500	4.00%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	WAKS	Other receivables	Yes	876,528	700,142	700,142	1.50%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	WOSH	Other receivables	Yes	9,849	-	-	4.00%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
2	WCO	WTZ	Other receivables	Yes	2,972,600	1,228,320	1,228,320	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
2	WCO	WMCQ	Other receivables	Yes	317,430	245,664	173,280	3.50%-4.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
2	WCO	WSCQ	Other receivables	Yes	1,545,100	1,331,400	921,240	3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WYUS	Other receivables	Yes	1,932,600	1,842,480	1,842,480	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WGTIX	Other receivables	Yes	154,510	153,540	153,540	3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WAUS	Other receivables	Yes	96,630	-	-	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WMIX	Other receivables	Yes	271,909	214,956	214,956	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
4	WCCZ	WMCQ	Other receivables	Yes	644,200	614,160	614,160	3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
4	WCCZ	WYN	Other receivables	Yes	1,449,450	1,381,860	1,381,860	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
5	WSSG	WMMI	Other receivables	Yes	3,865,200	3,684,960	3,684,960	9.39%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
6	WAKS	WOSH	Other receivables	Yes	360,960	132,600	132,600	4.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
6	WAKS	WPKS	Other receivables	Yes	134,484	132,600	132,600	4.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
6	WAKS	XTBKS	Other receivables	Yes	451,200	331,500	331,500	4.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
7	WYHQ	WYUS	Other receivables	Yes	2,241,680	-	-	0.75%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
8	WCL	KOE	Other receivables	Yes	500,000	-	-	1.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
9	WCHK	WSPH	Other receivables	Yes	418,730	399,204	399,204	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
10	WCD	WTZ	Other receivables	Yes	2,781,180	2,763,720	2,763,720	1.50%-3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
11	WZS	WTZ	Other receivables	Yes	1,932,600	1,842,480	1,842,480	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)

(Note 1) The total amount available for financing purposes shall not exceed 50% of the Company's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of the Company's audited or reviewed net worth.
(Note 2) Nature of financing:
1 For entities that the Company has business with.
2 For entities with short-term financing needs.
(Note 3) The limit on financing granted of the entities that the Company has business with:
(1) For entities in which the Company, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of the Company.
(2) For entities in which the Company, directly or indirectly, owned below 50% of their shares, the amount available for financing shall not exceed 40% and 5% of net worth of the borrower and the Company, respectively.
(3) For other borrowers, the amount available for financing shall not exceed 25% of net worth of the borrower and 5% of net worth of the Company.
(Note 4) For entities with short-term financing needs, the amount available for financing shall not exceed 10% of net worth of the Company.
(Note 5) Subsidiary - WAKS
(1) The total amount available for financing purposes shall not exceed 50% of WAKS's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WAKS's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WAKS's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WAKS's audited or reviewed net worth disclosed in the consolidated financial statements.

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(Note 6) Subsidiary - WCO
(1) The total amount available for financing purposes shall not exceed 50% of WCO's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WCO's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCO's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WCO's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 7) Subsidiary - WCH
(1) The total amount available for financing purposes shall not exceed 40% of WCH's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCH's audited or reviewed net worth disclosed in the consolidated financial statements.
(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCH's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCH's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 8) Subsidiary - WCCZ
(1) The total amount available for financing purposes shall not exceed 40% of WCCZ's audited or reviewed net worth; and for the Company and those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCCZ's audited or reviewed net worth disclosed in the consolidated financial statements.
(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCCZ's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCCZ's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 9) Subsidiary - WSSG
(1) The total amount available for financing purposes shall not exceed 40% of WSSG's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WSSG's audited or reviewed net worth disclosed in the consolidated financial statements.
(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WSSG's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WSSG's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 10) Subsidiary - WMKS
(1) The total amount available for financing purposes shall not exceed 50% of WMKS's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WMKS's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WMKS's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WMKS's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 11) Subsidiary - WYHQ
(1) The total amount available for financing purposes shall not exceed 50% of WYHQ's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WYHQ's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WYHQ's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WYHQ's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 12) Subsidiary - WCL
(1) The total amount available for financing purposes shall not exceed 40% of WCL's audited or reviewed net worth.
(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCL's audited or reviewed net worth.
(Note 13) Subsidiary - WCHK
(1) The total amount available for financing purposes shall not exceed 40% of WCHK's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCHK's audited or reviewed net worth disclosed in the consolidated financial statements.
(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCHK's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCHK's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 14) Subsidiary - WCD
(1) The total amount available for financing purposes shall not exceed 50% of WCD's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WCD's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCD's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WCD's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 15) Subsidiary - WZS
(1) The total amount available for financing purposes shall not exceed 50% of WZS's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WZS's audited or reviewed net worth.
However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WZS's audited or reviewed net worth disclosed in the consolidated financial statements and for entities which were not located in Taiwan, the financing limits would be subject to the credit limit approved by State Administration of Foreign Exchange.
(2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WZS's audited or reviewed net worth disclosed in the consolidated financial statements.
(Note 16) The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 2 Guarantees and endorsements for other parties

(December 31, 2022)

No.	Endorser / Guarantor	Party being endorsed/guaranteed		Limits on endorsements/ guarantees provided to each entity (Note 2), (Note 4) and (Note 9)	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements / guarantees provided (Note 1), (Note 3) and (Note 9)	Endorsement / guarantees provided by parent company	Endorsement / guarantees provided by a subsidiary	Endorsement / guarantees provided to the party in Mainland China	Note
		Name	Relationship with the company (Note 10)											
0	The Company	WJP	2	28,914,644	838,050	622,890	622,890	-	0.65%	96,382,149	Y	N	N	(Note 11)
0	The Company	Cowin (Note 5)	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N	(Note 11)
0	The Company	WZS shared with WAKS (Note 5)	2	28,914,644	64,420	61,416	61,416	-	0.06%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WCCZ	2	28,914,644	474,476	474,476	474,476	-	0.09%	96,382,149	Y	N	N	(Note 11)
0	The Company	WBR	2	28,914,644	901,880	859,824	859,824	-	0.89%	96,382,149	Y	N	N	(Note 11)
0	The Company	WIN	2	28,914,644	2,384,700	2,072,790	1,765,710	-	2.15%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSSG	2	28,914,644	8,776,168	8,413,992	7,646,292	-	8.73%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTX	2	28,914,644	1,159,560	1,105,488	1,105,488	-	1.15%	96,382,149	Y	N	N	(Note 11)
0	The Company	WGTX	2	28,914,644	499,255	475,974	475,974	-	0.49%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTZ	2	28,914,644	3,690,330	3,673,788	2,445,648	-	3.81%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WSMX	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	N	(Note 11)
0	The Company	WGRS	2	28,914,644	791,310	184,248	-	-	0.19%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WCCZ shared with WSCZ	2	28,914,644	3,301,760	1,566,108	1,566,108	-	1.62%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMKS	2	28,914,644	560,420	-	-	-	-	96,382,149	Y	N	Y	(Note 11)
0	The Company	WMKS shared with WTZ and WGRS (Note 6)	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WTR	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCH	2	28,914,644	40,263	38,385	38,385	-	0.04%	96,382,149	Y	N	N	(Note 11)
0	The Company	AGI	2	28,914,644	292,000	292,000	232,000	-	0.30%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSCQ	2	28,914,644	2,930,321	2,502,710	1,581,470	-	2.60%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WCHO	2	28,914,644	160,000	110,000	60,000	-	0.11%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSCQ share with WMCQ	2	28,914,644	483,150	460,620	460,620	-	0.48%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WMMI share with WIN	2	28,914,644	1,932,600	1,842,480	921,240	-	1.91%	96,382,149	Y	N	N	(Note 11)
0	The Company	WLB	2	28,914,644	400,000	200,000	200,000	-	0.21%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCL	2	28,914,644	1,400,000	800,000	800,000	-	0.83%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMMI	2	28,914,644	7,233,520	6,914,856	5,435,316	-	7.17%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMMY	2	28,914,644	8,961,580	8,905,320	4,851,864	-	9.24%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTTT	2	28,914,644	1,167,882	1,044,072	736,992	-	1.08%	96,382,149	Y	N	N	(Note 11)
0	The Company	WETW	2	28,914,644	300,000	175,000	175,000	-	0.18%	96,382,149	Y	N	N	(Note 11)
0	The Company	WVN	2	28,914,644	11,692,230	7,216,380	1,996,020	-	7.49%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMX	2	28,914,644	6,180,400	6,141,600	3,377,680	-	6.37%	96,382,149	Y	N	N	(Note 11)
0	The Company	WIS	2	28,914,644	144,945	138,186	138,186	-	0.14%	96,382,149	Y	N	N	(Note 11)
0	The Company	XTRKS	2	28,914,644	2,076,972	2,076,972	736,992	-	2.15%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WSPI shared with WCCZ, WMX, WITX and WSSG (Note 7)	2	28,914,644	626,306	597,100	597,100	-	0.62%	96,382,149	Y	N	N	(Note 11)
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 7)	2	28,914,644	501,044	477,680	477,680	-	0.50%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WSPI shared with WCCZ, WMX, WITX, WSSG and WMMY (Note 8)	2	28,914,644	755,417	755,417	-	-	0.78%	96,382,149	Y	N	N	(Note 11)
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 8)	2	28,914,644	503,611	503,611	-	-	0.52%	96,382,149	Y	N	Y	(Note 11)
1	WYHQ	WYMX	2	11,636,101	1,458,658	1,390,639	1,390,639	-	3.59%	19,393,503	Y	N	N	(Note 11)
1	WYHQ	WYUS	2	11,636,101	111,542	81,875	81,875	-	0.21%	19,393,503	Y	N	N	(Note 11)
1	WYHQ	WYMY	2	11,636,101	139	139	139	-	-	19,393,503	Y	N	N	(Note 11)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(Note 1) The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed the Company's audited or reviewed net worth.

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

(Note 3) The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed 30% of the Company's audited or reviewed net worth.

(Note 4) The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.

(Note 5) The credit line shared by Cowin, WZS and WAKS amounted to USD3,000,000.

(Note 6) The credit line shared by WSPH, WCCZ, WMAX, WITX, WSSG, WAKS, WZS, WCD and WCCQ amounted to USD35,000,000.

(Note 7) The credit line shared by WSPH, WCCZ, WMAX, WITX, WSSG, WMMY, WAKS, WZS, WCD and WCCQ amounted to USD41,000,000.

(Note 8) Due to WYHQ's Operation Procedure for Guarantees and Endorsements:

(Note 9) 1. The total amount for guarantees and endorsements provided by WYHQ to other entities shall not exceed 50% of the WYHQ's audited or reviewed net worth.

2. The amount for guarantees and endorsements provided by WYHQ to any individual entity shall not exceed 50% of the WYHQ's audited or reviewed net worth.

3. The total amount for guarantees and endorsements provided by WYHQ and its subsidiaries to other entities shall not exceed 50% of the WYHQ's audited or reviewed net worth.

(Note 10) 4. The amount of guarantees and endorsements provided by WYHQ and its subsidiaries to any individual entity shall not exceed 30% of the WYHQ's audited or reviewed net worth.

Relationship with the Company:

1. An entity with which the guarantor did business.

2. An entity in which the guarantor directly and indirectly owned more than 50% of the voting shares.

3. An entity that directly and indirectly owned more than 50% of the voting shares in the guarantor.

4. The entities in which the guarantor owned, directly or indirectly, 90% or more of the voting shares.

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 entities in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 11) The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

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Notes to the Consolidated Financial Statements

Table 3 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2022)

Securities held by	Category and name of securities	Relationship	Financial statement account	(TWD : expressed in thousands)			
				December 31, 2022			Note
				Number of shares	Book value	Percentage of Ownership	
The Company	Alpha Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	19,328	545,044	3.37%	3.57%
The Company	Gamania Digital Entertainment Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	1,126	78,739	0.64%	0.64%
The Company	Super Dragon Technology Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	5,676	112,385	5.80%	5.50%
The Company	Global Lighting Technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	20,914	1,150,294	16.23%	-
The Company	ARBOR Technology Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	4,679	126,556	5.00%	6.29%
The Company	AOOpen Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	1,497	70,786	2.10%	8.04%
The Company	FineMat Applied Materials Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,589	128,499	6.91%	-
The Company	Clentron Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	917	20,737	1.44%	1.44%
The Company	Plexbio Corporation, LTD	Stock	Non-current financial assets at fair value through other comprehensive income	1,227	14,704	1.18%	-
The Company	Howe advanced Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,000	-	13.91%	-
The Company	ABC-KY	Stock	Non-current financial assets at fair value through other comprehensive income	2,075	64,325	2.54%	-
The Company	Like Systems, Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.51%	-
The Company	ZealInc.	Stock	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-
The Company	Janus Technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-
The Company	Vmedia Research	Stock	Non-current financial assets at fair value through other comprehensive income	2,000	-	7.69%	-
The Company	Tube Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	17,009	68,936	20.73%	22.08%
The Company	Tactus Technology Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-
The Company	Videti Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	226	11,228	0.96%	3.17%
The Company	Scenera, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	645	1,208	11.40%	-
The Company	Marvell Technology, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	86	98,143	0.01%	0.01%
The Company	Master Transportation Bus Manufacturing Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	2,375	124,083	5.52%	6.11%
The Company	AVIZ Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	3,781	37,152	6.72%	-
The Company	EV Motors Japan Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	-	57,296	2.31%	2.95%
The Company	IP Fund Six Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,634	42,608	10.72%	10.72%
The Company	Corsa Fund 2012 L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	17,971	20.00%	-
The Company	Jafo A1 Fund VI L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	181,360	6.67%	6.67%
The Company	Kibou Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	42,667	12.78%	12.78%
The Company	Fenox Venture Company XIV L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	-
The Company	Verex V (C.I.) Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	300,203	2.57%	3.11%
The Company	China Renewable Energy Fund, LP	Fund	Non-current financial assets at fair value through other comprehensive income	-	496,361	9.01%	9.01%
The Company	JAFCO Taiwan I Venture Capital L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	120,109	4.99%	4.99%
The Company	JAFCO Taiwan II Venture Capital L. P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	19,672	9.21%	9.21%
The Company	Princeton Nuenergy Inc.	SAFE	Non-current financial assets at fair value through profit or loss	-	73,392	-	-
AIH	Advance Powered & Energy Semiconductor, Inc.	Stock	Non-current financial assets at fair value through profit or loss	23,375	-	19.26%	-
WAKS	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	13,158	1,846,513	0.19%	0.19%
WCD	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	11,278	1,582,726	0.16%	-
WCQ	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	13,158	1,846,514	0.19%	-
WZS	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	18,797	2,637,876	0.27%	-
WCHK	VMWare, Inc.	Stock	Current financial assets at fair value through profit or loss	85	321,281	0.02%	0.04%
WCHK	Dell technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	204	251,506	0.03%	-
WCL	Alpha Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	3,892	109,740	0.72%	-

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Table 3 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2022)

Securities held by	Category and name of securities	Relationship	Financial statement account	(TWD : expressed in thousands)			
				December 31, 2022			Note
				Number of shares	Book value	Percentage of Ownership	
WCL	Howe advanced Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	500	-	1.74%	-
WCL	Clentron Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	626	14,151	0.98%	-
WCL	Vmedia Research	Stock	Non-current financial assets at fair value through other comprehensive income	324	-	1.25%	-
WCL	ARBOR Technology Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	2,005	54,238	2.14%	2.69%
WCL	Limbo CV Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,467	-	4.46%	-
WCL	ABC-KY	Stock	Non-current financial assets at fair value through other comprehensive income	1,725	53,460	2.11%	-
WCL	Formosoft International Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	365	-	13.95%	-
WCL	feilicheat Holdings Limited	Stock	Non-current financial assets at fair value through other comprehensive income	13	-	9.29%	-
WCL	AOOpen Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	1,042	36,813	1.46%	-
WCL	FineMat Applied Materials Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	302	8,458	0.46%	-
WCL	Bionspara, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	4,710	7,522	15.37%	-
WCL	Unity Opno Technology co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	5,263	-	1.14%	-
WCL	AVerMedia Information, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	495	22,919	0.53%	-
WCL	Netchips Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	5,167	243,221	5.41%	-
WCL	FunNow Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	160	31,194	3.33%	-
WCL	Ganzin Technology, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,000	6,596	6.78%	-
WCL	SMARTIQ LLC	Stock	Non-current financial assets at fair value through other comprehensive income	23	5,941	6.25%	-
WCL	Gemin data, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	16,140	-	5.56%	-
WCL	Akello Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	22,778	55,260	11.99%	-
WCL	Yallwood Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	1,200	15,000	3.95%	-
WCL	H2 Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,557	62,100	4.86%	-
WCL	APPWORKS FUND II CO., LTD.	Stock	Non-current financial assets at fair value through other comprehensive income	3,927	86,432	8.15%	-
WCL	APPWORKS FUND III CO. LTD.	Stock	Non-current financial assets at fair value through other comprehensive income	20,124	202,193	7.00%	-
WCL	Fund VII L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	56,959	10.80%	-
WCL	500 Startups V, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	200,529	3.57%	-
WCL	Verex Israel Opportunity II Fund	Fund	Non-current financial assets at fair value through other comprehensive income	-	67,962	1.78%	3.54%
WCL	Verex VI Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	48,492	1.31%	1.50%
WCL	IT-Farm J-Tech Fund Investment Limited	Fund	Non-current financial assets at fair value through other comprehensive income	-	15,933	16.67%	-
WCL	ACV CAPITAL III L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	119,167	1.46%	-
WCL	Cherubic Ventures Fund V, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	62,807	2.73%	-
WCL	AVV Alpha L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	8,919	2.86%	-
WCL	Storm Ventures Fund VII, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	12,755	2.46%	-
WCL	APPWORKS FUND IV L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	54,000	16.90%	-
WCL	feilicheat Holdings Limited	Bond	Non-current financial assets at fair value through profit or loss	-	-	-	-
WCL	Minutri Inc.	SAFE	Non-current financial assets at fair value through profit or loss	-	7,018	-	-
WDH	MOBAGEL INC	Stock	Non-current financial assets at fair value through other comprehensive income	1,121	13,572	-	-
WDH	InfuseAI, INC	Stock	Non-current financial assets at fair value through other comprehensive income	82	109,207	6.74%	6.93%
WDH	International Trust Machines Corporation	Stock	Non-current financial assets at fair value through other comprehensive income	6,000	1,821	8.73%	-
WDH	MeandMme INCORPORATED	Stock	Non-current financial assets at fair value through other comprehensive income	1,469	5,952	4.99%	5.02%
WDH	OmniEyes Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	2,683	59,023	8.91%	-
Win Smart	KEEN HIGH TECHNOLOGIES LIMITED.	Stock	Non-current financial assets at fair value through other comprehensive income	8,716	-	15.17%	-
WMH	Adimies Biotechnology(Cayman) Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	15,000	14,280	16.67%	-
WMH	Apollo Medical Optics Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	8,935	61,913	18.65%	20.21%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 3 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)

(December 31, 2022)

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2022				Highest percentage of shares during the period	Note
				Number of shares	Book value	Percentage of Ownership	Fair Value		
WMH	Hukai Biotechnology Corporation	Stock	Non-current financial assets at fair value through other comprehensive income	375	3,213	9.93%	3,213	10.22%	-
WMH	Spartan Bioscience Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	1,691	-	3.11%	-	3.11%	-
WMH	Plexbio Corporation, LTD	Stock	Non-current financial assets at fair value through other comprehensive income	1,500	17,970	1.45%	17,970	1.45%	-
WMH	DIAGNOSTICS FOR THE REAL WORLD LIMITED	Stock	Non-current financial assets at fair value through other comprehensive income	267	174,061	4.80%	174,061	4.80%	-
WMH	anWEAR Company Limited	Stock	Non-current financial assets at fair value through other comprehensive income	2	1,167	7.96%	1,167	7.96%	-
WMH	YSENSE CO., LTD.	Stock	Non-current financial assets at fair value through other comprehensive income	700	3,959	3.95%	-	3.95%	-
WMH	Darmiyun, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	124	-	0.36%	-	0.36%	-
WMH	JelloX Biotech Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	15,000	1,020	8.33%	1,020	8.33%	-
WMH	Smart Ageing Tech Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	1,800	16,976	5.58%	16,976	5.58%	-
WMH	Hikari Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	55,021	12.00%	55,021	12.00%	-
WMH	Pacific 8 Ventures fund I, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	328,852	17.82%	328,852	17.82%	-
WMH	Pacific 8 Ventures fund II, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	29,047	10.00%	29,047	10.00%	-
WMH	B-Tenia Inc.	Bond	Non-current financial assets at fair value through profit or loss	-	62,826	-	62,826	-	-
WMH	B-Tenia Inc.	Bond	Non-current financial assets at fair value through profit or loss	-	10,558	-	10,558	-	-

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$300 million or 20% of share capital

(December 31, 2022)

Securities held by	Category and name of securities	Financial statement account	Counter - party	Relationship with the investor	Beginning balance		Addition		Disposal			Ending balance		Note
					Shares/ Units	Amount	Shares/ Units	Amount	Book value	Gain/Loss on Disposal	Shares/ Units	Amount		
The Company	WLLC	Stock	(Note 2)	subsidiary	6,936	2,596,642	2,000	553,012	-	-	-	8,936	3,599,681	(Note 1)
The Company	WYHQ	Stock	(Note 3)	subsidiary	73,895	11,567,668	-	-	8,000	7,282,067	1,355,318	65,895	14,618,435	(Note 1)
The Company	AIH	Stock	(Note 2)	subsidiary	347,486	4,951,534	90,000	2,675,880	-	-	-	437,486	7,789,205	(Note 1)
The Company	WCA	Stock	(Note 2)	subsidiary	70,000	698,369	100,000	1,000,000	-	-	-	170,000	1,697,225	(Note 1)
WCD	FUBON BANK (CHINA) CO.,LTD-SDRMB Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	-	884,000	-	886,358	2,291	-	-	-
WCD	CHINA BOHAI BANK CO., LTD - Bohai Bank Structural Deposit-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	-	309,400	-	310,283	858	-	-	-
WCQ	FUBON BANK (CHINA) CO.,LTD-SDRMB(CHongQing) Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	-	552,500	-	554,598	2,039	-	-	-
WCQ	CHINA BOHAI BANK CO., LTD - Bohai Bank Structural Deposit-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	-	517,140	-	518,624	1,442	-	-	-
WLLC	WTT	Stock	(Note 2)	subsidiary	1,951	533,943	2,000	553,012	-	-	-	3,951	1,210,272	(Note 1)
WMKS	China Citic Bank-ZHIXIN EXCHANGE RATE LINKED RMB STRUCTURAL DEPOSIT PRODUCTS	Current financial assets at fair value through profit or loss	-	-	-	-	-	574,600	-	577,911	3,320	-	-	-
WMKS	FUBON BANK (CHINA) CO.,LTD-SDRMB(CSuzhou) Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	-	411,060	-	412,984	1,929	-	-	-
WTZS	Uphrow Morgan money market funds	Current financial assets at fair value through profit or loss	-	-	-	-	241,500	1,067,430	-	1,068,704	1,278	-	-	-
WYHQ	WYUS	Stock	(Note 2)	subsidiary	169,010	5,095,045	400,000	11,432,000	-	-	-	569,010	18,136,234	(Note 1)
WYHQ	WYMY	Equity-accounted investees	(Note 2)	subsidiary	35,214	232,596	301,550	2,064,385	-	-	-	336,764	2,504,502	(Note 1)
WYHQ	WYMX	Stock	(Note 2)	subsidiary	180,297	267,790	589,378	869,546	-	-	-	769,675	1,410,512	(Note 1)

(Note 1) The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

(Note 2) The entity issued ordinary shares for cash.

(Note 3) The Company disposed the equity-accounted investees.

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 5 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital
(December 31, 2022)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Relationships	Prior Transaction of Related Counterparty			Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount		
WVN	Property, plant and equipment - Plant	2022/9/30	2,502,295	Payment:95%	Jianxing Vietnam Construction Development Company Limited, Sheng Hwei Engineering Technology Company Limited	-	-	-	-	-	Not applicable because of engaging others to build on its lease land	For future operation
WYMY	Property, plant and equipment - Land	2021/9/16	278,306	Payment:50%	SENAI AIRPORT CITY SDN. BHD.	-	-	-	-	-	Refer to the appraisal report issued by professional appraiser	For future operation
WYMY	Property, plant and equipment - Land	2021/9/16	170,060	Payment:50%	SENAI AIRPORT CITY SDN. BHD.	-	-	-	-	-	Refer to the appraisal report issued by professional appraiser	For future operation
WYMY	Property, plant and equipment - Plant	2022/3/23	628,723	Payment:56%	HWA HIN SDN BHD	-	-	-	-	-	Not applicable because of engaging others to build on its own land	For future operation
WYMY	Property, plant and equipment - Plant	2022/8/15	1,935,677	Payment:6%	HWA HIN SDN BHD	-	-	-	-	-	Not applicable because of engaging others to build on its own land	For future operation

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Note to the Consolidated Financial Statements

Table 6 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
The Company	WJP	Subsidiary	Sales	2,222,321	0.32%	OA90	-	-	1,044,226	0.58%	(Note)
The Company	WTX	Subsidiary	Sales	2,930,262	0.43%	OA90	-	-	1,118,158	0.62%	(Note)
The Company	WMKS	Subsidiary	Sales	843,651	0.12%	OA90	-	-	185,771	0.10%	(Note)
The Company	WZS	Subsidiary	Sales	880,522	0.13%	OA90	-	-	11,624,817	6.49%	(Note)
The Company	WITX	Subsidiary	Sales	45,060,880	6.56%	OA150	-	-	29,270,251	16.34%	(Note)
The Company	WSCZ	Subsidiary	Sales	1,786,723	0.26%	OA90	-	-	335,692	0.19%	(Note)
The Company	FPI	Associate	Sales	261,597	0.04%	OA120	-	-	45,699	0.03%	-
The Company	WSSG	Subsidiary	Sales	878,546	0.13%	OA90	-	-	286,742	0.16%	(Note)
The Company	WMT	Subsidiary	Sales	267,870	0.04%	OA90	-	-	119,722	0.07%	(Note)
The Company	WIS	Subsidiary	Sales	895,347	0.13%	OA60	-	-	132,647	0.07%	(Note)
The Company	WMMY	Subsidiary	Sales	31,130,615	4.53%	OA90	-	-	2,325,729	1.30%	(Note)
The Company	KOE	Subsidiary	Sales	124,919	0.02%	OA60	-	-	95,915	0.05%	(Note)
The Company	WYHQ	Subsidiary	Sales	68,820,275	10.02%	OA45	-	-	10,566,385	5.90%	(Note)
The Company	WYUS	Subsidiary	Sales	377,447	0.05%	OA45	-	-	42,491	0.02%	(Note)
The Company	WTX	Subsidiary	Purchase	136,799	0.02%	OA60	-	-	(34,807)	0.03%	(Note)
The Company	WZS	Subsidiary	Purchase	124,779,372	19.23%	OA90	-	-	(10,321,413)	7.66%	(Note)
The Company	WITX	Subsidiary	Purchase	685,976	0.11%	OA90	-	-	(12,600)	0.01%	(Note)
The Company	WAKS	Subsidiary	Purchase	17,536,288	2.70%	OA90	-	-	(3,299,678)	2.45%	(Note)
The Company	WSKS	Subsidiary	Purchase	4,545,634	0.70%	OA60	-	-	(591,742)	0.44%	(Note)
The Company	WCQ	Subsidiary	Purchase	102,432,248	15.79%	OA90	-	-	(20,213,948)	15.00%	(Note)
The Company	WCD	Subsidiary	Purchase	213,389,287	32.89%	OA30	-	-	(28,604,028)	21.22%	(Note)
The Company	WSCZ	Subsidiary	Purchase	153,962	0.02%	OA60	-	-	(33,922)	0.03%	(Note)
The Company	WSCQ	Subsidiary	Purchase	9,195,531	1.42%	OA60	-	-	(811,402)	0.60%	(Note)
The Company	FPI	Associate	Purchase	709,183	0.11%	OA50	-	-	(42,578)	0.03%	-
The Company	WSSG	Subsidiary	Purchase	430,415	0.07%	OA60	-	-	(125,390)	0.09%	(Note)
The Company	WSPH	Subsidiary	Purchase	507,403	0.08%	OA30	-	-	(74,853)	0.06%	(Note)
The Company	WMMY	Subsidiary	Purchase	15,272,965	2.35%	OA90	-	-	(5,030,499)	3.73%	(Note)
The Company	WMMI	Subsidiary	Purchase	57,553,720	8.87%	OA45	-	-	(17,517,175)	12.99%	(Note)
The Company	WQOK	Subsidiary	Purchase	14,355,700	2.21%	OA90	-	-	(3,246,137)	2.41%	(Note)
The Company	WCCD	Subsidiary	Purchase	584,458	0.09%	OA90	-	-	(168,943)	0.13%	(Note)
The Company	WYHQ	Subsidiary	Purchase	1,174,903	0.18%	OA90	-	-	(789,884)	0.59%	(Note)
The Company	WYUS	Subsidiary	Purchase	2,873,616	0.44%	OA90	-	-	(1,188,922)	0.88%	(Note)
AGI	The Company	Subsidiary	Sales	252,747	-	OA90	-	-	41,580	12.06%	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Note to the Consolidated Financial Statements

Table 6 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
WAKS	The Company	Subsidiary	Sales	17,536,288	89.56%	OA90	-	-	3,299,678	93.71%	(Note)
WAKS	WCQ	Affiliate	Sales	1,151,346	5.88%	OA90	-	-	193	0.01%	(Note)
WAKS	WCD	Affiliate	Sales	151,582	0.77%	OA90	-	-	2	-	(Note)
WAKS	WMMY	Affiliate	Sales	632,449	3.23%	OA90	-	-	268,135	7.61%	(Note)
WAKS	WMMY	Affiliate	Purchase	241,520	1.39%	OA90	-	-	(32,853)	1.00%	(Note)
WBR	WYHQ	Affiliate	Purchase	825,848	39.29%	OA90	-	-	(468,219)	47.60%	(Note)
WBR	WYUS	Affiliate	Purchase	1,130,498	53.79%	OA90	-	-	(499,332)	50.76%	(Note)
WCCD	The Company	Subsidiary	Sales	584,458	99.16%	OA90	-	-	168,943	100.00%	(Note)
WCCD	WCD	Affiliate	Purchase	566,911	100.00%	OA90	-	-	(261,311)	100.00%	(Note)
WCCZ	The Company	Subsidiary	Sales	557,393	83.04%	OA120	-	-	119,628	60.31%	(Note)
WCD	WZS	Affiliate	Sales	116,638	0.05%	OA30	-	-	36,537	0.09%	(Note)
WCD	The Company	Subsidiary	Sales	213,389,287	91.90%	OA30	-	-	28,604,028	73.70%	(Note)
WCD	WSKS	Affiliate	Sales	3,178,978	1.37%	OA90	-	-	822,703	2.12%	(Note)
WCD	WCQ	Affiliate	Sales	10,189,896	4.39%	OA90	-	-	8,313,671	21.42%	(Note)
WCD	WSCQ	Affiliate	Sales	129,306	0.06%	OA90	-	-	-	-	(Note)
WCD	WMMY	Affiliate	Sales	3,651,435	1.57%	OA90	-	-	1,007,826	2.60%	(Note)
WCD	WCCD	Affiliate	Sales	566,911	0.24%	OA90	-	-	261,311	0.67%	(Note)
WCD	WNC	Associate	Purchase	215,206	0.10%	OA90	-	-	(54,138)	0.14%	-
WCD	WZS	Affiliate	Purchase	122,876	0.06%	OA90	-	-	(992)	-	(Note)
WCD	WAKS	Affiliate	Purchase	151,582	0.07%	OA90	-	-	(2)	-	(Note)
WCD	WCQ	Affiliate	Purchase	10,227,898	4.57%	OA90	-	-	(7,739,050)	19.58%	(Note)
WCD	WMMY	Affiliate	Purchase	6,949,330	3.10%	OA90	-	-	(3,046,936)	7.71%	(Note)
WCQ	The Company	Subsidiary	Sales	102,432,248	87.31%	OA90	-	-	20,213,948	68.21%	(Note)
WCQ	WCD	Affiliate	Sales	10,227,898	8.72%	OA90	-	-	7,739,050	26.11%	(Note)
WCQ	WSCQ	Affiliate	Sales	1,508,651	1.29%	OA90	-	-	547,519	1.85%	(Note)
WCQ	WMMY	Affiliate	Sales	2,296,668	1.96%	OA90	-	-	1,132,948	3.82%	(Note)
WCQ	FLT	Associate	Purchase	218,631	0.20%	OA90	-	-	(69,167)	0.19%	-
WCQ	WAKS	Affiliate	Purchase	1,151,346	1.05%	OA90	-	-	(193)	-	(Note)
WCQ	WCD	Affiliate	Purchase	10,189,896	9.31%	OA90	-	-	(8,313,671)	22.51%	(Note)
WCQ	WMMY	Affiliate	Purchase	1,880,950	1.72%	OA90	-	-	(683,906)	1.85%	(Note)
WIMX	WMX	Affiliate	Sales	159,114	45.61%	OA15	-	-	-	-	(Note)
WIMX	WYMX	Affiliate	Sales	189,717	54.39%	OA15	-	-	-	-	(Note)
WIN	WYHQ	Affiliate	Purchase	434,444	89.58%	OA30	-	-	(52,918)	64.98%	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Note to the Consolidated Financial Statements

