

Wistron Corporation 2020 Annual Report

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1. Letter to Shareholders

Dear Shareholders,

The year 2020 was unprecedented with COVID-19 spreading across the globe. The closing of borders and subsequent quarantine measures created tremendous impacts on the business environment and the way people live their lives. Despite the ongoing US-China trade war, reshuffling supply-chain, and strengthening of the NT dollar, among other variables, Wistron was still able to maintain operational growth amidst these challenges.

In 2019, Wistron embarked on an internal restructuring that created three major business entities: Wistron Technologies, Wistron Smart Devices, and New Business. After undergoing a short adjustment period, we can now see the positive effects of our increased efficiency and focus. Furthermore, Wistron has deeply felt the necessity of sustainability and social responsibility aspects of ESG (Environmental, Social, Governance) and has actively implemented ESG into its daily operations.

Hereby, I would like to report on Wistron's 2020 business results, our business plan for 2021, and the company's future development strategy.

2020 Financial and Operational Results

In 2020, our consolidated revenue reached NT\$845.012 billion with a net profit attributable to owners of parent of NT\$8.682 billion and an earnings per share (EPS) of NT\$3.10. The previous year's consolidated revenue was NT\$878.255 billion with a net profit attributable to owners of parent of NT\$6.801 billion and an EPS of NT\$2.4. Gross margin in 2020 was 5.5% compared with 4.8% in 2019 while the operating margin improved to 1.7% from 1.5% the year before.

In response to future company transformation and global production capacity plans, we disposed of a portion of our Kunshan factory's production capacity. Work-from-home, distance education, and e-commerce logistics development brought about by the pandemic boosted product categories related to these changing requirements. These specifically included notebooks, monitors, industrial control equipment, and enterprise products which displayed a more pronounced growth. The sales for other product lines remained either flat or declined slightly.

Corporate Sustainability and Social Responsibility

In 2019, Wistron established an ESG Committee under the Board of Directors to deepen its vision of sustainable development and put into practice its corporate social responsibility. The ESG Committee spares no effort in implementing policies in the areas of environmental protection, social inclusion, corporate governance and innovative value. In 2020, Wistron was ranked in the top 5 percent of the Corporate Governance Evaluation and was awarded CommonWealth magazine's Corporate Citizen Award for the eleventh time. Wistron also received an A- rating from Carbon Disclosure Project (CDP), and garnered an AA rating from MSCI (Morgan Stanley Capital Investment) ACWI (All Country World Index) ESG for the fourth consecutive year.

2021 Business and Operational Focus

As the world economy continues to be affected by the pandemic in 2021, uncertainties still exist such as the continuing severe shortage of key components. This uncertainty also contributes to a remote economy such as remote work, remote learning, remote consumption and other lifestyle changes that are considered the new normal. Wistron is fully prepared for these challenges, and its operational focus builds on last year's five major operating directions with a special emphasis on the following:

- (1) Optimize global strategy and accelerate digital transformation. The company's operation and growth depends on management and professional talent. The global strategy includes factory expansion and the addition of new sites, enough talent recruitment, and a comprehensive building and implementation of agile and digital capabilities.
- (2) Build up image as a technology services provider while increasing operational growth momentum. Wistron Technologies, Wistron Smart Devices and New Business and other business groups are rooted in their digital capability and must establish differentiation in business results and implement an effective management system for business growth in order to achieve business excellence.
- (3) Aggressively invest, develop and acquire key technologies to establish future core competencies. We possess a firm technology base and artificial intelligence (AI) supplying us with a distinct competitive advantage. And, by further increasing customer loyalty, we can create real, long-term value.
- (4) Continue to intensify digital transformation to make a positive impact. Wistron actively drives digital transformation, making good use of digital technology to optimize internal management systems and create new business value. All data and improvements must be reflected on both financial and non-financial performance indices.
- (5) Implement corporate sustainability, increase ESG international visibility. Wistron strongly adheres to the United Nations Sustainable Development Goals by aligning its corporate sustainability direction, strategy, and short/mid/long-term targets. This means that all global sites can strictly follow and implement these directives.

Future Outlook

As we celebrate our 20th year, Wistron has already initiated its new corporate structure comprised of three main business entities. Business volume and profit are performing stably with steady growth. Looking to the future, we hope to continue perfecting our global strategy, integrating the local resources and advantages of each site to effectively adapt to global market changes and the latest technology development trends to achieve the best results. Facing the coming age of 5G and AI Internet of Things (IoT), Wistron has already embedded digital transformation into its corporate gene. At the same time, we have strengthened our R&D and patent technology investments to develop the most competitive product portfolio and production capability. These investments provide us with a stable foundation on which a path to intelligent and green manufacturing will be realized.

In the area of corporate sustainable development, Wistron upholds an altruistic management philosophy with ESG principles as its guide. Incorporating the four major areas of corporate governance, environmental protection, social inclusion, innovative value, we move towards a digital future by being a “technology powerhouse for better life and environment.” We thank all shareholders for all your support and encouragement to Wistron over the years. The Wistron management team and all employees will continue to strive hard to create the greatest value for the company and shareholders.

Chairman



2. Wistron Corporation Introduction

Wistron Corporation is a global leading technology service provider supplying innovative ICT (information and communications technology) products, service solutions, and systems to top branded companies worldwide.

Our product and service lines include PCs, server and networking systems, enterprise storage solutions, professional display products, communication devices, after-sales services, and electronics scrap recycling, as well as cloud and display vertical integration solutions. With the development of cloud computing, Wistron combines hardware devices and cloud data systems through software services to provide technical service platforms and solutions to our customers. In addition, Wistron has been dedicated to building value chains in the ICT industry and innovation platforms in the new era of education and enterprise services, IOT, and medical services.

From initial product conceptualization, volume manufacturing and after-sales repairing to end-of-life products recycling, Wistron supports customers with the products and related services reaching international standards for innovation and quality levels.

Wistron was founded on May 30, 2001. With 80,000 employees in various R&D, manufacturing and after-sales service facilities in North America, Europe, and Asia, Wistron's revenue in 2020 was NTD\$845.01 billion.

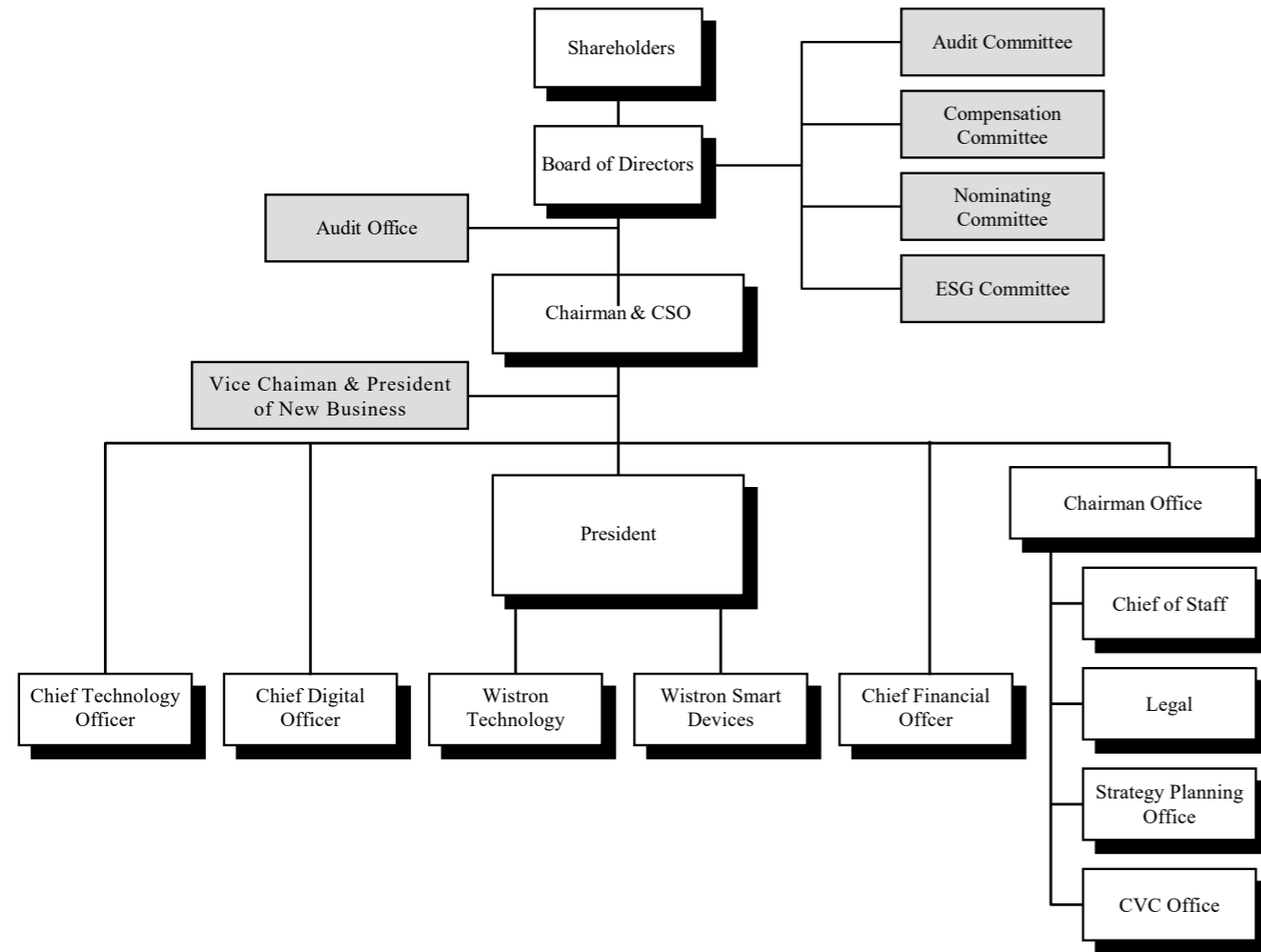
Wistron was listed as a Fortune Global 500 company in 2011, 2012, 2018, 2019, and 2020. In 2018, Wistron was recognized as one of The 100 Global Technology Leaders by Thomson Reuters. Since 2009, Forbes Magazine has included Wistron among Global 2000 for 12 consecutive years (2009-2020). Forbes Magazine also ranked Wistron in Forbes Asia FAB 50 for Asia's best publicly listed companies during 2007, 2008, and 2009. In 2021, Wistron's Kunshan manufacturing site joined the World Economic Forum's Global Lighthouse Network as recognition for digitalization methods facilitating growth and sustainability.

Wistron values corporate sustainability and social responsibility. Since 2017, Wistron has been rated AA by MSCI ESG for sustainable practices in terms of environmental, social, and governance factors in the sector of technology hardware, storage and peripherals industry. In addition, The Commonwealth Magazine presented Wistron the "Excellence in Corporate Social Responsibility" awards for 11 consecutive years from 2010 to 2020. In 2019 and 2020, Wistron received Bronze Award of Taiwan Corporate Sustainability Report.

3. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Department functions

Department	Main responsibilities
Audit office	<ol style="list-style-type: none"> 1. Assist management to ensure the internal audit system is effectively designed and well implemented to improve the operation and to enhance the value of the organization. 2. Assist the organization and managers to evaluate and improve the procedure of risk management, and internal control through systematic and effective procedures to achieve organization's goals. 3. Assist the Audit Committee to supervise the implementation of internal control system and corporate governance.
Vice Chairman & President of New Business	Be responsible for new business strategy, technology, product development and operational management.
Chairman Office	<p>Assist the Chairman & CSO to evaluate and analyze external investments and business performance for the Company and its subsidiaries to achieve corporate goals, including</p> <ol style="list-style-type: none"> 1. Chief of Staff <ol style="list-style-type: none"> 1.1 Be responsible for implementation, functional control and optimization of policies and corporate governance of the Board of Directors. 1.2 Be Responsible for the strategic planning and operational development of the reinvestment business. 1.3 Overall planning on policies and implementation for human resources, administration, construction, and stock affairs etc. 2. Legal <ol style="list-style-type: none"> 2.1 Be responsible for drafting and reviewing contracts and providing legal advisory services for provision of related business. 2.2 Manage the patent right, copyright, trademark, technology licensing and other intellectual property related business of our company. 3. Strategy Planning Office Be responsible for the company's overall strategic planning, structuring, promotion, long-term development etc. 4. CVC Office Manage corporate venture capital (CVC) and post-investment management (PIM) related operations.
Chief Financial Officer	Be responsible for the management of corporate finance, accounting, tax, PR, and IR.
Chief Technology Officer	Be responsible for the construction and management of the company's R&D team, resources and the environment, and enhancement of research efficiency and competitiveness.

Department	Main responsibilities
Chief Digital Officer	Integrate digital technology and develop the strategy of digital transformation and cyber security to accelerate the company's digital innovation.
Wistron Technologies (WT)	<ol style="list-style-type: none"> 1. Be responsible for R&D, design and production of personal computer, industrial PC, display products, servers, storage, and communication products. 2. Provide back-end technical consulting services, special after-sales service solutions to customer, and also responsible for improving customer satisfaction. 3. Product manufacturing management, plant resource planning / capacity allocation, process capability analysis and manufacturing efficiency improvement. 4. Material procurement, inventory, supplier resources and tooling management at each plant. 5. Be responsible for quality assurance and improvement, also establishment and maintenance of quality management systems and certification of products. 6. Plan digital strategy of the institution and promote digital transformation of the core business. 7. Strategic planning of finance, human resources, etc.
Wistron Smart Devices (WSD)	<ol style="list-style-type: none"> 1. Be responsible for the research and development, product management, manufacturing, and marketing of 5G, AIoT, mobile products, smart accessory products, automobile electronics and optical component related products. 2. Product manufacturing management, plant resource planning / capacity allocation, process capability analysis and manufacturing efficiency improvement. 3. Material procurement, inventory, and supplier resources management at each plant. 4. Plan digital strategy of the institution and promote digital transformation of the core business. 5. Strategic planning of finance, human resources, etc.

3.2. Directors, Supervisors and Management Team

3.2.1 Directors (April 19, 2021)

Title	Nationality or registered	Name	Gender	Date of Election	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education	Selected Current Positions	Spouse or relative holding a position as Key Manager, Director or Supervisor			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman & CSO	Republic of China	Simon Lin	Male	06/14/2018	3	05/23/2001	41,210,239	1.50	42,599,252	1.47	1,544	0	0	0	Bachelor Degree from National Chiao Tung University President of Acer Inc.	Chairman & CSO of Wistron Corp. Chairman of Wiwynn Corp. Director of Gamania Digital Entertainment Co., Ltd. Independent Director of Taiwan IC Packaging Corp. Independent Director of Elan Microelectronics Corp. Independent Director of Powerchip Semiconductor Manufacturing Corp. Chairman of Wistron Digital Technology Holding Company	-	-	-	-
Vice chairman & President of New Business	Republic of China	Robert Hwang	Male	06/14/2018	3	06/08/2006	7,632,802	0.28	9,757,628	0.34	179,005	0.01	0	0	Executive MBA Training Program at National Cheng-Chi University Bachelor Degree in Industrial Engineering from Ta-Tung Institute of Technology Vice President of Acer Inc.	Vice Chairman & President of New Business of Wistron Corp. Chairman of WiEdu Corp. Chairman of Wistron Medical Tech Holding Company Chairman of Wistron Medical Technology Corporation Chairman of WiAdvance Technology Corporation Overseas companies current positions summary(Note)	-	-	-	-
	Republic of China	Wistron NeWeb Corp.	-	06/14/2018	3	06/14/2018	27,974,570	1.02	28,796,209	0.99	-	-	-	-	-	-	-	-	-	-
Director	Republic of China	Representative: Haydn Hsieh	Male	06/14/2018	3	06/09/2005	-	-	1,122,911	0.04	13,271	0	0	0	Bachelor Degree in electrical engineering from Ta-Tung Institute of Technology Senior Vice President of Acer Inc.	Director of Wistron Corp. Chairman & CSO of Wistron NeWeb Corp. Director of aEnrich Technology Corp. Independent Director of Raydium Semi-conductor Corp. Director of Apacer Technology Inc. Director of WNC Holding Corporation Director of NeWeb Holding Corporation Director of Webcom Communication (Kunshan) Corporation Director of WNC (Kunshan) Corporation Director of Wistron NeWeb (Kunshan) Corporation Director of NeWeb Service(KunShan) Corporation Director of NeWeb Communication (Kunshan) Corporation	-	-	-	-

Title	Nationality or registered	Name	Gender	Date of Election	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding	Shareholding by Nominee Arrangement		Education	Selected Current Positions	Spouse or relative holding a position as Key Manager, Director or Supervisor			Note	
							Shares	%	Shares	%		Shares	%			Shares	%	Title		Name
Director	Republic of China	Philip Peng	Male	06/14/2018	3	06/14/2018	90,221	0	360,870	0.01	0	0	200,000	0.01	Master Degree in business administration from National Chengchi University Senior Vice President of Acer Inc.	Director of Wistron Corp. Director of Wistron NeWeb Corp. Director of Wistron Information Technology & Services Corp. Independent Director of AU Optronics Corp. Independent Director of Apacer Technology Inc. Chairman of Smart Capital Corp. Director of Zigong Art Sharing Co., Ltd. Supervisor of Allxon Inc.	-	-	-	-
Independent Director	Republic of China	Jack Chen	Male	06/14/2018	3	06/14/2018	0	0	0	0	0	0	0	0	Bachelor Degree in electrical engineering from National Taiwan University Chairman of Spirox Corp. Chairman of RDC Semiconductor Co., Ltd.	Independent Director of Wistron Corp. Chairman of Spirox Corp. Director of RDC Semiconductor Co., Ltd. Director of Taiwan Oasis Technology Co., Ltd. Director of Browave Corp.	-	-	-	-
Independent Director	Republic of China	S. J. Paul Chien	Male	06/14/2018	3	06/14/2018	0	0	0	0	0	0	0	0	Master Degree in Chemical Engineering from Massachusetts Institute of Technology Chairman of Vanguard International Semiconductor Corp.	Independent Director of Wistron Corp. Independent Director of Nan Ya Printed Circuit Board Corp. Chairman of FUCHU General Contractor Corp. Chairman of FUCHU Investment Corp.	-	-	-	-
Independent Director	Republic of China	C.H. Chen	Male	06/14/2018	3	06/14/2018	0	0	0	0	0	0	0	0	Master Degree in Computer Science from National Chiao Tung University President of ASML Taiwan Vice President of Phillips Taiwan	Independent Director of Wistron Corp. Independent Director of ProLight Opto Technology Corp.	-	-	-	-
Independent Director	Republic of China	Christopher Chang	Male	06/14/2018	3	06/14/2018	0	0	0	0	0	0	0	0	Bachelor Degree in college of law from National Chengchi University Chairman of Continental Development Corp.	Independent Director of Wistron Corp. Director of Continental Holdings Corp. Chairman of Continental Development Corp. Chairman of CEC Commercial Development Corp. Director of Grand River Development Limited Director of Sanlien Educational Foundation	-	-	-	-

Title	Nationality or registered	Name	Gender	Date of Election	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding	Shareholding by Nominee Arrangement		Education	Selected Current Positions	Spouse or relative holding a position as Key Manager, Director or Supervisor			Note
							Shares	%	Shares	%		Shares	%			Shares	%	Title	
Independent Director	Republic of China	Sam Lee	Male	06/14/2018	3	06/14/2018	0	0	0	0	0	0	0	Master Degree in business administration from National Chengchi University Executive vice president of Yuanta Securities Co., Ltd. Managing Director of Citigroup Global Markets Securities	Independent Director of Wistron Corp. Director of Nien Made Enterprise Co., Ltd. Director of Ta Liang Technology Co., Ltd. Director of DFI Inc. Independent Director of Dafeng TV Ltd. Director of Bafang Yunji International Co., Ltd. Chairman of ILI Technology Corp. Chairman of MagiCapital (Taiwan) Ltd. Chairman of MagiCap Venture Capital Co., Ltd. Chairman of Sin Sih Investments Limited Chairman of Sih Gao Investments Limited Chairman of Deus Investments Limited Chairman of Belos Investments Limited	-	-	-	-

Note: Chairman of Win Smart Co., Ltd., Chairman of Wistron InfoComm (Philippines) Corp., Chairman of Weshtek Information Technology Services Co., Ltd., Shanghai, Chairman of Wistron Medical Tech (Chongqing) Co., Ltd., Chairman of WiEdu Hong Kong Limited, Chairman of Wistron InfoComm (Shanghai) Corp., Director of All Holding Corp., Director of SMS Infocomm Chile Servicios Limitada, Director of WiEDU Holding Co., Ltd., Director of WiEdu Sdn. Bhd., Director of WiseCap (Hong Kong) Limited, Director of Wistron Europe Holding Cooperatie U.A, Director of IKALA GLOBAL ONLINE CORP.

