

WISTRON CORPORATION

2023 ANNUAL GENERAL SHAREHOLDERS' MEETING MINUTES

(Translation)

Type of Meeting: Physical Meeting

Time: 9:00a.m., June 15, 2023

Venue: Chang Yung-Fa Foundation International Convention Center
(No. 11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan)

Total outstanding shares of Wistron Corporation: 2,847,331,050 shares.
(Excluding total non-voting rights shares 52,835,000 shares in accordance with the Company Law.).

Total shares represented by shareholders present in person or by proxy: 1,929,564,915 shares

Percentage of outstanding shares held by shareholders present in person or by proxy: 67.76%

Directors present: Simon Lin, Chairman, Chairman of the Board of Directors
Robert Huang, Vice Chairman,
Philip Peng, Director
Jack Chen, Independent Director (Chair of Audit Committee)
S.J. Paul Chien, Independent Director
Christopher Chang, Independent Director
Sam Lee, Independent Director

Chairman: Simon Lin

Recorder: Steven Wang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.
The Chairman called the meeting to order.

Chairman's Address (omitted)

I. Report Items

1. Report the business of 2022. (Please refer to Attachment 1)
2. Audit Committee's Review Report. (Please refer to Attachment 2)
3. Report the compensation for employees and directors of 2022. (Please refer to Meeting Agenda)
4. Report the amendments to the "Codes of Ethical Conduct". (Please refer to Meeting Agenda)
5. Report the amendments to the "Ethical Corporate Management Best Practice Principles". (Please refer to Meeting Agenda)

Questions from shareholder (Shareholder Account No. 659380):

1. Does the increase in sales unit price mean that the products of the Company is moving toward higher gross margin?
2. The reasons that the revenue increased but the accounts receivable and accounts payable decreased.
3. The reasons for high interest charges.
4. The impact of power cuts in Vietnam on the Vietnam factory.
5. The reasons for the loss of China factories.

Summary of Chairman's response:

1. The products of the Company will keep moving toward higher gross margin, which is also the situation we hope to retain.
2. There were no direct relations between revenue and the decrease of accounts receivable and accounts payable. The financial restructuring of the Company has been moving towards healthier balance sheets.
3. It was due to the raise of global interest rates.
4. Wistron's business scale in Vietnam is still small, and the impact is relatively small. The local factory area has its own generator, and the Company is also planning to obtain electricity support from local green power companies.
5. The profit and loss of the factory area is mainly related to the adjustment of the production capacity of the factory area. China's production capacity is gradually relocated to other countries. The decline in production capacity is the main reason for the loss of the factory area. However, this is a consideration of the global layout. What Wistron should focus on is to observe the overall performance after the global layout.

II. Ratification Items and Discussion Items

ITEM 1: Ratification of the Business Report and Financial Statements of 2022

Proposal: Submission (by the BOD) of the Company's 2022 business report and financial statements for ratification.

Explanatory Notes:

1. The Company's business report and financial statements for the year 2022 (Attachment 1: including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been approved by Audit Committee and Board of Directors via resolution. (Please refer to Attachment 1)
2. Submission for ratification.

Questions from shareholder (Shareholder Account No. 659380):

Why is Wistron's shareholding ratio in Wiwynn different?

Summary of Chairman's response:

Wiwynn's shareholding is not only held by Wistron alone, so the ratio will differ in the consolidated statement and the single consolidated statement.

Resolution:

Voting results: Shares present at the time of voting: 1,929,564,915

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,562,598,409 (including 1,527,991,624 shares through e-voting)	80.98	2,870,648 (including 2,870,648 shares through e-voting)	0.14	0	0	364,095,858 (including 363,775,567 shares through e-voting)	18.86

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 2: Ratification of the proposal for distribution of 2022 profits

Proposal: Submission (by the BOD) of the proposal for 2022 earnings distribution for ratification.

Explanatory Notes:

1. The unappropriated retained earnings at the beginning of 2022 is NT\$5,035,590,489, after deducting the changes in equity of associates and joint ventures accounted for using equity method of NT\$202,770 and the changes in ownership interests in subsidiaries of NT\$1,039,940 then adding up the remeasurements of defined benefit obligation of NT\$245,512,750 and the disposal of investments in equity instruments designated at fair value through other comprehensive income of NT\$109,565,494 and the share-based payment transaction NT\$396,021 and 2022 net profit of NT\$11,162,450,679 and set aside legal reserve of NT\$1,151,668,223 and adding up the reversal in special reserve of NT\$6,521,952,002, therefore the total amount of retained earnings available for distribution is NT\$21,922,556,502. The profit distribution is calculated based on the number of 2,846,462,050 outstanding shares on the resolution date of Board of Directors, and the dividends and bonus proposed to be distributed to the shareholders shall be NT\$7,400,801,330 in cash (NT\$2.6 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, the power with respect to setting the ex-dividend date and other relevant matters is reserved for the Chairman.
3. In the event that, before the ex-dividend date, the proposed earnings distribution plan is affected due to revisions to relevant laws or regulations, or upon the request of the competent authorities, or a change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, unsecured convertible bonds converting into common shares, capital increase by cash and capital increase by issuance of GDR, cancellation of part of Employee Restricted Stock Awards etc.), which results in changes in shareholders' allotment of cash dividend, it is proposed that the Chairman is authorized to duly adjust dividend payout rates.
4. Please refer to Attachment 3 for the Profit Appropriation Statement for 2022
5. Submission for ratification.

Resolution:

No questions raised by the shareholders.

Voting results: Shares present at the time of voting: 1,929,564,915

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,578,034,617 (including 1,543,427,832 shares through e-voting)	81.78	278,700 (including 278,700 shares through e-voting)	0.01	0	0	351,251,598 (including 350,931,307 shares through e-voting)	18.20

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 3: Discussion of the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement.

Proposal: Submission (by the BOD) of a proposal to approve the issuance of new common shares to sponsor the issuance of GDR, the issuance of new common shares through public offering, the issuance of new common shares through private placement and/or the issuance of new common shares to sponsor the issuance of GDR through private placement of up to 250 million common shares for capital increase in order to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement.

Explanatory Notes:

1. Fund raising purpose and size:

For the purpose of fulfilling the funding needs of the Company to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement, it is proposed to authorize the Board of Directors to issue up to 250 million common shares, depending on the market conditions and the Company's need, to choose appropriate timing and fund raising methods in accordance with the applicable laws and regulations, according to the following fund raising method and handling principles.

2. Fund raising methods and handling principles:

(1) Issuance of new common shares for cash to sponsor issuance of GDR

A. In accordance with the existing provisions of the "Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities issued by the Taiwan Securities Association," the issue price of the new common shares for cash capital increase for the issuance of GDR may not be lower than the closing price of the Company's common shares on the Taiwan Stock Exchange or 90% of the average closing price of the common shares of the Company in one, three, or five business days prior to the pricing date after adjustment for any distribution of stock and cash dividends or capital reduction. In case of any changes to the relevant domestic laws, the pricing method shall be adjusted accordingly. In view of the severe short-term fluctuations in domestic market price, it is proposed to authorize the Chair to determine the final issue price, within the scope of the said requirement under the Disciplinary Rules, after negotiation with the lead underwriter depending on international capital markets, domestic market price and the overall book building situations, to improve the subscription of international investors, so the pricing method should be reasonable.

B. Upon the limit of 250 million common shares for the issuance of GDR through the issuance of new common shares by capital increase, the original shareholders' equity will be diluted by a maximum of 8.62%. The implementation of the fundraising plan will enhance the Company's competitiveness and benefit the shareholders; the determination of the issue price of the GDRs will be based on the fair trading price of common shares formed in the

domestic market. Existing shareholders may still be able to purchase common stock in domestic stock market at the price closing to the issue price of GDR without bearing the exchange risks and liquidity risks, and may take into account their interests.

- C. Except for 10% to 15% of new common shares shall be allocated for the employees' subscription in accordance with applicable law, it is proposed for the shareholders meeting to approve that the rights to the remaining 85% to 90% of the issuance shall be waived by the shareholders and shall be offered to the public under Article 28-1 of Securities and Exchange Act as the underlying shares of GDR to be sold. It is proposed to authorize the Chairman, depending on the market needs, to allot the new common shares not subscribed by employees of the Company as underlying shares of GDR.

(2) Issuance of new common shares for cash in public offering

A. The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman of the Company to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the Taiwan Securities Association's Self-regulatory Rules Governing the Provision of Advisory Services by Underwriter Members to Issuing Companies for Offering and Issuing Securities and the market conditions and the issue price shall be reported to, and accepted by the regulatory authority before issuance.

B. It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s):

- a. Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
- b. Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) in accordance with Article 28-1, Paragraph 2 of the Securities and Exchange Act and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.