Table 6 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)		
WIS	The Company	Subsidiary	Purchase	895,347	95.71%	OA60	-	-	(132,647)	82.68%	(Note)	
WITT	WITX	Affiliate	Sales	358,680	100.00%	OA30	-	-	49,235	97.30%	(Note)	
WITT	WZS	Affiliate	Purchase	206,558	26.78%	OA90	-	-	-	-	(Note)	
WITX	The Company	Subsidiary	Sales	685,976	1.33%	OA90	-	-	12,600	0.08%	(Note)	
WITX	WYUS	Affiliate	Sales	4,288,851	8.23%	OA45	-	-	1,472,759	9.85%	(Note)	
WITX	The Company	Subsidiary	Purchase	45,060,850	80.66%	OA150	-	-	(29,270,251)	91.67%	(Note)	
WITX	WYHQ	Affiliate	Purchase	214,313	0.38%	OA90	-	-	(35,285)	0.11%	(Note)	
WJP	The Company	Subsidiary	Purchase	2,222,321	100.00%	OA90	-	-	(1,044,226)	98.55%	(Note)	
WMKS	The Company	Subsidiary	Purchase	843,651	46.13%	OA90	-	-	(185,771)	39.14%	(Note)	
WMMI	The Company	Subsidiary	Sales	57,553,720	97.40%	OA45	-	-	17,517,175	96.23%	(Note)	
WMMY	WZS	Affiliate	Sales	470,022	0.50%	OA90	-	-	62,044	0.38%	(Note)	
WMMY	WAKS	Affiliate	Sales	241,520	0.25%	OA90	-	-	32,853	0.20%	(Note)	
WMMY	The Company	Subsidiary	Sales	15,272,965	16.12%	OA90	-	-	5,030,499	31.06%	(Note)	
WMMY	WCD	Affiliate	Sales	6,949,330	7.33%	OA90	-	-	3,046,936	18.81%	(Note)	
WMMY	WCQ	Affiliate	Sales	1,880,950	1.98%	OA90	-	-	683,906	4.22%	(Note)	
WMMY	WTZS	Affiliate	Sales	385,285	0.41%	OA90	-	-	38,357	0.24%	(Note)	
WMMY	WZS	Affiliate	Purchase	30,641,696	33.58%	OA90	-	-	(9,566,753)	55.47%	(Note)	
WMMY	WAKS	Affiliate	Purchase	632,449	0.69%	OA90	-	-	(268,135)	1.56%	(Note)	
WMMY	The Company	Subsidiary	Purchase	31,130,615	34.13%	OA90	-	-	(2,325,729)	13.49%	(Note)	
WMMY	WCD	Affiliate	Purchase	3,651,435	4.00%	OA90	-	-	(1,007,826)	5.84%	(Note)	
WMMY	WCQ	Affiliate	Purchase	2,296,668	2.52%	OA90	-	-	(1,132,948)	6.57%	(Note)	
WMT	The Company	Subsidiary	Purchase	267,870	81.54%	OA90	-	-	(119,722)	87.14%	(Note)	
WMX	WITT	Affiliate	Sales	2,619,431	82.98%	OA60	-	-	395,122	86.97%	(Note)	
WMX	WYUS	Affiliate	Sales	511,774	16.21%	OA60	-	-	58,788	12.94%	(Note)	
WOOK	The Company	Subsidiary	Sales	14,355,700	98.15%	OA90	-	-	3,246,137	99.97%	(Note)	
WOOK	WZS	Affiliate	Sales	196,551	1.34%	OA90	-	-	44,876	1.38%	(Note)	
WOOK	WTZ	Affiliate	Purchase	151,218	1.16%	OA90	-	-	(66,271)	3.88%	(Note)	
WSCQ	The Company	Subsidiary	Sales	9,195,531	97.28%	OA60	-	-	811,402	96.97%	(Note)	
WSCQ	WSKS	Affiliate	Sales	114,826	1.21%	OA60	-	-	3,619	0.43%	(Note)	
WSCQ	WCQ	Affiliate	Purchase	1,508,651	15.22%	OA90	-	-	(547,519)	31.53%	(Note)	
WSCQ	WCD	Affiliate	Purchase	129,306	1.30%	OA90	-	-	-	-	(Note)	
WSCZ	The Company	Subsidiary	Sales	153,962	3.48%	OA60	-	-	33,922	3.75%	(Note)	
WSCZ	The Company	Subsidiary	Purchase	1,786,723	45.43%	OA90	-	-	(335,692)	48.42%	(Note)	

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Note to the Consolidated Financial Statements

Table 6 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
WSKS	The Company	Subsidiary	Sales	4,545,634	96.74%	OA60	-	-	591,742	94.43%	(Note)
WSKS	WSCQ	Affiliate	Purchase	114,826	3.26%	OA60	-	-	(3,619)	0.41%	(Note)
WSKS	WCD	Affiliate	Purchase	3,178,978	90.34%	OA90	-	-	(822,703)	93.04%	(Note)
WSMX	WTX	Affiliate	Purchase	123,148	39.10%	OA60	-	-	(25,680)	90.50%	(Note)
WSPH	The Company	Subsidiary	Sales	507,403	100.00%	OA30	-	-	74,853	91.13%	(Note)
WSSG	The Company	Subsidiary	Purchase	878,546	26.70%	OA90	-	-	(286,742)	50.52%	(Note)
WSSG	The Company	Subsidiary	Sales	430,415	12.44%	OA60	-	-	125,390	16.62%	(Note)
WSSG	WYHQ	Affiliate	Sales	242,263	7.00%	OA60	-	-	10,487	1.39%	(Note)
WSSG	WZS	Affiliate	Sales	263,866	7.63%	OA90	-	-	46,267	6.13%	(Note)
WTS	The Company	Subsidiary	Sales	107,465	100.00%	OA15	-	-	9,364	100.00%	(Note)
WTX	The Company	Subsidiary	Purchase	2,930,262	88.96%	OA90	-	-	(1,118,158)	88.50%	(Note)
WTX	The Company	Subsidiary	Sales	136,799	2.69%	OA60	-	-	34,807	6.71%	(Note)
WTX	WSMX	Affiliate	Sales	123,148	2.42%	OA60	-	-	25,680	4.95%	(Note)
WTZ	WOOK	Affiliate	Sales	151,218	2.32%	OA90	-	-	66,271	11.98%	(Note)
WTZS	WZS	Affiliate	Sales	1,013,084	25.79%	OA90	-	-	258,470	23.76%	(Note)
WTZS	The Company	Subsidiary	Sales	828,545	21.09%	OA90	-	-	272,108	25.01%	(Note)
WTZS	WZS	Affiliate	Purchase	1,637,603	87.51%	OA90	-	-	(751,397)	96.28%	(Note)
WTZS	WMMY	Affiliate	Purchase	385,285	20.58%	OA90	-	-	(38,357)	4.91%	(Note)
WVN	WMMY	Affiliate	Sales	565,903	99.46%	OA90	-	-	245,269	100.00%	(Note)
WYHK	WYHQ	Subsidiary	Purchase	1,020,728	99.97%	OA90	-	-	(307,258)	99.90%	(Note)
WYHQ	WIN	Affiliate	Sales	433,505	0.43%	OA90	-	-	107,148	0.41%	(Note)
WYHQ	WBR	Affiliate	Sales	856,557	0.84%	OA90	-	-	468,216	1.80%	(Note)
WYHQ	WYUS	Subsidiary	Sales	43,730,667	43.12%	OA150	-	-	18,506,683	71.04%	(Note)
WYHQ	WYJP	Subsidiary	Sales	3,078,534	3.04%	OA90	-	-	738,647	2.84%	(Note)
WYHQ	WYKR	Subsidiary	Sales	1,408,518	1.39%	OA90	-	-	92,743	0.36%	(Note)
WYHQ	WYHK	Subsidiary	Sales	1,020,728	1.01%	OA90	-	-	307,258	1.18%	(Note)
WYHQ	WYKS	Subsidiary	Sales	452,776	0.45%	OA90	-	-	145,474	0.56%	(Note)
WYHQ	The Company	Subsidiary	Purchase	69,270,472	87.77%	OA45	-	-	(9,795,920)	87.07%	(Note)
WYHQ	WSSG	Affiliate	Purchase	162,799	0.21%	OA60	-	-	(10,351)	0.09%	(Note)
WYHQ	WYUS	Subsidiary	Purchase	1,462,484	1.85%	OA90	-	-	(422,290)	3.75%	(Note)
WYJP	WYHQ	Subsidiary	Purchase	3,078,534	100.00%	OA90	-	-	(738,647)	100.00%	(Note)
WYKR	WYHQ	Subsidiary	Purchase	1,408,518	100.00%	OA90	-	-	(92,743)	100.00%	(Note)
WYKS	WYHQ	Subsidiary	Purchase	452,776	100.00%	OA90	-	-	(145,474)	100.00%	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Note to the Consolidated Financial Statements

Table 6 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
WYMX	WYUS	Affiliate	Sales	2,244,616	100.00%	OA60	-	-	260,832	100.00%	(Note)
WYUS	WBR	Affiliate	Sales	1,020,882	0.43%	OA90	-	-	499,328	4.00%	(Note)
WYUS	WYHQ	Subsidiary	Sales	1,462,484	0.75%	OA90	-	-	422,290	3.42%	(Note)
WYUS	WMX	Affiliate	Purchase	545,497	0.24%	OA90	-	-	(59,199)	0.17%	(Note)
WYUS	The Company	Subsidiary	Purchase	374,431	0.16%	OA90	-	-	(42,491)	0.12%	(Note)
WYUS	WITX	Affiliate	Purchase	4,270,030	1.87%	OA90	-	-	(1,472,759)	4.28%	(Note)
WYUS	WYHQ	Subsidiary	Purchase	43,730,667	21.00%	OA150	-	-	(18,506,683)	53.80%	(Note)
WYUS	WYMX	Affiliate	Purchase	2,244,616	0.98%	OA60	-	-	(260,832)	0.76%	(Note)
WZS	The Company	Subsidiary	Sales	124,779,372	77.10%	OA90	-	-	10,321,413	48.04%	(Note)
WZS	WZS	Affiliate	Sales	1,637,603	1.01%	OA90	-	-	751,397	3.50%	(Note)
WZS	WCD	Affiliate	Sales	122,876	0.08%	OA90	-	-	992	-	(Note)
WZS	WITT	Affiliate	Sales	206,558	0.13%	OA90	-	-	-	-	(Note)
WZS	WMMY	Affiliate	Sales	30,641,696	18.93%	OA90	-	-	9,566,753	44.53%	(Note)
WZS	LYZ	Associate	Purchase	696,770	0.49%	OA120	-	-	(316,083)	1.05%	-
WZS	The Company	Subsidiary	Purchase	880,522	0.62%	OA90	-	-	(11,624,817)	38.54%	(Note)
WZS	HYZS	Associate	Purchase	314,871	0.22%	OA90	-	-	(98,700)	0.33%	-
WZS	TPE	Associate	Purchase	220,482	0.15%	OA90	-	-	(36,686)	0.12%	-
WZS	TZS	Associate	Purchase	163,594	0.11%	OA90	-	-	(36,069)	0.12%	-
WZS	WCD	Affiliate	Purchase	116,638	0.08%	OA30	-	-	(36,537)	0.12%	(Note)
WZS	WSSG	Affiliate	Purchase	263,866	0.18%	OA90	-	-	(46,267)	0.16%	(Note)
WZS	WMMY	Affiliate	Purchase	470,022	0.33%	OA90	-	-	(62,044)	0.21%	(Note)
WZS	WQOK	Affiliate	Purchase	196,551	0.14%	OA90	-	-	(44,876)	0.15%	(Note)
WZS	WYHQ	Affiliate	Purchase	758,878	0.53%	OA90	-	-	(58,016)	0.19%	(Note)

(TWD : expressed in thousands)

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

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate		Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
						Amount	Action taken			
The Company	WJP	Subsidiary	1,044,226	214.04%	-	596,683	Collecting	79,163	-	(Note)
The Company	WTX	Subsidiary	1,118,158	265.54%	-	496,951	Collecting	30,593	-	(Note)
The Company	WMKS	Subsidiary	185,771	334.71%	-	-	-	62,950	-	(Note)
The Company	WZS	Subsidiary	11,624,817	4.80%	-	4,388,794	Collecting	3,154,165	-	(Note)
The Company	WITX	Subsidiary	29,270,251	185.52%	-	12,592,732	Collecting	5,895,939	-	(Note)
The Company	WAKS	Subsidiary	161,014	0.01%	-	-	-	-	-	(Note)
The Company	WTZ	Subsidiary	400,437	-	-	-	-	-	-	(Note)
The Company	WCQ	Subsidiary	18,182,374	-	-	3,428,955	Collecting	7,615,688	-	(Note)
The Company	WCD	Subsidiary	19,974,230	0.05%	-	3,802,854	Collecting	16,183,116	-	(Note)
The Company	WSCZ	Subsidiary	335,692	446.61%	-	3,522	Collecting	127,247	-	(Note)
The Company	WSSG	Subsidiary	286,742	220.06%	-	82,764	Collecting	82,794	-	(Note)
The Company	WMT	Subsidiary	119,722	404.02%	-	11,745	Collecting	23,383	-	(Note)
The Company	WIS	Subsidiary	132,647	461.93%	-	2,057	Collecting	66,933	-	(Note)
The Company	WMMY	Subsidiary	2,325,729	86.12%	-	-	-	-	-	(Note)
The Company	WMMI	Subsidiary	30,193,715	-	-	656,883	Collecting	11,765,290	-	(Note)
The Company	WOOK	Subsidiary	1,386,563	-	-	-	-	1,228,553	-	(Note)
The Company	WYHQ	Subsidiary	10,566,385	706.89%	-	566,138	Collecting	8,693,227	-	(Note)
WAKS	The Company	Subsidiary	3,299,678	558.82%	-	-	-	2,938,644	-	(Note)
WCCD	The Company	Affiliate	268,135	131.88%	-	-	-	264,930	-	(Note)
WCCZ	The Company	Subsidiary	168,943	307.09%	-	-	-	75,863	-	(Note)
WCD	The Company	Subsidiary	119,628	238.85%	-	-	-	-	-	(Note)
WCD	The Company	Subsidiary	28,604,028	550.05%	-	-	-	28,028,222	-	(Note)
WCD	WSKS	Affiliate	822,703	352.79%	-	-	-	420,301	-	(Note)
WCD	WCQ	Affiliate	8,313,671	228.20%	-	-	-	1,521	-	(Note)
WCD	WMMY	Affiliate	1,007,826	243.35%	-	-	-	448,223	-	(Note)
WCD	WCCD	Affiliate	261,311	220.05%	-	-	-	55,279	-	(Note)
WCQ	The Company	Subsidiary	20,213,948	449.71%	-	-	-	10,024,424	-	(Note)
WCQ	WCD	Affiliate	7,739,050	245.81%	-	-	-	3,074,022	-	(Note)
WCQ	WSCQ	Affiliate	547,519	416.22%	-	-	-	78,664	-	(Note)
WCQ	WMMY	Affiliate	1,132,948	416.71%	-	-	-	407,469	-	(Note)
WITX	WYUS	Affiliate	1,472,759	392.86%	-	-	-	-	-	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate		Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
						Amount	Action taken			
WMMI	The Company	Subsidiary	17,517,175	443.89%	-	-	-	16,860,665	-	(Note)
WMMY	The Company	Subsidiary	5,030,499	475.72%	-	-	-	1,647,150	-	(Note)
WMMY	WCD	Affiliate	3,046,936	290.64%	-	-	-	767,774	-	(Note)
WMMY	WCQ	Affiliate	683,906	258.19%	-	-	-	1,014	-	(Note)
WMX	WITT	Affiliate	395,122	1018.18%	-	-	-	-	-	(Note)
WOOK	The Company	Subsidiary	3,246,137	513.92%	-	-	-	1,717,667	-	(Note)
WSCQ	The Company	Subsidiary	811,402	858.56%	-	-	-	794,046	-	(Note)
WSKS	The Company	Subsidiary	591,742	539.73%	-	-	-	-	-	(Note)
WSSG	The Company	Subsidiary	125,390	425.29%	-	-	-	-	-	(Note)
WTZS	WZS	Affiliate	258,470	285.62%	-	-	-	-	-	(Note)
WTZS	The Company	Subsidiary	272,108	357.12%	-	-	Collecting	-	-	(Note)
WVN	WMMY	Affiliate	245,269	250.38%	-	-	-	-	-	(Note)
WYHQ	WIN	Affiliate	107,148	251.80%	-	-	-	115,275	-	(Note)
WYHQ	WBR	Affiliate	468,216	282.43%	-	-	-	14,105	-	(Note)
WYHQ	WYUS	Subsidiary	18,506,683	259.59%	-	-	Collecting	-	-	(Note)
WYHQ	WYJP	Subsidiary	738,647	524.27%	-	-	-	-	-	(Note)
WYHQ	WYHK	Subsidiary	307,258	663.50%	-	-	-	-	-	(Note)
WYHQ	WYKS	Subsidiary	145,474	216.51%	-	-	-	-	-	(Note)
WYMX	WYUS	Affiliate	260,832	1059.16%	-	-	-	260,832	-	(Note)
WYUS	WBR	Affiliate	499,328	397.74%	-	-	-	48,726	-	(Note)
WYUS	WYHQ	Subsidiary	422,290	830.01%	-	-	-	-	-	(Note)
WZS	The Company	Subsidiary	10,321,413	620.60%	-	-	Collecting	630,973	-	(Note)
WZS	WTZS	Affiliate	751,397	144.52%	-	-	Collecting	274,900	-	(Note)
WZS	WMMY	Affiliate	9,566,753	330.31%	-	-	Collecting	2,220,927	-	(Note)
Other receivables										
The Company	KOE	Subsidiary	1,503,354	-	-	-	-	87	-	(Note)
The Company	WITX	Subsidiary	533,934	-	-	106,132	Collecting	-	-	(Note)
The Company	WMMI	Subsidiary	163,921	-	-	-	-	-	-	(Note)
WAKS	WGKS	Affiliate	700,464	-	-	-	-	135	-	(Note)
WAKS	WMMY	Affiliate	133,562	-	-	-	-	4,778	-	(Note)
WAKS	WTZ	Affiliate	623,551	-	-	-	-	9,340	-	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

(TWD : expressed in thousands)									
Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
					Amount	Action taken			
WAKS	XTRKS	Subsidiary	133,334	-	-	-	6,634	-	(Note)
WCCZ	WSCZ	Affiliate	611,491	-	-	-	-	-	(Note)
WCCZ	WVN	Affiliate	1,375,856	-	-	-	-	-	(Note)
WCD	The Company	Subsidiary	925,806	-	-	-	-	-	(Note)
WCD	WTZ	Affiliate	2,765,379	-	-	-	-	-	(Note)
WCD	WVN	Affiliate	115,222	-	-	-	-	-	(Note)
WCH	WGTX	Affiliate	133,540	-	-	-	-	-	(Note)
WCH	WIMX	Affiliate	214,956	-	-	-	-	-	(Note)
WCHK	WSPH	Affiliate	403,299	-	-	-	-	-	(Note)
WCQ	WMCQ	Affiliate	175,748	-	-	-	-	-	(Note)
WCQ	WSCQ	Affiliate	922,139	-	-	-	-	-	(Note)
WCQ	WTZ	Affiliate	1,228,625	-	-	-	-	-	(Note)
WCQ	WVN	Affiliate	1,859,290	-	-	-	-	-	(Note)
WTT	WITX	Affiliate	223,531	-	-	-	-	-	(Note)
WMKS	WOSH	Affiliate	132,629	-	-	-	-	-	(Note)
WMKS	XTRKS	Affiliate	331,574	-	-	-	-	-	(Note)
WMMY	The Company	Subsidiary	280,758	-	-	-	-	-	(Note)
WSSG	WMMI	Subsidiary	3,719,576	-	-	-	-	-	(Note)
WTZ	WOOK	Affiliate	162,073	-	-	-	63,035	-	(Note)
WYHQ	WYJP	Subsidiary	163,841	-	-	-	-	-	(Note)
WYHQ	WYUS	Subsidiary	1,348,896	-	-	-	-	-	(Note)
WYUS	The Company	Subsidiary	1,188,545	-	2,163	Collecting	52,478	-	(Note)
WYUS	WYHQ	Subsidiary	366,774	-	1,687	Collecting	-	-	(Note)
WZS	WTZ	Affiliate	1,843,245	-	-	-	-	-	(Note)

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

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8 Business relationships and significant inter-company transactions
(December 31, 2022)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			
				Financial statement account	Amount	Credit term	Percentage of consolidated sales revenue and total assets (Note 2)
0	The Company	WYHQ	1	Sales	68,820,275	OA45	6.99%
0	The Company	WITX	1	Sales	45,060,850	OA150	4.58%
0	The Company	WMMY	1	Sales	31,130,615	OA90	3.16%
0	The Company	WITX	1	Sales	2,930,262	OA90	0.30%
0	The Company	WJP	1	Sales	2,222,321	OA90	0.23%
0	The Company	WSCZ	1	Sales	1,786,723	OA90	0.18%
0	The Company	WIS	1	Sales	895,347	OA60	0.09%
0	The Company	WZS	1	Sales	880,522	OA90	0.09%
0	The Company	WSSG	1	Sales	878,546	OA90	0.09%
0	The Company	WMKS	1	Sales	843,651	OA90	0.09%
0	The Company	WYUS	1	Sales	377,447	OA45	0.04%
0	The Company	WMT	1	Sales	267,870	OA90	0.03%
0	The Company	KOE	1	Sales	124,919	OA60	0.01%
0	The Company	WMMI	1	Trade Receivables	30,193,715	OA180	6.97%
0	The Company	WITX	1	Trade Receivables	29,270,251	OA150	6.76%
0	The Company	WCD	1	Trade Receivables	19,974,230	OA60	4.61%
0	The Company	WCQ	1	Trade Receivables	18,182,374	OA90	4.20%
0	The Company	WZS	1	Trade Receivables	11,624,817	OA90	2.69%
0	The Company	WYHQ	1	Trade Receivables	10,566,385	OA45	2.44%
0	The Company	WMMY	1	Trade Receivables	2,325,729	OA90	0.54%
0	The Company	WOOK	1	Trade Receivables	1,386,563	OA90	0.52%
0	The Company	WITX	1	Trade Receivables	1,118,158	OA90	0.26%
0	The Company	WJP	1	Trade Receivables	1,044,226	OA90	0.24%
0	The Company	WTZ	1	Trade Receivables	400,437	OA90	0.09%
0	The Company	WSCZ	1	Trade Receivables	335,692	OA90	0.08%
0	The Company	WSSG	1	Trade Receivables	286,742	OA90	0.07%
0	The Company	WMKS	1	Trade Receivables	185,771	OA90	0.04%
0	The Company	WAKS	1	Trade Receivables	161,014	OA120	0.04%
0	The Company	WIS	1	Trade Receivables	132,647	OA60	0.03%
0	The Company	WMT	1	Trade Receivables	119,722	OA90	0.03%

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8 Business relationships and significant inter-company transactions
(December 31, 2022)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			
				Financial statement account	Amount	Credit term	Percentage of consolidated sales revenue and total assets (Note 2)
1	AGI	The Company	2	Sales	252,747	OA90	0.03%
2	WAKS	The Company	2	Sales	17,536,288	OA90	1.78%
2	WAKS	WCQ	3	Sales	1,151,346	OA90	0.12%
2	WAKS	WMMY	3	Sales	632,449	OA90	0.06%
2	WAKS	WCD	3	Sales	151,582	OA90	0.02%
2	WAKS	The Company	2	Trade Receivables	3,299,678	OA90	0.76%
2	WAKS	WMMY	3	Trade Receivables	268,135	OA90	0.06%
3	WCCD	The Company	2	Sales	584,458	OA90	0.06%
3	WCCD	The Company	2	Trade Receivables	168,943	OA90	0.04%
4	WCCZ	The Company	2	Sales	557,393	OA120	0.06%
4	WCCZ	The Company	2	Trade Receivables	119,628	OA120	0.03%
5	WCD	The Company	2	Sales	213,389,287	OA30	21.67%
5	WCD	WCQ	3	Sales	10,189,896	OA90	1.03%
5	WCD	WMMY	3	Sales	3,651,435	OA90	0.37%
5	WCD	WSKS	3	Sales	3,178,978	OA90	0.32%
5	WCD	WCCD	3	Sales	566,911	OA90	0.06%
5	WCD	WSCQ	3	Sales	129,306	OA90	0.01%
5	WCD	WZS	3	Sales	116,638	OA30	0.01%
5	WCD	The Company	2	Trade Receivables	28,604,028	OA30	6.61%
5	WCD	WCQ	3	Trade Receivables	8,313,671	OA90	1.92%
5	WCD	WMMY	3	Trade Receivables	1,007,826	OA90	0.23%
5	WCD	WSKS	3	Trade Receivables	822,703	OA90	0.19%
5	WCD	WCCD	3	Trade Receivables	261,311	OA90	0.06%
6	WCQ	The Company	2	Sales	102,432,248	OA90	10.40%
6	WCQ	WCD	3	Sales	10,227,898	OA90	1.04%
6	WCQ	WMMY	3	Sales	2,296,668	OA90	0.23%
6	WCQ	WSCQ	3	Sales	1,508,651	OA90	0.15%
6	WCQ	The Company	2	Trade Receivables	20,213,948	OA90	4.67%
6	WCQ	WCD	3	Trade Receivables	7,739,050	OA90	1.79%
6	WCQ	WMMY	3	Trade Receivables	1,132,948	OA90	0.26%

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8 Business relationships and significant inter-company transactions
(December 31, 2022)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			
				Financial statement account	Amount	Credit term	Percentage of consolidated sales revenue and total assets (Note 2)
6	WCQ	WSCQ	3	Trade Receivables	547,519	OA90	0.13%
7	WIMX	WYMX	3	Sales	189,717	OA15	0.02%
7	WIMX	WMX	3	Sales	159,114	OA15	0.02%
8	WITT	WITX	3	Sales	358,680	OA30	0.04%
9	WITX	WYUS	3	Sales	4,288,851	OA45	0.44%
9	WITX	The Company	2	Sales	685,976	OA90	0.07%
9	WITX	WYUS	3	Trade Receivables	1,472,759	OA45	0.34%
10	WMMI	The Company	2	Sales	57,553,720	OA45	5.85%
10	WMMI	The Company	2	Trade Receivables	17,517,175	OA45	4.05%
11	WMMY	The Company	2	Sales	15,272,965	OA90	1.55%
11	WMMY	WCD	3	Sales	6,949,330	OA90	0.71%
11	WMMY	WCQ	3	Sales	1,880,950	OA90	0.19%
11	WMMY	WZS	3	Sales	470,022	OA90	0.05%
11	WMMY	WITZS	3	Sales	385,285	OA90	0.04%
11	WMMY	WAKS	3	Sales	241,520	OA90	0.02%
11	WMMY	The Company	2	Trade Receivables	5,030,499	OA90	1.16%
11	WMMY	WCD	3	Trade Receivables	3,046,936	OA90	0.70%
11	WMMY	WCQ	3	Trade Receivables	683,906	OA90	0.16%
12	WMX	WITT	3	Sales	2,619,431	OA60	0.27%
12	WMX	WYUS	3	Sales	511,774	OA60	0.05%
12	WMX	WITT	3	Trade Receivables	395,122	OA60	0.09%
13	WOOK	The Company	2	Sales	14,355,700	OA90	1.46%
13	WOOK	WZS	3	Sales	196,551	OA90	0.02%
13	WOOK	The Company	2	Trade Receivables	3,246,137	OA90	0.75%
14	WSCQ	The Company	2	Sales	9,195,531	OA60	0.93%
14	WSCQ	WSKS	3	Sales	114,826	OA60	0.01%
14	WSCQ	The Company	2	Trade Receivables	811,402	OA60	0.19%
15	WSCZ	The Company	2	Sales	153,962	OA60	0.02%
16	WSKS	The Company	2	Sales	4,545,634	OA60	0.46%
16	WSKS	The Company	2	Trade Receivables	591,742	OA60	0.14%

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
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Table 8 Business relationships and significant inter-company transactions
(December 31, 2022)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction		
				Financial statement account	Amount	Percentage of consolidated sales revenue and total assets (Note 2)
17	WSPH	The Company	2	Sales	507,403	0.05%
18	WSSG	The Company	2	Sales	430,415	0.04%
18	WSSG	WZS	3	Sales	263,866	0.03%
18	WSSG	WYHQ	3	Sales	242,263	0.02%
18	WSSG	The Company	2	Trade Receivables	125,390	0.03%
19	WTS	The Company	2	Sales	107,465	0.01%
20	WTX	The Company	2	Sales	136,799	0.01%
20	WTX	WSMX	3	Sales	123,148	0.01%
21	WTZ	WOOK	3	Sales	151,218	0.02%
22	WTZS	WZS	3	Sales	1,013,084	0.10%
22	WTZS	The Company	2	Sales	828,545	0.08%
22	WTZS	The Company	2	Trade Receivables	272,108	0.06%
22	WTZS	WZS	3	Trade Receivables	258,470	0.06%
23	WVN	WMMY	3	Sales	565,903	0.06%
23	WVN	WMMY	3	Trade Receivables	245,269	0.06%
24	WYHQ	WYUS	1	Sales	43,730,667	4.44%
24	WYHQ	WYJP	1	Sales	3,078,534	0.31%
24	WYHQ	WYKR	1	Sales	1,408,518	0.14%
24	WYHQ	WYHK	1	Sales	1,020,728	0.10%
24	WYHQ	WBR	3	Sales	856,557	0.09%
24	WYHQ	WYKS	1	Sales	452,776	0.05%
24	WYHQ	WIN	3	Sales	433,505	0.04%
24	WYHQ	WYUS	1	Trade Receivables	18,506,683	4.27%
24	WYHQ	WYJP	1	Trade Receivables	738,647	0.17%
24	WYHQ	WBR	3	Trade Receivables	468,216	0.11%
24	WYHQ	WYHK	1	Trade Receivables	307,258	0.07%
24	WYHQ	WYKS	1	Trade Receivables	145,474	0.03%
24	WYHQ	WIN	3	Trade Receivables	107,148	0.02%
25	WYMX	WYUS	3	Sales	2,244,616	0.23%
25	WYMX	WYUS	3	Trade Receivables	260,832	0.06%

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
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Table 8 Business relationships and significant inter-company transactions
(December 31, 2022)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction		
				Financial statement account	Amount	Percentage of consolidated sales revenue and total assets (Note 2)
26	WYUS	WYHQ	2	Sales	1,462,484	0.15%
26	WYUS	WBR	3	Sales	1,020,882	0.10%
26	WYUS	WBR	3	Trade Receivables	499,328	0.12%
26	WYUS	WYHQ	2	Trade Receivables	422,290	0.10%
27	WZS	The Company	2	Sales	124,779,372	12.67%
27	WZS	WMMY	3	Sales	30,641,696	3.11%
27	WZS	WTZS	3	Sales	1,637,603	0.17%
27	WZS	WITT	3	Sales	206,558	0.02%
27	WZS	WCD	3	Sales	122,876	0.01%
27	WZS	The Company	2	Trade Receivables	10,321,413	2.38%
27	WZS	WMMY	3	Trade Receivables	9,566,753	2.21%
27	WZS	WTZS	3	Trade Receivables	751,397	0.17%

(TWD : expressed in thousands)

(Note 1): Relationship of the counterparties:

- 1. Transactions are between the parent company and its subsidiary.
- 2. Transactions are between the subsidiary and the parent company.
- 3. Transactions are between subsidiaries.

(Note 2): The ratio was calculated by using the transaction amount, divided by the consolidated net revenues and total assets.

(Note 3): The section only disclosed the information of sales and trade receivables of inter-company transactions, as well as the purchases and trade payables.