Major shareholders of the institutional shareholders

April 13, 2021

Name of Institutional Shareholders	Major Shareholders	%
Wistron NeWeb Corporation	Wistron Corporation	22.55
	Cathay Life Insurance Co., Ltd.	3.56
	Chang Gung Medical Foundation	2.95
	Fubon Life Insurance Co., Ltd.	2.94
	Labor Pension Fund (New Scheme)	2.41
	Taiwan Life Insurance Co., Ltd.	2.40
	Bank SinoPac in custody for Wistron NeWeb Corp.'s Restricted Stock Trust Fund (issued in 2018)	1.84
	Haydn Hsieh	1.51
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.06
	China Life Insurance Co., Ltd.	1.03

Major shareholders of the Company's major institutional shareholders

April 19, 2021

Name of Institutional Shareholders	Major Shareholders	%
Wistron Corporation	Yuanta Taiwan Dividend Plus ETF	3.17
	Taipei Fubon Bank Trust Account	2.17
	Acer Incorporated	1.89
	Norges Bank	1.60
	Lin, Hsien-Ming	1.47
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.36
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.26
	King's Town Bank	1.21
	Taiwan Cooperative Bank	1.18
	iShares MSCI Taiwan ETF	1.11

March 31, 2021

Name of Institutional Shareholders	Major Shareholders	%
Cathay Life Insurance Co., Ltd.	Cathay Financial Holdings Co., Ltd.	100

March 31, 2021

Name of Institutional Shareholders	Major Shareholders	%
Chang Gung Medical Foundation	No any information (Note)	-

Note: As of the publication date of annual report, Chang Gung Medical Foundation did't supply any information.

March 31, 2021

Name of Institutional Shareholders	Major Shareholders	%
Fubon Life Insurance Co., Ltd.	Cathay Financial Holdings Co., Ltd.	100

March 31, 2021

Name of Institutional Shareholders	Major Shareholders	%
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.	100

March 30, 2021

Name of Institutional Shareholders	Major Shareholders	%
China Life Insurance Co., Ltd.	China Development Financial Holding Corporation	47.30
	KGI Securities Co., Ltd.	8.66
	Videoland Inc.	2.42
	Cathay Life Insurance Co., Ltd	1.27
	Chan, Lin-Lang	1.24
	Song, Gung-Ming	0.72
	iShares MSCI Taiwan ETF	0.66
	Chen, Shi-Jin	0.63
	Norges Bank	0.60
Huang, Pei-Ru	0.60	

Professional qualifications and independence analysis of directors

Name	Criteria	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience	Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	
			1	2	3	4	5	6	7	8	9	10	11	12		
Simon Lin			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Robert Hwang			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Wistron NeWeb Corp. Representative: Haydn Hsieh			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Philip Peng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Jack Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
S. J. Paul Chien			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
C.H. Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Christopher Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Sam Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

- Not an employee of the company or any of its affiliates.
- Not a director or supervisor of the company or any of its affiliates.
- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- Not a director, supervisor, or employee of the company which majority director seats or voting shares and those of any other company are controlled by the same person.
- Not a director (or governor), supervisor, or employee of the company or institution which the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses.
- Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- Not been a person of any conditions defined in Article 30 of the Company Law.
- Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

Diversity Status of the composition of Directors

Wistron has set the diversity policy of the board of directors in the Article 20 of “Corporate Governance Best Practice Principles”. Wistron has 9 directors, 5 of them are independent directors, the percentage of independent director is 56%, and all of the independent directors’ tenure is under three years. The percentage of the Company’s directors’ who are employee is 22%.

The current Board of Directors consist of members with professional experience in various fields, such as management administration, leadership, decision making and industrial knowledge. Mr. Philip Peng and Mr. Sam Lee have a professional background in accounting and financial analysis and Mr. Christopher Chang has legal background expertise and can give professional advice to the Company from different angles.

Wistron has achieve the management goals of independent directors exceeding one-half of the total director seats and the number of directors who concurrently serve as Company managers do not exceed one-third of the total director seats. We will elect at least one female director in 2021.

Name	Item	Gender	Wistron Employee	Age			Operational judgment		Accounting and financial analysis	Management administration	Crisis management	Industrial knowledge	International market perspective	Leadership	Decision making	Law
				51 to 60	61 to 70	More than 71										
Simon Lin		Male	V		V		V		V	V	V	V	V	V		
Robert Hwang		Male	V		V		V		V	V	V	V	V	V		
Haydn Hsieh		Male			V		V		V	V	V	V	V	V		
Philip Peng		Male			V		V	V	V	V	V	V	V	V		
Jack Chen		Male			V		V		V	V	V	V	V	V		
S. J. Paul Chien		Male			V		V		V	V	V	V	V	V		
C.H. Chen		Male				V	V		V	V	V	V	V	V		
Christopher Chang		Male				V	V		V	V	V	V	V	V		V
Sam Lee		Male		V			V	V	V	V	V	V	V	V		

3.2.2 Management Team (April 19, 2021)

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman & CSO	Republic of China	Simon Lin	Male	01/01/2002	42,599,252	1.47	1,544	0	0	0	Bachelor	Reference to the information of Board of Directors.	-	-	-	-
Vice chairman & President of New Business	Republic of China	Robert Hwang	Male	01/01/2002	9,757,628	0.34	179,005	0.01	0	0	Master	Reference to the information of Board of Directors.	-	-	-	-
President & Wistron Technologies CEO	Republic of China	Jeff Lin	Male	04/10/2015	1,021,481	0.04	0	0	300,000	0.01	Master	Director of Global Lighting Technologies Inc. Chairman of Anwith Technology Corp. Overseas companies current positions summary (Note 1)	-	-	-	-
President & Wistron Smart Devices CEO	Republic of China	David Shen	Male	06/08/2007	0	0.00	14,848	0	0	0	Master	Chairman of WiBASE Industrial Solutions Inc. Director of WiAdvance Technology Corporation Director of WiEdu Corp. Overseas companies current positions summary (Note 2)	-	-	-	-
Chief of Staff	Republic of China	Frank F.C. Lin	Male	01/01/2002	2,549,569	0.09	8,199	0	0	0	Bachelor	Director of Wistron NeWeb Corp. Director of Wistron ITS Corp. Director of Wiwynn Corporation Chairman of WiseCap Ltd. Chairman of WLB Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Medical Tech Corporation Director of Wistron Digital Technology Holding Company Director of Changing Information Technology Inc. Director of Maya International Co., Ltd. Director of Join-Link International Technology Co., Ltd. Director of Pell Bio-Med Technology Co., Ltd. Director of IP Fund Six Supervisor of aEnrich Technology Corp. Chairman of B - Temia Asia Pte Ltd. Chairman of WiseCap (Hong Kong) Limited Director of Hartec Asia Pte. Ltd. Director of Hukui Biotechnology Corporation	-	-	-	-
Chief Technology Officer	Republic of China	Donald Hwang	Male	01/01/2002	2,678,561	0.09	0	0	0	0	Master	Director of Wistron NeWeb Corp. Chairman of Abillant Corporation Director of WiseCap Ltd. Director of WLB Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Medical Tech Corporation Director of Wistron Digital Technology Holding Company Director of Maya International Co., Ltd. Director of Free Bionics Taiwan Inc. Director of Apollo Medical Optics, Ltd. Director of ANIWARE COMPANY LIMITED Director of AII Holding Corp. Director of Wistron Mobile Solutions Corp. Director of Tube Inc. Director of Free Bionics, Inc Director of Apollo Medical Optics Inc. Director of B-TEMIA INC. Director of U.S. Bionics Inc. Director of Creator Technology B.V. Director of Hiroia Communications Pte. Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chief Digital Officer	Republic of China	Kenny Wang	Male	06/08/2007	1,501,607	0.05	0	0	0	0	Bachelor	None	-	-	-	-
Chief Finance Officer	Republic of China	Stone Shih	Male	07/15/2003	2,931,489	0.10	2,649	0	0	0	Master	Director of WiseCap Ltd. Director of WLB Ltd. Supervisor of Abilliant Corporation Supervisor of WiEdu Corp. Supervisor of Wistron Medical Tech Holding Company Supervisor of Wistron Digital Technology Holding Company Supervisor of Wistron Medical Technology Corporation Supervisor of WiAdvance Technology Corporation Overseas companies current positions summary (Note 3)	-	-	-	-
Wistron Technologies President of Enterprise Business Group	Republic of China	William Lin	Male	04/10/2015	717,495	0.02	794	0	0	0	Master	Chairman of Wistron Technology Service (America) Corporation Director of SMS Infocomm Chile Servicios Limitada Director of Wistron InfoComm (Philippines) Corp.	-	-	-	-
Technical Vice President	Republic of China	Kelvin Chang	Male	04/10/2015	2,828,851	0.10	63,613	0	0	0	Master	None	-	-	-	-
Strategy Planning Vice President	Republic of China	KY Wang	Male	12/22/2017	30,000	0	0	0	0	0	Doctorate	Director of MOBAGEL, INC.	-	-	-	-
Wistron Technologies President of Computing Products Business Group	Republic of China	Robert CL Lin	Male	12/21/2018	130,324	0	4,301	0	0	0	Master	Director of ARBOR Technology Corp. Chairman of ISL International Standards Laboratory Corp. Director of Cowin Worldwide Corp. Director of Wistron InfoComm (Vietnam) Co., Ltd. Director of Wistron Investment (Sichuan) Co., Ltd. Director of Wistron InfoComm (Zhongshan) Corp. Director of Wistron InfoComm (Chengdu) Co., Ltd. Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm (CHONGQING) Co., Ltd.	-	-	-	-
Wistron Smart Devices President of Component Business Group	Republic of China	Vincent Cho	Male	12/21/2018	335,215	0.01	1,209	0	0	0	Master	Director of Wistron InfoComm (Taizhou) Co., Ltd. Director of Wistron Optronics (Kunshan) Co., Ltd. Director of Wistron Advanced Materials (Kunshan) Co., Ltd.	-	-	-	-
Wistron Smart Devices President of Global Manufacturing	Republic of China	James Chou	Male	12/21/2018	862,337	0.03	0	0	0	0	Bachelor	Director of Wistron InfoComm Technology Service (Kunshan) Corp. Director of Wistron InfoComm (Taizhou) Co., Ltd. Director of Wistron Optronics (Kunshan) Co., Ltd. Director of Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. Director of XTRONICS (Kunshan) Electronics Technology Co., Ltd. Director of Xtronics (Nanjing) Automotive Intelligent Technologies Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Wistron Technologies President of Global Manufacturing	Republic of China	Jackie Lai	Male	03/05/2019	463	0	0	0	0	0	Master	Director of Cowin Worldwide Corp. Director of Wistron Mexico S.A. de C.V. Director of Wistron InfoComm Mexico S.A. de C.V. Director of WisVision Corp. Director of Wistron Investment (Sichuan) Co., Ltd. Director of Wistron InfoComm (Zhongshan) Corp. Director of Wistron InfoComm (Chengdu) Co., Ltd. Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm (CHONGQING) Co., Ltd. Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd.	-	-	-	-
Wistron Technologies Vice President of Computing Products Business Group	Republic of China	Felix Lai	Male	12/21/2018	309,111	0.01	0	0	0	0	Master	Director of ISL International Standards Laboratory Corp.	-	-	-	-
Wistron Technologies Vice President of Service Business Group	Republic of China	Peter Tung	Male	12/21/2018	861,986	0.03	0	0	0	0	Master	Director of Anwith Technology Corp. Director of Anwith Corp. Director of Service Management Solutions Mexico S.A. de C.V. Director of SMS InfoComm (Malaysia) sdn. bhd. Director of SMS InfoComm Corp. Director of Wistron Green Tech (Texas) Corp. Director of Wistron K.K. Director of SMS (Kunshan) Co., Ltd. Director of ICT Service Management Solutions (India) Private Limited Director of SMS Infocomm Global Service (CQ) Director of SMS Infocomm (Singapore) Pte. Ltd. Director of Wistron Service (Kunshan) Corp.	-	-	-	-

Note 1: Chairman of Anwith Corp., Chairman of Cowin Worldwide Corp., Chairman of Service Management Solutions Mexico S.A. de C.V., Chairman of SMS InfoComm Corp., Chairman of Wistron InfoComm Technology (America) Corp., Chairman of Wistron InfoComm Technology (Texas) Corp., Chairman of Wistron InfoComm Mexico S.A. de C.V., Chairman of Wistron InfoComm (Vietnam) Co., Ltd., Chairman of Wistron Mexico S.A. de C.V., Chairman of SMS (Kunshan) Co., Ltd., Chairman of Wistron Investment (Sichuan) Co., Ltd., Chairman of Wistron InfoComm (Zhongshan) Corp., Chairman of Wistron InfoComm (Chengdu) Co., Ltd., Chairman of Wistron InfoComm (Kunshan) Co., Ltd., Chairman of Wistron InfoComm (CHONGQING) Co., Ltd., Chairman of SMS Infocomm Global Service (CQ), Chairman of Wistron Service (Kunshan) Corp., Director of Win Smart Co., Ltd., Director of Wistron Green Tech (Texas) Corp., Director of Wistron K.K., Director of WisVision Corp., Director of ICT Service Management Solutions (India) Private Limited, Director of Zhongshan Global Lighting Technology Limited Co., Director of Wistron Hong Kong Limited, Director of Wistron Hong Kong Holding Limited, Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd.

Note 2: Chairman of WisVision Corp., Chairman of Wistron InfoComm Technology Service (Kunshan) Corp., Chairman of Wistron InfoComm (Taizhou) Co., Ltd., Chairman of Wistron Optronics (Kunshan) Co., Ltd., Chairman of Wistron Advanced Materials (Kunshan) Co., Ltd., Chairman of Wistron InfoComm Technology (Zhongshan) Co., Ltd., Director of Wistron Optronics (Shanghai) Co., Ltd., Director of XTRONICS (Kunshan) Electronics Technology Co., Ltd., Director of Heraclis Enterprises Limited, Director of WiEdu Sales and Marketing Sdn. Bhd., Director of Smartiply, Inc., Director of Win Smart CO., LTD., Director of Wistron Advanced Materials (Hong Kong) Limited, Director of Wistron AiEDGE Corp., Director of Wistron InfoComm Manufacturing (India) Private Limited, Director of Wistron Technology (Malaysia) Sdn. Bhd.

Note 3: Director of AII Holding Corp., Director of WiEdu Sales and Marketing Sdn. Bhd., Director of WiseCap (Hong Kong) Limited, Director of Wistron InfoComm Technology (America) Corp., Director of Wistron InfoComm Technology (Texas) Corp., Director of Wistron LLC, Director of KunShan ChangNun Precision Die Casting Co., Ltd., Supervisor of Weshtek Information Technology Services Co., Ltd., Shanghai, Supervisor of WIS Precision (Taizhou) Co., Ltd., Supervisor of Wistron InfoComm (Shanghai) Corp.

A. Directors' compensation brackets table

Ranges of compensation paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements H	The Company	Parent company and all invested companies I
Under NT\$1,000,000	1 , Note 1	1 , Note 1	1 , Note 1	
NT\$1,000,000 ~ NT\$2,000,000				
NT\$2,000,000 ~ NT\$3,500,000	5 , Note 2	5 , Note 2	5 , Note 2	5 , Note 2
NT\$3,500,000 ~ NT\$5,000,000				
NT\$5,000,000 ~ NT\$10,000,000				
NT\$10,000,000 ~ NT\$15,000,000				
NT\$15,000,000 ~ NT\$30,000,000	3 , Note 3	3 , Note 3	2 , Note 5	3 , Note 8
NT\$30,000,000 ~ NT\$50,000,000	1 , Note 4	1 , Note 4		
NT\$50,000,000 ~ NT\$100,000,000			1 , Note 6	1 , Note 6
Over NT\$100,000,000			1 , Note 7	1 , Note 7
Total	10	10	10	10

Note 1: Representative: Haydn Hsieh

Note 2: Jack Chen, S. J. Paul Chien, C.H. Chen, Christopher Chang, Sam Lee

Note 3: Robert Hwang, Wistron NeWeb Corp., Philip Peng

Note 4: Simon Lin

Note 5: Wistron NeWeb Corp., Philip Peng

Note 6: Robert Hwang

Note 7: Simon Lin

Note 8: Wistron NeWeb Corp., Representative: Haydn Hsieh, Philip Peng

3.3.2 Compensation of Supervisors : Not applicable**A. Supervisors' compensation brackets table** : Not applicable

3.3.3 Remuneration of the President and Vice Presidents(December 31, 2020)

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay and Penions(B)			Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company other than the Company's Subsidiary or from Parent Company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
									Cash	Stock	Cash	Stock			
Chairman & CSO	Simon Lin														
Vice chairman & President of New Business	Robert Hwang														
President & Wistron Technologies CEO	Jeff Lin														
President & Wistron Smart Devices CEO	David Shen														
Chief of Staff	Frank F.C. Lin														
Chief Technology Officer	Donald Hwang														
Chief Digital Officer	Kenny Wang														
Chief Finance Officer	Stone Shih														
Wistron Technologies President of Enterprise Business Group	William Lin	46,571	46,571	13,321	13,321		107,557	107,659	167,820	0	167,820	0	3.86	3.86	254
Technical Vice President	Kelvin Chang														
Strategy Planning Vice President	KY Wang														
Wistron Technologies President of Computing Products Business Group	Robert CL Lin														
Wistron Smart Devices President of Component Business Group	Vincent Cho														
Wistron Smart Devices President of Global Manufacturing	James Chou														
Wistron Technologies President of Global Manufacturing	Jackie Lai														

A. The President and Vice Presidents remuneration brackets table

Range of Compensation	Names of President and Vice Presidents	
	The Company	Parent company and all invested companies I
Under NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999		
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999	1, Note 1	1, Note 1
NT\$5,000,000 ~ NT\$9,999,999	4, Note 2	4, Note 2
NT\$10,000,000 ~ NT\$14,999,999	2, Note 3	2, Note 3
NT\$15,000,000 ~ NT\$29,999,999	4, Note 4	4, Note 4
NT\$30,000,000 ~ NT\$49,999,999	3, Note 5	3, Note 5
NT\$50,000,000 ~ NT\$99,999,999	1, Note 6	1, Note 6
Over NT\$100,000,000		
Total	15	15

Note 1: KY Wang

Note 2: Jackie Lai, James Chou, Kelvin Chang, William Lin

Note 3: Robert CL Lin, Vincent Cho

Note 4: Donald Hwang, Frank F.C. Lin, Kenny Wang, Stone Shih

Note 5: David Shen, Jeff Lin, Robert Hwang

Note 6: Simon Lin

B. Names of managers entitled to employee Compensation (December 31, 2020)

Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Chairman & CSO	Simon Lin	0	171,820	171,820	1.98
	Vice chairman & President of New Business	Robert Hwang				
	President & Wistron Technologies CEO	Jeff Lin				
	President & Wistron Smart Devices CEO	David Shen				
	Chief of Staff	Frank F.C. Lin				
	Chief Technology Officer	Donald Hwang				
	Chief Digital Officer	Kenny Wang				
	Chief Finance Officer	Stone Shih				
	Wistron Technologies President of Enterprise Business Group	William Lin				
	Technical Vice President	Kelvin Chang				
	Strategy Planning Vice President	KY Wang				
	Wistron Technologies President of Computing Products Business Group	Robert CL Lin				
	Wistron Smart Devices President of Component Business Group	Vincent Cho				
	Wistron Smart Devices President of Global Manufacturing	James Chou				
	Wistron Technologies President of Global Manufacturing	Jackie Lai				
Wistron Technologies Vice President of Computing Products Business Group	Felix Lai					
Wistron Technologies Vice President of Service Business Group	Peter Tung					

3.3.4 Comparison of Compensation for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Compensation Policy for Directors, Supervisors, President and Vice Presidents

A. Directors', President's and Vice Presidents' compensation paid in the last two years as a percentage to net income

Item	Ratio of total compensation paid to directors, supervisors, president and vice presidents to net income (%)			
	2020		2019	
	The Company	Consolidated	The Company	Consolidated
Compensation to Directors	1.18	1.18	1.13	1.14
Compensation to the President and Vice Presidents	3.86	3.86	4.26	4.27

B. The determination of compensation for directors, presidents and vice presidents

a. Compensation for Wistron's directors is governed by Article 11 and Article 16 of the Articles of Incorporation and shall not exceed 1% of the current year profit (profit means the profit before tax, excluding the amounts of employees' and directors' compensation). A reasonable amount based on the company's business performance and the contribution of individual directors to the business results should be made the current year compensation for directors.

b. The remuneration of the company's presidents and vice presidents consist of fixed items (such as base salary, annual bonuses, and benefits) and variable items (such as bonuses, cash or stock compensation, and stock warrants), and the majority of the remuneration shall be paid in variable items. The fixed items are in principle determined to maintain the company's competitiveness within the industry; the variable items consider both company's performance and individual's appraisal – the better the performance, the higher the proportion of variable items to fixed items. The performance evaluation will be comprehensively determined by below metrics:

1. Financial metrics(60%): revenue, profit and growth rate, etc.
2. Non-financial metrics(40%): indicators of market/customer service(such as customer satisfaction), internal business process (such as quality management) and learning and growth (ex. retention and talent development).