(3) Issuance of new common shares for cash in private placement and/or issuance of new common shares for cash to sponsor issuance of GDR in private placement

A. The basis and rationale to determine the private placement price:

- a. The common stock price per share shall be set at no less than 85% of the reference price. The reference price is set as the higher of the following two basis prices:
 - (i) The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

- (ii) The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- b. The pricing date, actual reference price, theoretical price, and actual issuance price are proposed to be authorized to the Board of Directors to determine within the range approved by the shareholders meeting, after taking into consideration the market status, objective conditions, and qualification of specific parties. Considering that the Securities and Exchange Act has set the restrictions on transfers of the privately placed securities for three full years, the price determination above shall be reasonable.

B. The method to determine specific parties:

The strategic investors have the priority to be considered as specific parties for private placement if they may be qualified for the rules in Article 43-6, Securities and Exchange Act and other letters from government authorities and should also have direct or indirect benefit to the Company, and can recognize the Company's operating strategy. The company currently has not arranged the specific parties. It is proposed to authorize the Company's Board of Directors to determine the specific parties for private placement.

C. The necessity of private placement:

- a. The Company plans to invite strategic investors and strengthen competitiveness through private placement. Because of the restrictions on transfers for three full years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. And also considering the effectiveness and feasibility to raise capital, the Company proposes to raise capital through private placement, rather than public offering.
- b. The amount of the private placement: up to 250 million common shares.
- c. The use of proceeds and projected benefits of private placement: The Company plans to do private placement at one time or several times (no more than 3 times) based on market conditions and specific parties. The capital raised will be used to purchase overseas materials, or increase working capital, or repay bank borrowings or other needs for its future development. The private placement will expand the scale of operations and invite strategic investors and will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.

3. Use of proceeds, schedule and projected benefit:

The Company plans to use the fund raising from capital increase to purchase overseas materials, or increase working capital, or repay bank borrowings or other needs for its future development. The fund raising plan will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.

4. It is proposed to authorize the Board of Directors to determine, proceed or revise the issuance plan of new common shares to be issued to sponsor the GDR and the new common shares to be issued in public offering, new common shares in private placement and/or new common shares to sponsor issuance of GDR in private placement, including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize the Board of Directors to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from governmental authorities.

5. The new common shares to be issued to sponsor issuance of GDR, the new common shares to be issued in public offering, the new common shares in private placement and/or the new common shares to sponsor issuance of GDR in private placement will be issued in scripless form. However the new common shares in private placement and the new common shares to sponsor issuance of GDR are subject to the selling restrictions within three years after the delivery date under Article 43-8 of the Securities and Exchange Act, the new common shares to be issued to sponsor the GDR and the new common shares to be issued in public offering, new common shares in private placement and new common shares to sponsor issuance of GDR in private placement will have the same rights and obligations as the Company's existing issued and outstanding common shares.
6. It is proposed to authorize the Chairman or the Chairman's designee, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of new common shares to sponsor issuance of GDR and/or issuance of new common shares in public offering and/or issuance of new common shares in private placement and/or issuance of new common shares to sponsor issuance of GDR in private placement.
7. The Board is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.
8. Please discuss.

Resolution:

No questions raised by the shareholders.

Voting results: Shares present at the time of voting: 1,929,564,915

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,563,550,012 (including 1,528,943,227 shares through e-voting)	81.03	6,487,398 (including 6,487,398 shares through e-voting)	0.33	0	0	359,527,505 (including 359,207,214 shares through e-voting)	18.63

RESOLVED, that the above proposal be and hereby was approved as proposed.

III. Extemporary Motions : None.

IV. Meeting Adjourned: 9:54 a.m., June 15, 2023.

(The minutes of this shareholders' meeting shall state only the main subject of the meeting and the outcome of the motion; the content of the meeting and the shareholders' speech shall still be subject to the audio and video record of the meeting)

Attachment 1

Wistron Corporation Business Report

In the year of 2022, the global pandemic peaked and gradually eased, followed by the outbreak of the Russo-Ukrainian War, which led to a surge in raw material and energy prices, strongly impacting the global supply chain. Under the push of global inflation, the weak demand for end products caused by the pandemic dividend ending and insufficient momentum for shipments resulted in a slight decline in Wistron's PC shipments. However, we still outperformed the industry average, while other product categories such as servers, industrial computers, and artificial intelligence (AI) computing business continued to grow.

Herein, we report the 2022 business overview of Wistron, the 2023 business plan summary, and future company development strategies as follows:

2022 Financial and Operation Results

Wistron's consolidated revenue reached NT\$984.6 billion, an annual increase of 14% in 2022. The gross profit margin was 7.1%, the consolidated operating profit margin was 2.8%, the consolidated operating profit was NT\$27.47 billion, the consolidated pre-tax profit was NT\$24.71 billion, the net profit attributable to the parent company was NT\$11.16 billion, and the earnings per share was NT\$4.01. Among Wistron's major products, servers, industrial computers, and AI computing businesses performed outstandingly, while the rest of the main product lines either remained at the same level or experienced a slight decline.