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 9 Information on investees (excluding investees in Mainland China)
(December 31, 2022)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
The Company	WMX	Mexico	Server and consumer electronics product manufacturing	1,354,618	1,354,618	16,004,371	100.00%	100.00%	1,026,825	1,026,825	(Note)
The Company	WTF	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	100.00%	37,391	37,391	(Note)
The Company	AUH	B.V.I.	Investment and holding	8,717,358	6,041,478	437,486	100.00%	100.00%	(400,417)	(400,417)	(Note)
The Company	COWIN	B.V.I.	Investment and holding	6,759,300	6,802,868	213,894	100.00%	100.00%	16,597,541	(1,166,089)	(Note)
The Company	Win Smart	B.V.I.	Investment and holding	2,611,286	4,274,611	44,565	100.00%	100.00%	21,168,469	(1,952,949)	(Note)
The Company	WCL	Taiwan	Investment consultant and business management consultant	4,312,000	4,312,000	-	100.00%	100.00%	7,918,359	1,433,246	(Note)
The Company	ISL	Taiwan	Safety and EMF testing	14,603	14,603	2,434	100.00%	100.00%	124,813	33,684	(Note)
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	2,853,068	139,567	100.00%	100.00%	26,652	(4,631)	(Note)
The Company	WLLC	U.S.A.	Investment and holding	2,671,826	2,118,814	8,936	100.00%	100.00%	3,599,681	102,863	(Note)
The Company	WVS	B.V.I.	Investment and holding	314,273	398,221	9,150	100.00%	100.00%	884,700	109,728	(Note)
The Company	WBR	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	99.99%	606,721	214,021	(Note)
The Company	WTR	Turkey	Sales and maintenance service center	46,650	46,650	22	99.90%	99.90%	80,171	25,724	(Note)
The Company	WGTX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	100.00%	115,389	(43,566)	(Note)
The Company	WGHK	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	100.00%	100.00%	22,692	(27,160)	(Note)
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	2,095,629	267,425	100.00%	100.00%	5,653,518	(707,156)	(Note)
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	89,134	36,429	100.00%	100.00%	(172,850)	9,691	(Note)
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,350	1,680,258	65,895	37.69%	42.26%	14,174,709	5,482,636	(Note)
The Company	WCHK	Hong Kong	Investment and holding	225,494	225,494	58,446	100.00%	100.00%	996,159	43,507	(Note)
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	100.00%	25,201	2,115	(Note)
The Company	WCZZ	Czech Rep.	Electronic product manufacturing	121,527	121,527	-	100.00%	100.00%	2,510,833	23,164	(Note)
The Company	WEHK	Hong Kong	Investment and holding	397,542	397,542	16,426	100.00%	100.00%	(1,566)	(2,352)	(Note)
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	2,570	1	0.01%	0.01%	12	(103,283)	(5)
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	4,797,805	157,489	100.00%	100.00%	2,319,294	215,120	(Note)
The Company	WDH	Taiwan	Investment and holding	1,800,000	1,800,000	205,056	100.00%	100.00%	2,151,214	(35,661)	(Note)
The Company	WMH	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	100.00%	1,899,963	(57,919)	(Note)
The Company	WTS	U.S.A.	Sales development and customer service	10,348	10,348	35	100.00%	100.00%	18,770	1,444	(Note)
The Company	WCH	U.S.A.	Investment and rental	589,520	589,520	20	100.00%	100.00%	472,458	(8,357)	(Note)
The Company	WIMX	Mexico	Real property rental and management	910,394	910,394	13,340,990	100.00%	100.00%	1,134,354	(72,783)	(Note)
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	1,346,288	-	100.00%	100.00%	1,340,324	(8,270)	(Note)
The Company	WSCZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	-	100.00%	100.00%	671,371	86,265	(Note)
The Company	WIS	Taiwan	Research and development, sales and service of network communication products	214,656	214,656	17,888	45.79%	46.10%	258,594	22,984	(Note)
The Company	WCA	Taiwan	Real property rental and management	1,700,000	700,000	170,000	100.00%	100.00%	1,697,225	(1,144)	(Note)
The Company	WGH	Taiwan	Investment and holding	280,000	-	28,000	100.00%	100.00%	279,563	92	(Note)
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	585,487	585,487	89,675	22.66%	22.66%	4,598,489	3,121,720	-
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	26,088	4,711	12.82%	12.82%	104,576	152,255	-

(TWD : expressed in thousands)

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Table 9 Information on investees (excluding investees in Mainland China)
(December 31, 2022)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
The Company	HCL	B.V.I.	Investment and holding	96,045	96,045	-	30.00%	30.00%	(722)	(217)	-
The Company	Formosa Prosonic Industries Berhad	Malaysia	Manufacturing of audio and hooter	513,565	513,565	69,260	27.03%	27.39%	663,692	232,080	-
The Company	JIH	Taiwan	Sales of audio system of vehicles and components	578,889	578,889	20,261	32.79%	34.14%	3,095	1,035	-
The Company	NICE Licensing LLC	Japan	Promote NICE Standard	8,362	4,191	-	20.00%	25.00%	(10,590)	(2,118)	-
The Company	PELL	Taiwan	Biotechnology service	225,000	-	3,000	6.76%	6.87%	(220,838)	(8,262)	-
The Company	ISGTG	Seychelles	Research and development and sales of information technology products	160,025	160,025	5	40.00%	40.00%	-	-	-
The Company	ISGTC	Hong Kong	Research and development and sales of information technology products	160,000	160,000	5	40.00%	40.00%	-	-	-
AGI	Xserve(BV)ICorp.	B.V.I.	Investment and holding	3,938	3,938	113	15.00%	15.00%	-	Not required to disclose	-
AIH	WJP	Japan	Sales and maintenance service center	129,985	129,985	9	100.00%	100.00%	33,008	Not required to disclose	(Note)
AIH	WNC	Taiwan	Manufacturing and sales of wireless receiver products	1,311	1,311	115	0.03%	0.03%	3,121,720	Not required to disclose	-
AIH	HanesAsia	Singapore	Investment and holding	178,700	178,700	6,090	20.02%	20.02%	(102,760)	Not required to disclose	-
AIH	WBR	Brazil	Sales and maintenance service center	96	96	5	0.01%	0.01%	214,021	Not required to disclose	(Note)
AIH	Hsieh Yuh	B.V.I.	Holding company and OEM	80,678	80,678	3,990	26.08%	26.08%	37,344	Not required to disclose	-
AIH	Xserve(BV)ICorp.	B.V.I.	Investment and holding	4,988	4,988	143	19.00%	19.00%	-	Not required to disclose	-
BTA	KJP	Japan	Exoskeleton product device	45,760	16,902	4	100.00%	100.00%	(8,993)	Not required to disclose	(Note)
BTA	KMY	Malaysia	Exoskeleton product device	15,087	3,165	2,220	60.00%	60.00%	(7,935)	Not required to disclose	(Note)
WCL	WLB	Taiwan	Investment consultant and business management consultant	234,500	234,500	89,142	100.00%	100.00%	1,646,988	455,636	(Note)
WCL	WYHQ	Taiwan	Research and development, sales and service of information products	501,477	507,281	4,321	2.47%	2.50%	958,427	14,174,709	(Note)
WCL	WAC	Taiwan	Manufacturing, wholesale and retail of electronic related products	16,000	16,000	1,600	100.00%	100.00%	15,074	65	(Note)
WCL	WMT	Taiwan	Manufacturing of medical instruments	40,000	40,000	4,000	8.00%	8.00%	37,659	Not required to disclose	(Note)
WCL	AGI	Taiwan	Cloud software solution integrator	37,000	37,000	500	2.71%	2.74%	6,302	Not required to disclose	(Note)
WCL	KOE	Taiwan	Manufacturing and sales of automotive electronics and electronic related products	2,108,639	2,108,639	8,878	100.00%	100.00%	2,763,605	680,740	(Note)
WCL	WITS	Taiwan	Professional information technology service provider	23,444	23,444	1,177	1.77%	1.79%	54,949	554,202	-
WCL	WNC	Taiwan	Manufacturing and sales of wireless receiver products	2,450	2,450	100	0.03%	0.03%	6,075	3,121,720	-
WCL	WTR	Turkey	Sales and maintenance service center	47	47	-	0.10%	0.10%	47	25,724	(Note)
WCL	MAYFA	Taiwan	Information integration of medical service	30,447	22,800	1,028	10.35%	10.64%	25,820	(29,129)	-
WCL	TPE	Taiwan	Wholesale and retail of electronic materials	33,985	33,985	3,115	8.48%	8.48%	73,947	152,255	-
WCL	JIH	Taiwan	Sales of audio system of vehicles and components	55,256	55,256	1,934	3.13%	3.26%	3,257	3,095	-
WCL	RTX	Taiwan	Intelligent networking	135,000	-	9,450	30.00%	30.00%	145,353	39,323	-
WDH	AGI	Taiwan	Cloud software solution integrator	115,600	115,600	13,998	75.85%	76.91%	176,471	Not required to disclose	(Note)
WDH	WAUS	U.S.A.	Edge computing techniques development	133,822	40,204	627	100.00%	100.00%	6,632	(7,139)	(Note)
WDH	WETW	Taiwan	Online and offline hybrid learning education service provider	17,106	17,106	9,220	87.81%	87.81%	(84,861)	(62,134)	(Note)
WDH	WITS	Taiwan	Professional information technology service provider	330,202	330,202	15,719	23.38%	23.83%	663,284	554,202	-
WDH	CGI	Taiwan	Professional information security software provider	35,325	35,325	3,562	21.46%	22.74%	75,478	82,867	-
WDH	IKALA GLOBAL ONLINE CORP.	Cayman Island	Investment and holding	434,895	434,895	225,503	20.31%	20.54%	331,837	(142,578)	-

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
WGEH	AIS	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	65,000	-	6,500	86.67%	86.67%	(811)	Not required to disclose	(Note)
WHK	WIN	India	Sales and maintenance service center	-	-	-	0.01%	0.01%	219,467	Not required to disclose	(Note)
WHK	WMMI	India	Manufacturing of information and communication products	-	-	-	0.01%	0.01%	(292,911)	Not required to disclose	(Note)
Win Smart	WHK	Hong Kong	Sales and maintenance service center	19,301	97,729	6,000	100.00%	100.00%	2,256	Not required to disclose	(Note)
Win Smart	WHHK	Hong Kong	Investment and holding	2,475,485	2,475,485	82,150	100.00%	100.00%	(146,385)	Not required to disclose	(Note)
Win Smart	MINDFORCE	B.V.I.	Investment and holding	692,634	692,634	21,693	28.88%	28.88%	(535,327)	Not required to disclose	-
WLB	WYHQ	Taiwan	Research and development, sales and service of information products	411,103	414,685	5,739	3.38%	3.38%	14,174,709	Not required to disclose	(Note)
WLB	WIS	Taiwan	Research and development, sales and service of network communication products	42,538	40,858	2,768	7.08%	7.08%	22,984	Not required to disclose	(Note)
WLB	WMT	Taiwan	Manufacturing of medical instruments	5,720	3,780	572	1.14%	1.14%	37,659	Not required to disclose	(Note)
WLB	WETW	Taiwan	Online and offline hybrid learning education service provider	1,640	320	164	1.56%	1.56%	(62,134)	Not required to disclose	(Note)
WLB	AGI	Taiwan	Cloud software solution integrator	195	-	12	0.06%	0.06%	(103,283)	Not required to disclose	(Note)
WLLC	PELL	Taiwan	Biotechnology service	49,134	49,134	1,253	2.82%	3.75%	(220,838)	Not required to disclose	-
WLLC	WITX	U.S.A.	Sales of electronic information products	1,525,557	1,525,557	4,950	100.00%	100.00%	100,089	Not required to disclose	(Note)
WLLC	WITT	U.S.A.	Sales of electronic information products	1,138,796	585,784	3,951	100.00%	100.00%	3,860	Not required to disclose	(Note)
WMH	WMT	Taiwan	Manufacturing of medical instruments	415,000	415,000	41,500	83.00%	83.00%	37,659	Not required to disclose	(Note)
WMH	BTA	Singapore	Sales of medical instruments	-	157,358	-	-	100.00%	(43,887)	Not required to disclose	(Note)
WMH	MAYA	Taiwan	Information integration of medical service	71,876	48,614	3,122	31.44%	32.31%	(29,129)	Not required to disclose	-
WMH	Free Bionics, Inc.	Cayman Island	Research and development, manufacturing and sales of medical instruments	270,850	270,850	10,100	40.15%	40.15%	(50,610)	Not required to disclose	-
WMH	PELL	Taiwan	Biotechnology service	182,366	182,366	6,047	13.63%	18.12%	(220,838)	Not required to disclose	-
WMH	BTI	Canada	Research and development, manufacturing and sales of medical instruments	215,780	215,780	4,212	33.61%	33.61%	(60,602)	Not required to disclose	-
WMMI	STI	India	Development of internet platform and Internet of things related products	19,435	19,435	1,878	99.99%	99.99%	59	Not required to disclose	(Note)
WMMY	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	14,478	-	3,850	99.99%	99.99%	(139)	Not required to disclose	(Note)
WMT	BTA	Singapore	Sales of medical instruments	118,133	-	11,200	100.00%	100.00%	(43,887)	Not required to disclose	(Note)
WSSG	WIN	India	Sales and maintenance service center	1,805,085	1,805,085	14,344	99.99%	99.99%	219,467	Not required to disclose	(Note)
WSSG	WMMI	India	Manufacturing of information and communication products	2,993,708	2,993,708	710,507	99.99%	99.99%	(292,911)	Not required to disclose	(Note)
WSSG	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	-	-	-	0.01%	0.01%	(139)	Not required to disclose	(Note)
WYHQ	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	100.00%	101,257	Not required to disclose	(Note)
WYHQ	WYLS	U.S.A.	Sales of cloud data center equipment	16,453,581	5,021,581	569,010	100.00%	100.00%	196,921	Not required to disclose	(Note)
WYHQ	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	100.00%	39,555	Not required to disclose	(Note)
WYHQ	WYKR	South Korea	Sales of cloud data center equipment	2,903	20	20	100.00%	100.00%	38,127	Not required to disclose	(Note)
WYHQ	WYMY	Malaysia	Sales of cloud data center equipment	2,300,724	236,340	336,764	100.00%	100.00%	(40,291)	Not required to disclose	(Note)
WYHQ	WYMX	Mexico	Human resources service provision and manufacturing of cloud data center equipment	1,126,671	257,125	769,675	100.00%	100.00%	159,177	Not required to disclose	(Note)
WYHQ	WYSMX	Mexico	Sales of cloud data center equipment	58,025	-	40,444	100.00%	100.00%	(2,131)	Not required to disclose	(Note)
WYHQ	LIQUIDST ACK HOLDING B. V.	Netherlands	Research and development of liquid cooling technology	276,609	276,609	1,000	20.00%	20.00%	(339,839)	Not required to disclose	-

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

Table 10 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital		Method of investment	Accumulated amounts of remittance of earnings as of January 1, 2022	Investment flows		Net income (loss) of the investee	Height percentage owned by the Company	Direct / indirect shareholding of the Company	Investment income (losses) recognized by the Company	Carrying amount of the investment as of December 31, 2022	Accumulated inward remittance of earnings as of December 31, 2022	Note
		(Note 1)	(Note 2)			Outflow	Inflow							
Wistron InfoComm (Zhongshan) Corporation	Manufacturing and sales of information technology products	7,394,068	(Note 2)	(Note 2)	7,994,179	-	-	(1,413,623)	100.00%	100.00%	(1,413,623)	19,978,717	-	(Note 31)
Wistron InfoComm (Shanghai) Corporation	Research, development, design, testing and sales of information technology products	31,691	-	(Note 2)	31,691	-	-	409	100.00%	100.00%	409	47,626	-	(Note 31)
Wistron InfoComm Technology (Zhongshan) Co., Ltd.	Manufacturing and sales of LCD monitor products	67,510	-	(Note 2)	67,510	-	-	111,086	100.00%	100.00%	111,086	882,811	-	(Note 31)
Wistron Service (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	1,085,212	(Note 2)	(Note 2)	1,085,212	-	-	(1,037,546)	100.00%	100.00%	(1,037,546)	10,370,143	-	(Note 31)
SMS (Kunshan) Co., Ltd.	Sales and maintenance service center in Asia	12,287	-	(Note 2)	12,287	-	-	(49,953)	100.00%	100.00%	(49,953)	789,339	-	(Note 31)
Wistron InfoComm (Fuzhou) Co., Ltd.	Sales and maintenance service center in Mainland China	806,230	-	(Note 2)	806,230	-	-	105,565	100.00%	100.00%	105,565	2,033,063	-	(Note 31)
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacturing and sales of LCD monitor and touch display module	4,929,489	-	(Note 2)	4,929,489	-	-	(6,165)	100.00%	100.00%	(6,165)	(5,555,729)	-	(Note 31)
T-CON PRECISION (ZHONGSHAN) CORPORATION	Production and sales of computer shell and mold	798,220	-	(Note 2)	231,014	-	-	(24,088)	28.88%	28.88%	(6,957)	160,141	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production of telecommunication equipment and components	234,991	-	(Note 2)	85,873	-	-	75,428	21.30%	21.30%	16,062	75,846	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Prediction of communication products and components	3,679,442	-	(Note 2)	3,632,613	-	-	(170,416)	100.00%	100.00%	(170,416)	3,721,804	-	(Note 31)
Wistron Optonics (Shanghai) Co., Ltd.	Sales of communication products and components	131,044	-	(Note 2)	131,044	-	-	3,081	100.00%	100.00%	3,081	80,321	-	(Note 31)
HSIEH-YUEH ELECTRONICS TECHNOLOGY (ZHONGSHAN) CO., LTD.	Production and management of new-type electronic components	426,655	(Note 18)	(Note 2)	79,722	-	-	32,841	26.08%	26.08%	-	-	-	-
LIAN-YI PRECISION (ZHONGSHAN) INC.	Manufacturing of high-temperature resistant insulation materials and molded insulation products; and assembly of computer, server and the peripheral equipment.	1,124,931	-	(Note 2)	332,795	-	-	(254,029)	28.88%	28.88%	(73,364)	(424,997)	-	-
WIS PRECISION (TAIZHOE) CO., LTD.	Sales of new-type alloy(Mg-X-Al) material	2,220,562	-	(Note 2)	643,191	-	-	(213,249)	28.88%	28.88%	(61,731)	574,618	-	-
Harris Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech material	516,917	-	(Note 2)	128,815	-	-	(100,953)	20.02%	20.02%	(20,211)	191,111	-	-
Wistron Advanced Materials(Kunshan) Co., Ltd.	Research and development, manufacturing and sales of electronic regeneration ecofriendly plastic goods	953,939	-	(Note 2)	953,939	-	-	(27,098)	100.00%	100.00%	(27,098)	11,821	-	(Note 31)
Zongshan Global Lighting Technology Limited Co.	Manufacturing and sales of LGP, backlight and related high-electronic components	445,825	-	(Note 2)	72,007	-	-	NA	16.23%	16.23%	-	74,759	-	-
Wistron InfoComm (CHONGQING) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer and balder	583,823	-	(Note 2)	583,823	-	-	(903,844)	100.00%	100.00%	(903,844)	5,205,613	-	(Note 31)
Wistron Investment (Kunshan) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	2,301,366	(Note 5)	(Note 2)	2,301,366	-	-	(145,223)	100.00%	100.00%	(145,223)	8,045,318	-	(Note 31)
Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Research and development and design of electronic calculator and other electronic products	2,396,524	-	(Note 2)	2,396,524	-	-	(147,429)	100.00%	100.00%	(147,429)	7,951,869	-	(Note 31)
Shenzhen Keen High Technologies Ltd	Manufacturing of digital photo frame, MP3, MP4 and GPS	59,042	-	(Note 2)	59,042	-	-	(63,357)	100.00%	100.00%	(63,357)	(41,238)	-	(Note 31)
SMS InfoComm (Chongqing) Co., Ltd.	Sales and distribution of computer products and components	126,838	-	(Note 2)	126,838	-	-	NA	15.17%	15.17%	-	-	-	-
Kunshan ChangNuo Precision Die Casting Co., Ltd.	Manufacturing and sales of Zn-Al alloy precision casting and LCD component of supporting frame and electronic tool series	175,941	-	(Note 2)	-	-	-	(37,352)	14.33%	14.33%	(1,328)	4,448	-	-
Wistron Technology Service Kunshan Ltd.	Sales of cloud data center equipment	10,659	-	(Note 2)	10,659	-	-	12,096	48.08%	48.08%	5,642	46,450	-	(Note 31)
ICA Inc.	Research and development, design, manufacturing, sales and maintenance of intelligent terminals	91,991	-	(Note 2)	-	-	-	(3,996)	20.00%	20.00%	(799)	4,179	-	-
Nanjing Xtronics Electronics Technology Co., Ltd.	Production of medical instruments	94,500	-	(Note 2)	-	-	-	(14,650)	92.14%	92.14%	(2,040)	08,302	-	(Note 31)
XTRONICS(Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and terminals	538,557	(Note 24)	(Note 2)	-	-	-	(1,087)	33.41%	33.41%	(363)	135,128	-	-
Wistron InfoComm Computer (Chongqing)Co.,Ltd	Assembly and manufacturing and sales of Notebook computer	217,707	-	(Note 2)	-	-	-	30,667	100.00%	100.00%	30,667	324,677	-	(Note 31)
Roishuang Opto Electronics (Kunshan) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	28,238	-	(Note 2)	-	-	-	2,159	100.00%	100.00%	2,159	7,687	-	(Note 31)
	Research and development and sales of automotive electronics and electronic related products	9,003	(Note 27)	(Note 2)	-	-	9,003	0	100.00%	100.00%	-	9,213	-	(Note 31)

2. Limitation on investment in Mainland China

WISTRON CORPORATION AND SUBSIDIARIES
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Company	Accumulated amounts investment in Mainland China as of December 31, 2022 (Note 1), (Note 2), (Note 3), (Note 4), (Note 5), (Note 7), (Note 8), (Note 9), (Note 10), (Note 11), (Note 12), (Note 13), (Note 14), (Note 19), (Note 20), (Note 21), (Note 22), (Note 23), (Note 25) and (Note 27)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4), (Note 15), (Note 25) and (Note 27)	(TWD : expressed in thousands)	
			Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 16), (Note 26) and (Note 28)	
Wistron Corporation	24,440,904	14,040,627		-
	(USD788,612,330)	(USD456,654,523)&(CNY4,000,000)		
Wiwynn Corporation	10,659	10,748		23,272,203
	(USD350,000)	(USD350,000)		
Kaohsiung Opto-Electronics Inc.	9,003	27,637		1,282,332
	(USD300,000)	(USD900,000)		

(Note 1) The Company invested the amount of USD5,150,000 (approximately TWD149,551) in BRIVISION OPTRONICS (L) CORP., acquiring 50.99% of its share; therefore, resulting in an indirect ownership of Br/Vision Optronics (Zhongshan) Corp. with the same amount of shares. The application to transfer the investment in Mainland China has been authorized by the Investment Commission, MOEA on January 17, 2013. Therefore, the accumulated investment amount in Mainland China will be revised in accordance with the amount authorized by the Investment Commission. Also, Cowin, one of 100% owned subsidiaries of the Company, merged with BRIVISION OPTRONICS(L) CORP. by exchanging 1 share for 1.89 share on November 14, 2013. After the merger, Cowin became the existing company, while Brivision was liquidated in the first quarter of 2015. Therefore, 100% ownership of Br/Vision Optronics (Zhongshan) Corp. was transferred to Cowin Worldwide Corporation in the second quarter of 2014.

(Note 2) Wistron InfoComm (Zhongshan) Corporation, in which the Company indirectly owned 100% of its shares, merged with Br/Vision Optronics (Zhongshan) Corp. in the second quarter of 2015, resulting in an increase in the investment capital of Wistron InfoComm (Zhongshan) Corporation to USD218,050,000 (approximately TWD6,872,015), which was authorized by the Investment Commission on July 31, 2015. Also, Wistron InfoComm (Zhongshan) Corporation merged with AII Technology (Zhong Shan) Co., Ltd., one of 100% owned subsidiaries of the Company, in the first quarter of 2017, resulting in an increase in the investment capital of Wistron InfoComm (Zhongshan) Corporation to USD234,000,000 (approximately TWD7,394,179), which was authorized by Investment Commission on December 26, 2016.

(Note 3) Wistron InfoComm (Kunshan) Co., Ltd. merged with Wistron InfoComm Technology (Kunshan) Co., Ltd. in the first quarter of 2015, both entities are 100% owned subsidiaries of the Company, resulting in an increase in the investment capital of Wistron InfoComm (Kunshan) Co., Ltd. to USD32,000,000 (approximately TWD1,085,212), which was authorized by the Investment Commission on January 23, 2015.

(Note 4) On January 24, 2005, the Company applied to the Investment Commission for the revision of the amount of its indirect investment in T-CONN PRECISION (Zhongshan) CORPORATION from USD638,000 to USD550,000, and the application was authorized on February 15, 2005. Also, Super Elite Ltd. acquired Hong Kong Comtek Electronics Co. Ltd. by issuing new shares through stock exchange, resulting in a decrease in the of the Company's investment amount in T-CONN PRECISION (Zhongshan) CORPORATION by USD339,995 (approximately TWD97,793); and the application was authorized by the Investment Commission on May 17, 2012.

(Note 5) The Company indirectly invested in the capital of Wistron Optronics (Kunshan) Co., Ltd. and Wistron Optronics (Shanghai) Corporation, through Wistron Optronics Corporation (WOC) and its subsidiary, WinDisplay, amounting to TWD64,701 and TWD4,877, respectively. However, on March 10, 2007, WOC was merged with WOD Co., Ltd (WOD), a fully-owned subsidiaries of the Company. After the merger, WOD became the existing company while WOC being the dissolved entity, who transferred its investment amount, which had been authorized by the Investment Commission on June 14, 2007, to WOD. On the other hand, AIHH transferred the shares of WinDisplay and its subsidiaries to WOD on June 25, 2007 in accordance with the agreement. The Company applied for the transfer of investment amount, which had been authorized by the Investment Commission on July 18, 2007. Therefore, the accumulated investment amount in Mainland China would be revised in accordance with the amount authorized by Investment Commission. On August 17, 2007, WOD Co., Ltd. was renamed as Wistron Optronics Corporation.

(Note 5) The investment in Wistron InfoComm (Changde) Co., Ltd., through Wistron Investment (Sichuan) Co., Ltd., was authorized by the Investment Commission. The amount of accumulated investment in Mainland China had increased by USD83,500,000 (approximately TWD250,1366).

(Note 6) The Board of Directors of Shenzhen Keen High Technologies Ltd., in which the Company indirectly invested in, the court ruled that the application for bankruptcy and liquidation procedures was completed on December 29, 2016.

(Note 7) Shenzhen Jin Zhi Feng Electronic Co., Ltd. in which the Company indirectly invested in, had completed the cancellation of its business registration. The said investment capital amounting to USD2,331,508.7, which entitled the Company to a full ownership of the entity, had been remitted to KJF Technology Ltd. and was authorized by the Investment Commission on January 12, 2015. However, according to the regulation, the remittance to Mainland China amounting to USD104,452 (approximately TWD3,155) was included in the accumulated investment amount.

(Note 8) Dong Guan Comtek Electronics Co., Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY449,415.79, which entitled the Company to a full ownership of the entity, had been remitted to Hong Kong Comtek Electronics Co. Ltd. and was authorized by the Investment Commission on July 15, 2013. However, according to the regulation, the remittance to Mainland China amounting to USD179,344 (approximately TWD5,371), was included in the accumulated investment amounts.

(Note 9) Top-Glory Electronic (Zhongshan) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,268.22, which entitled the Company to an 11% ownership of the entity, had been remitted to Super Elite Ltd. and was authorized by the Investment Commission on March 25, 2010. However, according to the regulation, the remittance to Mainland China amounting to USD33,000 (TWD1,071) was included in the accumulated investment amounts.

(Note 10) Changshu Pu Yuan electronics Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD3,895,791.97, which entitled the Company to a full ownership of the entity, had been remitted to Park Orchid, which was liquidated afterwards. The capital incurred from the liquidation of Park Orchid amounting to USD2,461,084.65 was remitted to Win Smart. With that said, the capital amount of USD2,461,084.65 entitled the Company to a 46.875% ownership of to Win Smart. Therefore, the accumulated investment amount in Mainland China was revised to USD2,812,500 on April 24, 2012, and was authorized by the Investment Commission on April 30, 2012. However, according to the regulation, the remittance to Mainland China amounting to USD2,812,500 (TWD84,714) was included in the accumulated investment amounts.

2. Limitation on investment in Mainland China

(Note 11) Wistron optronics (Shanghai) Corporation, in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD58,823.63, which entitled the Company to a full ownership of the entity, had been remitted to WDC and was authorized by the Investment Commission on December 16, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD1 was included in the accumulated investment amounts.

(Note 12) Wistron Service (Shanghai) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD6,507.67 (approximately TWD196), which entitled the Company to a full ownership of the entity, had been remitted to Taiwan and was authorized by the Investment Commission on March 6, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment was authorized by the Investment Commission on December 8, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD133,492.33 (approximately TWD4,350) was included in the accumulated investment amounts.

(Note 13) WIT Precision (Taichung) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,577.5 (approximately TWD556), which entitled the Company to a 30% ownership of the entity, had been remitted to Taiwan and was authorized by the Investment Commission on September 18, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment of the Company had already been authorized. However, according to the regulation, the remittance amounting to USD1,241,422.5 (approximately TWD39,449) was included in the accumulated investment amounts.

(Note 14) Zhongshan Deyi Electrical Equipment Co.,Ltd.(Deyi), in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD525,684.97, which entitled the Company to a full ownership of the entity, had been remitted to FULLERTON LTD. On October 22, 2013, the Company applied for a revision of its indirect investment in Deyi amounting to USD161,314, which had been authorized by the Investment Commission on October 28, 2013. Afterwards, the cancellation of investment of the Company was authorized by the Investment Commission on November 4, 2013. However, according to the regulation, the remittance to Mainland China amounting to (approximately TWD5,121) was included in the accumulated investment amounts.

(Note 15) The amounts translated were using the spot rates on December 31, 2022.

(Note 16) On December 7, 2020, the Company obtained the Certificate of Qualified Operating Headquarters, which was issued by the Department of Industrial Development, Ministry of Economic Affairs, in accordance with the revised "Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China" and "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" that was announced on August 22, 2008. Therefore, the Company was not restricted or limited, in anyway, regarding the investment amount in Mainland China.

(Note 17) Wistron InfoComm (CHONGQING) Co., Ltd., one of the fully directly owned subsidiaries of the Company, used its own capital to invest in ICA Inc.; the transaction was not restricted or limited, in anyway, regarding the investment amount in Mainland China.

(Note 18) HSIIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. merged with Br/Vision Optronics (Zhongshan) Corp. in the fourth quarter of 2016, both entities are fully owned subsidiaries of the Company, resulting in an increase in the investment capital of HSIIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. to USD2,452,912 (approximately TWD79,722), which was authorized by the Investment Commission on November 30, 2016.

(Note 19) The Company invested the amount of USD16,961 (approximately TWD513) in WIEDU HONG KONG LIMITED, acquiring 18.73% of its share; therefore, resulting in an indirect ownership of Welshek Information Technology Services Co., Ltd., Shanghai (Welshek), whose entire shares are held by the Company.

(Note 20) The indirect investment in Wistron Investment (Jiangsu) Co., Ltd., a holding company, through Win Smart Co., Ltd. with amount of USD200,000,000, was authorized by the Investment Commission on December 18, 2017. Till the second quarter of 2019, the remittance to Mainland China was only USD100,000,000 (approximately TWD3,117,440). Wistron Investment (Jiangsu) Co., Ltd. invested the amount of USD100,000,000 (approximately TWD3,055,850) in Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. acquiring 78.13% of its share in the fourth quarter of 2019. The cancellation of the original investment plan of USD100,000,000 which had not been implemented was authorized by the Investment Commission on November 13,2020. The application that Win Smart Co., Ltd. disposed the entire shares of Wistron Investment (Jiangsu) Co., Ltd. and Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. was authorized by the Investment Commission on February 18, 2021. The investment amounting to USD380,000,000 (approximately TWD10,620,040) was remitted to Taiwan through Win Smart Co afterwards. However, according to the regulation, the remittances to Mainland China amounting to USD100,000,000 (approximately TWD3,117,440) for Wistron Investment (Jiangsu) Co., Ltd. and USD28,000,000 (approximately TWD939,420) for Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. were included in the accumulated investment amounts.

(Note 21) Wistron InfoComm (Qingdao) Co.,Ltd. Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD7,123,297.09, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KONG HOLDING LIMITED and was authorized by the Investment Commission on March 14, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD6,000,000 (approximately TWD179,450), was included in the accumulated investment amounts.

(Note 22) Wiwynn Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543.21, which entitled the Company to a full ownership of the entity, had been remitted to WIN SMART CO., LTD. and was authorized by the Investment Commission on May 18, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD2,899,788.94 (approximately TWD86,742) was included in the accumulated investment amounts.

(Note 23) ANWITH (KunShan) CO.,LTD. in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD2,023,982.58, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KONG LIMITED, and was authorized by the Investment Commission on October 19, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD3,000,000 (approximately TWD89,256) was included in the accumulated investment amounts.

(Note 24) Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested, invested the amount of CNY47,118,000 (TWD209,859) in Xtronics (Nanjing) Electronics Technology Co., Ltd., in which the Company indirectly invested. Wistron InfoComm (Kunshan) Co., Ltd. acquired 31.41% of its share in the fourth quarter of 2018, with which the change of its business registration had been completed in the first quarter of 2019. Xtronics Innovation Ltd. has agreed to transfer 2% of its shares to Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested. Wistron InfoComm (Kunshan) Co., Ltd. invested the amount of CNY3,000,000 (approximately TWD13,790) in Xtronics (Nanjing) Electronics Technology Co., Ltd., acquiring 33.41% of its share in the second quarter of 2019.

(Note 25) Wiwynn Technology Service Hong Kong Limited used its own Capital to invest in WYKS .

(Note 26) Wiwynn Corporation's amount of upper limit on investment was the higher between sixty percent of WYHQ's net worth or the consolidated net worth.

(Note 27) Kaohsiung Opto-Electronics Inc. used its own capital of USD300,000 (approximately TWD9,003) to invest in KOEKS.

The related documents regarding the remittance amount of investment to Mainland China not exceeding USD1,000,000 have been prepared in accordance with Paragraph 1 of Article 9 of "Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China" and applied to the Investment Commission and was approved by the Investment Commission on December 23, 2022.

(Note 28) Kaohsiung Opto-Electronics Inc.'s amount of upper limit on investment was the higher between sixty percent of KOE's net worth or the consolidated net worth.

(Note 29) To invest in Mainland China by:
1. Direct investment in Mainland China.
2. Indirect investment in Mainland China through a foreign company.
3. Others

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2. Limitation on investment in Mainland China

(Note 30) Recognized share of associates and joint ventures accounted for equity method :
1. The financial statements of the investee company were audited by the international accounting firms which cooperated with R.O.C. accounting firms.
2. The financial statements of the investee company were audited by the Group's auditor.
3. Others

3. Significant transactions

(Note 31) The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

The significant transactions of the entities in China in which the Company, directly or indirectly owned, refer to Table 1 to Table 10.

6.5 Parent Company only Financial Statements



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Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the parent company only financial statements of Wistron Corporation (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note 4(q) “Revenue from contracts with customers” for accounting policy, and Note 6(u) for the relevant disclosures for revenue recognition to the financial statements.