The targets and weightage of these performance metrics are determined at the beginning of the year based on internal and external environments and overall considerations of future risk. The performance is reviewed and evaluated at the middle and end of year, the evaluation result is used as the basis to calculate the amount of variable bonuses; the compensation amount is then approved by the Remuneration Committee and the Board. The ratio of variable items to fixed items is higher when there is better corporate or individual management performance.

3.4 Status of Corporate Governance

3.4.1 Board meeting attendance

The Board meetings held 6 times in 2020.

Title	Name	Attendance in Person	Attendance by proxy	Rate of attendance in person (%)	Note
Chairman	Simon Lin	6	0	100	
Vice Chairman	Robert Hwang	6	0	100	
Director	Wistron NeWeb Corp. Representative: Haydn Hsieh	6	0	100	
Director	Philip Peng	6	0	100	
Independent Director	Jack Chen	6	0	100	
Independent Director	S. J. Paul Chien	6	0	100	
Independent Director	C.H. Chen	6	0	100	
Independent Director	Christopher Chang	6	0	100	
Independent Director	Sam Lee	5	1	83	

Other noteworthy items:

Independent directors' attendance in 2020 board meetings

●: Attendance in person ;○: Attendance by proxy

	1st	2nd	3rd	4th	5th	6th
Jack Chen	●	●	●	●	●	●
S. J. Paul Chien	●	●	●	●	●	●
C.H. Chen	●	●	●	●	●	●
Christopher Chang	●	●	●	●	●	●
Sam Lee	●	●	○	●	●	●

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has already established an Audit Committee.
- (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors : None

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Meeting	Interested Directors	Subject Matter	Participation in Deliberation
2020.03.24	1st Board Meeting of 2020	Robert Hwang	1. Approval of the salary adjustment to the managers (excluding CSO) in 2020. 2. Approval of the performance bonus budget to the managers (excluding CSO) in 2020. 3. Approval of the proposal of 2019 employees' compensation payout ratio and amount to the managers (excluding CSO).	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approval of the proposal of 2019 employees' compensation payout ratio and amount to CSO. 2. Approval of the salary adjustment to CSO in 2020. 3. Approval of the performance bonus budget to CSO in 2020.	The interested director left the room during discussion and voting.

Date	Meeting	Interested Directors	Subject Matter	Participation in Deliberation
2020.08.12	4th Board Meeting of 2020	Robert Hwang	1. Approval of the performance bonus to managers (excluding CSO) in 2020 first half of the year. 2. Approval of the proposal for transferring treasury stocks to the managers (excluding CSO). 3. Approved the proposal for adjustment of important positions of the Company's managers.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approval of the performance bonus to CSO in 2020 first half of the year. 2. Approval of the proposal for transferring treasury stocks to CSO.	The interested director left the room during discussion and voting.
2020.11.12	5th Board Meeting of 2020	Robert Hwang	Approval of re-review the proposal for transferring treasury stocks to the managers (excluding CSO) which has resolved in 1st Board Meeting of 2020.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	Approval of re-review the proposal for transferring treasury stocks to the CSO which has resolved in 1st Board Meeting of 2020.	The interested director left the room during discussion and voting.
2020.12.23	6th Board Meeting of 2020	Robert Hwang	1. Approval of the performance bonus to managers (excluding CSO) in 2020 second half of the year. 2. Approval of the allocated list and quantity proposal of Restricted Stock Awards in 2020.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	Approval of the performance bonus to CSO in 2020 second half of the year.	The interested director left the room during discussion and voting.
2021.03.23	1st Board Meeting of 2021	Robert Hwang	1. Approval of the proposal of 2020 employees' compensation payout ratio and amount to the managers (excluding CSO). 2. Approval of the salary adjustment to the managers (excluding CSO) in 2021. 3. Approval of the performance bonus budget to the managers (excluding CSO) in 2021.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approval of the proposal of 2019 employees' compensation payout ratio and amount to CSO. 2. Approval of the salary adjustment to CSO in 2020. 3. Approval of the performance bonus budget to CSO in 2020.	The interested director left the room during discussion and voting.
		S. J. Paul Chien, Christopher Chang and Sam Lee	Approval of the amendments to the "Director and Functional Committees Compensation and Payment Principles".	The interested independent director left the room during discussion and voting.

3. A TWSE/TPEX listed company should disclose information such as the evaluation cycle and period, evaluation scope, methodology, and content of the board's self (or peer) evaluation, and complete schedule (2) for the implementation of the board's evaluation.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methodology	Evaluation Content
Once a year	2020.01.01-2020.12.31	Cover the evaluation of the board as a whole and individual directors	Include self-evaluation by individual board members and the internal evaluation of the board	The performance of the board of directors covered the following five aspects: 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. The criteria for evaluating the performance of the board members on themselves covered the following six aspects: 1. Familiarity with the goals and missions of the company;

	Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methodology	Evaluation Content
					2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control.
Audit Committee	Once a year	2020.01.01-2020.12.31	Cover the evaluation of the Audit Committee as a whole and individual members	Include self-evaluation by individual committee members and the internal evaluation of the Audit Committee	The criteria for evaluating the performance of Audit Committee covered the following five aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the functional committee; 4. Makeup of the functional committee and election of its members and 5. Internal control.
Compensation Committee	Once a year	2020.01.01-2020.12.31	Cover the evaluation of the Compensation Committee as a whole and individual members	Include self-evaluation by individual committee members and the internal evaluation of the Compensation Committee	The criteria for evaluating the performance of Compensation Committee covered the following four aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the functional committee; 4. Makeup of the functional committee and election of its members.
Nominating Committee	Once a year	2020.01.01-2020.12.31	Cover the evaluation of the Nominating Committee as a whole and individual members	Include self-evaluation by individual committee members and the internal evaluation of the Nominating Committee	The criteria for evaluating the performance of Nominating Committee covered the following four aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the functional committee; 4. Makeup of the functional committee and election of its members.
ESG Committee	Once a year	2020.01.01-2020.12.31	Cover the evaluation of the ESG Committee as a whole and individual members	Include self-evaluation by individual committee members and the internal evaluation of the ESG Committee	The criteria for evaluating the performance of ESG Committee covered the following four aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the functional committee; 4. Makeup of the functional committee and election of its members.

4. The objectives of strengthening the functionality of the Board of Directors for the present year and the most recent year and assessment on the implementation:

Wistron had completed the performance evaluation of Board of Directors and functional committees in 2020, and reported the results of the performance evaluation to the Audit Committee, Compensation Committee and the Board of Directors. On March 24, 2020, the Company's Board of Directors incorporated the external performance evaluation of the board of directors every three years into the "Rules for Board of Directors and Function Committee Performance Assessments" to implement corporate governance and strengthen the board's operational effectiveness.

3.4.2 Audit Committee

The Audit Committee is composed of all of the five Independent Directors, with one financial expert. The Audit Committee holds meetings before the board meetings regularly at least once each quarter to examine the Company's internal control systems, internal audit executions, as well as material financial activities; also to communicate with CPAs for an effective supervision on the company's operations and risk controls.

The Audit Committee is responsible to review the following major matters:

- Financial reports.
- Internal control systems including related policies and procedures.
- Assessment of the effectiveness of the internal control system.
- Asset transactions or derivatives trading of a material nature.
- Loans of funds, endorsements, or provision of guarantees of a material nature.
- The offering, issuance, or private placement of equity-type securities.
- The hiring or dismissal of a certified public accountant, or their compensation.
- Matters in which a director is an interested party.
- The appointment or discharge of a financial, accounting, or internal audit officer.
- Corporate risk management
- IT security

The Audit Committee held 6 meetings in 2020 with the attendance of the independence directors specified below:

Title	Name	Attendance in Person	By Proxy	Attendance rate in Person (%)	Note
Convener	Jack Chen	6	0	100	
Member	S. J. Paul Chien	6	0	100	
Member	C.H. Chen	6	0	100	
Member	Christopher Chang	6	0	100	
Member	Sam Lee	5	1	83	

Other noteworthy items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
 - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act :Please refer to the Major Resolutions of Board Meetings (p.80-87)
 - (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)
 - (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.
 - (2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

3.4.3 Corporate Governance Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Items of Evaluation	Implementation Status			Summaries	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
1. Does Company follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	✓			Wistron has set up “Corporate Governance Best Practice Principles” by Board of Director and made amendment on March 24, 2020, and there is no discrepancy between corporate governance principles.	No discrepancy
2. Shareholding Structure & Shareholders’ Rights (1) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓ ✓ ✓ ✓			(1) Wistron has designated the Shareholder Service Office to handle the shareholders’ feedbacks, questions and disputes. (2) Wistron holds information on the identities of major shareholders and their ultimate controlling persons. (3) Wistron has established the appropriate risk control mechanisms and firewalls according to internal rules, such as rules of supervision over subsidiaries, rules governing endorsement and guarantee, loaning of funds and the rules governing acquisitions and disposal of assets etc. (4) Wistron enacted “Regulations on Insider Trading” to prevent any illegal activities in terms of insider trading. When the new directors or managers assume office, the company will provide relevant standardized information for education and promotion of the policy; and after each notice of board meeting is sent, or if the company is raising funds or repurchasing treasury stock, the company will remind the insiders to avoid buying or selling company stock in order to comply with the insider trading prevention policy.	No discrepancy
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? (2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	✓ ✓			(1) Wistron has set the diversity policy of the board of directors in the Article 20 of “Corporate Governance Best Practice Principles”. The composition of the board of directors shall be determined by taking diversity into consideration. (2) In addition to establishing the Compensation Committee and the Audit Committee as required by law, Wistron has created the Nominating Committee and the ESG committee. A. The Nominating Committee is authorized to construct and to review the candidates of the directors, executives and the members of committees under the board of directors, and to construct and to review the setup and operation of committees. B. ESG Committee is responsible for formulating the direction and goals of corporate social responsibility, and sustainable development. And and track the implementation status and effectiveness of corporate sustainable development.	No discrepancy

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(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the board, and use it as a reference for individual directors' remuneration and renomination?	✓		(3) Wistron established “Rules for Board of Directors Performance Assessments” on November 11, 2016, and the board of directors amended and incorporated the performance evaluation of the functional committee on December 19, 2019, and change name to “Rules for Board of Directors and Function Committee Performance Assessments”. According to the assessments, the evaluation period shall be from January 1 to December 31 of the current year, and for the current year shall be reported to the board of directors and functional committees at the end of first quarter of the following year. Wistron had completed the performance evaluation of Board of Directors, Audit Committee and Compensation Committee for the period from January 1, 2020 to December 31, 2020. If the rate is over 90% (inclusive), it shall be "exceed the standard". If the rate is over 80% (inclusive) or less than 90%, it shall be "compliant with the standard". When the rate is less than 80%, it is "needs improvement". Upon completion of the above procedures, the rate of evaluation of Board of Directors, Audit Committee and Compensation Committee were 98.61%, 100%, 100%, 99.75% and 98.29%. the evaluation results were "exceed the standard".	No discrepancy																										
(4) Does the Company regularly evaluate its external auditors' independence?	✓		(4) The evaluation of CPA is one of the main duties of the Audit Committee each year. Wistron evaluates the independence of CPA based on KPMG's Statement of Independence and items stated in Certified Public Accountant Act and "Integrity, Objectivity and Independence.", No.10 of "The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China".																											
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Items of Evaluation	Implementation Status			Summaries	Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”and Reasons
	Yes	No			
4. Has a TWSE/TPEX listed company appointed an appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be in charge of corporate governance affairs (including, but not limited to, providing directors and supervisors with the information necessary to execute business, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings)?	✓			<p>The Chief of Staff Office of the Company is the unit to be in charge of corporate governance affairs. The board of directors appointed Mr. Frank F.C. Lin as the Corporate Governance Officer of Wistron on March 25, 2019.</p> <p>It is advisable that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <p>A. Handling matters relating to board meetings and shareholders meetings according to laws.</p> <p>B. Producing minutes of board meetings and shareholders meetings.</p> <p>C. Assisting in onboarding and continuous education of directors.</p> <p>D. Furnishing information required for business execution by directors.</p> <p>E. Assisting directors and supervisors with legal compliance.</p> <p>F. Other matters set out in the articles or corporation or contracts.</p> <p>The 2020 implement of corporate governance affairs were as bellows:</p> <p>A. Developed annual work plan and meeting agendas and prepared meeting information for meetings of the Board of Directors, Audit Committee, Compensation Committee, Nominating Committee, and ESG Committee. If issues are relevant to stakeholders, related stakeholders are reminded to recuse themselves before a meeting takes place. In 2020, the Company convened six board meetings, six Audit Committee meetings, four Compensation Committee meetings, two Nominating Committee meetings, and two ESG Committee meetings. Please see the Company website for details regarding the convention of the aforementioned meetings.</p> <p>B. Convened shareholders' meeting on June 18, 2020 as required by law and assisted with the convening of shareholders' meetings.</p> <p>C. Responsible for material announcements and matters related to the resolutions of board meetings and shareholders' meetings and announced material information pursuant to law.</p> <p>D. Arranged six hours of a continuing education courses for the CFO and all Directors and Presidents of the Company. The courses are "The Latest Practical Development of Insider Trading and the Company's Countermeasures" and "Analysis of the Top Ten Global Risks".</p> <p>E. Arranged legal department to present intellectual property rights management to the Board of Directors on November 12, 2020.</p> <p>F. Arranged to have independent directors communicate to the head of Audit Division and the CPA at an Audit Committee meeting. Please see the Company website for summary of the communication status.</p>	No discrepancy

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5. Whether the company has established channels of communication with Stakeholders (including but not limited to shareholders, employees, customers and suppliers), and open the Stakeholders section on the company's website, and respond appropriately to Stakeholders' interests/ concerns regarding corporate social responsibility.	✓			In order to communicate with different stakeholders effectively, the company has adopted the five factors specified by the AA1000 Stakeholder Engagement Standards. According to these factors: dependence, responsibility, influence, multiple perspectives, and tension, we have identified eight stakeholder categories including customers, employees, investors/shareholders, suppliers, government/ authorities, media, and the others. We have also designated a stakeholder section on the corporate website to address our corporate sustainability and social responsibility activities and relevant issues.	No discrepancy
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?		✓		Wistron has designated the Shareholders Service Office to handle the shareholders' proposal and disputes.	No discrepancy
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓ ✓			(1) Wistron has set up a website containing the information regarding financials, business and corporate governance status. (2) Wistron has one chief spokesman and one acting spokesman and also designated a team to be responsible for gathering and disclosing the information. Wistron has formulated Regulations on Insider Trading to govern procedures to manage material information disclosure; such management procedure has been informed to all employees, management and directors.	No discrepancy

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	Yes	No			
(3) Does the Company announce and report the annual financial report within two months of the fiscal year end, and announce and report the financial reports for the first, second and third quarter and each month’s operating performance ahead of the required deadline?	✓			(3) Wistron has not announced and declared the annual financial report within two months after the end of the fiscal year, but the Company still announces and reports the quarterly financial reports and each month’s operating performance as early as possible within the prescribed time limit, and announces important financial figures and XBRL information on the day the board of directors approved the financial report, and announce the electronic book of financial report on the next business day.	No discrepancy
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	✓			<p>(1) Employee benefits and rights, Employee care: Wistron emphasizes on the importance of employee benefits and rights. We not only comply with related laws and regulations, but also publish all corporate governance related regulations and operating conditions on the company's official website to ensure that employees are well informed. The company is committed to social responsibility to protect the rights and interests of its employees and has joined the Responsible Business Alliance (RBA). As a member of the Alliance, Wistron strictly complies with the relevant norms, and integrates human rights concerns into the various aspects of its daily operations. Wistron takes responsibilities for employee wellbeing.</p> <p>(2) Investor Relations: The major mission of the investor relations department is to update the latest business development and strategy thinking to global investors. Through such periodic communication, the company can enhance its public image and the transparency of financials and corporate governance.</p> <p>(3) Supplier relationship: In order to maintain long-term advantages of research and development in new technology, quality control, price competition, adequate supply, and to provide green products that are in line with energy conservation and environmental protection, Wistron on the basis of good faith to conduct supplier audit and management, so to confirm suppliers comply with various environmental protection treaties and social responsibilities, continue to provide products that meet the standards of Wistron, and with competitive advantages in price. Wistron will keep upholding the spirit of mutual trust and benefit to grow together with suppliers and create Win-win.</p>	No discrepancy

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Directors’ training records</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date for Attending Continuing Education</th> <th>Hosted By</th> <th>Course Title</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman & CSO</td> <td rowspan="2">Simon Lin</td> <td rowspan="2">2020.09.18</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Global Top 10 Risks Analysis</td> <td>3.0</td> </tr> <tr> <td>The Latest practice of Taiwan’s Insider Trading and Enterprise’s Governance and Prevention Strategies.</td> <td>3.0</td> </tr> <tr> <td rowspan="2">Vice Chairman & President of New Business</td> <td rowspan="2">Robert Hwang</td> <td rowspan="2">2020.09.18</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Global Top 10 Risks Analysis</td> <td>3.0</td> </tr> <tr> <td>The Latest practice of Taiwan’s Insider Trading and Enterprise’s Governance and Prevention Strategies.</td> <td>3.0</td> </tr> <tr> <td>Director</td> <td>Wistron NeWeb Corp. 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Items of Evaluation	Implementation Status		Summaries	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
9. Succession plan of board members and management team	✓		<p>The selection of directors of the Company adopts the candidate nomination system and is handled in accordance with the "The Election Regulations of Directors". The Company has also set a diversity policy for the composition of the board of directors in the "Corporate Governance Best Practice Principles", taking into account the diversity of professional knowledge, technology, experience and gender required by directors, and will refer to the recommendations of the Nominating Committee to propose director candidates. The list of people and the appropriate arrangements for the composition of the board of directors and candidates for succession.</p> <p>To run a sustainable business, the Company has been establishing a standard of successful paradigm for all management levels with competency-based talent development.</p> <p>The Company updates talent inventory and implements Individual Development Plan (IDP) by evaluating, developing, and reviewing annually for key management succession planning. The Company further incorporates project assignments, strategic job rotation, Group Development Plan (GDP), coaching sessions with executive coaches etc. to develop bench strength and preparedness of successors.</p>	No discrepancy
<p>10. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provide priority measures and measures for those who have not yet improved.</p> <p>(1) Wistron's board of directors approved the amendment of "Rules for Board of Directors and Function Committee Performance Assessments" on March 24, 2020 to incorporate the external performance evaluation of the board of directors at least once every three years.</p> <p>(2) Wistron's board of directors approved the amendment of "Corporate Governance Best Practice Principles" on March 24, 2020 to incorporate the appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the company shall be submitted by the chief auditor to the chairman for approval.</p> <p>(3) Wistron's board of directors approved the establishment of " Risk Management Policy and Procedure " on December 23, 2020.</p> <p>(4) In order to implement the policy of diversified board members, a female independent director will be elected at the 2021 general shareholders meeting.</p>				

3.4.4 Composition, Responsibilities and Operations of the Compensation Committee

A. The Composition

Title	Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member	Note		
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10				
Independent director	S. J. Paul Chien			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	
Independent director	Christopher Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	
Independent director	Sam Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	

Note: "✓" is placed in the box below if the member met the following criteria at any time during active duty and two years prior to the date of appointment.

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks in the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- (6) Not a director, supervisor, or employee of the company which majority director seats or voting shares and those of any other company are controlled by the same person.
- (7) Not a director (or governor), supervisor, or employee of the company or institution which the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses.
- (8) Not a director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not have any of the circumstances set forth in Article 30 of the Company Act.

B. Responsibilities of the Compensation Committee

Pursuant to Article 6 of the Company's "Compensation Committee Charter" the Compensation Committee has the following responsibilities:

- (1) Design and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
- (2) Periodically evaluate and determine the remuneration of directors, supervisors, and managerial officers.