Sustainability

In terms of ESG (Environment, Social, and Governance) performance, Wistron has been recognized as one of the top 5% of companies in Taiwan for corporate governance evaluations for four consecutive years (the 5th to 8th sessions). Wistron has won three major awards, including the "Taiwan Top 100 Sustainable Model Enterprises Award", "Sustainability Report Award: Platinum Category 1 in the Electronic Information Manufacturing Industry", and "Innovation and Growth Leadership Award" in the TCSA Taiwan Corporate Sustainability Awards. In addition, Wistron was ranked fourth in the large enterprise category of the "Sustainable Citizen Award". Wistron also won three awards in the "Digital Transformation Revolution Award" for the first time, including the top prize for large enterprises in the "Excellence in Operational Transformation Award", the top prize for large enterprises in the "Smart Manufacturing Transformation Award", and the ESG Special Award.

In international ESG evaluations, Wistron has made significant progress, with its first inclusion in the CDP Climate Change A list and successful inclusion in the emerging market component of the Dow Jones Sustainability Index (DJSI). In addition, Wistron ranked in the top 5% of the industry in the 2023 S&P Global "Sustainability Yearbook" (Top 5% S&P Global ESG Score) and won the Industry Mover award, demonstrating its outstanding performance in environmental, social, and corporate governance and receiving international recognition from investors.

2023 Business and Operation Focus

In response to environmental changes and in pursuit of growth, the Board of Directors has decided to reorganize and integrate the operations of Wistron Technology and Wistron Infocomm to enhance competitiveness and operational efficiency, and to face the challenges from rapidly changing markets and geopolitical changes. With regard to operational direction, this year's focus will be on the following four key points:

(1) Enhancing the speed and scale of entry into new markets

In addition to maintaining its leading position in the computer industry, Wistron is also striving to expand its presence in emerging technology fields, with the aim of achieving more diverse sources of revenue and profits. We closely monitor technology trends, actively engage in industry-academia collaborations, and continue to expand its investment in cutting-edge technology research and development. The projects cover emerging fields with future potential such as network communication, AI computation, technology services, green energy and environmental protection, Industry 4.0, and intelligent automobiles.

(2) Continuing the globalization of the supply chain

To enhance the resilience of the supply chain and respond to customer needs, Wistron plans to expand its manufacturing scale in Vietnam, Mexico, and Taiwan. We will strategically integrate resources and suppliers from various regions to achieve the overall optimization of cost control and management efficiency.

(3) Incorporating innovation into the corporate culture

Wistron has long encouraged employees to engage in research and development and innovation, and has improved the transparency and integrity of the patent process systemically, focusing on an

efficient global patent portfolio to strengthen its business competitiveness and explore future development opportunities. Wistron has been selected as one of the Top 100 Global Innovators by Clarivate Analytics for two consecutive years, which demonstrates its research and development innovation achievements and capabilities that have been well recognized internationally.

(4) Focusing on ESG 6-pillar strategies

In order to pursue sustainability for our company and turn ESG issues into positive impacts on the environment and society, we have developed ESG 6-pillar strategies that are most in line with Wistron's future sustainability: including "Sustainable supply base", "Green products ", " Recycling ", " Decarbonization", " People with purpose ", and " Labor welfare". We have also set specific short-, medium-, and long-term goals, launched various initiatives, and taken proactive actions to implement sustainability.

Outlook for the Future

As we enter the third decade of our company's history, Wistron will focus even more on diversified business operations, striving to gain a foothold in more emerging technology application markets and create a more diverse portfolio of revenue and profit sources. In terms of production strategy, we will continue to promote the pace of global manufacturing, upholding our four core values of customer orientation, integrity and honesty, innovation breakthroughs, and sustainability. We will share these beliefs and successes with our employees and partners.

Thanks to all shareholders for all your support and encouragement to Wistron over the years. The management team and all employees of Wistron will continue to work hard to create maximum value for the company and shareholders.

Chairman: Simon Lin

President: Jeff Lin

Controller: Fred Chiu



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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.



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.



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.

realistic alternative but to do so.