Description of the key audit matter

The Company is a listed company influencing the public interest, and its financial performance is highly expected by the investors. Therefore, the revenue recognition has been identified as a key audit matter.



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In relation to the key audit matter above, our audit procedures included

- Testing the Company's controls surrounding the revenue recognition and cash collection for key manual and system base controls, tracing general ledgers to sales systems and reconciling the differences.
- Understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the trend and variance analysis on the revenue from major customers to evaluate if there are significant unusual transactions.
- Inspecting whether there are any significant sales returns and allowances after year end to assess the reasonableness of the transactions.

2. Inventory valuation

Please refer to Note 4(g) "Inventory" for accounting policy, Note 5(a) for accounting assumption and estimation uncertainty of inventory and Note 6(g) for the disclosure of the valuation of inventory to the financial statements.

Description of the key audit matter

Inventories are stated at the lower of cost or net realizable value. The rapid development of technology and the advance of new electronic products can have a significant impact on market demand, which may lead to product obsolescence that will affect the cost of inventory to be higher than its net realizable value. Consequently, the valuation of inventories has been identified as another key audit matter.

In relation to the key audit matter above, our audit procedures included

- Examining the inventory aging report and analyzing the variation in inventories.
- Verifying the appropriateness of the management's methodology to determine the inventory valuation and assess if the obsolete stocks have been included in the aforesaid evaluation.
- Evaluating the selling price used for the Company's inventory valuation and the changes on fair values of the inventories subsequently; selecting samples to assess the reasonableness of the net realizable values by comparing them to the original documents.
- Examining the records for the management to identify each obsolete and damaged goods.
- Evaluating the adequacy of the disclosure in inventory allowance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.



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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya-Ling Chen and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

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Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

WISTRON CORPORATION

Parent Company Only Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 10,252,203	3	3,463,976	1	2100 Short-term loans (notes 6(m) and (aa))	\$ 74,037,266	20	83,144,342	22
1110 Current financial assets at fair value through profit or loss (note 6(b))	152,284	-	9,004	-	2120 Current financial liabilities at fair value through profit or loss (note 6(b))	161	-	28,058	-
1136 Current financial assets at amortized cost, net (note 6(c))	298,652	-	1,404,046	-	2130 Current contract liabilities (note 6(u))	2,650,518	1	2,283,411	1
1170 Note and trade receivables, net (notes 6(e) and (u))	51,587,322	14	57,038,198	15	2170 Note and trade payables	42,449,801	12	38,241,635	10
1180 Trade receivable-related parties (notes 6(e), (u) and 7)	127,587,415	35	167,085,792	44	2180 Trade payable-related parties (note 7)	92,351,702	25	118,092,833	31
1210 Other receivables-related parties (notes 6(f) and 7)	2,473,843	1	3,013,206	1	2220 Other payables-related parties (note 7)	1,677,387	-	813,516	-
1220 Current tax assets	110,088	-	122,509	-	2280 Current lease liabilities (notes 6(n) and (aa))	377,509	-	291,158	-
130X Inventories (note 6(g))	37,705,721	10	32,368,017	9	2322 Current portion of long-term loans (notes 6(m) and (aa))	5,527,440	2	1,218,360	-
1470 Other current assets (notes 6(f) and (l))	6,326,460	2	5,310,758	1	2365 Current refund liability (note 6(u))	7,828,669	2	10,434,341	3
Total current assets	236,493,988	65	269,815,506	71	2399 Other current liabilities (note 6(m))	24,860,019	8	20,311,358	5
Non-current assets:					Total current liabilities	251,760,472	70	274,859,012	72
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	73,392	-	-	-	Non-current liabilities:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(d))	3,931,066	1	4,570,830	1	2540 Long-term loans (notes 6(m) and (aa))	9,402,653	3	23,237,238	6
1550 Equity-accounted investees (note 6(h))	103,485,451	29	92,176,903	24	2570 Deferred tax liabilities (note 6(q))	1,429,130	-	2,833,385	1
1600 Property, plant and equipment (notes 6(i) and 7)	8,248,308	2	6,495,454	2	2580 Non-current lease liabilities (notes 6(n) and (aa))	1,589,163	-	1,274,736	-
1755 Right-of-use assets (note 6(j))	2,237,841	1	1,854,421	1	2600 Other non-current liabilities (notes 6(m), (p) and (aa))	1,184,092	-	1,290,844	-
1780 Intangible assets (notes 6(k) and 7)	905,873	-	882,987	-	Total non-current liabilities	13,605,038	3	28,636,203	7
1840 Deferred tax assets (note 6(q))	5,462,030	2	5,036,971	1	Total liabilities	265,365,510	73	303,495,215	79
1900 Other non-current assets (notes 6(l) and 8)	909,710	-	579,081	-	Equity (notes 6(d), (h), (r) and (s)):				
Total non-current assets	125,253,671	35	111,596,647	29	3110 Ordinary shares	29,016,021	8	29,032,521	8
Total assets	\$ 361,747,659	100	\$ 381,412,153	100	3200 Capital surplus	35,050,440	10	28,834,524	8
					3300 Retained earnings	36,357,506	10	31,098,687	8
					3400 Other equity	(2,550,702)	(1)	(9,441,535)	(3)
					3500 Treasury shares	(1,491,116)	-	(1,607,259)	-
					Total equity	96,382,149	27	77,916,938	21
					Total liabilities and equity	\$ 361,747,659	100	\$ 381,412,153	100

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, except for earnings per common share)

	2022		2021	
	Amount	%	Amount	%
4000 Net revenues (notes 6(u) and 7)	\$ 686,828,694	100	670,440,580	100
5000 Cost of sales (notes 6(g), (i), (j), (k), (l), (n), (p), (s), (w), 7 and 12)	655,164,677	95	650,976,729	97
5900 Gross profit	31,664,017	5	19,463,851	3
5910 Realized (unrealized) profit from sales	(804,140)	-	192,083	-
5950 Net gross profit	30,859,877	5	19,655,934	3
6000 Operating expenses (notes 6(e), (f), (i), (j), (k), (l), (n), (p), (s), (w), 7 and 12):				
6100 Selling	3,962,320	1	3,300,880	-
6200 Administrative	4,025,078	1	3,455,148	1
6300 Research and development	16,992,827	2	14,671,035	2
Total operating expenses	24,980,225	4	21,427,063	3
6900 Operating income	5,879,652	1	(1,771,129)	-
7000 Non-operating income and expenses (notes 6(h), (l), (n), (o), (v), (x), 7 and 12):				
7100 Interest income	169,445	-	74,049	-
7010 Other income	188,960	-	224,836	-
7020 Other gains and losses	3,318,793	1	257,314	-
7050 Finance costs	(3,984,908)	(1)	(970,365)	-
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	5,362,139	1	12,948,376	2
Total non-operating income and expenses	5,054,429	1	12,534,210	2
7900 Profit before tax	10,934,081	2	10,763,081	2
7950 Less: Income tax expenses (benefit) (note 6(q))	(228,370)	-	295,051	-
8200 Net profit	11,162,451	2	10,468,030	2
8300 Other comprehensive income (notes 6(h), (p), (q), (r) and (x))				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	247,608	-	(109,843)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(945,769)	-	(232,514)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	106,956	-	649,709	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	54,803	-	13,592	-
	(646,008)	-	293,760	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	7,125,045	-	(2,094,753)	(1)
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	381,173	-	(118,726)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	7,506,218	-	(2,213,479)	(1)
Other comprehensive income	6,860,210	-	(1,919,719)	(1)
8500 Total comprehensive income	\$ 18,022,661	2	8,548,311	1
Earnings per share (in dollars) (note 6(t))				
9750 Basic earnings per share	\$ 4.01		3.76	
9850 Diluted earnings per share	\$ 3.84		3.64	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

WISTRON CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings		Other equity			
	Share capital		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Deferred compensation arising from issuance of restricted shares	Treasury shares
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total
Balance at January 1, 2021	29,032,521	28,834,524	9,964,169	6,846,521	14,287,997	71,565,777
Net profit	-	-	-	-	11,162,451	10,468,030
Other comprehensive income	-	-	-	-	245,513	(1,919,719)
Total comprehensive income	-	-	-	-	11,407,964	8,548,311
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	813,568	-	(813,568)	-
Special reserve	-	-	-	3,310,397	(3,310,397)	-
Cash dividends	-	-	-	-	(6,258,655)	(6,258,655)
Changes in equity of associates and joint ventures accounted for using equity method	-	349,390	-	-	-	349,390
Changes in ownership interests in subsidiaries	-	(13,657)	-	-	(130)	(13,787)
Disposal of part the equity of the subsidiary	-	3,354,164	-	-	-	3,365,503
Share-based payments transactions	626,400	(626,400)	-	-	528	348,855
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,225	(117,225)
Others	-	11,016	-	-	-	11,016
Balance at December 31, 2021	29,032,521	28,834,524	9,964,169	6,846,521	14,287,997	77,916,938
Net profit	-	-	-	-	11,162,451	11,162,451
Other comprehensive income	-	-	-	-	245,513	6,860,210
Total comprehensive income	-	-	-	-	11,407,964	18,022,661
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	1,050,417	-	(1,050,417)	-
Special reserve	-	-	-	1,944,127	(1,944,127)	-
Cash dividends	-	-	-	-	(6,257,863)	(6,257,863)
Changes in equity of associates and joint ventures accounted for using equity method	-	302,059	-	-	(203)	301,856
Changes in ownership interests in subsidiaries	-	(2,888)	-	-	-	113,255
Disposal of part the equity of the subsidiary	-	(70,095)	-	-	(1,040)	(71,135)
Share-based payments transactions	(16,500)	6,002,507	-	-	396	6,019,328
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	109,565	(109,565)
Others	-	27,641	-	-	-	27,641
Balance at December 31, 2022	\$ 29,016,021	\$ 35,050,440	\$ 11,014,586	\$ 8,790,648	\$ 16,552,272	\$ 96,382,149

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows used in operating activities:		
Profit before tax	\$ 10,934,081	10,763,081
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	1,262,212	1,031,497
Amortization expense	334,974	275,567
Loss(Gain) on reversal of expected credit losses	(79,553)	25,156
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	(189,100)	218,246
Interest expense	3,984,908	970,365
Interest income	(169,445)	(74,049)
Dividend income	(127,918)	(183,476)
Compensation cost arising from share-based payments	309,072	348,855
Shares of profit of subsidiary, associates and joint ventures accounted for using equity method	(5,362,139)	(12,948,376)
Gains on disposal of property, plant and equipment	(5,396)	(16,737)
Property, plant and equipment reclassified as expenses	19,939	-
Other non-current assets reclassified as expenses	5,475	-
Net losses on disposal of investments	3,173	1,654
Other investment net losses	130,773	86,540
Unrealized (realized) profit from sales	804,140	(192,083)
Lease modification losses	45	507
Loss (gain) on foreign currency exchange arising from loans and guarantee deposits	7,479,838	(2,333,234)
Amortization of bank arrangement fees	12,612	16,937
Total adjustments to reconcile profit	8,413,610	(12,772,631)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in trade receivables	5,530,429	(5,468,273)
Decrease (increase) in trade receivables-related parties	39,498,377	(36,461,555)
Decrease (increase) in other receivables-related parties	(177,310)	1,439,942
Increase in inventories	(5,337,704)	(7,500,893)
Increase in other current assets	(1,015,486)	(1,150,277)
Total changes in operating assets	38,498,306	(49,141,056)
Changes in operating liabilities:		
Increase in current contract liabilities	367,107	547,531
Increase (decrease) in note and trade payables	4,208,166	(2,391,631)
Increase (decrease) in trade payables-related parties	(25,741,131)	28,628,258
Increase (decrease) in other payables-related parties	863,871	(140,479)
Increase (decrease) in current refund liability	(2,605,672)	873,819
Increase (decrease) in other current liabilities	2,650,794	(1,618,623)
Decrease in other non-current liabilities	(195,433)	(136,866)
Total changes in operating liabilities	(20,452,298)	25,762,009
Net changes in operating assets and liabilities	18,046,008	(23,379,047)
Total changes in operating assets and liabilities	26,459,618	(36,151,678)
Cash inflow (outflow) generated from (used in) operations	37,393,699	(25,388,597)
Interest received	179,884	70,088
Dividends received	2,389,284	4,542,114
Interest paid	(3,594,877)	(944,003)
Income taxes paid	(148,491)	(872,713)
Net cash flows generated from (used in) operating activities	36,219,499	(22,593,111)
Cash flows generated from investing activities:		
Decrease (increase) in other receivables-related parties	706,020	(923,160)
Acquisition of financial assets at fair value through other comprehensive income	(533,961)	(192,228)
Proceeds from disposal of financial assets at fair value through other comprehensive income	225,223	81,996
Return of financial assets at fair value through other comprehensive income	2,732	40,491
Acquisition of financial assets at amortized cost	-	(1,404,046)
Proceeds from disposal of financial assets at amortized cost	1,105,394	-
Acquisition of financial assets at fair value through profit or loss	(55,470)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	20,065
Proceeds from capital reduction of investments accounted for using equity method	1,790,841	10,677,340
Acquisition of equity-accounted investees	(4,738,063)	(3,828,227)
Proceeds from disposal of equity-accounted investees	-	9,350
Partial disposal of the investment in the subsidiary	7,677,580	3,900,940
Acquisition of property, plant and equipment	(2,559,480)	(924,671)
Proceeds from disposal of property, plant and equipment	153,273	150,412
Increase in refundable deposits	(287,297)	(102,799)
Acquisition of intangible assets	(357,860)	(344,980)
Employee remunerations to subsidiaries' employees	(12,995)	(26,647)
Increase in other non-current assets	(284,267)	(244,363)
Net cash flows generated from investing activities	2,831,670	6,889,473
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	598,298,134	477,516,265
Repayments of short-term loans	(612,833,174)	(459,871,001)
Increase in long-term loans	16,236,100	28,337,440
Repayments of long-term loans	(27,755,433)	(23,574,935)
Increase (decrease) in guarantee deposits received	278,630	(315,761)
Repayments of lease liabilities	(370,628)	(584,479)
Cash dividends paid	(6,257,467)	(6,258,127)
Treasury shares transferred to employees	113,255	-
Others	27,641	11,016
Net cash flows generated from (used in) financing activities	(32,262,942)	15,260,418
Net increase (decrease) in cash and cash equivalents	6,788,227	(443,220)
Cash and cash equivalents at beginning of year	3,463,976	3,907,196
Cash and cash equivalents at end of year	\$ 10,252,203	3,463,976

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2022 and 2021

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

(1) Company history

Wistron Corporation (the “Company”) was incorporated on May 30, 2001, as a company limited by shares under the laws of the Republic of China (ROC). In pursuant to a restructuring plan of Acer Inc. (AI) to improve its business performance and competitiveness, the Company was formed to acquire the net assets spun off from AI’s DMS (Design, Manufacturing, and Service products) business.

The Company is currently engaged in the research, development, design, manufacturing, testing and sale of the following products and semi-finished products, and their peripheral equipment, parts and components:

- (i) desktop computers, notebook computers, motherboards, servers, system platforms, high-speed and multi-function multiple-CPU computer systems, multi-media computers, network computers, consumer-type computers and special computers, micro-processors, CD-ROMs, PDAs, panel PCs, pocket computers and interface cards;
- (ii) video and internet telephones, video conferencing equipment and telecommunication equipment;
- (iii) digital satellite TV receivers, set - top boxes, digital video decoders and multi - media appliance products;
- (iv) digital cameras, CD-ROM drives and DVD-ROM drives;
- (v) wireless receiver products (mobile phones, wireless LAN cards, and Bluetooth communication modules);
- (vi) LCD TVs and other electronic audio & visual products;
- (vii) design and merchandising of computer software and programs;
- (viii) import and export trade relevant to the business of this company;
- (ix) maintenance and cleaning of electronics products;
- (x) recycling of electronic waste;
- (xi) in vitro diagnostic device, therapeutic equipment, intelligent assistive device, diagnostic x-ray unit, physiological signal diagnostic device and medical data system;
- (xii) manufacturing, processing and selling of electronic products for automobile.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

The parent company only financial statements for the years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on March 14, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(4) Summary of significant accounting policies

The significant accounting policies presented in the parent company only financial statements are summarized as follows. Except for those specifically indicated, the following accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

- (a) Statement of compliance

The parent company only 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 consolidated financial statements, the Chinese version shall prevail.

These parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”).

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

- 1) Financial assets at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

- (ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

- (c) Foreign currency

- (i) Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

(Continued)

WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the New Taiwan Dollars are presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the New Taiwan Dollars at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period;
- (iv) The asset is cash or a cash equivalent, but excluding the asset restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period;
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand and check deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

1) Classification of financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – equity investment; or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

WISTRON CORPORATION**Notes to the Parent Company Only Financial Statements**

a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the “trade receivables” line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

(Continued)

WISTRON CORPORATION**Notes to the Parent Company Only Financial Statements**

Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, note and trade receivables, other receivables and guarantee deposits), trade receivables measured at FVOCI.

The Company measures loss allowance at an amount equal to lifetime ECL. The Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed; both qualitative and quantitative information and also basing on the Company’s historical experiences and informed credit assessment as well as forward-looking information. For the financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(Continued)

WISTRON CORPORATION**Notes to the Parent Company Only Financial Statements**

3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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WISTRON CORPORATION**Notes to the Parent Company Only Financial Statements**

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the standard cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The standard cost method is adopted for inventory costing and the difference between standard cost and actual cost is allocated proportionately to inventory except for an unfavorable variance from normal capacity.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(j) Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently, at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value, which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of the significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount and it shall be allocated on a systematic basis over its useful life. The items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Buildings and improvements: 20 to 50 years
- 2) Machinery and equipment: 3 to 10 years
- 3) Molding equipment: 1 year
- 4) Research and development equipment: 3 to 5 years
- 5) Furniture, fixtures and other equipment: 3 to 10 years

The Company reviews depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(iv) Reclassify to investment property

The property is reclassified to investment property as its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments or penalties for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the Group's evaluation of purchase options; or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there is any lease modification to the assets, scope and other terms of the lease.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with less than 12 month and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as occurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- 1) Patents: 10 years
- 2) Software: 1 to 10 years
- 3) Customer relationships: 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjust if appropriate.

(n) Impairment of non-derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(p) Treasury shares

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly attributable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve–Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve–Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(q) Revenue from contracts with customers

Revenue is measured basing on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

(i) Sale of goods

The Company manufactures and sells electronic products to international brand customers. The Company recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the related risk and rewards of ownership are transferred, and there is no continuing management involvement with the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often offers volume discounts to its customers based on aggregate sales. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company provides customers with the extended warranty. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Company would sell the product and the extended warranty separately in similar circumstances and to similar customers. The Company recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Service revenue

The Company provide maintenance service. The Company will recognize the revenue when the performance obligation completed.

(iii) Financing components

The Company does not expect to have almost contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(r) Government grants

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Company evaluates the fair value of its borrowings (from financial institutions with government assistance in the form of a guarantee) based on the market interest rates, and recognizes the difference between the fair value and the interests paid as non-operating income.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The grant date of share-based payment is the date that the subscription price and shares are authorized by the Board of Directors.

(u) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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WISTRON CORPORATION
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- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(v) Earnings per share

The Company discloses the Company basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as accrued employee' remuneration.

(w) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statement.

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Notes to the Parent Company Only Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these parent company only financial statements, the management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the parent company only financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and have been updated to reflect the impact of COVID-19 pandemic are as follows:

- Inventory valuation

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The valuation of the inventory is mainly determined basing on the demand of products in the future. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(g) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 7,015	22,116
Demand and check deposits	9,323,948	3,255,215
Time deposits	921,240	186,645
	<u>\$ 10,252,203</u>	<u>3,463,976</u>

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

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

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 4,688	206
Foreign currency forward contracts	147,596	8,798
	<u>\$ 152,284</u>	<u>9,004</u>

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

	December 31, 2022	December 31, 2021
Held-for trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ -	9,224
Foreign currency forward contracts	161	18,834
	<u>\$ 161</u>	<u>28,058</u>

The Company uses derivative financial instruments to hedge the certain foreign exchange risk the Company was exposed to, arising from its operating, financing and investing activities. As of December 31, 2022 and 2021, derivative financial instruments not qualified for hedge accounting were as follows:

1) Foreign currency swap contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD 75,000	TWD Put / USD Call	2023/1/6~2023/1/11
December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD 145,000	TWD Put / USD Call	2022/1/7~2022/1/28

2) Foreign currency forward contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD 704,000	TWD Put / USD Call	2023/1/3~2023/3/6
December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD 20,000	USD Put / CNY Call	2022/1/7
USD 495,000	TWD Put / USD Call	2022/1/5~2022/2/7

(iii) Non-current financial liabilities at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Simple Agreement for Future Equity (SAFE)	\$ 73,392	-

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(c) Current financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Restricted bank deposits	<u>\$ 298,652</u>	<u>1,404,046</u>

According to “Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds”, the Company had submitted an investment proposal and was approved by National Taxation Bureau, Ministry of Finance. Based on the regulation, the deposits are restricted only to the approved investment plan, and shall not be used for other purposes.

(d) Non-current financial asset at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 2,410,211	3,547,570
Unlisted companies	299,904	118,030
Unlisted fund	<u>1,220,951</u>	<u>905,230</u>
Total	<u>\$ 3,931,066</u>	<u>4,570,830</u>

- (i) The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represented those investments that the Company intended to hold for long-term for strategic purposes.

The Company sold portion of its shares in Marvell Technology, Inc., Jafco AT Fund VI L.P. and AOpen Inc. with a fair value of \$225,223 during 2022, as well as disposed portion of its shares in Alpha Networks Inc., AOpen Inc. and Airdog Inc., with a fair value of \$81,996 during 2021, resulting in the Company to recognize the net gains of \$103,620 and the net losses of \$37,281, respectively, which were accounted for as under other comprehensive income; then later on, were reclassified to retained earnings.

- (ii) For the disclosure of market risk, please refer to Note 6(x).

- (iii) The aforementioned financial assets were not pledged.

(e) Trade receivables

	December 31, 2022	December 31, 2021
Trade receivables-measured at amortized cost	\$ 36,630,314	54,732,468
Trade receivables-measured at FVOCI	15,141,423	2,908,099
Trade receivables-related parties-measured at amortized cost	127,587,415	167,085,792
Less: loss allowance	<u>(184,415)</u>	<u>(602,369)</u>
	<u>\$ 179,174,737</u>	<u>224,123,990</u>

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The Company had managed a portion of its trade receivables that was held within a business model whose objective was achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Company applied 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, trade receivables and trade receivables-related parties had been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

	December 31, 2022		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 152,142,995	0.000%~0.100%	23,709
1 to 60 days past due	24,076,385	0.000%~5.000%	21,602
61 to 180 days past due	3,000,788	0.000%~5.000%	489
181 to 300 days past due	606	0.000%~17.188%	45
More than 301 days past due	<u>138,378</u>	9.17%~100.00%	<u>138,378</u>
Total	<u>\$ 179,359,152</u>		<u>184,223</u>

	December 31, 2021		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 199,798,761	0.000%~0.275%	75,332
1 to 60 days past due	17,073,183	0.000%~5.907%	20,567
61 to 180 days past due	7,347,348	0.000%~13.207%	1,668
181 to 300 days past due	274	0.000%~34.167%	26
More than 301 days past due	<u>506,793</u>	11.559%~100%	<u>504,408</u>
Total	<u>\$ 224,726,359</u>		<u>602,001</u>

The movements in the loss allowance for trade receivables were as follows:

	2022	2021
Balance on January 1	\$ 602,369	602,428
Impairment losses reversed	(79,553)	(59)
Amounts written off	<u>(338,401)</u>	<u>-</u>
Balance on December 31	<u>\$ 184,415</u>	<u>602,369</u>

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The Company entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Company 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 Company derecognized the above trade receivables because it had transferred substantially all of the risks and rewards of their ownership, and it did not have any continuing involvement in them.

As of December 31, 2022 and 2021, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

December 31, 2022						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Range of Interest Rate	Collateral
			Paid	Unpaid		
Financial institutions	\$ 2,513,366	3,285,600	2,513,366	772,234 (Note)	4.91%~6.1%	-

December 31, 2021						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Range of Interest Rate	Collateral
			Paid	Unpaid		
Financial institutions	\$ 1,090,662	2,558,000	1,090,662	1,467,338 (Note)	0.45%~1.12%	-

(Note): The unpaid amount advanced was shared by the Company and its subsidiary.

As of December 31, 2022 and 2021, the trade receivables were not pledged.

For further credit risk information, please refer to Note 6(x).

(f) Other receivables

	December 31, 2022	December 31, 2021
Other current assets-other receivables	\$ 5,561,119	4,718,790
Other receivables-related parties	2,473,843	3,013,206
Less: loss allowance	(64,313)	(459,776)
	<u>\$ 7,970,649</u>	<u>7,272,220</u>

As of December 31, 2022 and 2021, there were no significant changes in credit quality and risk of the other receivables, and the overdue amounts were impaired.

The movements in the loss allowance for other receivables were as follows:

	2022	2021
Balance on January 1	\$ 459,776	480,898
Impairment loss recognized	-	25,215
Amounts written off	(395,463)	(46,337)
Balance on December 31	<u>\$ 64,313</u>	<u>459,776</u>

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Notes to the Parent Company Only Financial Statements

(g) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 13,177,572	13,376,196
Work in progress	592,825	698,980
Finished goods	14,058,162	7,498,133
Inventory in transit	9,877,162	10,794,708
	<u>\$ 37,705,721</u>	<u>32,368,017</u>

For the years ended December 31, 2022 and 2021, the details of cost of sales were as follows:

	2022	2021
Cost of goods sold	\$ 652,359,650	650,011,538
Loss on valuation of inventories	2,252,840	1,224,654
Loss on supplier inventory reserve (reversed)	577,663	(234,596)
Income from sale of scraps	(25,476)	(24,867)
	<u>\$ 655,164,677</u>	<u>650,976,729</u>

As of December 31, 2022 and 2021, the inventories were not pledged.

(h) Equity-accounted investees

As of December 31, 2022 and 2021, the components of investments accounted for using the equity method were as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 97,722,647	87,618,189
Associates	5,762,804	4,558,714
	<u>\$ 103,485,451</u>	<u>92,176,903</u>

(i) Subsidiaries

- 1) Please refer to the consolidated financial statements for the year ended December 31, 2022.
- 2) Disposal of part of equity ownership of subsidiaries without losing control

In the first quarter of 2022 and the fourth quarter of 2021, the Company disposed of 4.57% and 2.59% of the shares of WYHQ, respectively, from 42.26% and 44.85% to 37.69% and 42.26%. Since it had no effect on the control of the subsidiary, the equity change was regarded as an equity transaction.

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The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

	<u>2022</u>	<u>2021</u>
Book value of the non-controlling interest	\$ 7,282,067	3,855,501
Consideration transferred from the non-controlling interest	(1,355,318)	(675,768)
Other equity	<u>(16,560)</u>	<u>(10,812)</u>
Capital surplus – difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$ 5,910,189</u>	<u>3,168,921</u>

(ii) Associates

- 1) As of December 31, 2022 and 2021, the fair value of investments in associates of the Company for which there were public price quotations were as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
WNC	\$ 4,598,489	7,030,495	3,851,689	6,994,625
Formosa Prosonic Industries Berhad (FPI)	769,488	1,558,810	553,100	1,720,315
T-Conn Precision Corporation (TPE)	<u>104,576</u>	<u>274,652</u>	<u>101,318</u>	<u>623,649</u>
	<u>\$ 5,472,553</u>	<u>8,863,957</u>	<u>4,506,107</u>	<u>9,338,589</u>

- 2) For the years ended December 31, 2022 and 2021, the share of profits and other comprehensive income of associates recognized by the Company were as follows:

	<u>2022</u>	<u>2021</u>
Net profit	\$ 949,850	451,727
Other comprehensive income	<u>132,405</u>	<u>(62,151)</u>
Comprehensive income	<u>\$ 1,082,255</u>	<u>389,576</u>

- 3) The financial information on associates was as follows (before being adjusted to the Company's proportionate share):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total assets	<u>\$ 74,977,504</u>	<u>51,356,075</u>
Total liabilities	<u>\$ 49,307,338</u>	<u>30,724,851</u>
Revenue	<u>\$ 103,973,173</u>	<u>76,244,081</u>
Profit	<u>\$ 3,939,760</u>	<u>1,739,950</u>

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Notes to the Parent Company Only Financial Statements

(iii) Collateral

As of December 31, 2022 and 2021, the investments in aforementioned equity-accounted investees were not pledged.

(iv) Judgement of whether the Group has substantive control over its investees

Although the Company was the first major shareholder of some of its associates, the Company failed to obtain more than half of the total number of their directors. It also failed to reach any contractual agreement with the other investors to align and exercise other voting rights. Therefore, the Company only has significant influence, but not control, over its associates.

(i) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows,

	<u>Land</u>	<u>Building and improvements</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Research and development equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:								
Balance at January 1, 2022	\$ 2,810,384	2,361,942	2,227,531	5,812,589	2,259,483	865,775	706,759	17,044,463
Additions	-	31,491	388,629	3,691	233,107	68,751	1,833,811	2,559,480
Reclassification (Note)	-	-	131,777	4,054	21,843	15,321	58,721	231,716
Reclassified from expenses (as expenses)	-	(20,566)	(5)	-	-	879	(247)	(19,939)
Disposals	-	-	(350,437)	(1,986,380)	(36,096)	(93,426)	(13,115)	(2,479,454)
Balance at December 31, 2022	<u>\$ 2,810,384</u>	<u>2,372,867</u>	<u>2,397,495</u>	<u>3,833,954</u>	<u>2,478,337</u>	<u>857,300</u>	<u>2,585,929</u>	<u>17,336,266</u>
Balance at January 1, 2021	\$ 2,810,384	2,345,816	1,842,998	10,192,038	2,051,321	895,496	489,207	20,627,260
Additions	-	16,656	414,200	14,862	214,011	45,585	219,357	924,671
Reclassification (Note)	-	-	169,953	36,501	35,644	36	-	242,134
Disposals	-	(530)	(199,620)	(4,430,812)	(41,493)	(75,342)	(1,805)	(4,749,602)
Balance at December 31, 2021	<u>\$ 2,810,384</u>	<u>2,361,942</u>	<u>2,227,531</u>	<u>5,812,589</u>	<u>2,259,483</u>	<u>865,775</u>	<u>706,759</u>	<u>17,044,463</u>
Accumulated depreciation:								
Balance at January 1, 2022	\$ -	928,910	806,513	5,790,255	1,836,556	751,772	435,003	10,549,009
Depreciation	-	102,101	324,284	25,956	180,109	55,097	182,979	870,526
Disposals	-	-	(202,560)	(1,986,380)	(36,096)	(93,426)	(13,115)	(2,331,577)
Balance at December 31, 2022	<u>\$ -</u>	<u>1,031,011</u>	<u>928,237</u>	<u>3,829,831</u>	<u>1,980,569</u>	<u>713,443</u>	<u>604,867</u>	<u>9,087,958</u>
Balance at January 1, 2021	\$ -	829,161	630,892	10,147,785	1,720,900	782,599	330,953	14,442,290
Depreciation	-	100,337	251,821	73,282	154,050	44,492	105,773	729,755
Reclassification	-	(58)	-	-	-	-	58	-
Disposals	-	(530)	(76,200)	(4,430,812)	(38,394)	(75,319)	(1,781)	(4,623,036)
Balance at December 31, 2021	<u>\$ -</u>	<u>928,910</u>	<u>806,513</u>	<u>5,790,255</u>	<u>1,836,556</u>	<u>751,772</u>	<u>435,003</u>	<u>10,549,009</u>
Carrying value:								
Balance at December 31, 2022	<u>\$ 2,810,384</u>	<u>1,341,856</u>	<u>1,469,258</u>	<u>4,123</u>	<u>497,768</u>	<u>143,857</u>	<u>1,981,062</u>	<u>8,248,308</u>
Balance at December 31, 2021	<u>\$ 2,810,384</u>	<u>1,433,032</u>	<u>1,421,018</u>	<u>22,334</u>	<u>422,927</u>	<u>114,003</u>	<u>271,756</u>	<u>6,495,454</u>
Balance at January 1, 2021	<u>\$ 2,810,384</u>	<u>1,516,655</u>	<u>1,212,106</u>	<u>44,253</u>	<u>330,421</u>	<u>112,897</u>	<u>158,254</u>	<u>6,184,970</u>

(Note): Reclassifications are mainly transferring from other non-current assets-advance payments for equipment.

As of December 31, 2022 and 2021, the property, plant and equipment were not pledged.