C. Attendance of Members at Compensation Committee Meetings

- (1) The Compensation Committee consists three members.
- (2) Tenure of the 4th Compensation Committee: July 9, 2018 to June 13, 2021. The committee convened 4 times in 2020.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Convener	S. J. Paul Chien	4	0	100	1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (eg., the compensation passed by the Board of Directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified): None. 2. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
Member	Christopher Chang	4	0	100	
Member	Sam Lee	4	0	100	

3.4.5 Social Responsibility Performance and Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item			Enforcement		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary		
1. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle?	✓			<p>The company has adopted the Global Reporting Initiative Standards (GRI Standards) and the AA1000 Stakeholder Engagement Standards as the framework to establish the procedures for identifying material topics for corporate sustainable development. The framework is used as the basis for disclosure of the CSR Report.</p> <p>The Company’s highest risk management body is the ESG Committee. The ESG committee conducts corporate risk assessment and facilitates discussion of risk response measures for major risks through regular meetings held every year. In 2020, the company established the systematic "Risk Management Policy and Procedures" in accordance with ISO 31000 Risk Management Principles and Guidelines. To better tackle relevant risks, we adopted proactive and effective methods to conduct risk assessments of environmental, social, corporate governance and innovative technology across the world and their potential threat to the Company's sustainable development.</p> <p>For details please refer to the contents of “Risk Management” in CSR report.</p>	No discrepancy
2. Does the Company have a dedicated (or ad-hoc) CSR organization with Board of Directors authorization for senior management, which reports to the Board of Directors?	✓			<p>In order to deepen corporate sustainability, fulfill social responsibility initiatives, and to promote economic, environmental, and social advancement for purposes of sustainable development, in 2019, the company has established an ESG (Environment, Society, and Governance) Committee which is directly responsible to the Board of Directors.</p> <p>The BOD Vice Chairman serves as the Chairman of the ESG Committee. The Committee consists of one independent director, two Presidents & CEOs, a Chief of Staff, a Chief Technology Officer, and a Chief Digital Officer. The Committee is responsible for overall sustainable development plans of the company and sets short-, medium-, and long-term goals. It also formulates related management policies, implements detailed action plans, and regularly reports the results to the Board of Directors.</p> <p>For details please refer to the contents of “ESG Committee” in CSR report.</p>	No discrepancy

Item				Enforcement	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		Summary	
3. Environmental Issues					
(1) Has the Company set an Environmental management system designed to industry characteristics?	✓			(1) The company’s offices and plants worldwide have introduced the ISO 14001 Environmental Management System to ensure that while pursuing both operational and operating performance, we can also strictly adhere to the spirit of environmental management and adopt a sustainable development attitude to reduce the environmental impact of business activities. For details please refer to the contents of “Environmental Management and Compliance” in CSR report.	No discrepancy
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓			(2) The company has adopted the Green Design Guide for product design and incorporated green product management in compliance with the ISO 9001 Quality Management System to obtain IECQ QC 080000 Management System certification. In order to reduce waste of resources and minimize the impact of products on the environment during the life cycle, the company takes into consideration of waste reduction, use recycled and environmental friendly materials, and introduce easy-to-disassemble while developing products. For details please refer to the contents of “Sustainable Design and Development” in CSR report.	
(3) Does the Company assess the current and future potential risks and opportunities of climate change for the company, and take measures in reaction to climate-related issues?	✓			(3) Every year the company’s ESG Committee and CSR Management System Implementation Committee conducts assessments for climate-related risks and opportunities. According to TCFD’s (Task Force on Climate-related Financial Disclosures) classification of climate risks and opportunities, we have listed the main transition risks, physical risks, and potential opportunities. For details please refer to the contents of “Climate Change Risks” in CSR report.	
(4) Has the Company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?	✓			(4) The company is committed to purchasing efficient energy equipment to increase our energy performance and actively conserve all types of energy sources. We abide by energy regulations that are associated with our activities, products, and services, as well as customer requirements, with the aim of meeting and surpassing the relevant standards. We also disclose GHG emission, water usage and total weight of waste in our CSR report. For details please refer to the contents of “Climate Change Policy” and “Green Production” in CSR report.	

Item			Enforcement		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary		
4. Social Issues					
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓			(1) The company’s core value lies in being a people-centric organization. It has formulated a human rights policy with a unified standard. The company commits to developing and maintaining a system continuously enhancing employees' rights. The company ensures that all of its management systems are compliant with local labor laws; furthermore, a consistent set of standard human rights policy, including employee health, workplace safety, and other work-related rights and benefits, is globally implemented within the Wistron organization. We support and respect international labor rights regulations by following global, authoritative standards, such as: the UN Guiding Principles on Business and Human Rights (UNGPs), ILO Tripartite Declaration of Principles, ILO Declaration of Fundamental Principles and Rights at Work (ILO87 and ILO98), OECD Guidelines for Multinational Enterprises, the UN Universal Declaration of Human Rights, the UN Global Compact, and the Code of Conduct for Responsible Business Alliance.	No discrepancy
(2) Has the Company established and implemented a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.) where operating performance or results are appropriately reflected in employee compensation?	✓			(2) A. The compensation and benefits of all company’s offices and plants around the world comply with the requirements as well as laws and regulations of each country. In addition, the company provides extra leaves for employees to achieve work and life balance. B. The company has established and implemented reasonable compensation policies where company operating results, team and personal work performance are appropriately reflected in employees’ compensation.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓			(3) Please refer to the contents of “Employee Care” and “Occupational Safety and Health” in CSR report.	
(4) Has the Company established effective career development training plans?	✓			(4) The company has built seven training systems based on different job categories. "On-the-Job Training", "Learning during training" and "Self-learning" are deployed to enhance the effectiveness of training developments. To pave the way for career progression, the company has been implementing job rotation programs to foster an organizational culture of growth.	

Item			Enforcement		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary		
(5) Does the Company comply with relevant laws, regulations and international standards regarding customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer protection policies and complaint procedures?	✓			(5) The company does follow the regulations and international standards in the marketing and labelling of its products and services to protect customer’s privacy, safety and health. Please refer to the contents of “Sustainable Product Design and Development” and “Information Security Management” in CSR report. The company is an ODM (original design manufacturer) supplier and do not offer products/services to end user directly, those are all handled by brand customers.	No discrepancy
(6) Has the Company formulated a supplier management policy that requires suppliers to follow relevant guidelines on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	✓			(6) The company’s “Supplier Management Procedures” has formulated a code of conduct for the supply chain., which is based on the Code of Conduct of the Responsible Business Alliance, or (RBA Code of Conduct), and refers to international norms such as the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Basic Principles and Rights at Work and the Universal Declaration of Human Rights. As members of the Responsible Business Alliance (RBA), we support and encourage suppliers to follow and sign the code of conduct for the supply chain, in conjunction with “Supplier Enterprise Sustainability and Social Responsibility (CSR) Auditing Procedures”, to conduct on-site audits, and implement environmental protection, Occupational safety and health and labor rights.	
5. Does the Company refer to internationally accepted reporting standards or guidelines for compiling reports on corporate non-financial information such as corporate social responsibility reports? Has the aforementioned report obtained an assurance opinion of a third-party verification organization?	✓			The company’s CSR Report followed the Global Reporting Initiative (GRI). The contents of this report have been verified by an independent third party based on the AA1000 standards and comply with GRI standards core level requirements. Please refer to “Verification Statement” in our CSR report.	No discrepancy
6. If the Company has established its corporate social responsibility code of practice according to “Listed Companies Corporate Social Responsibility Code of Practice,” please describe the operational status and differences. In order to implement corporate social responsibility, the company’s Board of Directors established “Corporate Social Responsibility Best Practice Principles” which clearly defined four major principles. The four principles are: exercising corporate governance, fostering a sustainable environment, preserving public welfare, and enhancing the disclosure of corporate social responsibility information. Our daily operations follow the above principles and no discrepancy occurred.					

Item					Enforcement	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			Summary	
<p>Furthermore, there are five corresponding management systems in response to quality, green products, environmental protection, occupational safety and health, and social responsibility while established global CSR policies and CSR management system.</p> <p>The company also evaluate the progress of its implementation of corporate social responsibility through the annual planning and promotion of the corporate sustainability and social responsibility management system and the annual publication of CSR Report to closely engage with stakeholders in response to increasing awareness on Environment, Society and Governance (ESG).</p>						
<p>7. Other important information to facilitate better understanding of the Company’s implementation of corporate social responsibility:</p> <p>Wistron convenes a Corporate Sustainability and Social Responsibility (CSR) Management System kick-off meeting in the first half of every year to announce the system’s directions and plans for that year. Based on the management system's spirit of continuous improvement (plan, do, check, action), internal audits are planned and executed each year to verify that the management system is being implemented as needed; the results of which are reported to upper management. An annual CSR reporting kick-off meeting is organized in the second half of every year. By planning and implementing the CSR management system and publishing CSR reports, Wistron examines overall performance in promoting CSR.</p> <p>The company’s CSR policy:</p> <p>Wistron is committed to establishing a corporate sustainability and social responsibility (CSR) management system that will exceed local regulatory and ethical standards. The development of high-quality green products and services will also be complemented by protection of the environment, employee health, safety and human rights in order to protect stakeholders' interests. Wistron's CSR management system covers five management systems including quality, green products, environmental protection, occupational safety and health, and social responsibilities. Each management system is established by adopting a corresponding international standard such as ISO9001, IECQ QC080000, ISO14001/14064-1/50001, ISO45001, SA8000/RBA.</p>						

3.4.6 Ethics Management Performance and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item			Implementation Status	Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Has the Company formulated a policy of ethical management approved by the board of directors, and clearly state, in the bylaw and external documents, the policies and practices of ethical management and the commitment of the board and senior management to actively implement the operating policy?</p> <p>(2) Has the Company established a mechanism for evaluating the risk of unethical behavior, regularly analyzed and evaluated business activities with a higher risk of unethical behavior in the business scope, and formulated a plan, which covers at least the precautionary measures in the second paragraph of Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, to prevent unethical behavior?</p> <p>(3) Has the Company clearly defined the operating procedures, behavior guidelines, punishment and appeal systems for violations in the unethical conduct prevention plan, and does it implement and regularly review and revise the aforementioned plan?</p>	✓		<p>(1) To enhance corporate conduct and ethics policy, the Company established "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Corporate Governance Best Practice Principles" which are approved by the board of directors. These policies are disclosed publicly on our company website and Market Observation Post System. Integrity is not only the core value of our business but also a fundamental part of our daily operation, and this standard also applies to our board of directors (including independent board directors, the same as below) supervisors, employees or substantial controllers.</p> <p>(2) The Company analyzes and assesses on a regular basis on business activities which may be at a higher risk of being involved in unethical conduct by utilizing the risk assessment mechanisms against unethical conduct. And these mechanisms cover the precautionary measures in the second paragraph of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(3) The Company has clearly stated the operating procedures and behavior guidelines in "Ethical Corporate Management Best Practice Principles" and stated punishment, and appeal systems for violations in the unethical conduct prevention plan in "Codes of Ethical Conduct". The adequacy and effectiveness of this prevention program is reviewed on a regular basis. The Company also determined the units which handles treasury and procurement as the ones with potential risks. The involved units are required to undergo specific trainings, developing relevant implementation manuals for advocacy/regulation, internal audit or regular work rotation to reduce potential risk.</p>	No discrepancy
<p>2. Ethic Management Practice</p> <p>(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>	✓		<p>(1) Prior to any commercial transactions with external entities, the Company considers their ethical performance by reviewing their condition of legitimacy, ethical policy and records of unethical behaviors. The Company also conveys our policy and ethical standards to our business partners and refuse to offer, commit, request, or accept any improper advantage in any form, either directly or indirectly. Once the Company is aware of any unethical events, the Company terminates the contract immediately and moves the entity to the dishonor list.</p>	No discrepancy

Item			Implementation Status	Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
<p>(2) Has the Company established a unit affiliated with the board to promote corporate ethical management, and regularly (at least once a year) report to the board its ethical management policies and plans to prevent unethical conduct and monitor implementation?</p> <p>(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p> <p>(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, where the internal audit unit prepared relevant audit plans based on the result of risk assessment of unethical conducts, and checked the compliance with the plan to prevent unethical conducts, or delegated an accountant to perform the verification?</p> <p>(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?</p>	✓		<p>Besides that, the Company stipulates the terms and conditions of ethical management in contracts such as specific and reasonable payment terms, handling of unethical conduct including but not limited to the pertaining to prohibition of commissions, rebates, or other benefits.</p> <p>(2) HR department is responsible for the establishment of company’s integrity policy, the supervision of enforcement. HR department reports ethical management policies and plans to the board annually in board meeting. So far, no incidents of unethical conduct have been reported.</p> <p>(3) In "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct", the Company clearly defines the principles and circumstances of conflicts of interest that related persons shall avoid. The Company also requires related persons to report proactively to their immediate supervisors, highest level of management of HR or report in board meeting if they face or are aware of similar situations that may arise conflicts of interest.</p> <p>(4) The Company conducts evaluation and self-audit of the effectiveness of internal control system, including accounting system with considered changes in the business environment, and make appropriate modifications if necessary, The result will be reviewed by Audit Office based on good faith.</p> <p>(5) The new employees on the first day of employment and the new supervisor are required to take ethic/integrity e-learnings courses. All employees are required to conduct regular e-learning courses and results tests.</p>	No discrepancy
<p>3. Implementation of Complaint Procedures.</p> <p>(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p>	✓		<p>(1) All employees have the duty to report any improper conduct that is against the ethical conduct of the company directly to independent board of director, highest level of management of HR, Audit Office, or Chairman. If employees violate the "Codes of Ethical Conduct", the Company considers the severity of the violation, and conducts proper action, including dismissal, based on "Guidelines of Employee Award/ Disciplinary”. If business partners of the Company violate integrity policy, the Company reduces or terminates cooperation, or even report to the judicial authorities based on the severity of the violation.</p>	No discrepancy

Item			Implementation Status	Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
(2) Has the Company established standard operating procedures for investigating the complaints received, take corresponding measures after investigation, and ensuring such complaints are handled in a confidential manner?	✓		(2) The Company has established internal complaint procedure, which provides a clear process for complaint addressing, investigation, complaint resolution, etc. All complainants are treated in a confidential manner.	No discrepancy
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) To protect the complainant and respondent who take part in reporting or investigation of the events from retaliation or unfair treatment, the Company has established reporting channels and whistleblowing system. “Confidentiality of the identity of whistleblowers and the content of reported cases” and “Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing” are stated in article 22 of “Ethical Corporate Management Best Practice Principles”.	
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	✓		The Company discloses the actions and commitments to business ethics such as Ethical Corporate Management Best Practice Principles and RBA Codes of Conduct on Wistron’s official website and Market Observation Post System. The detail of implementation status is stated in CSR Report.	No discrepancy
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation. No discrepancy.				
6. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethics policy). The Company requires suppliers to sign ethical commitment and inform suppliers of our anti-corruption policy via our E-procurement system (WSRM) and promote our ethical standards during the annual vendor conference and Corporate Briefing. The supplier’s implementation status is also reviewed every year.				

3.4.7 Inquiry on corporate governance principles and related regulations of this Company :

Please refer to the Company’s website or Market Observation Post System.

3.4.8 Other information material to the understanding of corporate governance within the Company : None

3.4.9 Internal Control System Execution Status**A. Statement on Internal Control:**

Wistron Corporation
Statement on Internal Control

Date: March 23, 2021

Based on the findings of a self-assessment, Wistron Corporation (Wistron) states the following with regard to its internal control system during the year 2020:

1. Wistron's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Wistron takes immediate remedial actions in response to any identified deficiencies.
3. Wistron evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Wistron has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, Wistron believes that, as of December 31, 2020, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Wistron's annual report for the year 2020 and Prospectus, and is publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors in their meeting held on March 23, 2021, with none of the nine attending directors expressing dissenting opinions. All attending directors have affirmed the content of this Statement.

Wistron Corporation

Chairman: Simon Lin

President & Wistron Technologies CEO: Jeff Lin

President & Wistron Smart Devices CEO: David Shen

B. if CPA was retained to conduct a special audit of the internal control system, disclose the audit report : None.

3.4.10 Legal penalties by competent authority to the Company or its employees, and the Company's punishment on its employees for violation of internal control system, major deficiencies and improvement measures in the most recent year and as of the publication of this annual report:

In 2020, no legal penalty was taken against the Company and its employees by any competent authority. For identified violation of the Company's internal control system, punishments were issued accordingly and relevant supervisions for improvements were adopted.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings**A. Major Resolutions of Shareholders' Meeting**

Date	Important resolution	Implementation Status
2020.06.18	1. Ratification of 2019 Business Report and Financial Statements as proposed.	To implement in accordance with the resolutions.
	2. Ratification of the proposal for distribution of 2019 profits as proposed.	Since the Company repurchased common stocks of 58,769,000 shares, the total numbers of shares outstanding have been changed and the payout ratio of cash dividend were changed to NT\$2.04225184. The Company had set the ex-dividend record date on July 13, 2020. The cash dividends were allocated on July 31, 2020.
	3. Approval of issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash in public offering and/or 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.	The company has not yet implemented those capital increase plan.
	4. Approved the issuance of restricted stock awards to key employees.	The restricted stock awards
	5. Approval of amendments to the "Articles of Incorporation" as proposed.	The amended "Articles of Incorporation" were completed the registration on June 29, 2020.
	6. Approval of amendments to the "Rules and Procedures of Shareholders' Meeting" as proposed.	The amended "Rules and Procedures of Shareholders' Meeting" were implemented on June 18, 2020.

B. Major Resolutions of Board Meetings

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
1st Board Meeting of 2020	2020.03.24	1. Approval of the compensation for employees and directors of 2019.	V	Resolved		
		2. Approval of the salary adjustment to the managers (excluding CSO) in 2020.	V	Resolved		
		3. Approval of the performance bonus budget to the managers (excluding CSO) in 2020.	V	Resolved		
		4. Approval of the proposal of 2019 employees' compensation payout ratio and amount to the managers (excluding CSO).	V	Resolved		
		5. Approval of the proposal of 2019 employees' compensation payout ratio and amount to CSO.	V	Resolved		
		6. Approval of the salary adjustment to CSO in 2020.	V	Resolved		
		7. Approval of the performance bonus budget to CSO in 2020.	V	Resolved		
		8. Approval of the investment in Wistron InfoComm Technology (Texas) Corporation through Wistron LLC.			V	Resolved
		9. Approval of the investment in Wistron Medical Tech Holding Company			V	Resolved
		10. Approval of making a loan to Wistron Technology (Malaysia) Sdn. Bhd.			V	Resolved
		11. Approval of the business plan of 2020.				
		12. Approval of the business report of 2019.			V	Resolved
		13. Approval of the parent-company-only and consolidated financial statements of 2019.			V	Resolved
		14. Approval of the proposal for 2019 earnings distribution.			V	Resolved
		15. Approval of issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash in public offering and/or 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.			V	Resolved
		16. Approval of issuance of restricted stock awards to key employees.				
		17. Approval of the amendments to the "Articles of Incorporation".				
		18. Approval of the amendments to the "Rules and Procedures of Shareholders' Meeting".			V	Resolved

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
1st Board Meeting of 2020	2020.03.24	19. Approval of the time, venue and agenda of 2020 general shareholders' meeting.				
		20. Approval of the amendments to the "Corporate Governance Best Practice Principles".				
		21. Approval of the amendments to the "Rules for Board of Directors and Function Committee Performance Assessments".				
		22. Approval of the amendments to the "Rules and Procedures of Board of Directors Meeting".				
		23. Approval of the amendments to the "Audit Committee Charter".	V	Resolved	V	Resolved
		24. Approval of the amendments to the "Compensation Committee Charter".	V	Resolved		
		25. Approval of setting "ESG Committee Charter".				
		26. Approval of setting "Tax Strategy".				
		27. Approved KPMG as audit accountants in 2020.			V	Resolved
		28. Approval of Internal Control System Statement of 2019.			V	Resolved
		29. Approval of acquiring or disposing of equipment held for business use with subsidiaries.				
		30. Approval of the application of AR factoring from Chang Hwa Bank.				
		31. Approve of the application for bank facility.				
32. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved		
33. Approval of the repurchasing of the company's shares and transfer to employee share incentive program.						
2nd Board Meeting of 2020	2020.05.13	1. Approval of consolidated financial statements of 2020Q1.			V	Resolved
		2. Approval of the amendments to the "The Rules of 1st Repurchase of the Company's Shares Transferred to Employees in 2020".				
		3. Approval of the amendments to the "Nominating Committee Charter".				
		4. Approval of the Chairman is authorized to deal with the relevant contingency matters to the 2020 Annual General Shareholders Meeting depending on the impact of the COVID-19.				