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



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

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									
Current assets:									
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(v))	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), (v) 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	5,310,738	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(i))	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(i) 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	Ordinary shares	29,016,021	8	29,032,521	8
					Capital surplus	35,050,440	10	28,834,524	8
					Retained earnings	36,357,506	10	31,098,687	8
					Other equity	(2,550,702)	(1)	(9,441,535)	(3)
					Treasury shares	(1,491,116)	-	(1,607,259)	-
					Total equity	96,382,149	27	77,916,938	21
Total assets	\$ 361,747,659	100	\$ 381,412,153	100	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)	<u>655,164,677</u>	<u>95</u>	<u>650,976,729</u>	<u>97</u>
5900 Gross profit	31,664,017	5	19,463,851	3
5910 Realized (unrealized) profit from sales	<u>(804,140)</u>	<u>-</u>	<u>192,083</u>	<u>-</u>
5950 Net gross profit	<u>30,859,877</u>	<u>5</u>	<u>19,655,934</u>	<u>3</u>
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	<u>16,992,827</u>	<u>2</u>	<u>14,671,035</u>	<u>2</u>
Total operating expenses	<u>24,980,225</u>	<u>4</u>	<u>21,427,063</u>	<u>3</u>
6900 Operating income	<u>5,879,652</u>	<u>1</u>	<u>(1,771,129)</u>	<u>-</u>
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	<u>(3,984,908)</u>	<u>(1)</u>	<u>(970,365)</u>	<u>-</u>
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	<u>5,362,139</u>	<u>1</u>	<u>12,948,376</u>	<u>2</u>
Total non-operating income and expenses	<u>5,054,429</u>	<u>1</u>	<u>12,534,210</u>	<u>2</u>
7900 Profit before tax	10,934,081	2	10,763,081	2
7950 Less: Income tax expenses (benefit) (note 6(q))	<u>(228,370)</u>	<u>-</u>	<u>295,051</u>	<u>-</u>
8200 Net profit	<u>11,162,451</u>	<u>2</u>	<u>10,468,030</u>	<u>2</u>
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	<u>(945,769)</u>	<u>-</u>	<u>(232,514)</u>	<u>-</u>
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	<u>54,803</u>	<u>-</u>	<u>13,592</u>	<u>-</u>
	<u>(646,008)</u>	<u>-</u>	<u>293,760</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income	<u>7,506,218</u>	<u>-</u>	<u>(2,213,479)</u>	<u>(1)</u>
8500 Total comprehensive income	<u>\$ 18,022,661</u>	<u>2</u>	<u>8,548,311</u>	<u>1</u>
Earnings per share (in dollars) (note 6(t))				
9750 Basic earnings per share	<u>\$ 4.01</u>		<u>3.76</u>	
9850 Diluted earnings per share	<u>\$ 3.84</u>		<u>3.64</u>	

(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						
	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	Treasury shares	Total equity
Balance at January 1, 2021	\$ 28,406,121	25,760,011	9,150,601	3,336,124	14,166,442	26,853,167	(6,525,783)	(320,738)	(999,742)	(1,607,259)	71,565,777
Net profit	-	-	-	-	10,468,030	10,468,030	-	-	-	-	10,468,030
Other comprehensive income	-	-	-	-	(81,478)	(81,478)	(2,216,978)	378,737	-	-	(1,919,719)
Total comprehensive income	-	-	-	-	10,386,552	10,386,552	(2,216,978)	378,737	-	-	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)	-	-	-	-	(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)	(130)	-	-	-	-	(13,787)
Disposal of part the equity of the subsidiary	-	3,354,164	-	-	-	-	11,335	4	-	-	3,365,503
Share-based payments transactions	626,400	(626,400)	-	-	528	528	-	-	348,855	-	349,383
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,225	117,225	-	(117,225)	-	-	-
Others	-	11,016	-	-	-	-	-	-	-	-	11,016
Balance at December 31, 2021	\$ 29,032,521	28,834,534	9,964,169	6,846,521	14,287,997	31,098,687	(8,731,426)	(59,222)	(650,887)	(1,607,259)	77,916,938
Net profit	-	-	-	-	11,162,451	11,162,451	-	-	-	-	11,162,451
Other comprehensive income	-	-	-	-	245,513	245,513	7,513,416	(898,719)	-	-	6,860,210
Total comprehensive income	-	-	-	-	11,407,964	11,407,964	7,513,416	(898,719)	-	-	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)	-	-	-	-	(6,257,863)
Changes in equity of associates and joint ventures accounted for using equity method	-	302,059	-	-	(203)	(203)	-	-	-	-	301,856
Treasury shares transferred to employees	-	(2,888)	-	-	-	-	-	-	-	-	(2,888)
Changes in ownership interests in subsidiaries	-	(70,095)	-	-	(1,040)	(1,040)	-	-	-	-	(71,135)
Disposal of part the equity of the subsidiary	-	6,002,507	-	-	-	-	16,821	-	-	-	6,019,328
Share-based payments transactions	(16,500)	(43,508)	-	-	396	396	-	-	368,880	-	309,468
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	109,565	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	36,357,506	(1,201,189)	(1,067,506)	(292,007)	(1,491,116)	96,382,149