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(j) Right-of-use assets

The Company leased many assets including land, buildings and improvements, office equipment, transportation and other equipment. Information about leases for which the Company as a lessee was as below:

	Land	Building	Office equipment	Transportation equipment	Other equipment	Total
Cost:						
Balance at January 1, 2022	\$ 1,247,260	1,117,148	44,885	76,695	12,136	2,498,124
Addition	1,435	740,609	18,845	14,434	4,173	779,496
Decrease	-	(48,985)	-	(2,484)	-	(51,469)
Balance at December 31, 2022	<u>\$ 1,248,695</u>	<u>1,808,772</u>	<u>63,730</u>	<u>88,645</u>	<u>16,309</u>	<u>3,226,151</u>
Balance at January 1, 2021	\$ 113,240	759,339	27,041	50,264	5,273	955,157
Addition	1,134,020	494,603	17,844	30,657	6,863	1,683,987
Decrease	-	(136,794)	-	(4,226)	-	(141,020)
December 31, 2021	<u>\$ 1,247,260</u>	<u>1,117,148</u>	<u>44,885</u>	<u>76,695</u>	<u>12,136</u>	<u>2,498,124</u>
Accumulated depreciation:						
Balance at January 1, 2022	\$ 75,264	507,655	18,338	37,939	4,507	643,703
Depreciation	34,872	313,441	13,415	22,906	3,307	387,941
Decrease	-	(41,195)	-	(2,139)	-	(43,334)
Balance at December 31, 2022	<u>\$ 110,136</u>	<u>779,901</u>	<u>31,753</u>	<u>58,706</u>	<u>7,814</u>	<u>988,310</u>
Balance at January 1, 2021	\$ 59,864	380,429	10,326	21,047	2,259	473,925
Depreciation	15,400	253,684	8,012	18,653	2,248	297,997
Decrease	-	(126,458)	-	(1,761)	-	(128,219)
December 31, 2021	<u>\$ 75,264</u>	<u>507,655</u>	<u>18,338</u>	<u>37,939</u>	<u>4,507</u>	<u>643,703</u>
Carrying amount:						
Balance at December 31, 2022	<u>\$ 1,138,559</u>	<u>1,028,871</u>	<u>31,977</u>	<u>29,939</u>	<u>8,495</u>	<u>2,237,841</u>
Balance at December 31, 2021	<u>\$ 1,171,996</u>	<u>609,493</u>	<u>26,547</u>	<u>38,756</u>	<u>7,629</u>	<u>1,854,421</u>
Balance at January 1, 2021	<u>\$ 53,376</u>	<u>378,910</u>	<u>16,715</u>	<u>29,217</u>	<u>3,014</u>	<u>481,232</u>

(k) Intangible assets

The cost and amortization of the intangible assets for the years ended December 31, 2022 and 2021 were as follows:

	Patent	Software	Goodwill	Total
Costs:				
Balance at January 1, 2022	\$ 143,439	524,424	561,485	1,229,348
Additions	800	357,060	-	357,860
Balance at December 31, 2022	<u>\$ 144,239</u>	<u>881,484</u>	<u>561,485</u>	<u>1,587,208</u>
Balance at January 1, 2021	\$ 265,896	565,412	561,485	1,392,793
Additions	48,272	296,708	-	344,980
Disposal	(170,729)	(337,696)	-	(508,425)
Balance at December 31, 2021	<u>\$ 143,439</u>	<u>524,424</u>	<u>561,485</u>	<u>1,229,348</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Patent	Software	Goodwill	Total
Accumulated amortization:				
Balance at January 1, 2022	\$ 93,820	252,541	-	346,361
Amortization	17,671	317,303	-	334,974
Balance at December 31, 2022	<u>\$ 111,491</u>	<u>569,844</u>	<u>-</u>	<u>681,335</u>
Balance at January 1, 2021	\$ 242,048	337,171	-	579,219
Amortization	22,501	253,066	-	275,567
Disposal	(170,729)	(337,696)	-	(508,425)
Balance at December 31, 2021	<u>\$ 93,820</u>	<u>252,541</u>	<u>-</u>	<u>346,361</u>
Carrying amount:				
Balance at December 31, 2022	<u>\$ 32,748</u>	<u>311,640</u>	<u>561,485</u>	<u>905,873</u>
Balance at December 31, 2021	<u>\$ 49,619</u>	<u>271,883</u>	<u>561,485</u>	<u>882,987</u>
Balance at January 1, 2021	<u>\$ 23,848</u>	<u>228,241</u>	<u>561,485</u>	<u>813,574</u>

(i) Impairment testing for goodwill

For impairment testing purposes, goodwill had been allocated to the cash generating units (CGU) brought forth from the developing and manufacturing service of the Company.

The carrying amounts of goodwill were as follows:

	December 31, 2022	December 31, 2021
Developing and manufacturing services cash-generating units	<u>\$ 561,485</u>	<u>561,485</u>

The goodwill generated from the Company's acquisition of Lite-On Technology Corp.'s Digital Display Business Unit in 2008 was allocated to the CGU brought forth from the developing and manufacturing service of the Company, wherein the skills and technical talent of which is expected to bring benefits to the Company.

The key assumptions used in the estimation of the value in use (including goodwill) are set out below.

	December 31, 2022	December 31, 2021
Pre-tax discount rate	3.73 %	2.74 %

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

The discount rate was a pre-tax measure based on the rate of the 10-year government bonds issued by the Taiwan government in the same currency as the cash flows, adjusted for a risk premium to reflect both the increase in risk on investing generally in equities and the systemic risk of the specific CGU.

Cash flows in the following five years were included in the discounted cash flow model, which was based on the financial forecast for the following year approved by the management.

Budgeted EBITDA over the financial forecast period was based on expectations of future outcome, taking into account the past experience, adjusted for the anticipated revenue growth. Revenue growth is projected by taking into account the historical growth levels experienced over the past few years.

(ii) Collateral

As of December 31, 2022 and 2021, the intangible assets were not pledged.

(l) Other current assets and non-current assets

	December 31, 2022	December 31, 2021
(i) Other current assets:		
Other receivables, net	\$ 5,496,806	4,259,014
Tax refundable	237,224	117,769
Prepaid royalties	203,489	226,496
Other prepayments	387,995	313,237
Current restricted assets	-	384,053
Others	946	10,189
	<u>\$ 6,326,460</u>	<u>5,310,758</u>
	December 31, 2022	December 31, 2021
(ii) Other non-current assets:		
Advance payments for equipment	\$ 82,915	30,369
Investment property	163,834	167,579
Others	662,961	381,133
	<u>\$ 909,710</u>	<u>579,081</u>

- Investment property comprised land and office buildings that were leased to the subsidiary under operating leases, including properties that are owned by the Company. The leases of investment properties contained an initial non-cancellable lease term of 9 years. The leases provided the lessees with options to extend at the end of the term.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- 1) The cost and accumulated depreciation of investment property for the years ended December 31, 2022 and 2021, were as follows:

	Owned property		
	Land	Buildings	Total
Cost:			
Balance at December 31, 2022 (same as balance at January 1, 2022)	\$ 51,477	185,708	237,185
Balance at December 31, 2021 (same as balance at January 1, 2021)	\$ 51,477	185,708	237,185
Accumulated depreciation:			
Balance at January 1, 2022	\$ -	69,606	69,606
Depreciation	-	3,745	3,745
Balance at December 31, 2022	\$ -	73,351	73,351
Balance at January 1, 2021	\$ -	65,861	65,861
Depreciation	-	3,745	3,745
Balance at December 31, 2021	\$ -	69,606	69,606
Carrying amount:			
Balance at December 31, 2022	\$ 51,477	112,357	163,834
Balance at December 31, 2021	\$ 51,477	116,102	167,579
Balance at January 1, 2021	\$ 51,477	119,847	171,324

- 2) Rental income and direct operating expenses arising from investment property that generate rental income were as follows:

	2022	2021
Rent income	\$ 6,129	6,129
Direct operating expense arising from investment property that generated rental income	\$ 3,745	3,745

- 3) The fair value of the investment property was measured as the cash flows the Company expected to receive, and which was discounted with a particular interest rate to reflect the market price. The yields applied to the net annual rentals used to determine the fair value of properties were 0.3% for the years ended December 31, 2022 and 2021.

- 4) As of December 31, 2022 and 2021, the investment property was not pledged.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(m) Bank loans

(i) Short-term loans

December 31, 2022				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	3.98%~5.36%	2023/1/3~2023/1/22	\$ 16,159,810
Unsecured bank loans	TWD	1.52%~2.07%	2023/1/3~2023/3/28	48,880,000
Unsecured bank loans	JPY	0.5%~0.91%	2023/1/4~2023/2/16	5,734,312
Unsecured bank loans	EUR	2.02%~2.76%	2023/1/5~2023/1/30	3,263,144
Total				<u>\$ 74,037,266</u>
Unused credit line				<u>\$ 58,904,148</u>

December 31, 2021				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	0.57%~0.90%	2022/1/3~2022/3/18	\$ 61,181,079
Unsecured bank loans	TWD	0.75%~0.87%	2022/1/3~2022/2/22	21,580,000
Unsecured bank loans	EUR	0.63%	2022/1/13~2022/1/25	217,030
Unsecured bank loans	CNY	3.54%~3.90%	2022/1/6	106,099
Unsecured bank loans	AUD	0.80%	2022/1/14	60,134
Total				<u>\$ 83,144,342</u>
Unused credit line				<u>\$ 39,141,661</u>

(ii) Long-term loans

December 31, 2022				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	5.81%~6.01%	2023/5/23~2024/3/10	\$ 12,150,619
Unsecured short loans	TWD	1.10%~2.07%	2025/3/2~2032/1/15	2,260,115
Unsecured bank loans	EUR	2.65%	2024/7/31	519,359
Subtotal				14,930,093
Less: current portion				(5,527,440)
Total				<u>\$ 9,402,653</u>
Unused credit line				<u>\$ 18,676,626</u>

December 31, 2021				
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	0.7%~1.17%	2022/3/7~2024/3/10	\$ 24,455,598
Less: current portion				(1,218,360)
Total				<u>\$ 23,237,238</u>
Unused credit line				<u>\$ 2,396,840</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Breach of covenant

- 1) On May 23, 2018, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 21 other participating banks, and which was extended on December 25, 2020, with significant terms as follows:

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

As of December 31, 2022, the credit line has been reduced to USD300,000,000 in accordance with the loan agreement.

- 2) On December 31, 2020, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 8 other participating banks, with significant terms as follows:

Total credit facility: USD360,000,000

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

According to the loan agreement, during the loan repayment periods, the Company must comply with certain financial covenants, such as current ratio, debt ratio, interest coverage ratio and tangible net assets, based on its audited annual consolidated financial statements and reviewed semi-annual consolidated financial statements. If a breach of contract occurs, the Company's credit facility will immediately be restricted and will no longer be available for use without the approval of the majority of banks involved.

(iv) Government low-interest loan

In 2022, to expand its operation through constructing factories and for business purpose, the Company obtains the government low interest loans from Mega Bank, Bank of Taiwan, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, and Taipei Fubon Commercial Bank, in accordance with the "Loans for Returning Overseas Taiwanese Businesses", with significant terms as follows:

Total credit line : \$8,643,200, without revolving.

Maturity date : From January, 2029 to January, 2032.

As of December 31, 2022, the used credit line of \$1,331,730 was based on the market interest rates. The differences between the market interest rates and the actual amounts paid were recognized as the deferred income under current and non-current liabilities in accordance with the government grants.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (v) The interest expenses for short-term and long-term loans for the years ended December 31, 2022 and 2021, were disclosed in Note 6(v).

(n) Lease liabilities

	December 31, 2022	December 31, 2021
Current	\$ <u>377,509</u>	<u>291,158</u>
Non-current	\$ <u>1,589,163</u>	<u>1,274,736</u>

For the disclosure of maturity analysis, please refer to Note 6(x).

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ <u>30,209</u>	<u>23,412</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>58,311</u>	<u>28,179</u>
Expenses relating to short term lease	\$ <u>11,415</u>	<u>11,286</u>
Expenses relating to leases of low-value assets	\$ <u>92</u>	<u>80</u>

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

	2022	2021
Total cash outflow for leases	\$ <u>470,655</u>	<u>647,436</u>

(i) Leases of land, buildings and equipment

As of December 31, 2022, the Company leased land, buildings for its office spaces, factories, warehouses and staff dormitories. The leases of land ran for 3 to 40 years, and of buildings typically for 1 to 10 years. Furthermore, the Company leased office equipment, other equipment and transportation equipment, with lease terms typically for 1 to 5 years. Some leases contained extension options. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period were not included within lease liabilities.

As of December 31, 2022, there was not the occurrence of either a significant event or a significant change in circumstances and the reassessment of the lease required.

(ii) Other leases

In some cases, the Company also leased buildings, office equipment and transportation equipment with contract terms less than one year. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(o) Operating leases

The Company leased the investment property, a number of offices, factories and facilities under operating leases. The Company had classified these leases as operating leases, since which was not transferred substantially all of the risks and rewards incidental to the ownership of the assets. For the years ended December 31, 2022 and 2021, rental income recognized in profit or loss, were \$61,042 and \$41,360, respectively.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	December 31, 2022	December 31, 2021
Less than one year	\$ 8,168	7,962
Between one to five years	32,097	31,156
More than five years	18,518	26,307
Total undiscounted lease payments	\$ <u>58,783</u>	<u>65,425</u>

(p) Employee benefits

(i) Defined benefit plans

The movements in the present value of the defined benefit obligations and net defined benefit liabilities were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 1,959,524	2,215,200
Fair value of plan assets	(1,393,767)	(1,206,402)
Net defined benefit liabilities	\$ <u>565,757</u>	<u>1,008,798</u>

The Company made defined benefit plan contributions to the pension fund accounts with Bank of Taiwan and Taipei Fubon Commercial Bank that provided pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitled a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocated pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)

WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

The Company's labor pension reserve account balance in Bank of Taiwan and Taipei Fubon Commercial Bank amounted to \$1,393,767 and \$1,206,402 as of December 31, 2022 and 2021, respectively. The utilization of the labor pension fund assets of the domestic entities of the Company included the asset allocation and yield of the fund. Please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) The movements in the present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations were as follows:

	2022	2021
Balance at January 1	\$ 2,215,200	2,187,498
Current service cost and interests	21,718	21,493
Benefit paid by the Company	(47,072)	(55,446)
Benefit paid by the plan	(64,378)	(59,056)
Net remeasurements of defined benefit liabilities		
-Actuarial losses arising from changes in financial assumptions	(227,943)	-
-Experience adjustments	61,999	65,078
-Losses arising from changes in demographic assumptions	-	55,633
Balance at December 31	<u>\$ 1,959,524</u>	<u>2,215,200</u>

3) The movements in the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

	2022	2021
Fair value of plan assets at January 1	\$ 1,206,402	1,151,677
Contribution paid by the Company	162,803	95,959
Benefit paid by the plan	(64,378)	(59,056)
Expected return on plan assets	7,276	6,954
Net remeasurements of defined benefit liabilities		
-Returns on plan assets	81,664	10,868
Balance at December 31	<u>\$ 1,393,767</u>	<u>1,206,402</u>

(Continued)

WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021, were as follow:

	2022	2021
Current service cost	\$ 8,279	8,204
Net interest on the net defined benefit liabilities	13,439	13,289
Net remeasurements of defined benefit liabilities		
-Returns on plan assets	81,664	10,868
Accrual returns on plan assets	(88,940)	(17,822)
	<u>\$ 14,442</u>	<u>14,539</u>

	2022	2021
Cost of sales	\$ 9,786	10,327
Selling expenses	941	1,140
Administrative expenses	1,992	2,080
Research and development expenses	1,723	992
	<u>\$ 14,442</u>	<u>14,539</u>

5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

As of December 31, 2022 and 2021, the Company's remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	2022	2021
Balance at January 1	\$ 1,002,401	892,558
Recognized during the year	(247,608)	109,843
Balance at December 31	<u>\$ 754,793</u>	<u>1,002,401</u>

6) Actuarial assumptions

The Company's principal actuarial assumptions at the reporting dates were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.750 %	0.625 %
Future salary increases	3.500 %	3.500 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after December 31, 2022 was \$49,269.

The weighted average lifetime of the defined benefits plans was 13.30 years.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Effects to the defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2022		
Discount rate	\$ (45,902)	47,511
Future salary increases	45,695	(44,408)
December 31, 2021		
Discount rate	(58,550)	60,776
Future salary increases	57,898	(56,130)

There was no change in other assumptions when performing the aforementioned sensitivity analysis. In practice, assumptions might be interactive with each other. The method used on sensitivity analysis was consistent with the calculation on the net pension liabilities.

The method and assumptions used on current sensitivity analysis was the same as those of the prior year.

(ii) Defined contribution plans

The Company set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

The Company set aside \$535,859 and \$473,544 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021, respectively.

(q) Income Taxes

(i) Income tax expense

1) The components of income tax expense (benefit) for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Current tax expense (benefit)		
Current period	\$ 1,655,747	(17,823)
Prior period adjustments	-	(5,652)
	<u>1,655,747</u>	<u>(23,475)</u>
Deferred tax expense (benefit)		
Origination and reversal of temporary difference	(1,884,117)	318,526
Income tax expense (benefit)	<u>\$ (228,370)</u>	<u>295,051</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ 49,471	(21,969)
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	<u>5,332</u>	<u>35,561</u>
	<u>54,803</u>	<u>13,592</u>

3) The reconciliation of income tax expense (benefit) and profit before tax for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Profit before tax	<u>\$ 10,934,081</u>	<u>10,763,081</u>
Estimated income tax calculated based on financial income before tax at the Company's statutory tax rate	\$ 2,186,816	2,152,616
Tax-exempt income	(1,526,404)	(839,621)
Prior-period tax adjustments	-	(5,652)
Change in unrecognized temporary differences	(963,073)	(1,014,592)
Others	<u>74,291</u>	<u>2,300</u>
	<u>\$ (228,370)</u>	<u>295,051</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

a) Deferred tax assets have not been recognized in respect of the following items.

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 1,960,808</u>	<u>2,465,464</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

b) Unrecognized deferred tax assets and liabilities on investments

As of December 31, 2022 and 2021, the temporary differences associated with investments in subsidiaries which not recognized as deferred tax assets and liabilities were as follows:

	December 31, 2022	December 31, 2021
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax assets	\$ <u>1,602,189</u>	<u>1,571,851</u>
Unrecognized deferred tax liabilities	\$ <u>7,532,885</u>	<u>7,074,468</u>

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Recognized share of loss of subsidiaries and associates accounted for equity method	Unrealized exchange loss	Current refund liability	Allowance for inventory obsolescence and accrued expenses	Unearned revenue	Others	Total
Deferred tax assets:							
Balance at January 1, 2022	\$ 185,387	-	2,838,803	406,239	694,936	911,606	5,036,971
Recognized in profit or loss	(185,387)	1,085,322	(1,273,069)	160,603	946,720	(257,700)	476,489
Recognized in other comprehensive income	-	-	-	-	-	(51,430)	(51,430)
Balance at December 31, 2022	\$ <u>-</u>	<u>1,085,322</u>	<u>1,565,734</u>	<u>566,842</u>	<u>1,641,656</u>	<u>602,476</u>	<u>5,462,030</u>
Balance at January 1, 2021	\$ 409,107	-	2,600,917	481,426	907,021	858,256	5,256,727
Recognized in profit or loss	(223,720)	-	237,886	(75,187)	(212,085)	31,300	(241,806)
Recognized in other comprehensive income	-	-	-	-	-	22,050	22,050
Balance at December 31, 2021	\$ <u>185,387</u>	<u>-</u>	<u>2,838,803</u>	<u>406,239</u>	<u>694,936</u>	<u>911,606</u>	<u>5,036,971</u>
	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain				Others	Total
Deferred tax liabilities:							
Balance at January 1, 2022	\$ 2,052,784	-	542,539	-	238,062	-	2,833,385
Recognized in profit or loss	(938,185)	-	(542,539)	-	73,096	-	(1,407,628)
Recognized in other comprehensive income	-	-	-	-	3,373	-	3,373
Balance at December 31, 2022	\$ <u>1,114,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,531</u>	<u>-</u>	<u>1,429,130</u>
Balance at January 1, 2021	\$ 2,187,370	-	318,891	-	214,762	-	2,721,023
Recognized in profit or loss	(134,586)	-	223,648	-	(12,342)	-	76,720
Recognized in other comprehensive income	-	-	-	-	35,642	-	35,642
Balance at December 31, 2021	\$ <u>2,052,784</u>	<u>-</u>	<u>542,539</u>	<u>-</u>	<u>238,062</u>	<u>-</u>	<u>2,833,385</u>

- (iii) The Company's tax returns for the years through 2020 were examined and approved by the Taiwan National Tax Administration.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(r) Capital and Other Equities

(i) Capital

As of December 31, 2022 and 2021, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,901,602,000 and 2,903,252,000 shares, were issued and outstanding.

The Company issued 63,000,000 shares, with restricted employee rights at par value, amounting to \$630,000, with the Chairman of the board setting the base date on February 18, 2021, based on the resolution approved during the board meeting held on June 18, 2020. All relevant registration procedures have been completed as of the reporting date.

On May 6, 2022, August 5, 2022, November 4, 2022, August 5, 2021 and November 5, 2021, the Board of Directors resolved to cancel 150,000 shares, 180,000 shares, 1,320,000 shares, 240,000 shares and 120,000 shares amounting to \$1,500, \$1,800, \$13,200, \$2,400 and \$1,200, respectively. All relevant registration procedures have been completed as of the reporting date.

(ii) Treasury Shares

- In order to motivate the employees and improve the operating performance, the Company repurchased 58,769,000 of its own common stock as treasury shares at the amount of \$1,607,259 in accordance with the requirements under section 28(2) of the Securities and Exchange Act based on a resolution approved during the board meeting held on March 24, 2020. The above shares were held by the Company as of December 31, 2022 and 2021. However, 4,245,000 shares were transferred to employees during the year ended December 31, 2022, resulting in the Company to hold 54,524,000 and 58,769,000 treasury shares as of December 31, 2022 and 2021, respectively.
- Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The shares purchased for the purpose of transferring to employees shall be transferred within five years from the date of share repurchase. Those that were not transferred within the said limit shall be deemed as not issued by the Company and should be cancelled. Furthermore, treasury shares cannot be pledged for debts, and treasury shares do not carry any shareholder rights until they are transferred.

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Notes to the Parent Company Only Financial Statements

(iii) Capital surplus

Balances of capital surplus at the reporting dates were as follows:

	December 31, 2022	December 31, 2021
A premium issuance of common stock in exchange for the net assets of the DMS business of AI	\$ 1,800,000	1,800,000
A premium issuance of common shares for cash	20,223,928	20,223,928
Surplus arising from equity-accounted investees	12,408,834	6,174,363
Restricted shares to employees	338,636	381,944
Employee stock options	101,960	109,898
Transaction of treasury shares	62,307	57,257
Other	114,775	87,134
	\$ 35,050,440	28,834,524

In accordance with Companies Act, realized capital surplus can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

(iv) Retained Earning

The Company's Articles of Incorporation provide that, when allocating the net profit for each fiscal year, the Company shall first offset its losses in previous years and then set aside the legal reserve at 10% of net profit until the accumulated legal reserve equals the Company's capital; and also set aside special capital reserve in accordance with relevant regulations or as requested by the authorities. Any balance left over and the beginning balance of retaining earnings shall be distributed by way of cash or stock dividends; and the ratio for all dividends shall exceed 10% of the remaining earnings. The appropriations of earnings are approved by the Company's Board of Directors in its meeting and presented for approval by the Company's shareholders in its meeting.

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.

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WISTRON CORPORATION
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2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

On November 21, 2012, the other unearned remuneration for restricted employee shares was not accounted for as contra account of other shareholders' equity in accordance with Decree No.1010051600 issued by the Securities and Futures Bureau.

3) Dividends

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 stock dividend is not lower than ten percent of total distribution of dividends.

4) Earnings Distribution

The amounts of cash dividends of appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meeting held on June 17, 2022 and July 20, 2021, respectively. These earnings were appropriated as follows:

	2021	2020
Cash dividends	\$ 6,257,863	6,258,655

5) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			Deferred compensation arising from issuance of restricted shares
	The Company	Subsidiaries	Associates	The Company	Subsidiaries	Associates	The Company
Balance at January 1, 2022	\$ (8,027,659)	(373,306)	(330,461)	372,245	(397,805)	(33,662)	(650,887)
Foreign currency translation differences (net of tax)	7,125,045	256,473	131,898	-	-	-	-
Disposal of part of the equity of the subsidiary	16,560	261	-	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(951,101)	59,580	(7,198)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	(103,620)	(5,945)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	368,880
Balance at December 31, 2022	\$ (886,054)	(116,572)	(198,563)	(682,476)	(344,170)	(40,860)	(282,007)

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Exchange differences on translation of foreign financial statements			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			Deferred compensation arising from issuance of restricted shares
	The Company	Subsidiaries	Associates	The Company	Subsidiaries	Associates	The Company
Balance at January 1, 2021	\$ (5,943,716)	(323,652)	(258,415)	603,038	(886,615)	(37,161)	(999,742)
Foreign currency translation differences (net of tax)	(2,094,753)	(50,179)	(72,046)	-	-	-	-
Disposal of part of the equity of the subsidiary	10,810	525	-	2	2	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(268,076)	643,314	3,499	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	37,281	(154,506)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	348,855
Balance at December 31, 2021	<u>\$ (8,027,659)</u>	<u>(373,306)</u>	<u>(330,461)</u>	<u>372,245</u>	<u>(397,805)</u>	<u>(33,662)</u>	<u>(650,887)</u>

(s) Share-based payment transactions

(i) Restricted shares to employees

- 1) A resolution was approved during the shareholders' meeting on June 18, 2020, for a capital increase, wherein the Company to issued 63,000,000 new shares of restricted shares to those full-time employees who meet the Company's requirements. The above transaction had been registered with, and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. Furthermore, on December 23, 2020, the Board of Directors approved to issue all the restricted shares, with the issuance date set on February 18, 2021, wherein the fair value on the grant date amounted to \$30 per share.

Those employees who were granted the restricted share awards are entitled to purchase shares without remuneration, with the condition that these employees continue to provide services to the Company for at least 2 years, 3 years and 4 years (from the grant date), while 34%, 33% and 33% of the restricted shares are vested respectively depending on the completion of both the Company and their personal performance in each year. The restricted shares are kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act based on law and regulations. In addition, the appropriated dividends are also kept by a trust. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares without compensation and cancel the shares thereafter.

- 2) Details of the restricted shares of the Company are as follows:

(Unit: in thousand shares)

	2022	2021
Outstanding at 1 January	\$ 62,640	63,000
Vested during the year	(210)	-
Canceled during the year	(1,650)	(360)
Outstanding at 31 December	<u>\$ 60,780</u>	<u>62,640</u>

(Continued)

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- 3) The Company has recovered the cash dividends of \$396 and \$528, deriving from those employees who did not meet the vesting conditions in July 2022 and August 2021, respectively. The relevant registration procedures had been completed.

(ii) Treasury shares transfer to employees

- 1) The Company transferred 58,769,000 shares repurchased in 2020 to employees based on the resolution approved during the board meeting held on November 12, 2020. The treasury shares were granted to the full-time employees of the subsidiary at home and aboard who meet the specific requirement.
- 2) Details of the treasury shares transfer to employees of the Company are as follows:

(Unit: in thousand shares)

	2022	2021
Outstanding at 1 January	\$ 58,769	58,769
Vested during the year	(4,245)	-
Outstanding at 31 December	<u>\$ 54,524</u>	<u>58,769</u>

- (iii) The Company used the Black Scholes model in measuring the fair values of the share-based payment at the grant dates as follows:

	Restricted shares to employees	Treasury shares transfer to employees
Fair value at grant date (in dollars)	30	1.87
Stock price at grant date (in dollars)	-	29.20
Exercise price (in dollars)	-	27.35
Expected life of the option	4 years	0.03 years
Expected volatility	28.33%~29.87%	28.224%
Risk-free interest rate	0.1130%~0.1505%	0.2907%

(iv) Compensation costs

The compensation costs recognized by the Group in 2022 and 2021 were as follows:

	2022	2021
Restricted shares to employees	<u>\$ 309,072</u>	<u>348,855</u>

(Continued)

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(t) Earnings per share (“EPS”)

	<u>2022</u>	<u>2021</u>
Basic earnings per share:		
Net profit belonging to ordinary shareholders	\$ <u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	<u>2,783,285</u>	<u>2,781,843</u>
Basic EPS (in dollars)	\$ <u>4.01</u>	<u>3.76</u>
Diluted EPS:		
Net profit belonging to ordinary shareholders	\$ <u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	<u>2,783,285</u>	<u>2,781,843</u>
Effect of potentially dilutive ordinary shares (in thousands):		
Employees’ remuneration	81,628	75,918
Restricted shares to employees	<u>44,094</u>	<u>15,221</u>
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	<u>2,909,007</u>	<u>2,872,982</u>
Diluted EPS (in dollars)	\$ <u>3.84</u>	<u>3.64</u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>	<u>2021</u>
Primary geographical markets		
United states	\$ 217,969,323	204,605,525
China	121,581,547	100,753,547
Europe	211,126,732	197,243,179
Others	<u>136,151,092</u>	<u>167,838,329</u>
	\$ <u>686,828,694</u>	<u>670,440,580</u>
Major products		
Computer, Communication & Consumer electronics	\$ 576,681,519	568,738,872
Others	<u>110,147,175</u>	<u>101,701,708</u>
	\$ <u>686,828,694</u>	<u>670,440,580</u>

(Continued)

WISTRON CORPORATION
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(ii) Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Trade receivables	\$ 51,771,737	57,640,567	52,172,294
Trade receivables-related parties	127,587,415	167,085,792	130,624,237
Less: loss allowance	<u>(184,415)</u>	<u>(602,369)</u>	<u>(602,428)</u>
	\$ <u>179,174,737</u>	<u>224,123,990</u>	<u>182,194,103</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Current contract liabilities-warranty	\$ <u>2,650,518</u>	<u>2,283,411</u>	<u>1,735,880</u>
Current refund liability	\$ <u>7,828,669</u>	<u>10,434,341</u>	<u>9,560,522</u>

For details on note and trade receivables and loss allowance, please refer to Note 6(e).

The contract liabilities were primarily related to the advance received from customers due to the warranty service. The major change in the balance of contract liabilities is the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the years ended December 31, 2022 and 2021 that were included in the contract liability balance at the beginning of both years were \$617,252 and \$572,756, respectively.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Interest income	\$ <u>169,445</u>	<u>74,049</u>

(ii) Other income

The details of other income for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Dividend income	\$ 127,918	183,476
Rental income	<u>61,042</u>	<u>41,360</u>
Total	\$ <u>188,960</u>	<u>224,836</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Other gain and loss

The details of other gain and loss were as follows:

	2022	2021
Foreign exchange gains(losses), net	\$ (467,426)	235,050
Losses on disposal of investments, net	(3,173)	(1,654)
Gains on disposal of property plant and equipment, net	5,396	16,737
Gains (losses) on financial assets or liabilities at fair value through profit or loss, net	3,810,229	(20,189)
Other investment losses, net	(130,773)	(86,540)
Others	104,540	113,910
Total	<u>\$ 3,318,793</u>	<u>257,314</u>

(iv) Finance costs

	2022	2021
Interest Expense	<u>\$ (3,984,908)</u>	<u>(970,365)</u>

(w) Remunerations to employees and directors

According to the Company's Article of Incorporation, if the Company incur profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall recognize the remuneration to employees and directors by the following rules. However, if the Company have accumulated deficits, it shall reserve the amount for offsetting deficits.

- (i) The Company shall allocate not less than 5% of annual profits as employees' remuneration. The Company may distribute in the ways of shares or cash to the employees, the employees of subsidiaries of the Company, which depends on certain specific requirements determined by the Board of Directors.
- (ii) The Company shall allocate not more than 1% of annual profit as the remuneration to directors in cash.

The estimated amounts of remuneration for the Company's employees and directors were as follows:

	2022	2021
Employee's remuneration	\$ 2,009,595	1,921,750
Directors' remuneration	100,000	102,493
	<u>\$ 2,109,595</u>	<u>2,024,243</u>

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Notes to the Parent Company Only Financial Statements

The amounts were calculated by the net profit before tax excluding employees' and directors' remuneration of each year multiplied by the percentage of employees' and directors' remuneration as specified in the Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses in 2022 and 2021. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year. Shares distributed as employees' remuneration were calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

The amounts, as stated in financial statements, were the same with those of actual distributions for 2022 and 2021. The remuneration to employees in 2021 was paid in cash. Related information would be available at the Market Observation Post System website.

(x) Financial instruments

(i) Credit risk

1) Exposure to credit risk

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

2) Concentration of credit risk

The Company's majority customers were in high-tech industries. To reduce concentration of credit risk, the Company evaluated customers' financial positions periodically and requires its customers to provide collateral or promissory notes, if necessary. Besides, the Company periodically evaluated the recoverability of trade receivables and recognized as loss allowances for doubtful accounts. Furthermore, it bought insurance for the trade receivables. As of December 31, 2022 and 2021, 67% of the Company's trade receivables were concentrated on 5 specific customers. Therefore, the Company was exposed to credit risk.