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
2nd Board Meeting of 2020	2020.05.13	5. Approval of acquiring or disposing of equipment held for business use with subsidiaries. 6. Approval of the application of AR factoring from Standard Chartered Bank or DBS Bank Ltd. Taipei Branch or DBS Bank (Taiwan) Limited. 7. Approve of the application for bank facility. 8. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
3rd Board Meeting of 2020	2020.07.17	1. Approval of Wistron's subsidiary Win Smart Co., Ltd. intends to sell 100% of the ownership of Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. ("WEKS") and Wistron Investment (Jiangsu) Co., Ltd. to Luxshare Group. 2. Approval of acquiring or disposing of equipment held for business use with subsidiaries. 3. Approve of the application for bank facility. 4. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
4th Board Meeting of 2020	2020.08.12	1. Approval of the performance bonus to managers (excluding CSO) in 2020 first half of the year. 2. Approval of the proposal for transferring treasury stocks to the managers (excluding CSO). 3. Approval of the performance bonus to CSO in 2020 first half of the year. 4. Approval of the proposal for transferring treasury stocks to CSO. 5. Approval of the non-independent directors' compensation of 2019. 6. Approval of consolidated financial statements of 2020Q2. 7. Approved the proposal for adjustment of important positions of the Company's managers. 8. Approval of the investment in Wistron Digital Technology Holding Company. 9. Approval of the investment in Wistron Technology (Malaysia) Sdn. Bhd.; and WSSG intends to invest within a limit of not more than US\$77,000 thousand.	V	Resolved	V	Resolved

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
4th Board Meeting of 2020	2020.08.12	10. Approval of the investment in Wistron InfoComm Manufacturing (India) Private Limited through SMS InfoComm (Singapore) Pte. Ltd.; and WMMI intends to invest within a limit of not more than US\$74,800 thousand. 11. Approval of making a loan to Wistron InfoComm Manufacturing (India) Private Limited. 12. Approval of the standard to determine the materiality of major overdue accounts that will be regarded as a disguised financing. 13. Approval of the amendments to the "Internal Control Systems of Shareholder Services Units". 14. Approval of the application of AR factoring from MUFG Bank, Ltd., Taipei Branch. 15. Approve of the application for bank facility. 16. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
5th Board Meeting of 2020	2020.11.12	1. Approval of re-review the proposal for transferring treasury stocks to the managers (excluding CSO) which has resolved in 1st Board Meeting of 2020. 2. Approval of re-review the proposal for transferring treasury stocks to the CSO which has resolved in 1st Board Meeting of 2020. 3. Approval of consolidated financial statements of 2020Q3. 4. Approval of the investment of US\$29,000 thousand in Cowin Worldwide Corporation 5. Approval of the investment of US\$28,000 thousand in Wistron InfoComm Technology (Texas) Corporation through Wistron LLC. 6. Approval of signing the Share Purchase Agreement with Luxshare Group. 7. Approval of acquisition of real property right-of-use assets from United Renewable Energy Co., Ltd. 8. Approval of acquisition superficies rights of zone (1) inside the International AI Park from Hsinchu County Government	V	Resolved	V	Resolved

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
5th Board Meeting of 2020	2020.11.12	9. Approval of setting “The Rules for issuance Restricted Stock Awards in 2020”. 10. Approval of the amendments to the “Rules of Management Seals”. 11. Approval of the amendments to the “Procedures of Management for preparation of financial statements”. 12. Approval of acquiring or disposing of equipment held for business use with subsidiaries. 13. Approval of the application of AR factoring from Mizuho Bank, Ltd., Taipei Branch. 14. Approval of the application of AR factoring from Sumitomo Mitsui Banking Corporation, Taipei Branch. 15. Approval of opening a bank account and related international trade financing business in Zhongshan Branch of Industrial and Commercial Bank of China. 16. Approve of the application for bank facility. 17. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
6th Board Meeting of 2020	2020.12.23	1. Approval of the performance bonus to managers (excluding CSO) in 2020 second half of the year. 2. Approval of the allocated list and quantity proposal of Restricted Stock Awards in 2020. 3. Approval of the performance bonus to CSO in 2020 second half of the year. 4. Approval of making a loan to Wistron InfoComm (Philippines) Corporation. 5. Approval of 2021 Annual Audit Plans. 6. Approval of setting “Risk Management Policy and Procedure”. 7. Approval of the amendments to the “Corporate Social Responsibility Best Practice Principles”. 8. Approval of the amendments to the “ESG Committee Charter”. 9. Approval of disposing the shares of Optiemus Electronics Limited to OPTIEMUS INFRACOM LIMITED. 10. Approval of acquiring or disposing of equipment held for business use with subsidiaries.	V	Resolved	V	Resolved

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
6th Board Meeting of 2020	2020.12.23	11. Approval of the application for a perpetual linked loan to Singapore Commercial Bank DBS, Taipei Branch. 12. Approval of the application of AR factoring from Crédit Agricole CIB. 13. Approval of the application for US\$360 million Syndication Loan led by Mega International Commercial Bank. 14. Approval of opening a bank account and related international trade financing business in Chongqing Yubei Branch and Kunshan Branch of Industrial and Commercial Bank of China. 15. Approve of the application for bank facility. 16. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
1st Board Meeting of 2021	2021.03.23	1. Approval of the compensation for employees and directors of 2020. 2. Approval of the proposal of 2020 employees’ compensation payout ratio and amount to the managers (excluding CSO). 3. Approval of the salary adjustment to the managers (excluding CSO) in 2021. 4. Approval of the performance bonus budget to the managers (excluding CSO) in 2021. 5. Approval of the proposal of 2019 employees’ compensation payout ratio and amount to CSO. 6. Approval of the salary adjustment to CSO in 2020. 7. Approval of the performance bonus budget to CSO in 2020. 8. Approval of the amendments to the “Director and Functional Committees Compensation and Payment Principles”. 9. Approval of the business plan of 2021. 10. Approval of the business report of 2020. 11. Approval of the parent-company-only and consolidated financial statements of 2020. 12. Approval of the proposal for 2020 earnings distribution. 13. Approval of constructing a factory and building in the International AI Park from Hsinchu County Government.	V	Resolved	V	Resolved

	Date	Important resolution	Compensation Committee		Audit Committee		
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions	
1st Board Meeting of 2021	2021.03.23	14. (omitted)			V	Resolved	
		15. Approval of the investment in Wise Cap Limited Company.			V	Resolved	
		16. Approval of making a loan to Wistron Technology (Malaysia) Sdn. Bhd.			V	Resolved	
		17. Approval of the election of the 9th Directors, including Independent Directors.					
		18. Approval of the candidate nomination of the 9th Directors, including Independent Directors.					
		19. Approval of the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business by shareholder meeting.					
		20. Approval of issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash in public offering and/or 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.				V	Resolved
		21. Approval of the amendments to the "Articles of Incorporation".					
		22. Approval of the amendments to the "Rules and Procedures of Shareholders' Meeting".					
		23. Approval of the amendments to the "The Election Regulations of Directors".					
		24. Approval of the time, venue and agenda of 2021 general shareholders' meeting.					
		25. Approved KPMG as audit accountants in 2021.				V	Resolved
		26. Approval of Internal Control System Statement of 2020.				V	Resolved
		27. Approval of acquiring or disposing of equipment held for business use with subsidiaries.					
		28. Approval of the application of AR factoring from Standard Chartered Bank (HK) Limited.					
		29. Approve of the application for bank facility.					
		30. Approval of increase or decrease amount of endorsements and guarantees.				V	Resolved

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors : None.

3.4.13 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate governance officer and R&D:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
President	Robert Hwang	2002.01.01	2020.08.12	Position adjustment

3.5 Information Regarding the Company's Audit Fee and Independence

A. Non-audit fee should be distinguished by service item. If the "Others" item amounts to more than 25% of total non-audit fees, a detailed breakdown must be provided in the Remarks column: Yes.

B. If a change of accounting firm has taken place during the year, please divide the audit period and disclose audit and non-audit fee in chronological order. Please also state the reason for such changes in the Remarks column: None.

C. If audit fee is reduced by 10% or more from the previous year, the amount, percentage and reason for reduction must be disclosed: None.

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
KPMG	Ya- Ling, Chen	2020/01~2020/12	
	Chia-Chien, Tang		

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason.

Audit Fee brackets table

Unit: NT\$ thousands

Fee Range	Fee Items	Audit Fee	Non-audit Fee	Total
1	Under NT\$ 2,000,000			
2	NT\$2,000,001 ~ NT\$4,000,000		V	2,559
3	NT\$4,000,001 ~ NT\$6,000,000			
4	NT\$6,000,001 ~ NT\$8,000,000			
5	NT\$8,000,001 ~ NT\$10,000,000	V		8,770
6	Over NT\$10,000,000			

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal (Note)		
KPMG	Ya-Ling, Chen, Chia-Chien, Tang	8,770				2,559	2,559	2020/01~2020/12	

Note: Tax consulting service fee, review the fair value evaluation report, audit the information about salary of full-time employees, and the travel expenses of taking inventory.

3.6 Replacement of CPA : None.

3.7 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed : None.

3.8 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2020		As of Apr. 19, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CSO	Simon Lin	(1,000,000)	0	0	0
Vice chairman & President of New Business	Robert Hwang	(485,000)	0	(55,000)	0
Director	Wistron NeWeb Corp.	0	0	0	0
	Representative: Haydn Hsieh	0	0	0	0
Director	Philip Peng	268,000	0	0	0
Independent Director	Jack Chen	0	0	0	0
Independent Director	S. J. Paul Chien	0	0	0	0
Independent Director	C.H. Chen	0	0	0	0
Independent Director	Christopher Chang	0	0	0	0
Independent Director	Sam Lee	0	0	0	0
President & Wistron Technologies CEO	Jeff Lin	0	0	0	0
President & Wistron Smart Devices CEO	David Shen	(2,327,359)	0	0	0
Chief of Staff	Frank F.C. Lin	(1,500,000)	0	0	0
Chief Technology Officer	Donald Hwang	(1,500,000)	0	0	0
Chief Digital Officer	Kenny Wang	(110,000)	0	(2,000,000)	0
Chief Finance Officer	Stone Shih	0	0	0	0
Wistron Technologies President of Enterprise Business Group	William Lin	(65,000)	0	0	0
Technical Vice President	Kelvin Chang	0	0	0	0
Strategy Planning Vice President	KY Wang	(20,000)	0	0	0
Wistron Technologies President of Computing Products Business Group	Robert CL Lin	0	0	0	0
Wistron Smart Devices President of Component Business Group	Vincent Cho	0	0	0	0
Wistron Smart Devices President of Global Manufacturing	James Chou	0	0	0	0
Wistron Technologies President of Global Manufacturing	Jackie Lai	0	0	0	0
Wistron Technologies Vice President of Computing Products Business Group	Felix Lai	0	0	0	0
Wistron Technologies Vice President of Service Business Group	Peter Tung	0	0	0	0

3.8.1 Shares Trading with Related Parties : None.**3.8.2 Shares Pledge with Related Parties :** None.

3.9 Relationship among the Top Ten Shareholders(April 19, 2021)

Unit: Shares ; %

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Yuanta Taiwan Dividend Plus ETF	91,991,212	3.17	0	0	0	0	None	None	
Taipei Fubon Bank Trust Account	63,000,000	2.17	0	0	0	0	None	None	
Acer Incorporated Representative: Jason Chen	54,815,995	1.89	0	0	0	0	None	None	
Norges Bank	46,458,944	1.60	0	0	0	0	None	None	
Lin, Hsien-Ming	42,599,252	1.47	1,544	0	0	0	None	None	
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	39,418,535	1.36	0	0	0	0	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	36,615,524	1.26	0	0	0	0	None	None	
King's Town Bank Representative: Tai, Chen-Chih	35,000,000	1.21	0	0	0	0	None	None	
Taiwan Cooperative Bank Representative: Paul C.D. Lei	34,212,000	1.18	0	0	0	0	None	None	
iShares MSCI Taiwan ETF	32,323,921	1.11	0	0	0	0	None	None	

3.10 Ownership of Shares in Affiliated Enterprises

Unit: Shares ; %

Information on investees (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/ Managers		Total Ownership	
	Shares	Ratio of shares	Shares	Ratio of shares	Shares	Ratio of shares
Cowin Worldwide Corporation	217,393,915	100.00	-	-	217,393,915	100.00
Win Smart Co., Ltd.	484,065,492	100.00	-	-	484,065,492	100.00
Wise Cap Limited Company	(Note 2)	100.00	-	-	(Note 2)	100.00
Wistron NeWeb Corporation	89,674,679	22.55	8,950,079	0.08	98,624,758	22.63
INTERNATIONAL STANDARDS LABORATORY CORP.	2,434,462	100.00	-	-	2,434,462	100.00
WiAdvance Technology Corporation	977	0.01	13,998,000	99.98	13,998,977	99.99
SMS Infocomm Corporation	4,832,686	100.00	-	-	4,832,686	100.00
Wistron Mexico S.A. de C.V.	16,004,371,488	100.00	-	-	16,004,371,488	100.00
AII Holding Corp.	347,485,702	100.00	-	-	347,485,702	100.00
Wistron InfoComm (Philippines) Corporation	139,567,270	100.00	-	-	139,567,270	100.00
SMS InfoComm (Singapore) Pte. Ltd.	157,489,410	100.00	-	-	157,489,410	100.00
Wistron LLC	6,936,000	100.00	-	-	6,936,000	100.00
WisVision Corporation	12,005,000	100.00	-	-	12,005,000	100.00
Wistron Europe Holding Cooperatie U.A.	(Note 2)	99.99	-	0.01	(Note 2)	100.00
SMS InfoComm Technology Services and Management Solutions Ltd	37,242,500	99.99	5,000	0.01	37,247,500	100.00
SMS InfoComm Technology Services Limited Company	21,978	99.90	22	0.10	22,000	100.00
Wistron GreenTech(Texas) Corporation	13,005	100.00	-	-	13,005	100.00
Wistron Advanced Materials(Hong Kong)Limited	33,500,000	100.00	-	-	33,500,000	100.00
WiseCap (Hong Kong) Limited	58,445,950	100.00	-	-	58,445,950	100.00
WISTRON TECHNOLOGY (MALAYSIA) SDN.BHD.	267,425,000	100.00	-	-	267,425,000	100.00
Service Management Solutions Mexico S.A. de C.V.	36,429,340	100.00	-	-	36,429,340	100.00
Service Management Solutions Colombia S.A.S.	559,179	100.00	-	-	559,179	100.00
Wistron Mobile Solutions Corporation	20,000	100.00	-	-	20,000	100.00
Wiwynn Corporation	78,418,129	44.85	17,541,680	5.97	95,959,809	50.82
Anwith Technology Corporation	1,000,000	100.00	-	-	1,000,000	100.00
WiEDU Holding Co., Ltd.	5,700,000	100.00	-	-	5,700,000	100.00
Wistron InfoComm (Czech), s.r.o.	(Note 2)	100.00	-	-	(Note 2)	100.00
WiEdu Hong Kong Limited	16,426,000	100.00	-	-	16,426,000	100.00
Wistron Medical Tech Holding Company	280,000,000	100.00	-	-	280,000,000	100.00
Wistron Digital Technology Holding Company	197,671,000	100.00	-	-	197,671,000	100.00
Anwith Corporation	75,000	100.00	-	-	75,000	100.00
SMS Infocomm Global Service (CQ)	(Note 2)	100.00	-	-	(Note 2)	100.00
SMS INFOCOMM CHILE SERVICIOS LIMITADA	(Note 2)	100.00	-	-	(Note 2)	100.00
Wistron Technology Service (America) Corporation	35,000	100.00	-	-	35,000	100.00
WISTRON INFOCOMM MEXICO S.A. de C.V.	13,340,990,012	100.00	-	-	13,340,990,012	100.00
Wistron InfoComm (Vietnam) Co., Ltd	(Note 2)	100.00	-	-	(Note 2)	100.00

Information on investees (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/ Managers		Total Ownership	
	Shares	Ratio of shares	Shares	Ratio of shares	Shares	Ratio of shares
SMS InfoComm (Czech) s.r.o.	(Note 2)	100.00	-	-	(Note 2)	100.00
WIBASE INDUSTRIAL SOLUTIONS INC.	17,888,000	46.10	2,976,000	6.82	20,864,000	52.92
Information SuperGrid Technology Global Inc.	5,000	40.00	-	-	5,000	40.00
Information SuperGrid Technology China Limited	5,000	40.00	-	-	5,000	40.00
HERACLES ENTERPRISES LIMITED	330	30.00	-	-	330	30.00
Formosa Prosonic Industries Berhad	69,260,000	28.00	-	-	69,260,000	28.00
Join-Link International Technology Co. Ltd.	20,261,108	37.99	1,933,947	3.63	22,195,055	41.62
Smartply, Inc	2,723,682	26.67	-	-	2,723,682	26.67
T-CONN PRECISION CORPORATION	3,823,142	13.65	2,528,060	9.03	6,351,202	22.68

Note 1: Long investment of the Company

Note 2: It is the limited company

3.11 Corporate Sustainability and Social Responsibility Management

In order to implement corporate social responsibility, Wistron's Board of Directors established Corporate Social Responsibility Best Practice Principles which clearly defined four major principles to serve as the highest guiding principles for corporate social responsibility. The four principles are: exercising corporate governance, fostering a sustainable environment, preserving public welfare, and enhancing the disclosure of corporate social responsibility information. In addition, an ESG Committee is chaired by Wistron's Vice Chairman who reports to the Board of Directors annually on the implementation and performance of the Wistron CSR program as well as the plans and goals for the coming year.

(1) Corporate Sustainability and Social Responsibility (CSR) Policy

Wistron is committed to establishing a corporate sustainability and social responsibility (CSR) management system that will exceed local regulatory and ethical standards. The development of high-quality green products and services will also be complemented by protection of the environment, employee health, safety and human rights in order to protect stakeholders' interests.

(2) Quality Management System (ISO 9001)

Wistron values customers and the quality of products and services. Wistron follows international quality standards during R&D and manufacturing processes in order to deliver defect-free, competitive products and services to its customers on time.

(3) Green Product Management System (IECQ QC080000)

In order to reduce the environmental load caused by a product during its life cycle, Wistron upholds the concept of green product design for energy conservation, material reduction, hazardous substance restriction, and recycling. In addition, Wistron follows international regulations and customer requirements while striving to simplify design, production, and operation processes to achieve Earth-friendly, sustainable products.

(4) Environmental Management System (ISO14001/ 14064/ 50001)

Wistron understands that its activities, products, and services will influence the environment. To minimize the impact to the environment, Wistron is committed to the zero usage of restricted and banned materials and substances, the conservation of energy usage, and the implementation of recycling programs for our wastes. Through our green product program, we carefully select raw materials and suppliers and actively promote pollution reduction by adopting Earth-friendly technologies wherever feasible.

(5) Occupational Health and Safety Management System (ISO 45001)

Wistron is fully aware of the hazards and risks in the workplace that affect all personnel working within the company's control area. Based on preventing personnel injury and affecting health and safety, the occupational safety and health management system aims to ensure that employees are in a healthy and harm-free working environment.

(6) Social Accountability Management System (SA8000/ RBA)

Wistron complies with Responsible Business Alliance (RBA) and social responsibility standards, continues to improve rights and benefits, establishes an honest, healthy and safe operating environment, and fulfills social responsibilities.

4. Company Shares and Fund Raising

4.1 Capital and Shares (April 19, 2021)

4.1.1 Changes in share capital

A. Type of Stock

Unit : Shares

Shares Category	Authorized capital				Notes
	Issued shares (note)		Non-issued	Total	
	Listed	Non-listed			
Common shares	2,903,612,050	0	1,096,387,950	4,000,000,000	Stock option 200,000,000 shares

Note : Issued shares including treasury stock 58,769,000 shares.