(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	<u>8,413,610</u>	<u>(12,772,631)</u>
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	<u>(1,015,486)</u>	<u>(1,150,277)</u>
Total changes in operating assets	<u>38,498,306</u>	<u>(49,141,036)</u>
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	<u>(195,433)</u>	<u>(136,866)</u>
Total changes in operating liabilities	<u>(20,452,298)</u>	<u>25,762,009</u>
Net changes in operating assets and liabilities	<u>18,046,008</u>	<u>(23,379,047)</u>
Total changes in operating assets and liabilities	<u>26,459,618</u>	<u>(36,151,678)</u>
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	<u>(148,491)</u>	<u>(872,713)</u>
Net cash flows generated from (used in) operating activities	<u>36,219,499</u>	<u>(22,593,111)</u>
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	<u>(284,267)</u>	<u>(244,363)</u>
Net cash flows generated from investing activities	<u>2,831,670</u>	<u>6,889,473</u>
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	<u>(32,262,942)</u>	<u>15,260,418</u>
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	<u>\$ 10,252,203</u>	<u>3,463,976</u>



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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 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 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.



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.



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	%
Assets								
Current assets:								
1100 Cash and cash equivalents (note 6(a))	\$ 66,337,316	16	70,134,241	14	21,000		140,899,639	29
1110 Current financial assets at fair value through profit or loss (note 6(b))	8,387,194	2	12,085,449	3	2,120		28,954	-
1136 Current financial assets at amortized cost, net (note 6(c))	298,652	-	1,404,046	-	2,130		5,656,399	1
1170 Note and trade receivables, net (notes 6(e) and (d))	100,136,450	23	161,012,134	32	21,700		167,295,973	34
1180 Trade receivables-related parties (notes 6(c), (c) and 7)	93,877	-	133,371	-	2,180		1,010,591	-
1210 Other receivables-related parties (notes 6(d) and 7)	4,010	-	13,689	-	2,220		79,504	-
1220 Current tax assets	838,817	-	754,750	-	2,280		1,684,637	-
130X Inventories (note 6(g))	156,889,151	36	161,378,122	33	23,222		5,527,440	1
1470 Other current assets (notes 6(f) and (g))	9,980,200	2	14,830,749	3	23,653		8,832,142	2
Total current assets	347,945,667	79	431,786,531	85	23,999		367,793,154	8
Non-current assets:								
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	167,366	-	584,803	-	2,530		9,439,683	2
1517 Non-current financial assets at fair value through other comprehensive income (note 6(d))	6,739,413	2	6,613,497	1	2,540		10,948,833	3
1550 Equity-accounted investees (note 6(h))	8,538,899	2	7,107,549	2	2,570		1,715,546	-
1600 Property, plant and equipment (notes 6(m) and 7)	51,515,209	12	42,269,536	9	2,930		3,062,540	1
1755 Right-of-use assets (notes 6(n) and 7)	8,304,295	2	6,838,206	1	2,600		2,363,198	1
1780 Intangible assets (note 6(o))	2,149,731	-	1,730,173	-	1		32,529,802	7
1840 Deferred tax assets (note 6(v))	7,850,937	2	6,181,969	1	1		314,255,218	73
1900 Other non-current assets (notes 6(p), (o) and 8)	4,846,267	1	4,225,502	1	1		29,016,021	7
Total non-current assets	89,922,107	21	75,511,255	15	3,110		35,050,440	8
Total assets	\$ 437,867,774	100	\$ 507,297,786	100			\$ 402,843,594	100
Liabilities and Equity								
Current liabilities:								
Short-term loans (notes 6(q) and (n))								
Current financial liabilities at fair value through profit or loss (note 6(b))								
Current contract liabilities (note 6(c))								
Note and trade payables								
Trade payables-related parties (note 7)								
Other payables-related parties (note 7)								
Current lease liabilities (notes 6(i), (n) and 7)								
Current portion of long-term loans (notes 6(q) and (n))								
Current refund liability (note 6(z))								
Other current liabilities (notes 6(q) and (ab))								
Total current liabilities	286,775,816	66	365,583,359	74			9,439,683	2
Non-current liabilities:								
Bonds payable (notes 6(i) and (n))								
Long-term loans (notes 6(q) and (n))								
Deferred tax liabilities (note 6(v))								
Non-current lease liabilities (notes 6(i), (n) and 7)								
Other non-current liabilities (notes 6(q), (o) and (af))								
Total non-current liabilities	32,529,802	7	39,229,668	7			10,948,833	3
Total liabilities	319,305,618	73	404,813,027	81			20,388,516	5
Equity attributable to owners of parent (notes 6(k), (j), (w) and (x)):								
Ordinary shares								
Capital surplus								
Retained earnings								
Other equity								
Treasury shares								
Total equity attributable to owners of parent	96,382,140	22	77,916,938	16			28,834,524	6
Non-controlling interests (notes 6(l) and (v))	22,270,407	5	14,567,841	3			31,098,687	6
Total equity	118,652,547	27	92,484,779	19			60,933,211	12
Total liabilities and equity	\$ 437,867,774	100	\$ 507,297,786	100			\$ 402,843,594	100