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
As of December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	\$ 74,037,266	74,123,702	74,123,702	-	-
Note and trade payables (including related parties)	134,801,503	134,801,503	134,801,503	-	-
Other payables (including related parties)	15,316,019	15,316,019	15,316,019	-	-
Lease liabilities	1,966,672	2,391,420	412,433	772,324	1,206,663
Long-term loans (including current portion)	<u>14,930,093</u>	<u>15,706,618</u>	<u>5,657,776</u>	<u>8,599,464</u>	<u>1,449,378</u>
Subtotal	<u>241,051,553</u>	<u>242,339,262</u>	<u>230,311,433</u>	<u>9,371,788</u>	<u>2,656,041</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	161	161	161	-	-
Carrying amount	161	161	161	-	-
Subtotal	161	161	161	-	-
Total	<u>\$ 241,051,714</u>	<u>242,339,423</u>	<u>230,311,594</u>	<u>9,371,788</u>	<u>2,656,041</u>
As of December 31, 2021					
Non-derivative financial liabilities					
Short-term loans	\$ 83,144,342	83,214,068	83,214,068	-	-
Note and trade payables (including related parties)	156,334,468	156,334,468	156,334,468	-	-
Other payables (including related parties)	12,884,522	12,884,522	12,884,522	-	-
Lease liabilities	1,565,894	1,990,063	318,837	448,573	1,222,653
Long-term loans (including current portion)	<u>24,455,598</u>	<u>24,877,367</u>	<u>1,219,953</u>	<u>23,657,414</u>	<u>-</u>
Subtotal	<u>278,384,824</u>	<u>279,300,488</u>	<u>253,971,848</u>	<u>24,105,987</u>	<u>1,222,653</u>
Derivative financial liabilities					
Foreign currency swap contacts:					
Outflow	9,224	3,608,924	3,608,924	-	-
Inflow	-	(3,599,700)	(3,599,700)	-	-
Carrying amount	9,224	9,224	9,224	-	-
Foreign currency forward contracts:					
Outflow	18,834	18,834	18,834	-	-
Carrying amount	18,834	18,834	18,834	-	-
Subtotal	28,058	28,058	28,058	-	-
Total	<u>\$ 278,412,882</u>	<u>279,328,546</u>	<u>253,999,906</u>	<u>24,105,987</u>	<u>1,222,653</u>

The Company did not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

a) Exposure to currency risk

The Company's significant exposures to foreign currency risk were as follows:

	December 31, 2022				December 31, 2021			
	Foreign currency (in thousands)	Exchange rate		TWD	Foreign currency (in thousands)	Exchange rate		TWD
<u>Financial assets</u>								
<u>Monetary items</u>								
USD	6,235,643	USD/TWD=	30.708	191,484,125	8,318,690	USD/TWD=	27.690	230,344,526
<u>Non-monetary items</u>								
USD	2,300,156	USD/TWD=	30.708	70,633,188	2,375,609	USD/TWD=	27.690	65,780,626
<u>Financial liabilities</u>								
<u>Monetary items</u>								
USD	5,954,845	USD/TWD=	30.708	182,861,380	9,410,890	USD/TWD=	27.690	260,587,540

(Continued)

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b) Currency risk sensitivity analysis

The Company's exposure to foreign currency risk arose from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), loans, trade payables (including related parties) and other payables (including related parties) that were denominated in foreign currency.

A Strengthening (weakening) 5% of appreciation (depreciation) of the TWD against the USD as of December 31, 2022 and 2021, would change the net profit after tax by \$344,910 and \$1,209,721, respectively. The analysis assumes that all other variables remain constant.

2) Interest analysis

The interest risk for financial liabilities of the Company would be explained in liquidity risk management stated in this note.

Sensitivity analysis was based on the risk exposure to interest rates on non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumed the variable rate liabilities were outstanding for the whole year on the reporting date.

If the interest rate change by 25 basis points, the Company's net profit after tax would change by \$60,017 and \$109,491 for the years ended December 31, 2022 and 2021, respectively, with all other variable factors that remained constant. This was mainly due to the Company's borrowings in floating variable rate.

3) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting dates were performed using the same basis for the profit or loss as illustrated below:

	2022	2021
Price of securities at reporting date	After-tax other comprehensive income	After-tax other comprehensive income
Increasing 3%	<u>\$ 110,057</u>	<u>130,444</u>
Decreasing 3%	<u>\$ (110,057)</u>	<u>(130,444)</u>

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4) Fair value information

a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income was measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount was reasonably close to the fair value, and, disclosure of fair value information was not required:

December 31, 2022					
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 152,284	-	152,284	-	152,284
Current financial assets at fair value through other comprehensive income					
Trade receivables	\$ 15,141,423	-	-	-	-
Non-current financial assets at fair value through profit or loss					
SAFE	\$ 73,392	-	-	73,392	73,392
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 3,931,066	2,410,211	-	1,520,855	3,931,066
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 10,252,203	-	-	-	-
Restricted deposits	300,557	-	-	-	-
Trade receivables (including related parties)	164,033,314	-	-	-	-
Other receivables (including related parties)	7,970,649	-	-	-	-
Subtotal	\$ 182,556,723	-	-	-	-
Refundable deposits	\$ 661,058	-	-	-	-
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 161	-	161	-	161
Financial liabilities measured at amortized cost					
Short-term loans	\$ 74,037,266	-	-	-	-
Note and trade payables (including related parties)	134,801,503	-	-	-	-
Other payables (including related parties)	15,316,019	-	-	-	-
Lease liabilities	1,966,672	-	-	-	-
Long-term loans (including current portion)	14,930,093	-	-	-	-
Subtotal	\$ 241,051,553	-	-	-	-

(Continued)

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Notes to the Parent Company Only Financial Statements

December 31, 2021					
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 9,004	-	9,004	-	9,004
Current financial assets at fair value through other comprehensive income					
Trade receivables	\$ 2,908,099	-	-	-	-
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 4,570,830	3,547,570	-	1,023,260	4,570,830
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,463,976	-	-	-	-
Restricted deposits	1,795,472	-	-	-	-
Trade receivables (including related parties)	221,215,891	-	-	-	-
Other receivables (including related parties)	7,272,220	-	-	-	-
Subtotal	\$ 233,747,559	-	-	-	-
Refundable deposits	\$ 373,761	-	-	-	-
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 28,058	-	28,058	-	28,058
Financial liabilities measured at amortized cost					
Short-term loans	\$ 83,144,342	-	-	-	-
Note and trade payables (including related parties)	156,334,468	-	-	-	-
Other payables (including related parties)	12,884,522	-	-	-	-
Lease liabilities	1,565,894	-	-	-	-
Long-term loans (including current portion)	24,455,598	-	-	-	-
Subtotal	\$ 278,384,824	-	-	-	-

b) Valuation techniques for financial instruments measured at fair value

i) Non-derivative financial instruments

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

A financial instrument was regarded as being quoted in an active market if quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions taking place 'regularly' was a matter of judgment and depended on the facts and circumstances of the market for the instrument.

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

The listed stock was traded in the active market and its fair value was based on the quoted market price accordingly.

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

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

ii) Derivative financial instruments

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

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

c) Transfer between Level 1 and Level 3:

The Company held investments in equity shares of Clientron Corp. and Plexbio Corporation, Ltd., which were classified as fair value through other comprehensive income. In the fourth quarter of 2021, both entities listed their equity shares in emerging stock market, and they were actively traded. In addition, the entire equity shares of Innovium Inc., which were transferred to Marvell Technology, Inc. were actively traded in the market. The fair value measurement used in calculating the above shares was transferred from level 3 to level 1 of the fair value hierarchy in October 2021.

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d) Changes between Level 3

The movements in the reconciliation of Level 3 fair values during the years ended December 31, 2022 and 2021 were as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
January 1, 2022	\$ -	1,023,260	1,023,260
Total gains and losses recognized in profit or loss	17,922	-	17,922
in other comprehensive income	-	(15,346)	(15,346)
Purchased	55,470	533,961	589,431
Disposal and return of capital	-	(48,597)	(48,597)
Effect of tax	-	27,577	27,577
December 31, 2022	<u>\$ 73,392</u>	<u>1,520,855</u>	<u>1,594,247</u>
		Fair value through other comprehensive income	
		Unquoted equity instruments	
January 1, 2021		1,022,104	
Total gains and losses recognized in other comprehensive income		18,361	
Purchased		192,228	
Disposal and return of capital		(40,491)	
Effect of tax		7,386	
Transfers out of level 3		(176,328)	
December 31, 2021		<u>1,023,260</u>	

For the years ended December 31, 2022 and 2021, total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive income” were as follows:

	2022	2021
Total gains and losses recognized:		
in profit or loss, and presented in “other gains and losses”	\$ 17,922	-
in other comprehensive income, and presented in “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income”	(15,346)	18,361
	<u>\$ 2,576</u>	<u>18,361</u>

(Continued)

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

The Company's financial instruments that used level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "financial assets measured at fair value through other comprehensive income – equity 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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – SAFE	Black Scholes Option Pricing Model	·Liquidity discount rate (as of December 31, 2022, was 25.33%)	·The estimated fair value would decrease if multiplier was higher
		·Volatility (as of December 31, 2022, was 39.52%)	·The estimated fair value would decrease if the volatility was higher
Financial assets measured at fair value through other comprehensive income – equity investments without an active market	Comparable listed companies approach - equity method	·Price – book ratio (as of December 31, 2022, were 1.21~10.30 and December 31, 2021, were 2.02~3.36)	·The estimated fair value would increase if the multiplier was higher
		·Market liquidity discount rate (as of December 31, 2022 and 2021, were 20%)	·The estimated fair value would decrease if market liquidity discount rate was higher
	Net asset value method	·Net asset value	Not applicable

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

The Company'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:

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

		Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2022						
Financial assets measured at fair value through profit or loss	Volatility		\$ 3,670	(3,670)	-	-
Financial assets at fair value through other comprehensive income	Liquidity	5%	3,670	(3,670)	-	-
	Price book ratio	5%			14,995	(14,995)
	Market liquidity discount rate	5%	-	-	14,995	(14,995)
	Net assets value method	5%	-	-	65,207	(65,207)
December 31, 2021						
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	5,901	(5,901)
	Market liquidity discount rate	5%	-	-	5,901	(5,901)
	Net assets value method	5%	-	-	45,261	(45,261)

The favorable and unfavorable effects represented the changes in fair value, and fair value 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.

5) Offsetting financial assets and financial liabilities

The Company had financial instrument transactions applicable to the Section 42 of International Financial Reporting Standards No. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating to those transactions were recognized in the net amount of the balance sheets.

The following tables presented the aforesaid offsetting financial assets and financial liabilities.

Unit: Foreign currency in thousand

December 31, 2022					
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets	Gross amounts of financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amount (e)=(c)-(d)
Other non-current assets	USD 513,410	513,410	-	-	-
	CNY 9,620,207	9,620,207	-	-	-
December 31, 2022					
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial liabilities	Gross amounts of financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)	
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Net amount (e)=(c)-(d)
Short-term loans	USD 513,410	513,410	-	-	-
	CNY 9,620,207	9,620,207	-	-	-

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December 31, 2021					
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)	
				Financial instruments	Cash collateral received
					Net amount (e)=(c)-(d)
Other non-current assets	USD 1,106,480	1,106,480	-	-	-

December 31, 2021					
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement					
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)	
				Financial instruments	Cash collateral received
					Net amount (e)=(c)-(d)
Short-term loans	USD 1,106,480	1,106,480	-	-	-

(y) Financial risk management

(i) By using financial instruments, the Company was exposed to risks as below:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

Detailed information about exposure risk arising from the aforementioned risks was listed below. The Company's objective, policies and processes for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Company's finance management department provided business services for the overall internal department. It set the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Company minimized the risk exposure through derivative financial instruments. The Shareholder's meeting regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments to which the Company was exposed to. The Company's internal auditors continued with the review of the amount of the risk exposure in accordance with the Company's policy and the risk management policies and procedures. Derivative contracts of the company with several financial institutions were intended to manage foreign currency exchange and interest rate fluctuation risks.

The chief of finance management department arranged a meeting to review the strategy and performance, then reported the results to Chief Financial Officer and Chairman periodically.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Credit risk

Credit risk was the risk of financial loss to the Company if a customer or counterparty to financial instruments failed to meet its contractual obligations that arose principally from the Company's trade receivables and investments.

1) Trade receivables

The Company's credit policy was transacting with creditworthy customers, and obtained collateral to mitigate risks arising from financial loss due to default. The Company would transact with corporations of credit ratings equivalent to investment grade and such ratings were provided by independent rating agencies. Where it was not possible to obtain such information, the Company would assess the ratings based on other publicly available financial information and transactions records with its major customers. The Company continued to monitor the exposure to credit risk and counterparty credit rating, and evaluated the customers' credit rating and credit limit via automatic finance system to manage the credit exposure.

2) Investments

The credit risk exposure in the bank deposits, other financial instruments and equity instruments were measured and monitored by the Company's finance department. Since the Company's transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stocks companies and non publicly-traded stocks companies, there were no incompliance issues and therefore no significant credit risk.

3) Guarantee

According to the Company's policy, the Company could only provide guarantee to which was listed under the regulation. The Company did not provide guarantees to any non-consolidated subsidiaries as of December 31, 2022 and 2021.

(iv) Liquidity risk

The Company maintained sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervised the bank loan facilities and ensured in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Company. As of December 31, 2022 and 2021, the Company had unused credit facilities for short-term and long-term loans of \$77,580,774 and \$41,538,501, respectively.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(v) Market risk

Market risk was the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices would affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management was to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company was exposed to currency risk on sales, purchases and borrowings that were denominated in a currency other than the respective functional currencies of the Company's entities, the New Taiwan Dollars. The currencies used in these transactions were denominated in TWD, EUR, USD, JPY and CNY.

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate influenced the Company's future cash flow. The Company entering into forward and swap contracts were intended to manage the exchange rate risk due to the Company's current and future demands for foreign currency. The contract periods were decided in consideration of the Company's foreseeable assets and liabilities and expected cash flow. At the maturity date of the derivative contract, the Company would settle these contracts using the foreign currencies arising from the assets denominated in foreign currency.

2) Interest risk

The Company's short-term loans, long-term loans and advances from factoring of trade receivables bore floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influenced the Company's future cash flow. The Company reduced the interest risks by negotiating the loan interest rates frequently with banks.

3) Other market price risk

The Company monitored the risk arising from its security instruments, which were held for monitoring cash flow requirements and unused capital. The management of the Company monitored the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio were managed on an individual basis, and all buy-and-sell decisions were approved by the Board of Directors.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(z) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Company managed its capital structure to ensure it had sufficient financial resources to sustain proper liquidity, to invest in capital expenditures, as well as research and development expenses, to repay debts, and to distribute dividends in accordance with its plan. The management pursued the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Company aimed to enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio regularly.

The Company controlled the capital structure through regularly reviewing debt-to-equity ratio. The debt-to-equity ratio of the Company as of December 31, 2022 and 2021, were as follow:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 265,365,510	303,495,215
Less: cash and cash equivalents	<u>(10,252,203)</u>	<u>(3,463,976)</u>
Net debt	255,113,307	300,031,239
Total equity	<u>96,382,149</u>	<u>77,916,938</u>
Adjusted equity	<u>\$ 351,495,456</u>	<u>377,948,177</u>
Debt-to-equity ratio at December 31	<u>72.58%</u>	<u>79.38%</u>

(Note): Adjusted equity included total equity and net debt.

As of December 31, 2022, the Company's capital management strategy was consistent with the prior years.

(aa) Financing activities not affecting current cash flow

For the years ended December 31, 2022 and 2021, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes Effect of changes in foreign exchange rates	Others	December 31, 2022
Short-term loans	\$ 83,144,342	(14,535,040)	5,427,964	-	74,037,266
Long-term loans (including current portion)	24,455,598	(11,519,333)	2,052,831	(59,003)	14,930,093
Lease liabilities	1,565,894	(370,628)	-	771,406	1,966,672
Guarantee deposits	282,046	278,630	(957)	-	559,719
Total liabilities from financing activities	<u>\$ 109,447,880</u>	<u>(26,146,371)</u>	<u>7,479,838</u>	<u>712,403</u>	<u>91,493,750</u>

	January 1, 2021	Cash flows	Non-cash changes Effect of changes in foreign exchange rates	Others	December 31, 2021
Short-term loans	\$ 67,173,137	17,645,264	(1,674,059)	-	83,144,342
Long-term loans (including current portion)	20,332,308	4,762,505	(656,152)	16,937	24,455,598
Lease liabilities	478,680	(584,479)	-	1,671,693	1,565,894
Guarantee deposits	600,830	(315,761)	(3,023)	-	282,046
Total liabilities from financing activities	<u>\$ 88,584,955</u>	<u>21,507,529</u>	<u>(2,333,234)</u>	<u>1,688,630</u>	<u>109,447,880</u>

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(7) Related-party transactions

(a) Names and relationship with related parties

The followings were entities that had transactions with the Company during the periods covered in the consolidated financial statements.

Names of the related party	Relationship
Weshtek Information Technology Services Co., Ltd., Shanghai (WESH) (Note 1)	The Company's subsidiary
SMS (Kunshan) Co., Ltd. (WMKS)	The Company's subsidiary
Wistron InfoComm Technology Service (Kunshan) Co., Ltd. (WRKS)	The Company's subsidiary
Abilliant Corporation (WAC)	The Company's subsidiary
Wistron Medical Tech (Chongqing) CO., LTD. (WMCQ)	The Company's subsidiary
LE BEN Investment Ltd. (WLB)	The Company's subsidiary
International Standards Labs. (ISL)	The Company's subsidiary
Wise Cap Limited Company (WCL)	The Company's subsidiary
WIEDU CORPORATION (WETW)	The Company's subsidiary
Wistron Medical Tech Holding Company (WMH)	The Company's subsidiary
Wistron Investment (Jiangsu) Co., Ltd. (WJC) (Note 2)	The Company's subsidiary
Wistron Hong Kong Limited (WHK)	The Company's subsidiary
Wistron InfoComm (Shanghai) Corporation (WSH)	The Company's subsidiary
Wistron InfoComm (Zhongshan) Corporation (WZS)	The Company's subsidiary
Wistron InfoComm (Chengdu) Co., Ltd. (WCD)	The Company's subsidiary
Wistron InfoComm (Kunshan) Co., Ltd. (WAKS)	The Company's subsidiary
Wistron InfoComm (CHONGQING) Co., Ltd. (WCQ)	The Company's subsidiary
Wistron InfoComm (Taizhou) Co., Ltd. (WTZ)	The Company's subsidiary
Wistron Digital Technology Holding Company (WDH)	The Company's subsidiary
Wistron Medical Technology Corporation (WMT)	The Company's subsidiary
Wistron Optronics (Shanghai) Co., Ltd. (WOSH)	The Company's subsidiary
Wistron Optronics (Kunshan) Co., Ltd. (WOOK)	The Company's subsidiary
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	The Company's subsidiary
Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. (WEKS) (Note 3)	The Company's subsidiary
Wistron Advanced Materials(Kunshan) Co., Ltd. (WGKS)	The Company's subsidiary
Wiwynn Technology Service KunShan Ltd. (WYKS)	The Company's subsidiary
Wiwynn Corporation (WYHQ)	The Company's subsidiary
Wistron InfoComm Technology (Zhongshan) Co., Ltd. (WTZS)	The Company's subsidiary
ANWITH TECHNOLOGY CORPORATION (WCHQ)	The Company's subsidiary
WiAdvance Technology Corporation (AGI)	The Company's subsidiary
SMS Infocomm Global Service (CQ) (WSCQ)	The Company's subsidiary
Wistron Service (Kunshan) Corp. (WSKS)	The Company's subsidiary

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Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
XTRONICS (Kunshan) Electronics Technology Co., Ltd. (XTRKS)	The Company's subsidiary
Wisuccess Asset Management Corporation (WCA)	The Company's subsidiary
KAUHSIUNG OPTO-ELECTRONICS INC. (KOE)	The Company's subsidiary
Wistron Green Energy Holding Company (WGEH)	The Company's subsidiary
WIBASE INDUSTRIAL SOLUTIONS INC. (WIS)	The Company's subsidiary
AIH Holding Corporation (AIHH)	The Company's subsidiary
Anwith Corporation (ANC) (Note 4)	The Company's subsidiary
B Temia Asia Pte Ltd. (BTA)	The Company's subsidiary
Cowin Worldwide Corporation (Cowin)	The Company's subsidiary
Creator Technology B.V. (WCT) (Note 5)	The Company's subsidiary
ICT Service Management Solutions (India) Private Limited (WIN)	The Company's subsidiary
Keevgo Japan K.K. (KJP)	The Company's subsidiary
Service Management Solutions Colombia S.A.S. (WSCO) (Note 6)	The Company's subsidiary
Service Management Solutions Mexico S.A. de C.V. (WSMX)	The Company's subsidiary
SMS InfoComm (Czech) s.r.o. (WSCZ)	The Company's subsidiary
Smartiply India Private Limited (STI)	The Company's subsidiary
SMS INFOCOMM (MALAYSIA) SDN. BHD. (WSMY)	The Company's subsidiary
SMS InfoComm Chile Servicios Limitada (WSCL) (Note 7)	The Company's subsidiary
SMS InfoComm Corporation (WTX)	The Company's subsidiary
SMS InfoComm Technology Services and Management Solutions Ltd. (WBR)	The Company's subsidiary
SMS InfoComm Technology Services Limited Company (WTR)	The Company's subsidiary
WiEDU Holding Co., Ltd. (WEDH) (Note 8)	The Company's subsidiary
WiEdu Hong Kong Limited (WEHK)	The Company's subsidiary
WIEDU SDN. BHD. (WEMY)	The Company's subsidiary
Win Smart Co., Ltd. (Win Smart)	The Company's subsidiary
WiseCap (Hong Kong) Limited (WCHK)	The Company's subsidiary
Wistron Advanced Materials (Hong Kong) Limited (WGHK)	The Company's subsidiary
Wistron Europe Holding Cooperatie U.A. (WEH) (Note 9)	The Company's subsidiary
Wistron GreenTech (Texas) Corporation (WGTX)	The Company's subsidiary
Wistron Hong Kong Holding Limited (WHHK)	The Company's subsidiary
Wistron InfoComm (Czech), s.r.o. (WCCZ)	The Company's subsidiary
Wistron InfoComm (Philippines) Corporation (WSPH)	The Company's subsidiary
Wistron InfoComm Manufacturing (India) Private Limited (WMMI)	The Company's subsidiary
Wistron InfoComm Technology (America) Corporation (WITX)	The Company's subsidiary
Wistron InfoComm Technology (Texas) Corporation (WITT)	The Company's subsidiary
WISTRON INFOCOMM MEXICO SA de CU (WIMX)	The Company's subsidiary
Wistron Investment (Sichuan) Co., Ltd. (WSC)	The Company's subsidiary

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Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
Wistron K.K. (WJP)	The Company's subsidiary
Wistron LLC (WLLC)	The Company's subsidiary
Wistron Mexico, S.A. de C.V. (WMX)	The Company's subsidiary
Wistron Mobile Solutions Corporation (WCH)	The Company's subsidiary
Wistron Technology (Malaysia) Sdn. Bhd. (WMMY)	The Company's subsidiary
Wistron Technology Service (America) Corporation (WTS)	The Company's subsidiary
WisVision Corporation (WVS)	The Company's subsidiary
Wiwynn International Corporation (WYUS)	The Company's subsidiary
Wiwynn Korea Ltd. (WYKR)	The Company's subsidiary
Wiwynnn Mexico, S.A. de C.V. (WYMX)	The Company's subsidiary
Wiwynn Technology Service Hong Kong Limited (WYHK)	The Company's subsidiary
Wiwynn Technology Service Japan, Inc. (WYJP)	The Company's subsidiary
WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD. (WYMY)	The Company's subsidiary
Wistron InfoComm (Vietnam) Co., Ltd. (WVN)	The Company's subsidiary
Wistron AiEDGE Corporation (WAUS)	The Company's subsidiary
Wistron InfoComm Computer (Chengdu) Co., Ltd (WCCD)	The Company's subsidiary
KEEOGO MALAYSIA SDN. BHD (KMY)	The Company's subsidiary
T-CONN PRECISION CORPORATION (TPE)	The Company's associate
Join-Link International Technology Co. Ltd. (JLH)	The Company's associate
ICA Inc. (CQIC)	The Company's associate
Maya International Company, Ltd. (MAYA)	The Company's associate
Wistron NeWeb Corporation (WNC)	The Company's associate
NEWEB VIETNAM CO., LTD. (NVNM)	The Company's associate
Fullerton Ltd. (FLT)	The Company's associate
Wistron Information Technology and Services Corporation (WITS)	The Company's associate
Formosa Prosonic Industries Berhad (FPI)	The Company's associate
LIAN-YI (FAR EAST) LTD. (LYF)	The Company's associate
HSIEH-YUH TECHNOLOGY CO., LTD (HVBVI)	The Company's associate
Wistron Humanities Foundation	The Company's other related party

(Note 1): WESH was liquidated in the third quarter of 2022.

(Note 2): Win Smart Co. Ltd. disposed 100% of shareholdings in WJC to Luxshare Precision Industry Co. Ltd. in January 2021.

(Note 3): Win Smart Co. Ltd. disposed 100% of shareholdings in WEKS to Luxshare Precision Industry Co. Ltd. in January 2021.

(Note 4): ANC was liquidated in the third quarter of 2021.

(Note 5): WCT was liquidated in the second quarter of 2022.

(Note 6): WSCO was liquidated in the second quarter of 2021.

(Note 7): WSCL was liquidated in the second quarter of 2021.

(Note 8): WEDH was liquidated in the first quarter of 2022.

(Note 9): WEH was liquidated in the second quarter of 2022.

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Notes to the Parent Company Only Financial Statements

(b) Related party transactions

(i) Sales

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

	Sales	
	2022	2021
Subsidiaries		
WYHQ	\$ 68,820,275	54,586,920
WMMY	31,130,615	215,496,500
Others	55,941,173	81,761,588
Associates	275,429	548,172
	\$ 156,167,492	352,393,180
	Receivables from related party	
	December 31, 2022	December 31, 2021
Subsidiaries		
WMMI	\$ 30,193,715	16,101,291
WITX	29,270,251	19,308,549
WCD	19,974,230	1,459,475
WCQ	18,182,374	17,581,293
WZS	11,624,817	25,032,575
WMMY	2,325,729	69,973,762
Others	15,962,471	17,514,789
Associates	53,828	114,058
	\$ 127,587,415	167,085,792

The selling prices and payment terms of trade receivables from related parties were based on varied economic environment and market forms. The above selling prices and payment terms with related parties were not significantly different from those with third-party customers.

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(ii) Purchases

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

	Purchases	
	2022	2021
Subsidiaries		
WCD	\$ 213,389,287	257,492,812
WZS	124,779,372	112,869,317
WCQ	102,432,248	54,032,532
WAKS	17,536,288	76,546,183
Others	107,705,286	69,328,230
Associates	746,282	1,447,944
	<u>\$ 566,588,763</u>	<u>571,717,018</u>
	Payables to related party	
	December 31, 2022	December 31, 2021
Subsidiaries		
WCD	\$ 28,604,028	46,713,940
WCQ	20,213,948	24,365,997
WMMI	17,517,175	8,278,966
WZS	10,321,413	28,082,355
Others	15,644,493	10,533,050
Associates	50,645	118,525
	<u>\$ 92,351,702</u>	<u>118,092,833</u>

Trading terms of purchase transactions with related parties were not significantly different from those with third-party vendors.

(iii) Rental income and its outstanding balances were as follow:

	Rental income	
	2022	2021
Subsidiaries		
ISL	\$ 6,218	6,218
Others	1,378	1,986
	<u>\$ 7,596</u>	<u>8,204</u>

(Continued)

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	Other receivables resulted from rental	
	December 31, 2022	December 31, 2021

Subsidiaries		
ISL	\$ 1,632	1,632
Others	124	120
	<u>\$ 1,756</u>	<u>1,752</u>

(iv) Property transactions, operating expenses and their outstanding balances were as follows:

	Proceeds	
	2022	2021
Disposal of assets		
Subsidiaries	<u>\$ 147,632</u>	<u>126,120</u>
	Acquisition price	
	2022	2021
Acquisition of assets		
Subsidiaries	<u>\$ 162,115</u>	<u>289,845</u>
	Contribution expenses	
	2022	2021
Contribution		
Other related party	<u>\$ 35,616</u>	<u>29,213</u>
	Other receivables	
	December 31, 2022	December 31, 2021
Receivables from disposal of assets		
Subsidiaries	<u>\$ -</u>	<u>4,210</u>
	Other payables	
	December 31, 2022	December 31, 2021
Payables resulting from acquisition of assets		
Subsidiaries	<u>\$ 6,588</u>	<u>15,799</u>

(Continued)

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Notes to the Parent Company Only Financial Statements

(v) Financing to related parties

The loans to related parties were as follows:

2022						
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
KOE	2022.12	\$ 3,500,000	1,500,000	2.00%	15,732	-
2021						
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
WMMI	2021.8	\$ 1,258,470	1,246,050	1.49%	29,046	6,925
WSPH	2021.2	570,620	359,970	1.50%	4,616	3,669
KOE	2021.12	2,000,000	600,000	1.00%	66	59
		\$ 3,829,090	2,206,020		33,728	10,653

(vi) Advances to related parties

The Company paid certain expenses on behalf of related parties including purchase, warranty expense, repair expense and other disbursements were as follows:

Other receivables to related parties		
	December 31, 2022	December 31, 2021
Subsidiaries	\$ 969,475	787,414
Associates	2,612	3,157
	\$ 972,087	790,571

(vii) Advances from related parties

Related parties paid certain expenses on behalf of the Company, including warranty expenses, traveling expenses, and salaries for overseas employees were as follows:

Other payables to related parties		
	December 31, 2022	December 31, 2021
Subsidiaries	\$ 1,629,756	722,798
Associates	41,043	74,919
	\$ 1,670,799	797,717

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(viii) Receivables from related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Rental receivables	\$ 1,756	1,752
Receivables from disposal of assets	-	4,210
Financing and interest receivables	1,500,000	2,216,673
Other receivables	972,087	790,571
	\$ 2,473,843	3,013,206

(ix) Payables to related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Payables resulting from acquisition of assets	\$ 6,588	15,799
Other payables	1,670,799	797,717
	\$ 1,677,387	813,516

(c) Transactions with key management personnel

Key management personnel remuneration:

	2022	2021
Short-term employee benefits	\$ 120,339	94,865
Post-employment benefits	2,892	2,293
Other long-term benefits	2,024	1,230
	\$ 125,255	98,388

(8) Pledged assets:

The carrying values of pledged assets were as follow:

Pledged assets	Object	December 31, 2022	December 31, 2021
Other non-current assets-restricted deposits	Stand by L/C	\$ 1,905	7,373

(9) Commitments and contingencies:

- (a) In June 2016, Alacritech filed a lawsuit against the Company to the United States District Court for the Eastern District of Texas. The accused products were servers and network interface devices. The Court ordered to stay the case in 2017 and has reopened the case in October 2022. The Company still could not access the possible impact on its financial losses.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

- (a) The appropriation of earnings for 2022 that was approved at the Board of Directors meeting on March 14, 2023, was as follows:

	<u>2022</u>
Ordinary share dividends	
Cash dividends	\$ <u><u>7,400,801</u></u>

The aforesaid appropriation of earnings for 2022 is to be presented for approval in the shareholders' meeting to be held in June 2023.

(12) Other:

- (a) Total personnel, depreciation and amortization expenses categorized by function were as follows:

	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	2,943,788	12,805,580	15,749,368	2,291,615	11,535,471	13,827,086
Labor and health insurance	243,779	836,183	1,079,962	187,446	758,170	945,616
Pension	92,321	457,980	550,301	75,580	412,503	488,083
Remuneration of directors	-	100,590	100,590	-	103,263	103,263
Others	186,043	278,766	464,809	140,109	250,231	390,340
Depreciation (Note)	617,747	640,720	1,258,467	467,225	560,527	1,027,752
Amortization	1,625	333,349	334,974	883	274,684	275,567

(Note) : The depreciation of the investment property for the years ended December 31, 2022 and 2021, amounted to \$3,745, which was recognized under other gains and losses.

For the years ended December 31, 2022 and 2021, the information on numbers of employees and employee benefit expense of the Company was as follows:

	<u>2022</u>	<u>2021</u>
Numbers of employees	<u><u>11,007</u></u>	<u><u>9,839</u></u>
Numbers of directors (non-employee)	<u><u>7</u></u>	<u><u>7</u></u>
Average employee benefit expense	\$ <u><u>1,622</u></u>	\$ <u><u>1,592</u></u>
Average employee salary expense	\$ <u><u>1,432</u></u>	\$ <u><u>1,406</u></u>
Percentage of increase in average employee salary expense	<u><u>1.85 %</u></u>	<u><u>0.07 %</u></u>
Supervisor's remuneration	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

- (i) The remunerations to directors were in accordance with No. 11 and No.16 of the Company's Articles of Incorporation wherein if the Company incurs profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall allocate not more than 1% of annual profit as the remuneration to directors by taking into consideration the Company's overall operating performance and the individual value of the services provided to the Company.
- (ii) The remuneration to the general managers and deputy general managers is divided into fixed and variable portions as follows, wherein the variable part dominates.
 - 1) Fixed remuneration: including salary, annual bonus and employee benefit by taking into account the standards of the industry.
 - 2) Variable remuneration: including performance bonus, remuneration (cash and stocks) and stock options based on the Company's operation and individual performance. The higher the performance, the greater the variable of remuneration. The indicators of evaluation are as below:
 - a) Financial indicators: Revenue, net profit and growth rate.
 - b) Non-financial indicators: market and customer service indicators, organization and internal processes, such as quality management, as well as the growth and development of each employee (e.g. employee retention and cultivation).

The proportion of each goal is determined at the beginning of the year based on the Company's performance within the domestic and international business environment, as well as projected future risks. The variable remuneration is reviewed and approved by the Salary and Remuneration Committee and the Board of Directors according to the results of goal achievement at the end of the year. The better the operating performance, the higher the proportion of variable remuneration.