B. Issued Shares

As of 04/19/2021

Month/Year	Par Value (NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2001.05	10	1,000	10,000	1,000	10,000	Issuance of Shares	None	
2001.08	10	350,000	3,500,000	100,000	1,000,000	New issuance of Shares	None	
2002.04	14.5	905,000	9,050,000	500,000	5,000,000	Consideration to purchase assets from Acer	None	
2002.07	22.5	905,000	9,050,000	800,000	8,000,000	New issuance of Shares	None	
2003.03	14.5	905,000	9,050,000	809,962	8,099,620	Issuance of employee stock option	None	
2003.08	14.5	905,000	9,050,000	811,797	8,117,970	Issuance of employee stock option	None	
2003.11	10/14.5	1,125,000	11,250,000	870,925	8,709,251	New issuance of Shares and issuance of employee stock option	None	
2004.04	13.8	1,125,000	11,250,000	882,399	8,823,991	Issuance of employee stock option	None	
2004.09	10/13.8	1,223,700	12,237,000	948,991	9,489,911	New issuance of Shares and issuance of employee stock option	None	
2005.01	13.1	1,223,700	12,237,000	949,314	9,493,141	Issuance of employee stock option	None	
2005.04	13.1	1,223,700	12,237,000	950,741	9,507,411	Issuance of employee stock option	None	
2005.06	13.1	1,600,000	16,000,000	958,391	9,583,910	Issuance of employee stock option	None	
2005.10	30.78/29.67/13.1	1,600,000	16,000,000	1,140,568	11,405,689	New issuance of GDR and issuance of employee stock option and issuance of ECB transferred.	None	

Month/Year	Par Value (NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2006.01	29.44/13.1	1,600,000	16,000,000	1,178,274	11,782,742	Issuance of employee stock option and issuance of ECB transferred.	None	
2006.04	29.44/13.1	1,600,000	16,000,000	1,196,362	11,963,621	Issuance of employee stock option and issuance of ECB transferred.	None	
2006.08	10	1,600,000	16,000,000	1,272,356	12,723,568	New issuance of Shares	None	
2007.08	10	2,000,000	20,000,000	1,381,926	13,819,261	New issuance of Shares	None	
2008.07	47.27	2,000,000	20,000,000	1,405,926	14,059,261	Issuance of common stocks through private placement	None	
2008.09	10	2,000,000	20,000,000	1,516,637	15,166,367	New issuance of Shares	None	
2009.07	49	2,500,000	25,000,000	1,666,637	16,666,367	New issuance of GDR	None	
2009.08	10	2,500,000	25,000,000	1,850,616	18,506,158	New issuance of Shares	None	
2010.02	46.7	2,500,000	25,000,000	1,864,269	18,642,688	Issuance of employee stock option	None	
2010.04	46.7	2,500,000	25,000,000	1,869,794	18,697,938	Issuance of employee stock option	None	
2010.05	46.7	2,500,000	25,000,000	1,870,270	18,702,698	Issuance of employee stock option	None	
2010.08	10	2,500,000	25,000,000	1,963,783	19,637,833	New issuance of Shares	None	
2010.09	46.7/42.5	2,500,000	25,000,000	1,964,133	19,641,333	Issuance of employee stock option	None	
2010.11	42.5	2,500,000	25,000,000	1,965,007	19,650,073	Issuance of employee stock option	None	
2011.03	42.5	2,500,000	25,000,000	1,985,579	19,855,793	Issuance of employee stock option	None	
2011.05	42.5	2,500,000	25,000,000	1,986,152	19,861,523	Issuance of employee stock option	None	
2011.09	10/42.5	3,000,000	30,000,000	2,084,881	20,848,812	New issuance of Shares and issuance of employee stock option	None	
2012.01	37.6	3,000,000	30,000,000	2,084,997	20,849,972	Issuance of employee stock option	None	
2012.04	49.3/37.6	3,000,000	30,000,000	2,093,173	20,931,733	Issuance of employee stock option and issuance of ECB transferred.	None	
2012.05	37.6	3,000,000	30,000,000	2,094,015	20,940,153	Issuance of employee stock option	None	
2012.08	10	3,000,000	30,000,000	2,197,943	21,979,432	New issuance of Shares	None	
2013.04	33.6	3,000,000	30,000,000	2,197,969	21,979,692	Issuance of employee stock option	None	
2013.08	10	3,000,000	30,000,000	2,315,140	23,151,403	New issuance of Shares and cancellation of treasury stocks.	None	

Month/ Year	Par Value (NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2013.09	10	3,000,000	30,000,000	2,377,935	23,779,353	Issuance of Restricted Stock Awards to key employees	None	
2013.11	29.2	3,000,000	30,000,000	2,378,160	23,781,603	Issuance of employee stock option	None	
2014.08	10/ 29.2/ 10	3,000,000	30,000,000	2,447,599	24,475,994	New issuance of Shares. Issuance of employee stock option Cancellation of Restricted Stock Awards to key employees	None	
2014.11	26.6	3,000,000	30,000,000	2,468,267	24,682,674	Issuance of employee stock option	None	
2015.08	10/ 10	3,000,000	30,000,000	2,555,482	25,554,824	New issuance of Shares. Cancellation of Restricted Stock Awards to key employees	None	
2016.07	10	4,000,000	40,000,000	2,579,503	25,795,025	New issuance of Shares.	None	
2016.08	10	4,000,000	40,000,000	2,652,136	26,521,362	New issuance of Shares.	None	
2016.11	10	4,000,000	40,000,000	2,650,316	26,503,164	Cancellation of Restricted Stock Awards to key employees	None	
2017.06	10	4,000,000	40,000,000	2,673,807	26,738,065	New issuance of Shares.	None	
2017.08	10	4,000,000	40,000,000	2,749,861	27,498,607	New issuance of Shares.	None	
2017.11	10	4,000,000	40,000,000	2,748,688	27,486,880	Cancellation of Restricted Stock Awards to key employees	None	
2018.06	10	4,000,000	40,000,000	2,778,828	27,788,282	New issuance of Shares.	None	
2018.07	10	4,000,000	40,000,000	2,765,573	27,655,735	Cancellation of treasury stocks	None	
2018.08	10	4,000,000	40,000,000	2,845,778	28,457,785	New issuance of Shares.	None	
2018.11	10	4,000,000	40,000,000	2,842,122	28,421,220	Cancellation of treasury stocks	None	
2019.08	10	4,000,000	40,000,000	2,840,612	28,406,121	Cancellation of treasury stocks	None	
2021.03	10	4,000,000	40,000,000	2,903,612	29,036,121	Issuance of Restricted Stock Awards to key employees	None	

4.1.2 Shareholding Structure

Date: April 19, 2021

Category/ Number	Government Institution	Financial Institution	Other Institution	Individual	FINI	Treasury Stocks	Total
Number of Shareholders	4	12	344	193,073	1,034	1	194,468
Shareholding (shares)	48,640,258	118,576,728	368,626,333	1,068,052,476	1,240,947,255	58,769,000	2,903,612,050
Percentage (%)	1.68	4.08	12.70	36.78	42.74	2.02	100.00

4.1.3 The Distribution of Shareholdings

Date: April 19, 2021

Category by shareholdings	No. of Shareholders	Number of Shares	Percentage(%)
1 ~ 999	72,556	15,170,904	0.52
1,000 ~ 5,000	89,259	186,047,097	6.41
5,001 ~ 10,000	16,224	121,792,731	4.19
10,001 ~ 15,000	5,690	69,736,359	2.40
15,001 ~ 20,000	2,855	51,586,146	1.78
20,001 ~ 30,000	2,781	69,284,999	2.39
30,001 ~ 50,000	2,060	81,182,955	2.79
50,001 ~ 100,000	1,486	104,110,152	3.59
100,001 ~ 200,000	660	92,102,207	3.17
200,001 ~ 400,000	363	100,907,921	3.48
400,001 ~ 600,000	119	60,051,325	2.07
600,001 ~ 800,000	55	38,184,435	1.32
800,001 ~ 1,000,000	55	48,710,721	1.68
1,000,001 and above	305	1,864,744,098	64.21
Total	194,468	2,903,612,050	100.00

4.1.4 The List of Major Shareholders

Date: April 19, 2021

Name	Shares	
	Number	Percentage(%)
Yuanta Taiwan Dividend Plus ETF	91,991,212	3.17
Taipei Fubon Bank Trust Account	63,000,000	2.17
Acer Incorporated	54,815,995	1.89
Norges Bank	46,458,944	1.60
Lin, Hsien-Ming	42,599,252	1.47
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	39,418,535	1.36
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	36,615,524	1.26
King's Town Bank	35,000,000	1.21
Taiwan Cooperative Bank	34,212,000	1.18
iShares MSCI Taiwan ETF	32,323,921	1.11

4.1.5 Market Price Per Share, Net Value, Earnings & Dividends For Latest Two Years

Unit : NT\$

Item	Period	2019	2020	2021 (As of March 31)
		Market Price Per Share	Highest	30.1
	Lowest	18.6	18.55	29.80
	Average	24.52	29.61	32.13
Net Value Per Share	Before Distribution	26.03	25.73	-
	After Distribution	24.03	-	-
Earnings Per Share	Weighted Average Share Numbers (thousand shares)	2,830,397	2,802,027	-
	Earnings Per Share	Current	2.4	3.1
		Adjusted	2.4	-
Dividend Per Share	Cash Dividend (NT\$)	2	2.2	-
	Stock Dividend	Retained Earning (%)	0	0
		Capital Surplus (%)	0	0
	Accumulated unpaid dividends	0	0	-
Return on Investment Analysis	P/E Ratio	10.22	9.55	-
	P/D Ratio	12.26	13.46	-
	Cash Dividend Yield	8.16%	7.43%	-

4.1.6 Dividend Policy and Implementation Status**A. Dividend Policy**

(A) If the Company has net profit as a result of the yearly accounting closing, the Company shall first offset its losses in previous years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The board of directors may propose the distribution for approval in the shareholders' meeting.

(B) In consideration that the Company is in a capital and technology-intensive industry and in consideration of the Company's expansion and for its continual and steady growth, a long-term investment plan needs to be adopted, therefore, the Company adopts the residual dividend policy as its dividend policy. Dividends paid by cash shall not be less than ten percent (10%) of the total dividends.

B. Proposed Distribution of Dividend

The Board adopted a proposal for 2020 profit distribution at its quarterly meeting on March 23, 2021. The proposed profit distribution will take effect upon the approval of shareholders at the Annual Shareholders' Meeting on June 17, 2021.

Proposal for Distribution of 2020 Profits

Unit : NT\$

Unappropriated retained earnings at the beginning of the year		6,030,766,175
Plus (Less):		
Remeasurements of defined benefit obligation	(208,765,487)	
Changes in ownership interests in subsidiaries	(4,486,851)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(339,706,228)	
Changes in equity of associates accounted for using equity method	6,871,975	
Net Profit of 2020	8,681,762,397	
Legal Reserve	(813,567,581)	
Special Reserve	(3,310,396,850)	
Retained Earnings Available for Distribution		10,042,477,550
Distribution Items:		
Stock Dividends to Common Shareholders	0	
Cash Dividends to Common Shareholders	(6,258,654,710)	(6,258,654,710)
Unappropriated Retained Earnings		3,783,822,840

C. If a material change in dividend policy is expected, provide an explanation : None.

4.1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting :

Not applicable.

4.1.8 Compensation to Employees and to Directors

A. If the Company reports profit as a result of the yearly accounting closing (profit means the profit before tax, excluding the amounts of employees' and directors' compensation), such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered:

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

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

B. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If there would be any 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 as profit or loss in following year.

C. The linkage between directors' performance and compensation:

According to the Article 4 of "The Compensation System, Structure and Management Method of Performance Evaluation for Directors and Business Managers", the directors' remuneration will distributed in accordance with Article 11 and Paragraph 2 of Article 16 of the "Articles of Incorporation", and the payment methods shall be checked in consideration of the functions of individual directors, meeting attendance and other performance appraisals. The Company will review the remuneration system at any time according to the actual operation situation and relevant laws in order to balance the sustainable operation and risk control of the Company. The actual payment of directors' remuneration which in accordance with the "Principles of Directors' and Functional Comittess' Compensation", shall be examined and approved by the Compensation Committee and the Board of Directors.

D. The Board of Directors resolved the employees' and directors' compensation of 2019 as follows:

(A) The Company's 4th term 13th Compensation Committee Meeting and 1st Board Meeting of 2021 resolved the employees' and directors' compensation of 2020 in accordance with the "Articles of Incorporation."

- a. The employees' compensation was NT\$1,546,639,430, and the appropriation rate is 15%, which is paid in cash.
- b. The directors' compensation was NT\$102,078,210, and the appropriation ratio is 0.99%, which is paid in cash.

(B) There is no difference between the BOD's proposed amount of compensation to be distributed to employees and directors and the amount listed in the 2020 financial statements.

E. The Bonuses to Employees and Compensation to Directors in 2019:

	2019			
	Board Resolution	Actual Distribution(Note)		
	Amount(NT\$)	Amount(NT\$)	Equivalent Number of Shares	Dilution(%)
Employees' Compensation in Cash	1,164,750,830	1,164,750,830	-	-
Employees' Compensation in Stock	-	-	-	-
Directors' Compensation	76,873,560	76,873,560	-	-
Total	1,241,624,390	1,241,624,390	-	-

Note: There is no difference between the BOD's proposed amount of compensation to be distributed to employees and directors and the amount listed in the 2019 financial statements.

4.1.9 Treasury Stocks :

(1) Repurchases already completed

Date: April 30, 2021

Treasury stocks: Batch Order	1st of 2020
Purpose of the repurchase	To transfer to employees.
Period for the repurchase	2020/4/7~2020/5/22
Price range of the shares to be repurchased	NT\$16 to NT\$30 per share
Type and number of the shares already repurchased	58,769,000
Monetary amount of the shares already repurchased	NT\$1,607,258,790
Ratio of the number of shares that were repurchased to the planned number of shares to be repurchased (%)	97.95
Shares canceled or transferred	0
Accumulated number of company shares held	58,769,000
Percentage of total company shares held (%)	2.02

(2) Any repurchase still in progress : None.

4.2 Issuance of Corporate Bonds : None.

4.3 Issuance of Preferred Stock : None.

4.4 GDR Issuance: Issuance of Global Depository Shares

Date: March 31, 2021

Item	September 22, 2005	June 19, 2009	
Issuance and Listing	Luxembourg Stock Exchange		
Total Amount	US\$ 233,620,000	US\$ 223,500,000	
Offering Price per GDRs	US\$ 9.3448	US\$14.9	
Units Issued	42,432,013 units		
Underlying Securities	424,320,130 shares		
Common Shares Represented	424,320,130 shares		
Rights and Obligations of GDRs Holders	Same as those of Common Share Holders		
Trustee	Not Applicable		
Depository Bank	Citibank, N.A.-New York		
Custodian Bank	First Commercial Bank Co. Ltd.		
GDRs Outstanding	7,850 units		
Apportionment of expenses for the issuance and maintenance	All fees and expenses such as underwriting fees, legal fees, listing fees and other expenses related to issuance of GDRs were borne by Wistron and the selling shareholders, while maintenance expenses such as annual listing fees were borne by Wistron.		
Terms and Conditions in the Deposit Agreement and Custody Agreement	See Deposit Agreement and Custody Agreement for Details		
Closing Price per GDRs	2020	High	US\$ 13.10
		Low	US\$ 6.15
		Average	US\$ 10.06
	2021/01/01~2021/03/31	High	US\$ 12.20
		Low	US\$ 10.70
		Average	US\$ 11.28

4.5 Employee Stock Options : None.**4.6 Restricted Stock Awards to key employees :**

As of 04/30/2021

Type of New Restricted Employee Shares	Employee restricted stock awards for the year 2020
Date of Effective Registration	December 11, 2020
Issue date	February 18, 2021
Number of New Restricted Employee Shares Issued	63,000,000
Issued Price (NT\$)	0
New Restricted Employee Shares as a Percentage of Shares Issued (%)	2.17
Vesting Conditions of New Restricted Employee Shares	Qualified with both time-based and performance-based requirements set by the issuance rules of the restricted stock awards.
Restricted Rights of New Restricted Employee Shares	<ol style="list-style-type: none"> The employee shall not, except for inheritance, sell, pledge, transfer, give to others, set up, or otherwise dispose of the new shares after the employees have been granted new shares without achieving the acquired conditions. If the employee meets the conditions, the entrusted Trust custodian shall allocate the shares from the trust account to the individual collection and insurance account of the employee. The rights of shareholders' meetings, proposals, speeches, voting and the right to vote shall be carried out in accordance with the trust custody contract. Employees are assigned under these measures to restrict the rights of employees of new shares, before the acquisition of the acquired conditions, other rights include, but are not limited to: dividends, dividends, capital reserve distribution rights, cash replenishment of the equity, etc., with the same rights as the common shares which company has issued.
Custody Status of New Restricted Employee Shares	Managed by security trust
Measures to be Taken When Vesting Conditions are not Met	The shares shall be forfeited and written off.
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	0
Number of Released New Restricted Employee Shares	0
Number of Unreleased New Restricted Shares	63,000,000
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0
Impact on possible dilution of shareholdings	There is no material impact on existing shareholders' equity.

List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

As of 04/30/2021

	Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued	Released				Unreleased			
					No. of Shares	Issued Price (NT\$)	Amount (NT\$ thousands)	Released Restricted Shares as a Percentage of Shares Issued	No. of Shares	Strike Price (NT\$)	Amount (NT\$ thousands)	Unreleased Restricted Shares as a Percentage of Shares Issued
Executive officers	Vice chairman & President of New Business	Robert Hwang	26,100,000	0.90%	0	0	0	0	26,100,000	0	0	0.90%
	President & Wistron Technologies CEO	Jeff Lin										
	President & Wistron Smart Devices CEO	David Shen										
	Chief of Staff	Frank F.C. Lin										
	Chief Technology Officer	Donald Hwang										
	Chief Digital Officer	Kenny Wang										
	Chief Finance Officer	Stone Shih										
	Wistron Technologies President of Enterprise Business Group	William Lin										
	Technical Vice President	Kelvin Chang										
	Strategy Planning Vice President	KY Wang										
	Wistron Technologies President of Computing Products Business Group	Robert CL Lin										
	Wistron Smart Devices President of Component Business Group	Vincent Cho										
	Wistron Smart Devices President of Global Manufacturing	James Chou										
	Wistron Technologies President of Global Manufacturing	Jackie Lai										
Wistron Technologies Vice President of Computing Products Business Group	Felix Lai											
Wistron Technologies Vice President of Service Business Group	Peter Tung											
Employees	Chief Legal Officer	Michael CM Wu	9,000,000	0.31%	0	0	0	0	9,000,000	0	0	0.31%
	V.P. of R&D	York Liang										
	B.G. V.P.	Christopher Huang										
	B.G. V.P.	Christine Hsu										
	B.G. V.P.	Ted Chiu										
	B.G. V.P.	Howard Liu										
	MFG. V.P.	Alec Lai										
	V.P. of SCM	Benny Hu										
	GM	Michael Tseng										
	GM	George C Chou										
	GM	Alex CZ Lee										
	GM	Pen Wei Wu										
	GM	Stanley CH Chung										

4.7 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies shall specify the following matters

: None.

4.8 Implementation of the Company's Fund Raising and Utilization : None.

5. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

A. Main areas of business operations

Company's business primarily covers the R&D, manufacturing, testing and after-sales services of the following items:

- (1) Desktop, motherboard, all-in-one and professional computer
- (2) Server, workstation and other components
- (3) Notebook, tablet, smartphone and handheld devices
- (4) Satellite TV receivers, set-top-box and video codec
- (5) VoIP phone, video conference system, telecommunication equipment and multimedia
- (6) LCD TV and monitor
- (7) After-sales services of above mentioned products and peripheral devices
- (8) Waste collecting and disposing
- (9) Design and merchandising of computer software and programs
- (10) Vitro diagnostic device, physiological signal diagnostic device and medical data system
- (11) Manufacturing, processing and selling of electronic products for automobile

B. Revenue distribution

Unit: NT\$ thousands

Major Divisions	Total Sales in Year 2020	(%) of Total Sales
3C Electronics	754,958,428	89.3
Others	90,053,416	10.7
Total	845,011,844	100.0

C. Current Main Products and Services

- (1) Notebook computers
- (2) Smart phones and handheld devices
- (3) Desktop computers and All-in-One (AIO) computers
- (4) Display products
- (5) Voice over Internet Protocol (VoIP) phones
- (6) Servers and network storage facilities
- (7) Industrial PC

- (8) After-sales services
- (9) Green recycling services
- (10) LCM services (Display components)
- (11) Educational technology services

D. New products and Services development

- (1) Medical devices, Medical AI and Big Data services
- (2) Electrical vehicle
- (3) Cloud technology services

5.1.2 Industry Overview

A. Progress and Development of the Industry

2020 was a thriving year for PC market demand. According to Canalis research, in 2020 the shipments of personal computers totaled 297 million. Compared with 267 million in 2019, a strong growth of 11% was mainly driven by vibrant demand for remote work and learning as the Covid-19 virus spread faster than expected. However, in terms of mobile devices, the shipments of smartphones continuously declined since the pandemic weakened the overall global economy and demand. Compared with 2019, smartphone shipments declined by 6% from 1.37 billion to 1.29 billion units.