(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)	<u>914,890,464</u>	<u>93</u>	<u>810,948,132</u>	<u>94</u>
5900 Gross profit	<u>69,728,692</u>	<u>7</u>	<u>51,134,716</u>	<u>6</u>
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	<u>25,007,992</u>	<u>3</u>	<u>20,761,495</u>	<u>2</u>
Total operating expenses	<u>42,256,548</u>	<u>4</u>	<u>34,760,078</u>	<u>4</u>
6900 Operating income	<u>27,472,144</u>	<u>3</u>	<u>16,374,638</u>	<u>2</u>
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	<u>776,334</u>	<u>-</u>	<u>117,188</u>	<u>-</u>
Total non-operating income and expenses	<u>(2,761,230)</u>	<u>(1)</u>	<u>2,859,639</u>	<u>-</u>
7900 Profit before tax	24,710,914	2	19,234,277	2
7950 Less: Income tax expenses (note 6(v))	<u>5,693,367</u>	<u>-</u>	<u>4,506,466</u>	<u>-</u>
8200 Net profit	<u>19,017,547</u>	<u>2</u>	<u>14,727,811</u>	<u>2</u>
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	<u>75,002</u>	<u>-</u>	<u>19,225</u>	<u>-</u>
	<u>(645,668)</u>	<u>-</u>	<u>291,836</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>8,402,526</u>	<u>1</u>	<u>(2,310,142)</u>	<u>(1)</u>
Total other comprehensive income, net of tax	<u>7,756,858</u>	<u>1</u>	<u>(2,018,306)</u>	<u>(1)</u>
8500 Total comprehensive income	<u>\$ 26,774,405</u>	<u>3</u>	<u>12,709,505</u>	<u>1</u>
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	<u>7,855,096</u>	<u>1</u>	<u>4,259,781</u>	<u>1</u>
	<u>\$ 19,017,547</u>	<u>2</u>	<u>14,727,811</u>	<u>2</u>
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	<u>8,751,744</u>	<u>1</u>	<u>4,161,194</u>	<u>-</u>
	<u>\$ 26,774,405</u>	<u>3</u>	<u>12,709,505</u>	<u>1</u>
Earnings per share (in dollars) (note 6(y))				
9750 Basic earnings per share	<u>\$ 4.01</u>		<u>3.76</u>	
9850 Diluted earnings per share	<u>\$ 3.84</u>		<u>3.64</u>	