(13) Other disclosures:

- (a) Information on significant transactions:

The following was the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2022:

- (i) Financings to other parties: Please see Table 1 attached.
- (ii) Guarantee and Endorsement for other parties: Please see Table 2 attached.
- (iii) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 3 attached.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 4 attached.
- (v) Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : None.
- (vi) Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : None.
- (vii) Total purchases from or sales to related parties with amount exceeding the lower of NT\$100 million or 20% of share capital : Please see Table 5 attached.
- (viii) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital : Please see Table 6 attached.
- (ix) Derivative transactions : Please refer to Note 6(b) for related information.
- (b) Information on investees (excluded investment in Mainland China):
Information on investees for the year ended December 31, 2022: Please see Table 7 attached.
- (c) Information on investment in Mainland China : Please see Table 8 attached.
- (d) Major shareholders: None.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

Wistron Corporation
Statement of Cash and Cash Equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars / Foreign Currencies)

Item	Description	Amount
Cash on hand		\$ 7,015
	USD 0.033	
	EUR 2	
	NTD 6,960	
Demand and check deposits		9,323,948
	USD 270,249	
	EUR 125	
	AUD 0.733	
	GBP 0.832	
	HKD 5	
	JPY 1,418	
	PLN 943	
	RMB 1,580	
	SGD 0.016	
	CZK 879	
	NTD 1,005,912	
Time deposits		921,240
	USD 30,000	
Total		<u><u>\$ 10,252,203</u></u>

Note 1: The ending rates of foreign currency deposits on December 31, 2022 were as follows:

USD/NTD=30.708
EUR/NTD=32.664
AUD/NTD=20.829
GBP/NTD=37.037
HKD/NTD=3.938
JPY/NTD=0.231
PLN/NTD=6.976
CNY/NTD=4.420
SGD/NTD=22.860
CZK/NTD=1.352

Note 2: The period of the time deposits was 4 days, and the annual rate ranges 4.18%.

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Profit or Loss

- Current - Derivative Financial Instruments Not Used for Hedging

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Description	Name of financial instrument	Notional amounts (in thousands)	Fair value (in thousands of NTD)
Buy foreign currency swap contract	Taishin Bank	USD 10,000	2,167
	ESUN Bank	USD 30,000	780
	Citi Bank	USD 15,000	1,503
	Standard Chartered Bank	USD 20,000	238
Buy foreign currency forward contract	ING Bank	USD 100,000	22,355
	BBVA Bank	USD 13,000	4,914
	DBS Bank	USD 18,000	4,532
	United Overseas Bank	USD 155,000	31,732
	Oversea-Chinese Banking Corporation	USD 30,000	8,878
	Deutsche Bank	USD 81,000	16,399
	J.P. Morgan Private Bank	USD 294,000	58,786
Financial assets measured at fair value through profit or loss-current			152,284
Buy foreign currency forward contract	ING Bank	USD 5,000	(35)
	United Overseas Bank	USD 3,000	(91)
	United Overseas Bank	USD 2,000	(11)
	J.P. Morgan Private Bank	USD 3,000	(24)
Financial liabilities measured at fair value through profit or loss-current			(161)
Total			<u>\$ 152,123</u>

Wistron Corporation

Statement of Trade Receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Client H	\$ 15,138,983
Client K	6,239,717
Client J	5,675,739
Client B	4,696,243
Client D	2,702,925
Others (less than 5%)	17,318,130
Less: loss allowance	(184,415)
Total	<u>\$ 51,587,322</u>

Statement of Inventories

December 31, 2022

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 13,372,141	13,640,753
Work in progress	742,926	627,639
Finished goods	14,171,506	15,093,787
Inventory in transit	9,877,162	9,897,239
Subtotal	38,163,735	<u>39,259,418</u>
Less: provision of valuation of inventories	(458,014)	
Total	<u>\$ 37,705,721</u>	

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income - Non Current

January 1 to December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Gains (Losses) on Valuation	Deferred Income Tax Assets (Liabilities)	Ending Balance		Collateral
	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount			Shares or units	Amount	
Alpha Networks Inc.	19,328	\$ 648,448	-	-	-	-	(103,404)	-	19,328	\$ 545,044	None
Gamania Digital Entertainment Co., Ltd.	1,126	79,414	-	-	-	-	(675)	-	1,126	78,739	None
Super Dragon Technology Co., Ltd.	5,676	97,911	-	-	-	-	14,474	-	5,676	112,385	None
Global Lighting Technologies Inc.	20,914	1,735,898	-	-	-	-	(585,604)	-	20,914	1,150,294	None
ARBOR Technology Corp.	4,679	103,865	-	-	-	-	22,691	-	4,679	126,556	None
AOpen Inc.	5,747	260,605	-	-	(4,250)	(154,100)	(35,719)	-	1,497	70,786	None
FineMat Applied Materials Co., Ltd.	4,589	269,848	-	-	-	-	(141,349)	-	4,589	128,499	None
Clientron Corp.	917	30,831	-	-	-	-	(10,094)	-	917	20,737	None
Plexbio Corporation, LTD	1,227	21,503	-	-	-	-	(6,799)	-	1,227	14,704	None
Applied BioCode Corporation	2,075	89,225	-	-	-	-	(24,900)	-	2,075	64,325	None
Marvell Technology, Inc.	87	210,022	-	-	-	(993)	(88,710)	(22,177)	87	98,142	None
Howe advanced Ltd.	4,000	-	-	-	-	-	-	-	4,000	-	None
Lilee Systems, Ltd.	3,528	-	-	-	-	-	-	-	3,528	-	None
Zeo, Inc.	779	-	-	-	-	-	-	-	779	-	None
Janus Technologies, Inc	864	-	-	-	-	-	-	-	864	-	None
Vmedia Research Inc.	2,000	-	-	-	-	-	-	-	2,000	-	None
Tube Inc.	17,009	95,605	-	-	-	-	(21,335)	(5,334)	17,009	68,936	None
Tactus Technology Inc.	7	-	-	-	-	-	-	-	7	-	None
Videri Inc.	226	21,602	-	-	-	-	(8,299)	(2,075)	226	11,228	None
Scenera, Inc.	645	823	-	-	-	-	308	77	645	1,208	None
Master Transportation Bus Manufacturing Ltd.	-	-	2,375	280,000	-	-	(155,917)	-	2,375	124,083	None
AVIZ Networks Inc.	-	-	3,781	26,445	-	-	8,565	2,142	3,781	37,152	None
EV Motors Japan Co., Ltd.	-	-	-	23,130	-	-	27,334	6,833	-	57,297	None
IP Fund Six Co., Ltd.	-	-	-	-	(273)	(2,732)	2,510	-	-	42,608	None
Corsa Fund 2012, L.P.	4,907	42,830	-	-	-	-	5,994	1,499	-	17,971	None
JAFCO Asia Technology Fund VI	-	10,478	-	-	-	-	24,830	6,207	-	181,360	None
Kibou Fund L.P.	-	36,121	-	-	-	(45,865)	5,236	1,310	-	42,667	None
Vertex V (C.L) Fund L.P.	-	283,273	-	6,513	-	-	8,334	2,083	-	300,203	None
China Renewable Energy Fund, L.P.	-	259,314	-	162,873	-	-	59,339	14,835	-	496,361	None
JAFCO Taiwan I Venture Capital L.P.	-	77,026	-	15,000	-	-	28,083	-	-	120,109	None
JAFCO Taiwan II Venture Capital L.P.	-	-	-	20,000	-	-	(328)	-	-	19,672	None
Total	-	\$ 4570,830	-	\$ 533,961	-	(203,690)	(975,435)	5,400	-	\$ 3,931,066	

Wistron Corporation

Statement of Movement of Investments Accounted for Using the Equity Method

January 1 to December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Investment income (loss)	Shares (in thousands)	Ending Balance Percentage of ownership	Market Value or Net Assets Value	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount				Unit price	Total amount
WMX	16,004,371	\$ 1,071,912	-	146,796	-	-	16,004,371	100.00%	2,345,535	-	2,345,535
WTX	4,833	1,776,231	-	194,687	-	-	4,833	100.00%	2,008,309	416	2,008,309
AHH	347,486	4,951,524	-	3,238,088	-	-	437,486	100.00%	7,189,205	18	7,192,578
Cowin	215,394	16,809,715	-	1,707,483	-	(1,500)	213,894	100.00%	16,597,541	77	16,499,019
Win Smart WCL	104,065	22,775,282	-	2,094,461	(59,580)	(1,663,325)	44,565	100.00%	21,168,469	475	21,168,469
ISL	2,434	113,820	-	7,063	-	(29,754)	2,434	100.00%	7,918,359	-	7,918,359
WSFH	139,367	28,330	-	2,953	-	(4,631)	139,367	100.00%	124,813	51	124,814
WLLC	6,956	2,596,642	-	900,176	-	-	8,956	100.00%	26,652	-	26,651
WVS	12,065	841,533	-	17,387	(2,885)	-	9,150	100.00%	3,599,681	403	3,599,681
WBR	-	371,098	-	-	-	-	14,976	100.00%	884,700	97	884,700
WTR	37,243	327,435	-	65,265	-	(392,073)	37,243	99.99%	606,721	16	606,734
WTX	22	74,694	-	-	(20,247)	-	22	99.90%	80,171	3,643	80,139
WGTX	13	144,479	-	14,476	-	(43,566)	13	100.00%	115,389	8,876	115,389
WGKH	33,500	45,667	-	4,185	-	(27,160)	33,500	100.00%	22,692	1	22,692
WMY	267,425	5,754,472	-	606,202	-	(707,156)	267,425	100.00%	5,653,518	21	5,653,519
WSMX	36,429	(156,493)	-	-	(26,048)	-	36,429	100.00%	(172,850)	(5)	(172,850)
WCH	20	433,780	-	47,035	-	(8,357)	20	100.00%	472,458	23,623	472,458
WYHQ	73,895	11,567,668	-	624,005	(3,055,874)	-	65,895	37.69%	14,618,435	797	52,518,418
WEDH	5,700	1,806	-	22	(1,828)	-	-	-	-	-	-
WCHK	58,446	1,197,027	-	135,400	-	(379,775)	58,446	100.00%	996,159	17	996,159
WCHQ	1,000	18,020	-	5,066	-	-	1,000	100.00%	25,201	25	25,201
WCCZ	-	2,242,570	-	245,099	-	-	-	100.00%	2,510,833	-	2,510,834
WEHK	16,426	3,783	-	-	(2,997)	-	16,426	100.00%	(1,566)	(3)	(47,624)
AGI	1	17	-	-	-	(5)	-	0.01%	12	12	12
WSSG	157,489	2,008,610	-	95,564	-	-	157,489	100.00%	2,319,294	15	2,319,294
WDH	205,056	2,118,460	-	71,669	-	(35,661)	205,056	100.00%	2,151,214	10	2,151,214
WMH	280,000	1,687,380	-	270,502	-	(3,254)	280,000	100.00%	1,899,963	7	1,899,962
WSCQ	-	371,649	-	40,685	-	-	-	100.00%	418,451	-	418,451
WTS	35	15,585	-	1,741	-	-	35	100.00%	18,770	536	18,770
WMX	13,340,990	1,090,414	-	116,723	-	(72,783)	13,340,990	100.00%	1,134,354	-	1,134,354
WVN	-	1,216,181	-	132,313	-	-	-	100.00%	1,340,224	-	1,340,224
WSCZ	-	538,622	-	46,483	-	-	-	100.00%	671,371	-	671,371
WIS	17,888	255,001	-	1,925	-	(8,903)	17,888	45.79%	258,594	14	244,412
WCA	70,000	698,369	-	1,000,000	-	-	170,000	100.00%	1,697,225	10	1,697,225
WGEH	-	-	28,000	280,000	-	(529)	28,000	100.00%	279,563	10	279,562
WNC	89,625	3,851,689	-	238,277	-	(197,705)	89,625	22.66%	4,598,489	78	7,030,495
TPE	4,487	101,318	-	-	(16,709)	-	4,711	12.82%	104,576	58	274,652
ISGTG	5	-	-	-	-	-	5	40.00%	-	-	-
ISGTC	5	-	-	3,457	-	-	-	-	-	-	-
HCL	-	66,698	-	-	-	(317)	-	40.00%	-	-	-
Furiosa Precision Industries Berhad	69,260	553,100	-	76,282	-	(91,974)	69,260	27.03%	69,848	23	1,558,810
JLH	20,361	18,645	-	16,142	-	(1,693)	20,361	32.79%	34,129	2	34,130
NICE Licensing LLC	-	2,042	-	-	-	(2,118)	-	20.00%	3,992	-	3,992
Pell	-	-	3,000	226,353	-	(2,261)	3,000	6.76%	215,850	-	55,576
The effect of adjustments on intercompany lease transactions	-	(12,649)	-	-	-	-	-	-	8,919	-	-
Deferred credits	-	(96,277)	-	-	-	-	-	-	(17,992,280)	-	-
Total	-	\$ 92,176,902	-	\$ 12,887,674	-	(6,941,265)	-	-	103,488,451	-	-

Wistron Corporation
Statement of Short-Term Loans
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Period	Interest Rate	Loan Commitments	Collateral	Amount
Credit loan	Citi Bank	2022/12/23 ~ 2023/1/18	5.03%	\$ 1,996,350	None	\$ 1,781,064 (Note)
Credit loan	DBS Bank	2022/12/28 ~ 2023/1/19	2.06%~2.60%	6,755,760	None	3,697,992
Credit loan	Mizuho Bank	2022/12/26 ~ 2023/1/30	0.90%~1.97%	3,684,960	None	3,721,086
Credit loan	ANZ Bank	2022/12/9 ~ 2023/1/18	1.95%~2.67%	3,838,500	None	2,781,838
Credit loan	Oversea Chinese Banking Corporation	2022/12/15 ~ 2023/1/17	1.70%~1.75%	2,303,100	None	1,900,000
Credit loan	MUFG Bank	2022/12/5 ~ 2023/1/30	0.91%~1.86%	4,606,200	None	4,577,630
Credit loan	J.P. Morgan Private Bank	2022/12/9 ~ 2023/2/9	1.60%	583,452	None	500,000
Credit loan	Bangkok Bank	2022/11/11 ~ 2023/1/11	1.88%	1,535,400	None	580,000
Credit loan	ING Bank	2022/12/29 ~ 2023/3/10	1.89%	3,070,800	None	600,000
Credit loan	Sumitomo Mistsui Bank	2022/12/30 ~ 2023/1/30	0.66%~1.98%	6,141,600	None	4,403,839
Credit loan	United Overseas Bank	2022/11/14 ~ 2023/1/18	0.66%~2.76%	3,992,040	None	3,951,686
Credit loan	China Construction Bank	2022/12/21 ~ 2023/1/30	1.70%~4.79%	3,070,800	None	3,049,560
Credit loan	Mega International Ban	2022/12/2 ~ 2023/1/3	4.85%~4.87%	6,141,600	None	5,864,993
Credit loan	Bank SinoPac	2022/12/30 ~ 2023/2/17	1.56%~1.68%	5,182,656	None	4,200,000
Credit loan	CTBC Bank	2022/12/9 ~ 2023/3/9	0.87%~1.98%	2,000,000	None	1,981,019
Credit loan	JihSun Bank	2022/12/23 ~ 2023/1/22	5.25%	1,000,000	None	362,909
Credit loan	Taipei Fubon Commercial Bank	2022/12/28 ~ 2023/1/30	0.50%~1.80%	2,610,180	None	2,617,215
Credit loan	Yuanta Bank	2022/12/21 ~ 2023/2/21	1.55%	3,000,000	None	3,000,000
Credit loan	Cathay United Bank	2022/12/30 ~ 2023/2/1	1.55%~2.40%	2,026,728	None	1,976,896
Credit loan	Taishin Bank	2022/12/16 ~ 2023/1/31	0.80%~5.36%	6,500,000	None	6,151,337
Credit loan	Taiwan Business Bank	2022/12/28 ~ 2023/1/18	1.75%~1.76%	3,500,000	None	2,085,000
Credit loan	ESUN Bank	2022/12/12 ~ 2023/1/12	1.81%	2,000,000	None	450,000
Credit loan	Bank of Taiwan	2022/12/21 ~ 2023/1/20	1.70%	4,500,000	None	500,000
Credit loan	Firt Commercial Bank	2022/12/30 ~ 2023/1/19	1.88%~5.05%	6,000,000	None	3,228,320
Credit loan	Far Eastern International Bank	2022/12/30 ~ 2023/2/1	1.83%	1,500,000	None	1,500,000
Credit loan	Shin Kong Bank	2022/12/21 ~ 2023/2/3	1.88%	1,535,400	None	1,400,000
Credit loan	Entie Bank	2022/12/28 ~ 2023/1/30	1.80%	1,200,000	None	1,100,000
Credit loan	BBVA Taiwan	2022/12/28 ~ 2023/3/28	1.52%~4.80%	4,606,200	None	4,626,462
Credit loan	Metro Bank	2022/10/5 ~ 2023/3/21	1.80%~3.98%	1,535,400	None	1,448,420
Total						<u><u>\$ 74,037,266</u></u>

(Note) The loan commitments represented a comprehensive line of credit; however, the actual borrowing amount was converted into current exchange at the date of withdrawal.

Wistron Corporation
Statement of Note and Trade Payables
December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Vendor J	\$ 16,394,343
Vendor D	7,230,954
Vendor I	5,431,586
Others (less than 5%)	13,392,918
Total	<u><u>\$ 42,449,801</u></u>

Statement of Other Current Liabilities

Item	Amount
Accrued salary and bonus (including remuneration of employees and directors)	\$ 6,786,994
Provision of valuation of inventories for suppliers	2,376,195
Deferred revenue	8,723,740
Income tax payables	1,802,609
Others accrued expenses	1,830,863
Others (less than 5%)	3,339,618
Total	<u><u>\$ 24,860,019</u></u>

Wistron Corporation
Statement of Long-Term Loans

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Bank	Period	Interest Rate	Loan Commitments	Collateral	Amount	
					Current Amount Expired within one year	Amount
Mega Bank and other 22 financial institutions	2018/5/23~2023/5/23	5.90%~6.01%	\$ 9,212,400	None	\$ 5,527,440	-
Mega Bank and other 9 financial institutions	2021/3/10~2024/3/10	5.81%	11,054,880	None	-	6,632,928
BNP Bank	2022/11/11~2024/7/31	2.65%	2,456,640	None	-	519,359
KGI Bank	2022/3/2~2025/3/2	1.94%~2.07%	1,400,000	None	-	1,000,000
Low-interest Loan (Mega Bank and other 5 financial institutions)	2022/1/17~2032/1/15	1.10%~1.36%	8,642,924	None	-	1,260,115
Less : Arrangement fees			-		-	(9,749)
					<u>\$ 5,527,440</u>	<u>9,402,653</u>

Wistron Corporation
Statement of Lease Liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Leasing term	Discount Rate(%)	Ending Balance
Land	For factory and office use	3~40 years	1.48%~2.58%	\$ 901,516
Buildings and Construction	For office use	1~10 years	1.10%~1.97%	993,142
Office Equipment	For operating use	4~5 years	1.48%~1.75%	35,781
Transportation Equipment	For operating use	1~5 years	1.35%~1.75%	28,177
Other Equipment	For operating use	5 years	1.59%~1.75%	8,056
Subtotal				1,966,672
Less : Current Portion				(377,509)
Lease Liabilities-Non-Current				<u>\$ 1,589,163</u>

Statement of Other Non-Current Liabilities

Item	Amount
Net defined benefit liabilities	\$ 565,757
Guarantee deposits	559,719
Others (less than 5%)	58,616
Total	<u>\$ 1,184,092</u>

Wistron Corporation

Statement of Cost of Sales

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Beginning balance of raw materials	\$ 13,675,734
Add: Purchases	652,312,171
Less: Ending balance of raw materials	(14,349,646)
Reclassified to other accounts	<u>(54,888)</u>
Raw materials used	651,583,371
Direct labor	1,584,421
Manufacturing overhead	<u>3,765,672</u>
Total manufacturing cost	656,933,464
Add: Beginning balance of work-in-process inventory	755,195
Less: Ending balance of work-in-process inventory	(743,793)
Reclassified to other accounts	<u>(79,610)</u>
Coast of finished goods	656,865,256
Add: Beginning balance of finished goods	18,169,750
Less: Ending balance of finished goods	(23,070,296)
Reclassified to other accounts	<u>(250,970)</u>
Subtotal	651,713,740
Add: Software royalty fees	647,109
Loss on valuation of inventories	2,252,840
Loss on supplier inventory reserve	577,663
Less: Income from sale of scraps	(25,476)
Loss on physical inventor	<u>(1,199)</u>
Total cost of sales	<u><u>\$ 655,164,677</u></u>

Wistron Corporation

Statement of Operating Expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Research and Development Expenses
Salary and related expenses	\$ 1,249,059	2,077,793	11,152,247
Freight	1,300,038	441	29,012
Insurance fees	254,544	6,609	522
Professional service fees	135,923	927,013	342,401
Import and export expenses	381,312	-	13
Amortization	4,097	234,158	95,094
Welfare funds	346,815	-	-
Inspection and testing expenses	3,925	33	945,771
Sundry purchase	50,389	39,240	2,467,994
Others (less than 5%)	<u>236,218</u>	<u>739,791</u>	<u>1,959,773</u>
Total	<u><u>\$ 3,962,320</u></u>	<u><u>4,025,078</u></u>	<u><u>16,992,827</u></u>

Wistron Corporation	
Others	
December 31, 2022	
Item	Description
Statements of trade receivables-related parties and other receivables-related parties	Disclosure in Note 7
Statement of other current assets	Disclosure in Note 6(l)
Statement of movement of property, plant and equipment	Disclosure in Note 6(i)
Statement of movement of accumulated depreciation of property, plant and equipment	Disclosure in Note 6(i)
Statement of right-of-use assets	Disclosure in Note 6(j)
Statement of movement of intangible assets	Disclosure in Note 6(k)
Statement of other non-current assets	Disclosure in Note 6(l)
Statement of movement of investment property	Disclosure in Note 6(l)
Statement of deferred tax assets and liabilities	Disclosure in Note 6(q)
Statements of trade payables-related parties and other payables-related parties	Disclosure in Note 7
Statement of contract liabilities and refund liability	Disclosure in Note 6(u)
Statement of the revenue	Disclosure in Note 6(u)
Statement of the interest income	Disclosure in Note 6(v)
Statement of the other income	Disclosure in Note 6(v)
Statement of the other gain and loss	Disclosure in Note 6(v)
Statement of the financial costs	Disclosure in Note 6(v)

WISTRON CORPORATION

Notes to the Parent-Company-Only Financial Statements

Table 1 Financing to other parties
(December 31, 2022)

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
													Item	Value			
0	The Company	WMMY	Other receivables	Yes	1,260,945	-	-	0.50%-2.00%	1	4,926,418	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WSPH	Other receivables	Yes	556,560	-	-	1.50%	1	738,350	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WMMI	Other receivables	Yes	1,347,210	-	-	1.49%	1	9,697,311	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WSPH	Other receivables	Yes	483,150	-	-	1.50%	1	454,573	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	ROE	Other receivables	Yes	3,500,000	1,500,000	1,500,000	2.00%	2	-	Operating Capital	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)

(Note 1) The total amount available for financing purposes shall not exceed 50% of the Company's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of the Company's audited or reviewed net worth.
(Note 2) Nature of financing:

1 For entities that the Company has business with.
2 For entities with short-term financing needs.

(Note 3) The limit on financing granted of the entities that the Company has business with:

- (1) For entities in which the Company, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of the Company.
(2) For entities in which the Company, directly or indirectly, owned below 50% of their shares, the amount available for financing shall not exceed 40% and 5% of net worth of the borrower and the Company, respectively.
(3) For other borrowers, the amount available for financing shall not exceed 25% of net worth of the borrower and 5% of net worth of the Company.
(Note 4) For entities with short-term financing needs, the amount available for financing shall not exceed 10% of net worth of the Company.

(TWD : expressed in thousands)

WISTRON CORPORATION

Notes to the Parent-Company-Only Financial Statements

Table 2 Guarantees and endorsements for other parties
(December 31, 2022)

No.	Endorser / Guarantor	Party being endorsed/guaranteed		Limits on endorsements/ guarantees provided to each entity (Note 2) and (Note 4)	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee to net asset value of the endorser / guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 1) and (Note 3)	Endorsement / guarantees provided by parent company	Endorsement / guarantees provided by a subsidiary	Endorsement / guarantees provided to the party in Mainland China
		Name	Relationship with the company (Note 9)										
0	The Company	WIP	2	28,914,644	838,050	622,890	622,890	-	0.65%	96,382,149	Y	N	N
0	The Company	Cowin (Note 5)	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N
0	The Company	WZS shared with WAKS (Note 5)	2	28,914,644	64,420	61,416	61,416	-	0.06%	96,382,149	Y	N	Y
0	The Company	WCCZ	2	28,914,644	474,476	474,476	474,476	-	0.49%	96,382,149	Y	N	N
0	The Company	WBR	2	28,914,644	901,880	859,824	859,824	-	0.89%	96,382,149	Y	N	N
0	The Company	WIN	2	28,914,644	2,284,700	2,072,590	1,765,710	-	2.15%	96,382,149	Y	N	N
0	The Company	WSSG	2	28,914,644	8,776,168	8,413,592	7,646,292	-	8.73%	96,382,149	Y	N	N
0	The Company	WTX	2	28,914,644	1,159,560	1,105,488	1,105,488	-	1.15%	96,382,149	Y	N	N
0	The Company	WGTX	2	28,914,644	499,255	475,974	475,974	-	0.49%	96,382,149	Y	N	N
0	The Company	WTZ	2	28,914,644	3,690,330	3,673,788	2,445,468	-	3.81%	96,382,149	Y	N	Y
0	The Company	WSMX	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	N
0	The Company	WGS	2	28,914,644	791,310	184,248	-	-	0.19%	96,382,149	Y	N	Y
0	The Company	WCCZ shared with WSCZ	2	28,914,644	3,301,760	1,566,108	1,566,108	-	1.62%	96,382,149	Y	N	N
0	The Company	WAKS	2	28,914,644	560,420	-	-	-	-	96,382,149	Y	N	Y
0	The Company	WAKS shared with WTZ and WGS (Note 6)	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	Y
0	The Company	WTR	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N
0	The Company	WCH	2	28,914,644	40,263	38,385	38,385	-	0.04%	96,382,149	Y	N	N
0	The Company	AGI	2	28,914,644	292,000	292,000	232,000	-	0.30%	96,382,149	Y	N	N
0	The Company	WSCQ	2	28,914,644	2,930,321	2,502,710	1,581,470	-	2.60%	96,382,149	Y	N	Y
0	The Company	WCHO	2	28,914,644	160,000	110,000	60,000	-	0.11%	96,382,149	Y	N	N
0	The Company	WSCQ share with WMCQ	2	28,914,644	483,150	460,620	460,620	-	0.48%	96,382,149	Y	N	Y
0	The Company	WMI share with WIN	2	28,914,644	1,932,600	1,842,480	921,240	-	1.91%	96,382,149	Y	N	N
0	The Company	WLB	2	28,914,644	400,000	200,000	200,000	-	0.21%	96,382,149	Y	N	N
0	The Company	WCL	2	28,914,644	1,400,000	800,000	800,000	-	0.83%	96,382,149	Y	N	N
0	The Company	WMMI	2	28,914,644	7,253,520	6,914,856	5,435,316	-	7.17%	96,382,149	Y	N	N
0	The Company	WMMY	2	28,914,644	8,961,580	8,905,520	4,851,864	-	9.24%	96,382,149	Y	N	N
0	The Company	WITT	2	28,914,644	1,167,582	1,044,072	736,992	-	1.08%	96,382,149	Y	N	N
0	The Company	WETW	2	28,914,644	300,000	175,000	175,000	-	0.18%	96,382,149	Y	N	N
0	The Company	WVN	2	28,914,644	11,692,230	7,216,380	1,996,020	-	7.49%	96,382,149	Y	N	N
0	The Company	WMX	2	28,914,644	6,180,400	6,141,600	3,377,880	-	6.37%	96,382,149	Y	N	N
0	The Company	WIS	2	28,914,644	144,945	138,186	138,186	-	0.14%	96,382,149	Y	N	N
0	The Company	XTRKS	2	28,914,644	2,076,972	2,076,972	736,992	-	2.15%	96,382,149	Y	N	Y
0	The Company	WSPH shared with WCCZ, WMX, WTX and WSSG (Note 7)	2	28,914,644	626,306	597,100	597,100	-	0.62%	96,382,149	Y	N	N
0	The Company	WAKS shared with WZS, WCD and WCQ (Note 7)	2	28,914,644	501,044	477,680	477,680	-	0.50%	96,382,149	Y	N	Y
0	The Company	WSPH shared with WCCZ, WMX, WTX, WSG and WMMY (Note 8)	2	28,914,644	755,417	755,417	-	-	0.78%	96,382,149	Y	N	N
0	The Company	WAKS shared with WZS, WCD and WCQ (Note 8)	2	28,914,644	503,611	503,611	-	-	0.52%	96,382,149	Y	N	Y

WISTRON CORPORATION

Notes to the Parent-Company-Only Financial Statements

- (Note 1)
- (Note 2)
- (Note 3)
- (Note 4)
- (Note 5)
- (Note 6)
- (Note 7)
- (Note 8)
- (Note 9)
- The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed the Company's audited or reviewed net worth.
- The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
- The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's audited or reviewed net worth.
- The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
- The credit line shared by Cowin, WZS and WAKS amounted to USD3,000,000.
- The credit line shared by WMKS, WTZ and WGS amounted to USD20,000,000, while the maximum credit line for each entity was USD10,000,000.
- The credit line shared by WSPH, WCCZ, WMX, WTX, WSSG, WAKS, WCD and WCQ amounted to USD35,000,000.
- The credit line shared by WSPH, WCCZ, WMX, WTX, WSSG, WMMY, WAKS, WZS, WCD and WCQ amounted to USD41,000,000.
- Relationship with the Company:
1. An entity with which the guarantor did business.
2. An entity in which the guarantor directly and indirectly owned more than 50% of the voting shares.
3. An entity that directly and indirectly owned more than 50% of the voting shares in the guarantor.
4. The entities in which the guarantor owned, directly or indirectly, 90% or more of the voting shares.
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 entities in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 3 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2022)

Securities held by	Category and name of securities		Relationship	Financial statement account	December 31, 2022				Highest percentage of shares during the period	Note
					Number of shares	Book value	Percentage of Ownership	Fair Value		
The Company	Alpha Networks Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	19,328	545,044	3.57%	545,044	3.57%	-
The Company	Gamania Digital Entertainment Co., Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	1,126	78,739	0.64%	78,739	0.64%	-
The Company	Super Dragon Technology Co., Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	5,676	112,385	5.50%	112,385	5.50%	-
The Company	Global Lighting Technologies Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	20,914	1,150,294	16.23%	1,150,294	16.23%	-
The Company	ARBOR Technology Corp.	Stock	-	Non-current financial assets at fair value through other comprehensive income	4,679	126,556	5.00%	126,556	6.29%	-
The Company	AOpen Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	1,497	70,786	2.10%	70,786	8.04%	-
The Company	FineMat Applied Materials Co., Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	4,589	128,499	6.91%	128,499	6.91%	-
The Company	Clientron Corp.	Stock	-	Non-current financial assets at fair value through other comprehensive income	917	20,737	1.44%	20,737	1.44%	-
The Company	Plexbio Corporation, LTD	Stock	-	Non-current financial assets at fair value through other comprehensive income	1,227	14,704	1.18%	14,704	1.18%	-
The Company	Howe advanced Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	4,000	-	13.91%	-	13.91%	-
The Company	ABC-KY	Stock	-	Non-current financial assets at fair value through other comprehensive income	2,075	64,325	2.54%	64,325	2.54%	-
The Company	LiLee Systems, Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.51%	-	29.51%	-
The Company	Zeo,Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-	6.57%	-
The Company	Janus Technologies ,Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-	4.01%	-
The Company	Vmedia Research	Stock	-	Non-current financial assets at fair value through other comprehensive income	2,000	-	7.69%	-	7.69%	-
The Company	Tube Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	17,009	68,936	20.73%	68,936	22.08%	-
The Company	Tactus Technology Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-	0.06%	-
The Company	Vident Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	226	11,228	0.96%	11,228	3.17%	-
The Company	Scenera,Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	645	1,208	11.40%	1,208	12.89%	-
The Company	Marvel Technology, Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	86	98,143	0.01%	98,143	0.01%	-
The Company	Master Transportation Bus Manufacturing Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	2,375	124,083	5.52%	124,083	6.11%	-
The Company	A VIZ Networks Inc.	Stock	-	Non-current financial assets at fair value through other comprehensive income	3,781	37,152	6.72%	37,152	6.72%	-
The Company	EV Motors Japan Co., Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	-	57,296	2.31%	57,296	2.95%	-
The Company	IP Fund Six Co., Ltd.	Stock	-	Non-current financial assets at fair value through other comprehensive income	4,634	42,608	10.72%	42,608	10.72%	-
The Company	Corsa Fund 2012 L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	17,971	20.00%	17,971	20.00%	-
The Company	Jafo AT Fund V1 L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	181,360	6.67%	181,360	6.67%	-
The Company	Kibao Fund L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	42,667	12.78%	42,667	12.78%	-
The Company	Fenox Venture Company XIV,L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	-	99.00%	-
The Company	Verex V (C.L.) Fund L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	300,203	2.57%	300,203	3.11%	-
The Company	China Renewable Energy Fund, L.P	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	496,361	9.01%	496,361	9.01%	-
The Company	JAFCO Taiwan I Venture Capital L.P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	120,109	4.99%	120,109	4.99%	-
The Company	JAFCO Taiwan II Venture Capital L. P.	Fund	-	Non-current financial assets at fair value through other comprehensive income	-	19,672	9.21%	19,672	9.21%	-
The Company	Princeton Nuenergy, Inc.	SAFE	-	Non-current financial assets at fair value through profit or loss	-	73,392	-	73,392	-	-