(1) Personal Computers

In 2020 due to the pandemic outbreak, the confirmed cases and death toll continuously reached record highs. The upward trend of infections has not eased even with the worldwide rollout of vaccinations. Governments implemented control measures such as isolation and quarantines to contain the virus transmission. Work-from-home and long-distance learning arrangements were the new life-style that people gradually adopted, which drove the strong demand for notebook computers. In the marketplace, consumers suddenly did not have enough notebooks and the specifications for their existing notebooks could not fulfill the new application scenarios of every family member's needs. On the other hand, remote work really generated advantages in terms of employee productivity and cost saving from lower traveling and OA expenses; whereas distance learning was not as advantageous when the physical interaction between teachers and students disappeared. Nevertheless, remote learning is still the best way to maintain students' learning schedules while the virus continues spreading worldwide and triggers more reliance on PC devices. All in all, the shipments of notebook computers started to grow and kept an upward trend from the second quarter of 2020.

Looking at 2021, as vaccines become more widely available, the economy will gradually recover from the pandemic's impact. However, the rush demand for 5G, automotive devices, and PCs has caused shortages of electronics components which manufacturers find difficult to manage. The component shortages indeed hamper the PC shipments as the demand is always stronger than supply. Overall, we are still optimistic the total NB volume will maintain an upward trend compared with 2020.

(2) Mobile Devices

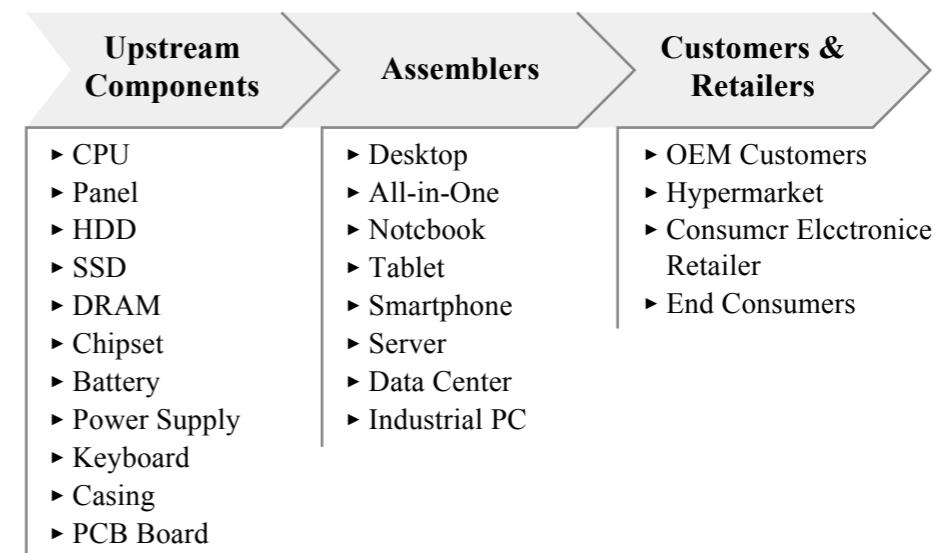
During recent years, from tablets and smartphones to wearable technology, mobile devices are evolving in both the hardware side (such as 3D camera, rollable display, and facial recognition) and the software side (such as AI virtual assistant and medical care monitor). Originally, market consensus expected 5G deployment could trigger another new product replacement cycle in 2020; however, in contrast, the shipments declined by 8.7% according to Gartner. From earlier the year, due to expanding COVID-19 virus outbreaks, China and other countries gradually used city lockdown measures to prevent virus diffusion which promptly affected the supply chain of electronic components delivery and slowed down global economic growth. Later on, the economy uncertainties continued to put pressure on nonessential spending through the end of 2020. In terms of 2021 smartphone demand, the market consensus tends to be more optimistic and expects a positive year-over-year growth trend, which is backed by the easing epidemic, better economy outlook, and postponed 5G smartphone replacement demand.

(3) Data Centers and Cloud Services

Benefiting from growing adoption of mobile devices and development of various cloud services during recent years, demand for datacenter, cloud storage, e-commerce, and social media is sharply increasing. Furthermore, many internet service providers, like Google and Facebook, started to set up their own specifications and directly purchase datacenters from manufacturers, which made the shipment growth of datacenter dramatically outperform traditional server. In addition, due to the pandemic more people worked from home, applied long-distance learning, and utilized on-line shopping and gaming services, causing demand for datacenters to increase by 7% in 2020. The strong momentum is expected to continue. In contrast, the traditional X86 server market declined as enterprises cut their IT spending, but we expect in 2021 the demand momentum will gradually rebound and achieve a small growth due to CPU platform upgrade and pandemic mitigation.

For 5G technology, following market standardization, the popularization of smart devices and mobile communication networks continues to accelerate across global markets. Consumers are now accustomed to using social media and live streaming social video services through their smartphones and other smart devices. In addition, 5G networks truly take advantage of technologies such as automation, artificial intelligence, and augmented reality for troubleshooting. These 5G networks also realized the advent of telehealth applications with remote home monitoring systems and remote surgery. With 5G related applications becoming widely utilized, 5G network services require lower latency, larger bandwidth, and massive connection from telecommunications networks. To optimize performance, 5G services will need to reduce the workload of core networks by relocating partial computing to edge networks through the adoption of edge computing technologies and services; therefore, downstream companies will have to catch the business opportunity and closely cooperate with carriers to build the efficient platforms for 5G total solutions.

B. Correlation of the industry supply chain (as picture shown below)



C. Product Trends and Competition

(1) Product Trends

Following the rapidly increasing amounts of data created by end-users through various kinds of devices, brand name companies and platform enablers now collect those data for different analytical purposes. Hence, the design of devices (mostly related to different components such as CPU, camera module, and display) is being upgraded for better computing power, allowing for end-users' migration to utilization of AR/VR. Apart from these upgrades, the feature changes are limited. In the future, 5G networks will further change people's life style and create new demand for server hardware, edge computing, and IoT devices. Meanwhile, more IT companies' resources are being dedicated to software applications in areas such as automotive, medical, and education platforms.

For example, the automotive industry benefits from more efficient 5G networks, and autonomous driving under certain environment could arrive over the next few years with direct vehicle-to-vehicle and vehicle-to-infrastructure communications. To achieve these new services autonomous cars need more precise calculations based on reliable connectivity. Also, 5G networks can turn cars into a connective device with computing functions, which provides IT companies much more opportunities to penetrate into the supply chain.

Based on the faster data transmission, AI image recognition, VR surgery simulator, and internet connected medical equipment, the 5G-powered technology used in the medical field can upgrade telemedicine capabilities, enabling doctors and patients to meet remotely. New 5G-powered technology also allows early warnings of abnormalities, more accurate autonomous operation of robots, and more efficient home care services. Those new development generates plenty of new business potential for downstream tech companies as well.

(2) Competition

In addition to business scale, how to enhance operations and management efficiency, lower costs, and optimize product and customer mixes have become the key factors in the industry to maintain sales growth and competitiveness. Those factors can be achieved through leading innovative product development capabilities, digital transformation, and a global manufacturing footprint.

Major PC ODMs in Taiwan

Notebook	Wistron, Quanta, Compal, Inventec, Pegatron
Desktop	Wistron, Hon Hai, Pegatron
Smart Device	Wistron, Quanta, Compal, Inventec, Pegatron, Hon Hai
Server	Wistron, Hon Hai, Quanta, Inventec, MiTAC
Monitor	Wistron, AOC, Qisda, Foxconn

5.1.3 Research and Development**A. Research and Development Expenses in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report**

	2020	2021 (As of March 31)
R&D Expenses (NT\$ thousands)	19,049,271	-
R&D Expenses to Revenue	2.25%	-

B. The successful development of technologies and products

(1) Intellectual Property

In 2020, Wistron has 121 U.S. and 169 Taiwan patents granted, which ranked the 16th and the 11th highest, respectively, among Taiwanese companies. Additionally, Wistron actively develops global patent strategy, and has obtained over 186 issued patents in various other countries in 2020. Going forward, Wistron will continue to implement a unified plan for intellectual capital management, aligning with company's strategic considerations and business objectives, to drive the timely creation, management and monetization of intellectual property rights.

(2) Technologies and products

Year	R & D results
2020	Enterprise business technology services <ul style="list-style-type: none"> ● Image increment system for improving defect identification efficiency during manufacturing process
	Industrial computers <ul style="list-style-type: none"> ● Improvement of integrated waterproof structure to protect speaker component against water and drop ● International explosion-proof (UL C1D2、ATEX、IECEX) and CS (DNV GL/ IACS10) certificated Box PC ● Fanless Box PC capable of operating under wide temperatures (-40~70°C) ● IPC RAS (Reliability/Availability/Serviceability) function integration and optimization
	Internet of Things <ul style="list-style-type: none"> ● System of efficiently updating traffic and map information ● Tiny object detection system in large-scale ● HMI software architecture design and OPC UA implementation
	Medical devices <ul style="list-style-type: none"> ● Brushless DC motor and control method of powered exoskeleton ● Control method of multiple position sensors ● mmWave radar system for vital sign detection
	Enterprise storage <ul style="list-style-type: none"> ● Video Conference Phone ● Liquid Cooling Eco-System ● Datacenter Connecting Switch
	Professional display solution <ul style="list-style-type: none"> ● Outdoor digital signage capable of operating under wide temperatures (-30~50°C) ● Direct-lit display with multiple optical path length ● Large-scale touch screen with ultra-narrow bezel ● Energy-saving, eye-care, and wide-gamut display
	Artificial Intelligence <ul style="list-style-type: none"> ● Applying machine learning technology on anomaly detection during manufacturing process of audio products
	Laptop computers <ul style="list-style-type: none"> ● Dual display laptop with auto switch audio output channels by different display modes ● Low latency switching method of audio output modes

5.1.4 Long-Term and Short-Term Business Development Plans

A. Short-Term Development Plan

Wistron aims to strengthen customer satisfaction, provide the best quality, strengthen current customer relations, and optimize existing customers and product portfolios. The short-term business development indicators will include improving operational efficiency, increasing capacity utilization, and boosting profitability.

B. Long-Term Development Plan

In the long run, the Company will continue to increase the profitable products and services (including hand held mobile products, servers, network storage, industrial computers, and after-sales service, etc.) and accelerate achieving breakeven profitability in our newly invested businesses.

The strategic plans are as follows:

(1) Marketing Strategy

- A. Continue to improve core competency in professional designs and technological services.
- B. Maintain high-quality and high-performance products.
- C. Continue to optimize the global service network for providing a comprehensive range of after-sales services.

(2) Manufacturing Policy

- A. Optimize the global manufacturing system by improving production automation ratio and phasing in digital intelligent manufacturing gradually to enhance efficiency and lower costs.
- B. Continue to promote Six Sigma projects in combination with performance goals to comprehensively enhance quality and efficiency.

(3) Product Development Goals

- A. Cultivate excellent R&D experts and improve their R&D capabilities.
- B. Use existing computer research and manufacturing capabilities to strengthen the research and development of servers, network storage devices, advanced network management systems, and industrial computers. We also will integrate the concept of Internet of Things service into Smart Home trends that provide connectivity, entertainment, home security, voice control, and healthcare functions, thereby introducing new value-added products and technological services featuring innovative functions.
- C. Commit to energy conservation by adopting eco-friendly materials and technologies that comply with green product and related environmental laws.

(4) Operation Scale and Financial Support

- A. Actively integrate and develop production capacity overseas to fulfill business requirements.
- B. Strengthen balance sheet management, control the number of cash turnover days to within a reasonable range, and sustain a healthy financial structure.

5.2 Market, Production and Sales

5.2.1 Market Analysis

A. Sales (Service) Region

(1) The Major Products and Sales Value in the Most Recent Two Years

Unit: PCS ; NT\$ thousands

Sales Value Major Product	Year		2019				2020			
			Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Computer, Communication & Consumer electronics	572,603	4,986,486	85,831,656	772,835,611	717,073	5,221,526	88,669,215	749,736,902		
Others	18,025	323,796	68,847,128	100,109,185	143,395	206,365	71,259,508	89,847,051		
Total	590,628	5,310,282	154,678,784	872,944,796	860,468	5,427,891	159,928,723	839,583,953		

Note: Company shall prepare consolidated financial reports of 2019 & 2020 in accordance with IFRSs regulation.

(2) The Company significant sales based on exported products. Stated below are the geographic information on the Group's sales presented by destination of sales presented by location.

Unit : %

District	Year	2019	2020
United States		37.75	40.24
Japan		2.40	2.77
HK /China		28.46	23.68
ASEAN		3.81	3.41
Europe		19.23	20.79
Others		8.35	9.11
Total		100.00	100.00

Note: Company shall prepare consolidated financial reports of 2019 & 2020 in accordance with IFRSs regulation.

B. Market Share

Taiwan is a major supplier of information technology products as exemplified by these iconic products. According to the MIC (February 2021) and market statistics, Taiwan produced 163,196 K notebook computers, 42,782 K desktop computers and 9,849 K servers in 2020, of which about 12%, 23%, and 25% were produced by our company respectively. These numbers demonstrate our company's considerable competitiveness in the market.

C. Future Market Supply and Demand and Future Growth

(1) Future Market Possible Supply and Demand Scenarios

A. Supply Perspective

The personal computer (PC) market has reached maturity and Taiwan's manufacturers must rely on exceptional cost control, assembly technology and production flexibility while devising strategies, engaging in research and development, and building on marketing and management experience to acquire OEM orders. With complete upstream and downstream integration, Taiwanese manufacturers can supply competitive products and retain an edge in research and development, offering ODM services that differentiate them from foreign OEM manufacturers. The impact of the COVID-19 epidemic on the global production and transportation in 2020 has caused broken supply chains. Shortage of labor and parts have become urgent crisis.

B. Demand Perspective

With the spread of smart devices and mobile networks, the global information technology market has shifted the demand from PCs to smart devices, resulting in a decline in market demand for PCs. The global epidemic in 2020 has unexpectedly increased the demand for PCs and servers, but when the world restores order, the PC industry will still have to face the challenge from the growth limit.

Global PC Shipments Growth Trend

Unit: 1 = 1000 units

Year	2019	2020	2021(e)	2022(f)	2023(f)
Number of NBs	158,435	200,805	227,110	217,344	212,780
Growth Rate	4.06%	26.74%	13.10%	-4.30%	-2.10%
Number of DTs	105,180	93,450	88,600	86,800	82,400
Growth Rate	-1.73%	-11.15%	-5.19%	-2.03%	-5.07%
Number of PCs (NB + DT)	263,615	294,255	315,710	304,144	295,180
Growth Rate	1.67%	11.62%	7.29%	-3.66%	-2.95%

Source: DIGITIMES Research (January 2021) Compound growth rate is around 2.87% from 2019 to 2023.

(2) Future Growth

We continue to expand the ratio of higher profit products (such as servers) and expedite growth and profit in technology service businesses.

Global Server Shipments Growth Trend

Unit: 1 = 1000 units

Year	2019	2020	2021(e)	2022(f)	2023(f)
Number of Servers	12,537	12,814	13,235	13,814	13,968
Growth Rate	-3.23%	2.21%	3.29%	4.37%	1.11%

Source: Gartner (December 2020) Compound growth rate is around 2.19% from 2019 to 2023.

D. Competitive Niches

(1) Fully Staffed and Experienced R&D Team

Each business unit in our company has their own R&D department responsible for the research and development of their products. As of January 2021, our company has a R&D team of over 4,800 people, over 99% of which have a college degree or higher and main team leaders have on average over 25 years of experience in developing products in their field. These conditions are a testament to our R&D's strength in terms of the quality of people and their experience.

(2) Fully Integrated Manufacturing Base

We intend to continue our OEM business while actively venturing into new realms. The company's manufacturing bases are located in Taiwan, China, Mexico, Czech Republic, Vietnam, India, and Malaysia.

One of our company's key advantages now is receiving purchase orders in Taiwan and through lean manufacturing by decreasing production waste, improving production efficiency, and reducing manufacturing cost to maximize profits.

(3) Solid Clients and a Diversified Portfolio of Products

Our company's business is based mainly on providing professional OEM services supporting clients with world renowned brands, each comprising an equal share of our sales. Our products are also diversified and the company is not affected by shifts in the industry of a single product. The company is also not affected by instability of supply and demand due to clients' shift in product strategy.

(4) Focus on Product Quality

Building on years of experience in design and manufacturing, very comprehensive testing and quality control of our products have earned our clients' trust.

(5) Solid Relationships with Suppliers

No matter to sources of key technologies or suppliers of key components, the company maintains long-term partnerships and total cost considerations with our supply chain to provide comprehensive services and solutions with regards to cost, quality, and delivery.

(6) Global Logistics Management Capability

The company has established manufacturing bases and service centers in Europe, Americas and Asia. Over time, we have established effective global logistics management capabilities in order to fulfill a wide range of demands from clients in different parts of the world. This crucial capability matches future trends in the industry and has become one of the key advantages of our company.

(7) Professional Management Team

Our management teams are all senior professionals with over 20 years of related experience in the industry. The team enjoys a history of collaboration and shares common ideas and a common goal, paving the way for effective leadership to facilitate growth.

E. Advantages and Unfavorable Factors to Long-Term Development and Responding Measures**(1) Advantages****A. Taiwan enjoys an extensive information technology industry with strong overall marketing capabilities.**

The domestic IT industry has undergone several phases of transition and matured in the process. The Taiwanese IT industry occupies a solid place in the global marketplace. The industry is proportionally dispersed and well-integrated among individual industries allowing mutual support.

This has led to an increase in the international marketing capability of Taiwan's IT industry, enabling this industry to become a global procurement center for personal computer related products.

B. Taiwan's component industry has matured and enjoys a stable supply of key components.

In recent years, Taiwanese manufacturers have gained dominance in key components such as chip sets, printed circuit boards, and touch modules for motherboards, notebook computers, tablet computers, smart phones and LCD displays. The industry's comprehensive development has helped advance the domestic IT industry and boost Taiwan's IT capabilities.

C. Potent R&D and Technical Innovation Capabilities.

Our company has one of the finest R&D teams in the industry and continues to strive for product development and technical innovation. We cooperate with CPU manufacturers to jointly develop new products, which allow us to market new technologies ahead of competitors. We also maintain R&D departments in all IT product business units, enabling the company to stay ahead of competition in a highly competitive market with short product cycles.

D. Solid After-Sales Service Networks

The company has established service centers on three continents in Taiwan, China, the Czech Republic, Japan, Hong Kong, Singapore, India, the Philippines, Turkey, Mexico and Brazil, offering real-time and efficient after-sales service.

(2) Unfavorable Factors**A. Intense Competition Lowers Profit**

The development of the IT industry has lowered entry barriers and the influx of producers has led to intense competition. Meanwhile, the maturity of computer products, advancement of manufacture technology, over-capacity, and less product feature differentiation have led to profit margins decline.

B. Exchange Rates' Effect on Profits

The company's products are mostly for export and profits are susceptible to changes in exchange rates.

C. Mounting Labor and Land Costs Raise Production Costs

Automated assembly can accommodate the production of most of the company's products but certain components still rely on manual labor. Mounting labor cost has raised operation expenditures in China and the industry's production costs which are detrimental to competition in the global market.

(3) The Company's Response**A. Confront the competition by active product innovation with high value-added products development, and industrial transformation.****B. Maximize production efficiency by strengthening cost and inventory control and increasing automation.****C. Hedge against exchange rate risks by balancing assets and debt in foreign currency to lower net foreign currency position.****D. Finance personnel must be wary of fluctuations in exchange rates and the company's demand for funds by taking appropriate hedging measures.****E. Raise the quality of the products and lower dependence on manual labor by actively investing in automated production equipment.****F. Increase capacity utilization by streamlining design and production instead of merely increasing capacity.****G. In response to the rising operating costs in Mainland China and the escalating Sino-US trade war, the strategy of globalizing our manufacturing bases will be continued to control costs and diversify risks.**

5.2.2 Core Applications of Major Products and Manufacturing Processes :

A. Core Applications of Major Products

Data storage, logic computation, analyses, network communication, data management, computer-assisted design, manufacturing, publication, education, entertainment, advertising, electronic purchases, word processing, financial services and finance management.