(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											Total equity attributable to owners of parent	Total equity
	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 restricted shares	Treasury shares	Non-controlling interests		
Balance at January 1, 2021	5,28,406,121	25,760,011	9,150,691	3,536,124	14,166,447	26,853,167	(6,525,783)	(320,738)	(999,742)	(1,607,259)	12,360,302	83,926,079	
Net profit	-	-	-	-	10,468,030	10,468,030	-	-	-	-	4,239,781	14,727,811	
Other comprehensive income	-	-	-	-	(81,478)	(81,478)	(2,216,978)	378,737	-	-	(98,587)	(2,018,306)	
Total comprehensive income	-	-	-	-	10,386,552	10,386,552	(2,216,978)	378,737	-	-	4,161,194	12,709,505	
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)	-	-	-	-	-	(6,258,655)	
Changes in equity of associates and joint ventures accounted for using equity method	-	349,390	-	-	(130)	(130)	-	-	-	-	-	349,390	
Changes in ownership interests in subsidiaries	-	(13,657)	-	-	-	-	-	-	-	-	-	(13,657)	
Disposal of part of the equity of the subsidiary	-	3,354,164	-	-	-	-	11,335	-	-	4	-	3,365,503	
Share-based payment transactions	626,400	(626,400)	-	-	528	528	-	-	348,855	-	-	349,383	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,225	117,225	-	(117,225)	-	-	-	-	
Others	-	11,016	-	-	-	-	-	-	-	-	-	11,016	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,933,653)	(1,933,653)	
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)	(1,607,259)	14,367,841	92,484,779	
Net profit	-	-	-	-	11,162,451	11,162,451	7,513,416	(898,719)	-	-	7,855,096	19,017,547	
Other comprehensive income	-	-	-	-	245,513	245,513	(7,513,416)	(898,719)	-	-	896,648	7,756,858	
Total comprehensive income	-	-	-	-	11,407,964	11,407,964	(7,513,416)	(898,719)	-	-	8,751,744	26,774,405	
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)	-	-	-	-	-	(6,257,863)	
Changes in equity of associates and joint ventures accounted for using equity method	-	302,059	-	-	(203)	(203)	-	-	-	-	-	301,856	
Treasury shares transferred to employees	-	(2,888)	-	-	-	-	-	-	-	116,143	-	113,255	
Changes in ownership interests in subsidiaries	-	(70,095)	-	-	(1,040)	(1,040)	-	-	-	-	-	(71,135)	
Disposal of part of the equity of the subsidiary	-	6,002,507	-	-	-	-	16,821	-	-	-	-	6,019,328	
Share-based payment transactions	(16,500)	(43,308)	-	-	396	396	-	-	368,880	-	-	309,468	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	109,565	109,565	-	(109,565)	-	-	-	-	
Others	-	27,641	-	-	-	-	-	-	-	-	-	27,641	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,049,178)	(1,049,178)	
Balance at December 31, 2022	5,29,016,021	35,050,440	11,014,586	8,790,648	16,553,372	36,357,506	(1,201,180)	(1,067,506)	(252,007)	(1,491,110)	32,270,407	118,652,550	

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)

	<u>2022</u>	<u>2021</u>
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	<u>19,011,965</u>	<u>9,066,092</u>
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	<u>91,840,616</u>	<u>(105,795,167)</u>
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	<u>(73,645,852)</u>	<u>60,353,887</u>
Net changes in operating assets and liabilities	<u>18,194,764</u>	<u>(45,441,280)</u>
Total adjustments	<u>37,206,729</u>	<u>(36,375,188)</u>
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	<u>53,440,016</u>	<u>(21,535,909)</u>

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

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)

	<u>2022</u>	<u>2021</u>
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	<u>(2,438,167)</u>	<u>(3,320,335)</u>
Net cash flows used in investing activities	<u>(16,739,185)</u>	<u>(16,597,400)</u>
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	<u>27,641</u>	<u>11,016</u>
Net cash flows generated from (used in) financing activities	<u>(48,366,266)</u>	<u>44,592,706</u>
Effect of exchange rate changes on cash and cash equivalents	<u>7,848,510</u>	<u>(2,508,957)</u>
Net increase (decrease) in cash and cash equivalents	(3,816,925)	3,950,440
Cash and cash equivalents at beginning of year	<u>70,154,241</u>	<u>66,203,801</u>
Cash and cash equivalents at end of year	<u>\$ 66,337,316</u>	<u>70,154,241</u>

Attachment 2

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

Attachment 3

Wistron Corporation
Profit Appropriation Statement for 2022

Unit: NT\$

Unappropriated retained earnings at the beginning of the year		5,035,590,489
Plus (Less):		
Remeasurements of defined benefit obligation	245,512,750	
Changes in equity of associates and joint ventures accounted for using equity method	(202,770)	
Changes in ownership interests in subsidiaries	(1,039,940)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	109,565,494	
Share-based payment transaction	396,021	
Net Profit of 2022	11,162,450,679	
Legal Reserve	(1,151,668,223)	
Special Reserve	6,521,952,002	
Retained Earnings Available for Distribution		21,922,556,502
Distribution Items:		
Stock Dividends to Common Shareholders (Note 1)	0	
Cash Dividends to Common Shareholders (Note 2)	(7,400,801,330)	(7,400,801,330)
Unappropriated Retained Earnings		14,521,755,172

Note 1: Stock dividend: NT\$0.

Note 2: Cash dividend: NT\$2.6 per share, and the cash dividend is rounded down to the nearest NT dollar; the amount rounded off will be credited to other income of Wistron.

Chairman: Simon Lin

President: Jeff Lin

Controller: Fred Chiu