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital
(December 31, 2022)

Securities held by	Category and name of securities		Financial statement account	Counter - party	Relationship with the investor	Beginning balance		Addition		Disposal			Ending balance	
						Shares/ Units	Amount	Shares/ Units	Amount	Amount	Book value	Gain/Loss on Disposal	Shares/ Units	Amount
The Company	WLLC	Stock	Equity-accounted investees	(Note 1)	subsidiary	6,936	2,596,642	2,000	553,012	-	-	-	8,936	3,599,681
The Company	WYTHQ	Stock	Equity-accounted investees	(Note 2)	subsidiary	73,895	11,567,668	-	-	7,282,067	1,355,518	-5,926,749	65,895	14,618,435
The Company	AIHH	Stock	Equity-accounted investees	(Note 1)	subsidiary	347,486	4,951,534	90,000	2,675,880	-	-	-	437,486	7,789,205
The Company	WCA	Stock	Equity-accounted investees	(Note 1)	subsidiary	70,000	698,369	100,000	1,000,000	-	-	-	170,000	1,697,225

(Note 1) The entity issued ordinary shares for cash.
(Note 2) The Company disposed the equity-accounted investees.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 5 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)
The Company	WJP	Subsidiary	Sales	2,222,321	0.32%	OA90	-	-	1,044,226	0.58%
The Company	WTX	Subsidiary	Sales	2,930,262	0.43%	OA90	-	-	1,118,158	0.62%
The Company	WMKS	Subsidiary	Sales	843,651	0.12%	OA90	-	-	185,771	0.10%
The Company	WZS	Subsidiary	Sales	880,522	0.13%	OA90	-	-	11,624,817	6.49%
The Company	WITX	Subsidiary	Sales	45,060,850	6.56%	OA150	-	-	29,270,251	16.34%
The Company	WSCZ	Subsidiary	Sales	1,786,723	0.26%	OA90	-	-	335,692	0.19%
The Company	FPI	Associate	Sales	261,597	0.04%	OA120	-	-	45,699	0.03%
The Company	WSSG	Subsidiary	Sales	878,546	0.13%	OA90	-	-	286,742	0.16%
The Company	WMT	Subsidiary	Sales	267,870	0.04%	OA90	-	-	119,722	0.07%
The Company	WIS	Subsidiary	Sales	895,347	0.13%	OA60	-	-	132,647	0.07%
The Company	WMMY	Subsidiary	Sales	31,130,615	4.53%	OA90	-	-	2,325,729	1.30%
The Company	KOE	Subsidiary	Sales	124,919	0.02%	OA60	-	-	95,915	0.05%
The Company	WYHQ	Subsidiary	Sales	68,820,275	10.02%	OA45	-	-	10,566,385	5.90%
The Company	WYUS	Subsidiary	Sales	377,447	0.05%	OA45	-	-	42,491	0.02%
The Company	WTX	Subsidiary	Purchase	136,799	0.02%	OA60	-	-	(34,807)	0.03%
The Company	WZS	Subsidiary	Purchase	124,779,372	19.23%	OA90	-	-	(10,321,413)	7.66%
The Company	WITX	Subsidiary	Purchase	685,976	0.11%	OA90	-	-	(12,600)	0.01%
The Company	WAKS	Subsidiary	Purchase	17,536,288	2.70%	OA90	-	-	(3,299,678)	2.45%
The Company	WSKS	Subsidiary	Purchase	4,545,634	0.70%	OA60	-	-	(591,742)	0.44%
The Company	WCQ	Subsidiary	Purchase	102,432,248	15.79%	OA90	-	-	(20,213,948)	15.00%
The Company	WCD	Subsidiary	Purchase	213,389,287	32.89%	OA30	-	-	(28,604,028)	21.22%
The Company	WSCZ	Subsidiary	Purchase	153,962	0.02%	OA60	-	-	(33,922)	0.03%
The Company	WSCQ	Subsidiary	Purchase	9,195,531	1.42%	OA60	-	-	(811,402)	0.60%
The Company	FPI	Associate	Purchase	709,183	0.11%	OA50	-	-	(42,578)	0.03%
The Company	WSSG	Subsidiary	Purchase	430,415	0.07%	OA60	-	-	(125,390)	0.09%
The Company	WSPH	Subsidiary	Purchase	507,403	0.08%	OA30	-	-	(74,853)	0.06%
The Company	WMMY	Subsidiary	Purchase	15,272,965	2.35%	OA90	-	-	(5,030,499)	3.73%
The Company	WMMI	Subsidiary	Purchase	57,553,720	8.87%	OA45	-	-	(17,517,175)	12.99%

(TWD : expressed in thousands)

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 5 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)
The Company	WOOK	Subsidiary	Purchase	14,355,700	2.21%	OA90	-	-	(3,246,137)	2.41%
The Company	WCCD	Subsidiary	Purchase	584,458	0.09%	OA90	-	-	(168,943)	0.13%
The Company	WYHQ	Subsidiary	Purchase	1,174,903	0.18%	OA90	-	-	(789,884)	0.59%
The Company	WYUS	Subsidiary	Purchase	2,873,616	0.44%	OA90	-	-	(1,188,922)	0.88%

(TWD : expressed in thousands)

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 6 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2022)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date		Allowance for doubtful accounts
					Amount	Action taken			
The Company	WJP	Subsidiary	1,044,226	214.04%	596,683	Collecting	79,163	-	-
The Company	WTX	Subsidiary	1,118,158	265.54%	496,951	Collecting	30,593	-	-
The Company	WMKS	Subsidiary	185,771	334.71%	-	-	62,950	-	-
The Company	WZS	Subsidiary	11,624,817	4.80%	4,388,794	Collecting	3,154,165	-	-
The Company	WITX	Subsidiary	29,270,251	185.52%	12,592,732	Collecting	5,895,939	-	-
The Company	WAKS	Subsidiary	161,014	0.01%	-	-	-	-	-
The Company	WTZ	Subsidiary	400,437	-	-	-	-	-	-
The Company	WCQ	Subsidiary	18,182,374	-	3,428,955	Collecting	7,615,688	-	-
The Company	WCD	Subsidiary	19,974,230	0.05%	3,802,854	Collecting	16,183,116	-	-
The Company	WSCZ	Subsidiary	335,692	446.61%	3,522	Collecting	127,247	-	-
The Company	WSSG	Subsidiary	286,742	220.06%	82,764	Collecting	82,794	-	-
The Company	WMT	Subsidiary	119,722	404.02%	11,745	Collecting	23,383	-	-
The Company	WIS	Subsidiary	132,647	461.93%	2,057	Collecting	66,933	-	-
The Company	WMMY	Subsidiary	2,325,729	86.12%	-	-	-	-	-
The Company	WMMI	Subsidiary	30,193,715	-	656,883	Collecting	11,765,290	-	-
The Company	WOOK	Subsidiary	1,386,563	-	-	-	1,228,553	-	-
The Company	WYHQ	Subsidiary	10,566,385	706.89%	566,138	Collecting	8,693,227	-	-
Other receivables									
The Company	KOE	Subsidiary	1,503,354	-	-	-	87	-	-
The Company	WITX	Subsidiary	533,934	-	106,132	Collecting	-	-	-
The Company	WMMI	Subsidiary	163,921	-	-	-	-	-	-

(TWD : expressed in thousands)

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 7 Information on investees (excluding investees in Mainland China)
(December 31, 2022)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
The Company	WMX	Mexico	Server and consumer electronics product manufacturing	1,354,618	1,354,618	16,004,371	100.00%	100.00%	1,026,825	1,026,825	-
The Company	WTX	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	100.00%	37,391	37,391	-
The Company	AHH	B.V.I.	Investment and holding	8,171,358	6,041,178	437,486	100.00%	100.00%	7,789,205	(400,417)	-
The Company	COWIN	B.V.I.	Investment and holding	6,759,300	6,802,868	213,894	100.00%	100.00%	16,597,541	(1,166,089)	-
The Company	Win Smart	B.V.I.	Investment and holding	2,611,286	4,274,611	44,565	100.00%	100.00%	21,168,469	(1,952,949)	-
The Company	WCL	Taiwan	Investment consultant and business management consultant	4,312,000	4,312,000	-	100.00%	100.00%	7,918,359	1,433,246	-
The Company	ISL	Taiwan	Safety and EMI testing	14,603	14,603	2,434	100.00%	100.00%	124,813	33,684	-
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	2,853,068	139,567	100.00%	100.00%	26,632	(4,631)	-
The Company	WLLC	U.S.A.	Investment and holding	2,671,826	2,118,814	8,936	100.00%	100.00%	3,599,681	102,863	-
The Company	WVS	B.V.I.	Investment and holding	314,273	398,221	9,150	100.00%	100.00%	884,700	109,728	-
The Company	WBR	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	99.99%	606,721	214,021	-
The Company	WTR	Turkey	Sales and maintenance service center	46,650	46,650	22	99.90%	99.90%	80,171	25,724	-
The Company	WGTX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	100.00%	115,389	(43,566)	-
The Company	WGHK	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	100.00%	100.00%	22,692	(27,160)	-
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	2,095,629	267,425	100.00%	100.00%	5,653,318	(707,156)	-
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	89,134	36,429	100.00%	100.00%	(172,850)	9,691	-
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,350	1,680,258	65,895	37.69%	42.26%	14,618,435	5,482,636	-
The Company	WCHK	Hong Kong	Investment and holding	225,494	225,494	58,446	100.00%	100.00%	996,159	43,507	-
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	100.00%	25,201	2,115	-
The Company	WCCZ	Czech Rep.	Electronic product manufacturing	121,527	121,527	-	100.00%	100.00%	2,510,833	23,164	-
The Company	WBHK	Hong Kong	Investment and holding	397,542	397,542	16,426	100.00%	100.00%	(1,566)	(2,552)	-
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	2,570	1	0.01%	0.01%	12	(103,283)	(5)
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	4,797,805	157,489	100.00%	100.00%	2,319,294	215,120	-
The Company	WDH	Taiwan	Investment and holding	1,800,000	1,800,000	205,056	100.00%	100.00%	2,151,214	(35,661)	-
The Company	WMI	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	100.00%	1,899,963	(57,919)	-
The Company	WTS	U.S.A.	Sales development and customer service	10,348	10,348	35	100.00%	100.00%	18,170	1,444	-
The Company	WCH	U.S.A.	Investment and rental	589,520	589,520	20	100.00%	100.00%	472,458	(8,357)	-
The Company	WIMX	Mexico	Real property rental and management	910,394	910,394	13,340,990	100.00%	100.00%	1,134,354	(72,783)	-
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	1,346,288	-	100.00%	100.00%	1,340,224	(8,270)	-
The Company	WSCZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	-	100.00%	100.00%	671,371	86,265	-
The Company	WIS	Taiwan	Research and development, sales and service of network communication products	214,656	214,656	17,888	45.79%	46.10%	258,594	22,984	-
The Company	WCA	Taiwan	Real property rental and management	1,700,000	700,000	170,000	100.00%	100.00%	1,697,225	(1,144)	-
The Company	WGEH	Taiwan	Investment and holding	280,000	-	28,000	100.00%	100.00%	279,563	92	-
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	585,487	585,487	89,675	22.66%	22.66%	4,598,489	3,121,720	-
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	26,088	4,711	12.82%	12.82%	104,376	152,255	-
The Company	HCL	B.V.I.	Investment and holding	96,045	96,045	-	30.00%	30.00%	69,848	(72)	-
The Company	Formosa Prosonic Industries Berhad	Malaysia	Manufacturing of audio and heater	513,565	513,565	69,260	27.03%	27.39%	769,488	663,692	-
The Company	ILH	Taiwan	Sales of audio system of vehicles and components	578,889	578,889	20,261	32.29%	34.14%	34,129	3,095	-
The Company	NICE Licensing LLC	Japan	Promote NICE Standard	8,362	4,191	-	20.00%	25.00%	3,992	(10,590)	-
The Company	PELL	Taiwan	Biotechnology service	225,000	-	3,000	6.76%	6.87%	215,830	(220,838)	-
The Company	ISGTG	Seychelles	Research and development and sales of information technology products	160,025	160,025	5	40.00%	40.00%	-	-	-
The Company	ISGTC	Hong Kong	Research and development and sales of information technology products	160,000	160,000	5	40.00%	40.00%	-	-	-

(TWD : expressed in thousands)

Notes to the Parent-Company-Only Financial Statements

Table 8 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investor in Mainland China	Main Businesses and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of investment as of January 1, 2022	Investment flows		Accumulated amounts of investment as of December 31, 2022	Net income (loss) of the investee	Height percentage of ownership of the period	Direct/ indirect ownership of the Company	Investment income (losses) recognized by the Company		Carrying amount of investment as of December 31, 2022	Accumulated impairment as of December 31, 2022	Note
					Outflow	Inflow					(Note 26/2)	(Note 26/2)			
Wistron InfoComm (Zhongshan) Corporation	Manufacturing and sales of information technology products	7,394,068	(Note 1)	(Note 23/2)	-	-	7,394,179	(1,413,662)	100.00%	100.00%	(1,413,662)	(Note 26/2)	19,978,317	-	-
Wistron InfoComm (Shanghai) Corporation	Development, design, testing and sales of computer software	31,691	(Note 2)	(Note 23/2)	-	-	31,691	409	100.00%	100.00%	409	(Note 26/2)	47,626	-	-
Wistron InfoComm (Kunshan) Co., Ltd.	Human resource services and sales of LCD monitor products	67,510	(Note 2)	(Note 23/2)	-	-	67,510	11,086	100.00%	100.00%	11,086	(Note 26/2)	882,311	-	-
Wistron InfoComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	1,095,212	(Note 2)	(Note 23/2)	-	-	1,095,212	(1,037,546)	100.00%	100.00%	(1,037,546)	(Note 26/2)	163,790,443	-	-
Wistron Service (Kunshan) Corp.	Sales and maintenance service center in Mainland China	12,287	(Note 2)	(Note 23/2)	-	-	12,287	(49,933)	100.00%	100.00%	(49,933)	(Note 26/2)	799,339	-	-
SMS (Kunshan) Co., Ltd.	Research and sales of LCD monitor and touch display module	896,230	(Note 2)	(Note 23/2)	-	-	896,230	106,345	100.00%	100.00%	106,345	(Note 26/2)	2,033,033	-	-
Wistron InfoComm (Taizhou) Co., Ltd.	Manufacturing and sales of computer shell and mold plastic	4,929,489	(Note 2)	(Note 23/2)	-	-	4,929,489	(6,165)	100.00%	100.00%	(6,165)	(Note 26/2)	(6,535,729)	-	-
WIS PRECISION (KUNSHAN) CO., LTD.	Production of telecommunication equipment and coupling for special purpose	795,220	(Note 2)	(Note 23/2)	-	-	231,014	(24,088)	28.88%	28.88%	(69,57)	(Note 26/2)	160,141	-	-
T-CONN PRECISION(ZHONGSHAN) CORPORATION	Production of high-temperature resistant insulation materials and molded insulation products; and assembly of computer, server and the peripheral	234,901	(Note 2)	(Note 23/2)	-	-	85,873	79,428	21.30%	21.30%	16,062	(Note 26/3)	75,946	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production of communication products and components	3,676,442	(Note 2)	(Note 23/2)	-	-	3,632,613	(170,416)	100.00%	100.00%	(170,416)	(Note 26/2)	3,721,804	-	-
Wistron Daxinma (Shanghai) Co., Ltd.	Sales of communication products and components	131,044	(Note 2)	(Note 23/2)	-	-	131,044	3,081	100.00%	100.00%	3,081	(Note 26/2)	80,321	-	-
SHENHUI ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD.	Production and management of new-type electronic components	426,055	(Note 18)	(Note 23/2)	-	-	79,722	32,841	26.08%	26.08%	-	(Note 26/3)	-	-	-
LIANSI PRECISION (ZHONGSHAN) INC.	Manufacturing of high-temperature resistant insulation materials and molded insulation products; and assembly of computer, server and the peripheral	1,124,931	(Note 2)	(Note 23/2)	-	-	332,795	(254,029)	28.88%	28.88%	(73,346)	(Note 26/3)	(424,597)	-	-
WIS PRECISION (TAIZHOU) CO., LTD.	Production and sales of electronic high-tech auto material	2,229,502	(Note 2)	(Note 23/2)	-	-	643,191	(213,740)	28.88%	28.88%	(66,731)	(Note 26/3)	574,038	-	-
Harve Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech auto material	516,917	(Note 2)	(Note 23/2)	-	-	128,815	(100,933)	20.02%	20.02%	(20,211)	(Note 26/3)	191,111	-	-
Wistron Advanced Materials(Kunshan) Co. Ltd	Research and development, manufacturing and sales of electronic regeneration coefficiently plastic goods	953,939	(Note 2)	(Note 23/2)	-	-	953,939	(27,098)	100.00%	100.00%	(27,098)	(Note 26/2)	11,821	-	-
Zongshan Global Lighting Technology Limited Co.	Manufacturing and sales of LEP, backlight and related high-electronic components	448,825	(Note 2)	(Note 23/2)	-	-	72,007	NA	16.23%	16.23%	-	-	74,759	-	-
Wistron InfoComm (CHONGQING) Co. Ltd.	Assembly and manufacturing and sales of Notebook computer	583,823	(Note 2)	(Note 23/2)	-	-	583,823	(503,844)	100.00%	100.00%	(503,844)	(Note 26/2)	5,205,613	-	-
Wistron Investment (Shanghai) Co., Ltd.	Investment and holding	2,501,366	(Note 2)	(Note 23/2)	-	-	2,501,366	(145,223)	100.00%	100.00%	(145,223)	(Note 26/2)	6,045,218	-	-
Wistron InfoComm (Chengdu) Co., Ltd.	Research and manufacturing and sales of Notebook computer	2,396,524	(Note 2)	(Note 23/2)	-	-	2,396,524	(147,429)	100.00%	100.00%	(147,429)	(Note 26/2)	7,951,769	-	-
Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Research and development and design of electronic calculator and other electronic products	99,042	(Note 2)	(Note 23/2)	-	-	59,042	(163,237)	100.00%	100.00%	(163,237)	(Note 26/2)	(41,528)	-	-
Shanghai Keen High Technologies Ltd.	Manufacturing of digital photo frame, MP3, MP4 and GPS	198,648	(Note 2)	(Note 23/2)	-	-	31,110	NA	15.17%	15.17%	-	-	-	-	-
SMS InfoComm(Chengqing) Co., Ltd.	Sales and distribution of computer products and components	126,838	(Note 23)	(Note 23/3)	-	-	126,838	(37,232)	14.33%	14.33%	6,117	(Note 26/2)	418,451	-	-
Kunshan ChangYuan Precision Die Casting Co., Ltd.	Research and sales of Zr-Al alloy precision casting parts, LED module of spraying frame and electronic tool series	173,901	(Note 23)	(Note 23/3)	-	-	-	(37,232)	14.33%	14.33%	(1,328)	(Note 26/3)	4,448	-	-
Wistron Technology Service Kunshan Ltd.	Sales of cloud data center equipment	10,659	(Note 23)	(Note 23/3)	-	-	10,659	12,666	43.44%	43.44%	5,642	(Note 26/2)	46,350	-	-
I-CA Inc.	Research and development, design, manufacturing, sales, and maintenance of intelligent terminals	91,991	(Note 23)	(Note 23/3)	-	-	-	6,996	20.00%	20.00%	(799)	(Note 26/3)	4,179	-	-
Wistron Medical Tech (Chongqing) CO., LTD.	Production of medical instruments	94,500	(Note 24)	(Note 23/3)	-	-	-	(32,046)	92.14%	92.14%	(32,046)	(Note 26/2)	(38,702)	-	-
Nanjing Xtronics Electronics Technology Co., Ltd.	Virtual image Head-up display and new energy car high-power charging device	538,557	(Note 24)	(Note 23/3)	-	-	-	(1,087)	33.41%	33.41%	(363)	(Note 26/3)	135,128	-	-
XTRONICS(Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics and electronic parts, smart home appliances and electronic components	217,707	(Note 23)	(Note 23/3)	-	-	-	30,667	100.00%	100.00%	30,667	(Note 26/2)	324,677	-	-
Wistron InfoComm Computer (Changsha) Co., Ltd	Assembly and manufacturing and sales of Notebook computer	26,258	(Note 23/2)	(Note 23/2)	-	-	-	21,59	100.00%	100.00%	21,59	(Note 26/2)	7,687	-	-
Bohuihang Opto Electronics (Kunshan) Co., Ltd.	Manufacturing and sales of automotive electronics and electronic related products	9,003	(Note 23/3)	(Note 23/3)	-	-	9,003	0	100.00%	100.00%	-	(Note 26/2)	9,213	-	-

2. Limitation on investment in Mainland China

Notes to the Parent-Company-Only Financial Statements

Company	Accumulated amounts investment in Mainland China as of December 31, 2022 (Note 1), (Note 2), (Note 3), (Note 4), (Note 5), (Note 7), (Note 8), (Note 9), (Note 10), (Note 11), (Note 12), (Note 13), (Note 14), (Note 19), (Note 20), (Note 21), (Note 22) and (Note 23)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4) and (Note 15)	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 16)
	24,440,904 (USD788,612,330)	14,040,627 (USD456,654,523)&(CNY4,000,000)	-

(Note 1) The Company invested the amount of USD5,150,000 (approximately TWD149,451) in BRIVISION OPTRONICS (J) CORP., acquiring 50.99% of its share; therefore, resulting in an indirect ownership of BrV Vision Optonics (Zhongshan) Corp. with the same amount of shares. The application to transfer the investment in Mainland China has been authorized by the Investment Commission, MOEA on January 17, 2013. Therefore, the accumulated investment amount in Mainland China will be revised in accordance with the amount authorized by the Investment Commission. Also, Cowin, one of 100% owned subsidiaries of the Company, merged with BRIVISION OPTRONICS(L) CORP. by exchanging 1 share for 1.89 share on November 14, 2013. After the merger, Cowin became the existing company, while BrV vision was liquidated in the first quarter of 2015. Therefore, 100% ownership of BrV Vision Optonics (Zhongshan) Corp. was transferred to Cowin Worldwide Corporation in the second quarter of 2014. Wistron InfoComm (Zhongshan) Corporation, in which the Company indirectly owned 100% of its shares, merged with BrV Vision Optonics (Zhongshan) Corp. in the second quarter of 2015, resulting in an increase in the investment capital of Wistron InfoComm (Zhongshan) Corporation to USD218,050,000 (approximately TWD6,872,015), which was authorized by the Investment Commission on July 31, 2015. Also, Wistron InfoComm (Zhongshan) Corporation merged with All Technology (Zhong Shan) Co., Ltd., one of 100% owned subsidiaries of the Company, in the first quarter of 2017, resulting in an increase in the investment capital of Wistron InfoComm (Zhongshan) Corporation to USD234,000,000 (approximately TWD7,394,179), which was authorized by Investment Commission on December 26, 2016.

(Note 2) Wistron InfoComm (Kunshan) Co., Ltd. merged with Wistron InfoComm Technology (Kunshan) Co., Ltd. in the first quarter of 2015; both entities are 100% owned subsidiaries of the Company, resulting in an increase in the investment capital of Wistron InfoComm (Kunshan) Co., Ltd. to USD32,000,000 (approximately TWD1,085,212), which was authorized by the Investment Commission on January 23, 2015.

(Note 3) On January 24, 2005, the Company applied to the Investment Commission for the revision of the amount of its indirect investment in T-CONN PRECISION (Zhongshan) CORPORATION from USD638,000 to USD550,000, and the application was authorized on February 15, 2005. Also, Super Elite Ltd. acquired Hong Kong Comtek Electronics Co. Ltd. by issuing new shares through stock exchange, resulting in a decrease in the of the Company's investment amount in T-CONN PRECISION (Zhongshan) CORPORATION by USD339,995 (approximately TWD9,793); and the application was authorized by the Investment Commission on May 17, 2012.

(Note 4) The Company indirectly invested in the capital of Wistron Optonics (Kunshan) Co., Ltd. and Wistron Optonics (Shanghai) Corporation, through Wistron Optonics Corporation (WOC) and its subsidiary, WinDisplay, amounting to TWD64,701 and TWD4,877, respectively. However, on March 10, 2007, WOC was merged with WOD Co., Ltd. (WOD), a fully owned subsidiaries of the Company. After the merger, WOD became the existing company while WOC being the dissolved entity, who transferred its investment amount, which had been authorized by the Investment Commission on June 14, 2007, to WOD. On the other hand, AIH transferred the shares of WinDisplay and its subsidiaries to WOD on June 25, 2007 in accordance with the agreement. The Company applied for the transfer of investment amount, which had been authorized by the Investment Commission on July 18, 2007. Therefore, the accumulated investment amount in Mainland China would be revised in accordance with the amount authorized by Investment Commission. On August 17, 2007, WOD Co., Ltd. was renamed as Wistron Optonics Corporation.

(Note 5) The investment in Wistron InfoComm (Chengdu) Co., Ltd., through Wistron Investment (Sichuan) Co., Ltd., was authorized by the Investment Commission. The amount of accumulated investment in Mainland China had increased by USD83,500,000 (approximately TWD2,501,366).

(Note 6) The Board of Directors of Shenzhen Keen High Technologies Ltd., in which the Company indirectly invested in, the court ruled that the application for bankruptcy and liquidation procedures was completed on December 29, 2016.

(Note 7) Shenzhen Jin Zhi Feng Electronic Co., Ltd., in which the Company indirectly invested in, had completed the cancellation of its business registration. The said investment capital amounting to USD2,331,508.7, which entitled the Company to a full ownership of the entity, had been remitted to KHF Technology Ltd. and was authorized by the Investment Commission on January 12, 2015. However, according to the regulation, the remittance to Mainland China amounting to USD104,452 (approximately TWD3,155) was included in the accumulated investment amount.

(Note 8) Dong Guan Comtek Electronics Co., Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY449,415.79, which entitled the Company to a full ownership of the entity, had been remitted to Hong Kong Comtek Electronics Co. Ltd. and was authorized by the Investment Commission on July 15, 2013. However, according to the regulation, the remittance to Mainland China amounting to USD179,344 (approximately TWD5,371), was included in the accumulated investment amounts.

(Note 9) Top-Glory Electronics (Zhongshan) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,268.22, which entitled the Company to an 11% ownership of the entity, had been remitted to Super Elite Ltd. and was authorized by the Investment Commission on March 25, 2010. However, according to the regulation, the remittance to Mainland China amounting to USD33,000 (TWD1,071) was included in the accumulated investment amounts.

(Note 10) Changshu Pu Yuan electronics Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD3,895,791.97, which entitled the Company to a full ownership of the entity, had been remitted to Park Orchid, which was liquidated afterwards. The capital incurred from the liquidation of Park Orchid amounting to USD2,461,084.65 was remitted to Win Smart. With that said, the capital amount, USD2,461,084.65 entitled the Company to a 46.875% ownership of to Win Smart. Therefore, the accumulated investment amount in Mainland China was revised to USD2,812,500 on April 24, 2012, and was authorized by the Investment Commission on April 30, 2012. However, according to the regulation, the remittance to Mainland China amounting to USD2,812,500 (TWD84,714) was included in the accumulated investment amounts.

(Note 11) Wistron optonics (Shanghai) Corporation, in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD58,823.63, which entitled the Company to a full ownership of the entity, had been remitted to WDC and was authorized by the Investment Commission on December 16, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD1 was included in the accumulated investment amounts.

(Note 12) Wistron Service (Shanghai) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD6,207.67 (approximately TWD196), which entitled the Company to a full ownership of the entity, had been remitted to Taiwan and was authorized by the Investment Commission on March 6, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment was authorized by the Investment Commission on December 8, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD133,492.33 (approximately TWD4,350) was included in the accumulated investment amounts.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

2. Limitation on investment in Mainland China

- (Note 13) WIT Precision (Taizhou) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,577.5 (approximately TWD556), which entitled the Company to a 30% ownership of the entity, had been remitted to Taiwan and was authorized by the Investment Commission on September 18, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment of the Company had already been authorized. However, according to the regulation, the remittance amounting to USD1,241,422.5 (approximately TWD39,449) was included in the accumulated investment amounts.
- (Note 14) Zhongshan Deyi Electrical Equipment Co., Ltd.(Deyi), in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD525,684.97, which entitled the Company to a full ownership of the entity, had been remitted to FULLERTON LTD. On October 22, 2013, the Company applied for a revision of its indirect investment in Deyi amounting to USD161,314, which had been authorized by the Investment Commission on October 28, 2013. Afterwards, the cancellation of investment of the Company was authorized by the Investment Commission on November 4, 2013. However, according to the regulation, the remittance to Mainland China amounting to (approximately TWD5121) was included in the accumulated investment amounts.
- (Note 15) The amounts translated were using the spot rates on December 31, 2022.
- (Note 16) On December 7, 2020, the Company obtained the Certificate of Qualified Operating Headquarters, which was issued by the Department of Industrial Development, Ministry of Economic Affairs, in accordance with the revised “Approval Guidelines for Engagement in Investments or Technological Cooperation in Mainland China” and “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China” that was announced on August 22, 2008. Therefore, the Company was not restricted or limited, in anyway, regarding the investment amount in Mainland China.
- (Note 17) Wistron InfoComm (CHONGQING) Co. Ltd., one of the fully directly owned subsidiaries of the Company, used its own capital to invest in ICA Inc.; the transaction was not restricted or limited, in anyway, regarding the investment amount in Mainland China.
- (Note 18) HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. merged with BrV'ision Optronics (Zhongshan) Corp. in the fourth quarter of 2016, both entities are fully owned subsidiaries of the Company, resulting in an increase in the investment capital of HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. to USD2,452,912 (approximately TWD79,722), which was authorized by the Investment Commission on November 30, 2016.
- (Note 19) The Company invested the amount of USD16,961 (approximately TWD513) in WIEDU HONG KONG LIMITED, acquiring 18.73% of its share; therefore, resulting in an indirect ownership of Weshick Information Technology Services Co., Ltd. Shanghai (Weshick), whose entire shares are held by the Company.
- (Note 20) The Company indirectly invested, had been liquidated in the 4th quarter of 2022, resulting in the investment capital amounting to USD71,931.41 to be remitted to Wifidu Hong Kong Limited, wherein the liquidation process was still in progress as of the reporting date. However, according to the regulation, the remittance to Mainland China amounting to TWD22,449 needs to be included in the accumulated investment amounts.
- (Note 21) Wistron InfoComm (Jiangsu) Co., Ltd. a holding company, through Win Smart Co., Ltd. with amount of USD200,000,000, was authorized by the Investment Commission on December 18, 2017. Till the second quarter of 2019, the remittance to Mainland China was only USD100,000,000 (approximately TWD3,117,440). Wistron Investment (Jiangsu) Co., Ltd. invested the amount of USD100,000,000 (approximately TWD3,655,830) in Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. acquiring 78.13% of its share in the fourth quarter of 2019. The cancellation of the original investment plan of USD100,000,000 which had not been implemented was authorized by the Investment Commission on November 13,2020. The application that Win Smart Co., Ltd. disposed the entire shares of Wistron Investment (Jiangsu) Co., Ltd. and Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. was authorized by the Investment Commission on February 18, 2021. The investment amounting to USD380,000,000 (approximately TWD 10,620,040) was remitted to Taiwan through Win Smart Co afterwards. However, according to the regulation, the remittances to Mainland China amounting to USD100,000,000 (approximately TWD3,117,440) for Wistron Investment (Jiangsu) Co., Ltd. and USD28,000,000 (approximately TWD939,420) for Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. were included in the accumulated investment amounts.
- (Note 22) Wistron InfoComm (Qingdao) Co.,Ltd. Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD7,123,297.09, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KONG HOLDING LIMITED, and was authorized by the Investment Commission on March 14, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD6,000,000 (approximately TWD179,436), was included in the accumulated investment amounts.
- (Note 23) Wiywyn Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543.21, which entitled the Company to a full ownership of the entity, had been remitted to WIN SMART CO., LTD. and was authorized by the Investment Commission on May 18, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD2,899,788.94 (approximately TWD86,742) was included in the accumulated investment amounts.
- (Note 24) ANWITH (KunShan) CO.,LTD. in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD3,000,000 (approximately TWD89,256) was included in the accumulated investment amounts.
- (Note 25) Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested, invested the amount of CNY47,118,000 (TWD209,859) in Xtronics (Nanjing) Electronics Technology Co., acquiring 31.41% of its share in the fourth quarter of 2018, with which the change of its business registration had been completed in the first quarter of 2019. Xtronics Innovation Ltd. has agreed to transfer 2% of its shares to Wistron InfoComm (Kunshan) Co. Ltd., in which the Company indirectly invested. Wistron InfoComm (Kunshan) Co. Ltd. invested the amount of CNY3,000,000 (approximately TWD13,790) in Xtronics (Nanjing) Electronics Technology Co., acquiring 33.41% of its share in the second quarter of 2019.
- (Note 26) To invest in Mainland China by:
1. Direct investment in Mainland China.
 2. Indirect investment in Mainland China through a foreign company.
 3. Others
- (Note 27) Recognized share of associates and joint ventures accounted for equity method :
1. The financial statements of the investee company were audited by the international accounting firms which cooperated with R.O.C. accounting firms.
 2. The financial statements of the investee company were audited by the Group's auditor.
 3. Others

3. Significant transactions

The significant transactions of the entities in China in which the Company, directly or indirectly owned, refer to Table 1 to Table 8.

6.6 Any financial distress experienced by the company or its affiliated enterprises and impacts on the company’s financial postion, in the last year up till the publication date of this annual report : None.