B. Manufacturing Processes

(1) Printed Circuit Board Assembly (PCBA)

Incoming material inspection → materials preparation → solder paste printing → high speed placement for small surface mount device → Flexible placement for fine pitch/large surface mount device → nitrogen reflow heating and soldering → automatic optical inspection → in-circuit tester inspection → on-line inspection → component insertion → wave soldering in heated tin stove → mending operations → PCB ICT and ATE tests → functional inspection → visual inspection → packaging → inventory → shipping

(2) Final Assembly (FA):

Incoming material inspection → materials preparation → assembly → system function pre-test → run-in test → operation system download → system final function test → visual inspection → packaging → inventory → shipping

5.2.3 Status of Supply of Chief Materials :

Main Materials	Domestic and Foreign Sources	Status of Supply
CPU	United States	With manufacturing yield-rate increasing, PC CPU major supplier, Intel, 2020 comprehensive shipping number better than 2019. Basically, the overall support capability in 2020 should be better than 2019 but still slightly supply tight because worldwide laptop demand strong caused by COVID-19 pandemic. Upon PC, Server, Data Center related devices market demand booming in 2021 and, most importantly, "substrate" overall utilization rate high, all those factors still cause CPU supply constraint with well management needed on End-customer demand and production planning arrangement in order to smoothly achieve the final production/shipping target and fulfill End-customers' annual market plan.
Hard Drives	United States, Japan	Owing to the impact of the COVID-19 epidemic in the first half of 2020, the demand for solid state drives is in short supply, and prices have risen significantly. In the second half of the year, customers generally have higher inventory levels, which demand and prices begin to fall. Manufacturers focus on process evolution to develop with higher capacity. Compared with traditional hard drives, solid state drives have become the mainstream of the market. Looking forward to 2021, global demand is continue to increase, but semiconductor production capacity is tight, resulting in short supply and price increased.
DRAM	United States, Japan, Korea	Due to the impact of the COVID-19 epidemic in the first half of 2020, the memory market in the first half of the year was in short supply, and the prices of mainstream products increased significantly. In the second half of the year, the high inventory levels on the client side generally reduced demand and prices began to fall. However, in September, a large number of shipments from Huawei due to Sanctions effect, the supply began to be tight in the fourth quarter and price stopped falling. Looking forward to 2021, global demand will continue to increase, but semiconductor production capacity is tight, resulting in short supply and price increased.
Power Supply	Taiwan, China	In 2020, the supply of power supplies will be tight. Due to the slower return rate of manpower caused by COVID-19 and the extended delivery period of upstream materials (transformers/ICs, etc.), the overall production capacity will gradually recover in the second half of the year. The quantity of goods remained the same. Looking forward to 2021, the supply of power supplies is still tight (manpower conditions and poor delivery of upstream materials), and there is no obvious improvement trend compared to 2020.
PCB	Taiwan, China, Austria, Korea	2020 Q1 supply constrain due to labor shortage. 2020 Q2~Q4 business booming especially in NB, Monitor market and PCB raw material also in uptrend, it caused PCB no cost support.
LCD	Taiwan, China, Japan, Korea	Supply constrain of LCD for notebook and monitor in 2021. - Q1/Q2/Q3: Order visibility till Q3 and supply tight caused by Covid-19. - Korean panel maker re-jointed TFT production and expected to support till end of Y2021. - From 2020 to 2021, the price of panel modules will increased 20%, and the quarterly increase of modules is around 10% (Cell is expected to increase by 5%, IC is expected to increase by 10%-20% every quarter). In general, 2021 will be in short supply.

5.2.4 Key Accounts in the Past Two Years

A. Key Suppliers

Unit: NT\$ thousands

Item	2019					2020				2021 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A Company	127,957,394	16.48	None		A Company	175,836,795	23.43	None	-	-	-	-
2	C Company	95,590,142	12.31	None		C Company	107,344,631	14.30	None	-	-	-	-
3	B Company	65,926,620	8.49	None		Others	467,395,037	62.27	None	-	-	-	-
4	Others	486,897,726	62.72	-		-	-	-	-	-	-	-	-
	Total	776,371,882	100.00	-		Total	750,576,463	100.00	-	-	-	-	-

Note : Increase and decrease of the amount was due to business demand.

B. Key Buyers

Unit: NT\$ thousands

Item	2019					2020				2021 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Buyer H	166,314,984	19	-		Buyer H	216,470,510	26	-	-	-	-	-
2	Buyer G	140,221,187	16	-		Buyer G	121,108,235	14	-	-	-	-	-
3	Buyer I	93,816,112	11	-		Buyer I	104,151,084	12	-	-	-	-	-
4	Buyer D	90,628,380	10	-		Buyer D	50,261,544	6	-	-	-	-	-
5	Others	387,274,415	44	-		Others	353,020,471	42	-	-	-	-	-
	Total	878,255,078	100	-		Total	845,011,844	100	-	-	-	-	-

5.2.5 Production Value in the Most Recent Two Years

Unit: PCS; NT\$ thousands

Year Production Value Major Product	2019			2020		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Computer, Communication & Consumer electronics	133,111,976	95,324,685	785,790,862	145,617,173	103,439,610	787,683,906
Others	131,516,189	66,493,693	122,078,031	144,283,552	74,673,039	111,811,274
Total	264,628,165	161,818,378	907,868,893	289,900,725	178,112,649	899,495,180

Note: Company shall prepare consolidated financial reports of 2019 & 2020 in accordance with IFRSs regulation.

5.2.6 The Sales Value in the Most Recent Two Years

Unit: PCS; NT\$ thousands

Year Sales Value Major Product	2019				2020			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Computer, Communication & Consumer electronics	572,603	4,986,486	85,831,656	772,835,611	717,073	5,221,526	88,669,215	749,736,902
Others	18,025	323,796	68,847,128	100,109,185	143,395	206,365	71,259,508	89,847,051
Total	590,628	5,310,282	154,678,784	872,944,796	860,468	5,427,891	159,928,723	839,583,953

Note: Company shall prepare consolidated financial reports of 2019 & 2020 in accordance with IFRSs regulation.

5.3 Taiwan Employee Data during the Past Two Years

Year	2019	2020	As at Mar. 31st, 2021	
Employee Number	Sales	914	1,346	1,335
	Engineers	4,599	5,253	5,625
	Administration	1,647	1,365	1,056
	Direct Labor	1,052	1,807	1,759
	Total	8,212	9,771	9,775
Average Age	36.34	36.12	36.24	
Average Seniority	6.55	5.83	5.91	
Distribution of Education	Doctor	40	50	60
	Master	3,161	3,619	3,646
	Bachelor	3,562	4,247	4,247
	Diploma	889	1,130	1,131
	High School	459	669	638
	High School Below	101	56	53

5.4 Environmental Protection Expenditure**5.4.1 Total Losses and Penalties**

The loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report: None.

5.4.2 Countermeasures and possible disbursements to be made in the future : None.**5.4.3 Environmental Protection Measures**

The Company's current compliance with RoHS directive 2011/65/EU and other environmental protection requirements may be explained through the following aspects:

(1) Product Research and Development

All products developed by Wistron focus on 3 subjects- hazardous free, energy saving, and resources reduction as well as have fully conformed to the European Union's RoHS directive 2011/65/EU , (EU) 2015/863 and WEEE requirements. Furthermore, we are actively paying close attention to other environmental protection trends, such as Green House Gas, Product Carbon Footprint & Water Footprint, Halogen-free, REACH, PAHs, PFOS, Energy Start, ErP and the US EPEAT (Electronic Product Environmental Assessment Tool). Implement the Eco-design from product development; we strive to contribute for the betterment of the global environment.

(2) Production/Manufacturing

All Wistron manufacturing bases of operation have the capacity to produce environmental friendly products; the Material Management System, Manufacturing Process Control, and Lead-free production equipment are all established. Our Taiwan, Philippines, China and Czech operation bases have been certified ISO 14001 and IECQ QC08000 (Hazardous Substance Process Management). To ensure product compliance with relevant requirements through a comprehensive environmental quality management system. We also inventory greenhouse gas emission from production and verified by 3rd party for ISO 14064 as well as refer to the methodology of Science based target (SBT) to setup a medium and long term reduction goals. Moreover, the electricity consumption is the major contribution of greenhouse gases emission. To reduce the power consumption can reduce the greenhouse gases emission; therefore, Wistron improved the energy efficiency for major equipment and use the energy saving equipment to reduce the greenhouse gases emission and energy usage cost. We have used the renewable energy in production and have established solar power generation in our Zhongshan, Kunshan, Kunshan OPT site and Neihu Headquarters since 2017. Furthermore, Wistron purchased 188 million kilowatt hours international renewable energy certificate (I-REC). The goal is to increase the percentage of using the renewable energy over 74% in W.W. manufacturing sites by 2025. In order to analysis the efficiency of energy utilization and find out the opportunity of energy saving as well as providing framework of sustaining performance improvement of energy efficiency, Wistron started to implement the ISO 50001 energy management system in Taiwan and China Plants since 2014.

(3) Quality Control

Wistron has established hazardous substance analysis laboratories in Taiwan, China, Czech, and Mexico. There is a new analysis laboratory will be established in Vietnam in 2021. The deployment of a global hazardous substance testing network will be enhanced. The testing capability include the RoHS ten restricted substances and the other substances e.g. Bromine, Chlorine, Arsine and Antimony, etc. We implemented the regular sampling test mechanism to ensure that components and products don't contain the hazardous substances. In addition, there are several automation projects implemented to improve the operating efficiency of laboratories.

(4) Supply Chain Management

Wistron conducts regular audit and checks on suppliers to ensure that materials and components comply with environmental protection requirements; we change unqualified suppliers as well as hold annual vendor conference to introduce green product trend and Wistron's environmental requirements to reinforce suppliers' awareness on environmental protection. Our philosophy is to implement source management programs to minimize risks. To improve global warming is important issue to environment, Wistron has required suppliers to provide the data of greenhouse gases emission and encourage supplier to reduce the emission since every year. Furthermore, Wistron start to inventory the scope 3 of greenhouse gases emission for Taiwan office and factory since 2015. Collect the emission which is generated by employee travelling and transportation for product and materials. There are more manufacturing sites located in China were included in the inventory scope in 2016.

(5) Personnel

Wistron has established a dedicated material analysis laboratories and green component engineering department, in charge of hazardous substance analysis and component qualification through chemical analysis. Furthermore, continuously monitor green product trend as well as provide proposal and solution. In addition, the reinforcement of employees' environmental protection knowledge and skills through actual training courses and e-learning ensures the employees in the Company shall perform relevant environmental protection tasks well.

(6) Information System

Wistron has established a Green Product Management GPM system ; suppliers may directly upload related environmental protection information into Wistron's GPM database through the internet so as to simplify procedures, minimize human error, and enhance task efficiency. The flexibility of the interface allows it to cope with future environmental protection requirements. Moreover, GPM could generate customized format report to declare the green product information to customers. We have implemented the GPM2.0 to enhance the system function and efficiency in 2014. We have implemented a new function to directly link the database of testing report from the 3rd party labs to reduce the human effort and error as well as improve the operations in 2019. In order to efficiently address the increased requirement of controlled hazardous substances, e.g. REACH-SVHC, Wistron has developed and implemented the Full Material Disclosure (FMD) information system to know well the composition of materials used in the products. Therefore, we can quickly verify whether the hazardous substances be used

in product as well as reduce the operation cost due to the repeated investigation. In addition, Wistron has developed a product Carbon Footprint Management (CFM) system to inventory the total emission of carbon dioxide for whole product lifecycle as well as passed the verification by 3rd party.

5.5 Labor Relations**5.5.1 Detailed descriptions of employee benefits, training and development, retirement plan and each of the implementations, as well as the labor management agreement and employee rights preservation policies are listed in the following****A. Employee benefits**

The Company always cares and values employees by implementing a series of programs in accordance with the law to help employees develop a higher quality of working life, which, in turn, enhances productivity. These programs include allocating welfare funds, establishing an employee welfare committee, and electing employee committee members to plan for annual benefit activities. In addition, Wistron also provides employees free commuting transportation, Employee Assistance Programs (EAPs), family party, fitness center, group insurance plans.

B. Employees training and development

In addition to pursuing business growth and profit, the Company focuses a lot more on long-term talent cultivation and development. The Company provides multiple learning channels such as in-class training, online courses, and action learning for employees. Furthermore, during the epidemic of COVID-19, the Company not only developed micro-mobile learning and live streams, but also introduced cloud training system and Learning APP, no limits in time or space, to employees.

The Company has been implementing "key digital talent cultivation" program to align with the Company's strategy of digital transformation. To shape a culture of digital thinking, the Company has introduced a serial "digital transformation training courses". Moreover, to enhance work efficiency and to improve work processes, the Company also held digital workshops.

Since managers are the core talents of business operations, the Company evaluates leadership and potential capabilities of successor candidates, and analyses managerial skill gap for an effective talent development plan.

Human capital is the key factor of competitive advantage of differentiation and the infrastructure of sustainable business. The Company has been establishing training systems based on competency for all functions and developing various talent programs aligned with the Company's strategies. The Company aims to enhance sustainability by enriching human capitals.

C. Retirement plan

To develop a stable retirement plan for the employees and therefore enhance employees' engagement to the Company, Wistron establishes rules for the employee retirement plan in accordance with the Labor Standard Law and Labor Pension Act. Wistron contributes six percent of applicable employee's monthly wage to the labor pension per month according to Labor Pension Act. Besides, Wistron establishes Supervisory Committee of Workers' Retirement Fund to allocate employee retirement reserve fund each month in accordance with "Rules for the Allocation and Management of the Workers' Retirement Fund" and deposits the fund into the dedicated account in the name of Supervisory Committee in the legally established banks.

D. Labor Relations

The Company always values communication with the employees, and endeavors to achieve labor management harmony. The Company has never been subjected to any loss due to labor management dispute and expects no such kind of loss in the future.

5.5.2 At the time of printing this publication, loss incurred by labor dispute and the amounts of anticipated losses and countermeasures:

A case of violation: Article 24 of the Labor Standards Law and it was fined NT\$20,000. The company has re-examined the working hours management system, strengthened communication and promoted that all employees are able to apply for overtime payment through internal system. Furthermore, the company has been reminding employees to verify that all overtime applications have been done when employees resign. The company protects the rights and interests of every employee and prevents from any future recurrence.

5.6 Important contracts

Contract Type	Contracting Party	Term of Agreement	Main contents	Restrictive clauses
Purchase Agreement	Foreign and Domestic Companies	Valid	Purchase of computer products and components	None
Maintenance Agreement	Foreign and Domestic Companies	Valid	Maintenance for the hardware and software	None
License Agreement	Foreign and Domestic Companies	Valid	License of certain software and patents	None
Product Development And Supply Agreement	Foreign and Domestic Customers	Valid	The customers will purchase computer products developed and manufactured by Wistron	None

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)					2021 (As of March 31)
		2016	2017	2018	2019	2020	
Current assets		225,656,731	270,205,662	275,427,144	278,747,752	361,960,347	-
Net property, plant and equipment		36,448,176	36,653,350	42,868,387	40,673,093	36,572,342	-
Intangible assets		1,247,465	1,057,624	1,077,197	957,532	1,104,234	-
Other assets		19,403,186	18,736,746	19,729,847	23,797,958	29,185,522	-
Total assets		282,755,558	326,653,382	339,102,575	344,176,335	428,822,445	-
Current Liabilities	Before Distribution	197,453,207	254,191,674	239,878,889	238,928,971	313,699,489	-
	After Distribution	200,495,376	257,399,873	244,105,529	244,610,195	(Note2)	-
Non-current liabilities		17,333,902	6,040,646	25,692,104	21,346,290	31,196,877	-
Total Liabilities	Before Distribution	214,787,109	260,232,320	265,570,993	260,275,261	344,896,366	-
	After Distribution	217,829,278	263,440,519	269,797,633	265,956,485	(Note2)	-
Equity attributable to owners of the Company		67,245,050	65,126,374	68,945,197	73,950,584	71,565,777	-
Common stock		26,503,165	27,486,880	28,421,220	28,406,121	28,406,121	-
Capital surplus		21,353,585	22,076,225	22,863,619	24,681,872	25,760,011	-
Retained Earnings	Before Distribution	21,344,172	21,326,529	22,321,828	24,398,715	26,853,167	-
	After Distribution	17,541,461	17,316,280	18,095,188	18,717,491	(Note2)	-
Other equity		636,406	(4,010,255)	(4,128,234)	(3,536,124)	(7,846,263)	-
Treasury stock		(2,592,278)	(1,753,005)	(533,236)	-	(1,607,259)	-
Non-controlling interests		723,399	1,294,688	4,586,385	9,950,490	12,360,302	-
Stockholders' Equity	Before Distribution	67,968,449	66,421,062	73,531,582	83,901,074	83,926,079	-
	After Distribution	64,926,280	63,212,863	69,304,942	78,219,850	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Concise Consolidated Statement of Comprehensive income

Unit: NT\$ thousands

Item	Period	Most Recent 5-Year Financial Information(Note1)					2021 (As of March 31)
		2016	2017	2018	2019	2020	
Operating revenue		659,908,231	836,081,023	889,536,347	878,255,078	845,011,844	-
Gross profit		31,644,517	31,639,403	37,559,256	42,158,550	46,053,180	-
Operating income		6,012,070	5,913,811	10,766,016	13,299,845	14,471,062	-
Non-operating income and expenses		(1,254,970)	244,600	(1,107,178)	(523,779)	2,374,313	-
Profit before tax		4,757,100	6,158,411	9,658,838	12,776,066	16,845,375	-
Net income for continuing operations		2,993,004	4,361,491	7,285,189	9,726,243	12,907,896	-
Income from discontinued operations, net of income tax effect		-	-	-	-	-	-
Net income		2,993,004	4,361,491	7,285,189	9,726,243	12,907,896	-
Other comprehensive income for the year, net of tax		(2,430,986)	(4,821,073)	518,936	253,372	(4,006,611)	-
Total comprehensive income for the year		562,018	(459,582)	7,804,125	9,979,615	8,901,285	-
Profit attributable to owners of the Company		2,961,101	3,885,516	4,908,472	6,800,768	8,681,762	-
Profit attributable to non-controlling interests		31,903	475,975	2,376,717	2,925,475	4,226,134	-
Total comprehensive income attributable to owners of the Company		531,776	(932,172)	5,350,283	7,111,916	4,822,894	-
Total comprehensive income attributable to non-controlling interests		30,242	472,590	2,453,842	2,867,699	4,078,391	-
EPS		1.16	1.44	1.76	2.40	3.10	-

Note1: The above financial information audited 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)					2021(As of March 31)
		2016	2017	2018	2019	2020	
Current assets		240,235,239	307,517,887	272,726,574	248,501,869	230,953,283	-
Net property, plant and equipment		5,528,953	4,821,377	4,747,740	5,039,467	6,184,970	-
Intangible assets		1,058,875	897,455	941,498	770,210	813,574	-
Other assets		76,615,086	73,254,431	85,934,997	92,740,696	91,009,826	-
Total assets		323,438,153	386,491,150	364,350,809	347,052,242	328,961,653	-
Current Liabilities	Before Distribution	238,995,932	315,525,888	275,431,812	252,691,831	232,420,701	-
	After Distribution	242,038,101	318,734,087	279,658,452	258,373,055	(Note2)	-
Non-current liabilities		17,197,171	5,838,888	19,973,800	20,409,827	24,975,175	-
Total Liabilities	Before Distribution	256,193,103	321,364,776	295,405,612	273,101,658	257,395,876	-
	After Distribution	259,235,272	324,572,975	299,632,252	278,782,882	(Note2)	-
Common stock		26,503,165	27,486,880	28,421,220	28,406,121	28,406,121	-
Capital surplus		21,353,585	22,076,225	22,863,619	24,681,872	25,760,011	-
Retained Earnings	Before Distribution	21,344,172	21,326,529	22,321,828	24,398,715	26,853,167	-
	After Distribution	17,541,461	17,316,280	18,095,188	18,717,491	(Note2)	-
Other equity		636,406	(4,010,255)	(4,128,234)	(3,536,124)	(7,846,263)	-
Treasury stock		(2,592,278)	(1,753,005)	(533,236)	-	(1,607,259)	-
Stockholders' Equity	Before Distribution	67,245,050	65,126,374	68,945,197	73,950,584	71,565,777	-
	After Distribution	64,202,881	61,918,175	64,718,557	68,269,360	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Concise Statement of Comprehensive income

Unit : NT\$ thousands

Item	Period	Most Recent 5-Year Financial Information(Note1)					2021(As of March 31)
		2016	2017	2018	2019	2020	
Operating revenue		613,214,569	765,438,943	750,900,387	735,742,458	687,686,152	-
Gross profit		23,996,804	19,835,867	15,923,674	20,346,611	20,821,366	-
Operating income		6,344,428	3,397,264	(261,813)	2,390,152	1,667,656	-
Non-operating income and expenses		(2,897,966)	586,534	4,183,144	4,133,229	6,994,556	-
Profit before tax		3,446,462	3,983,798	3,921,331	6,523,381	8,662,212	-
Net income for continuing operations		2,961,101	3,885,516	4,908,472	6,800,768	8,681,762	-
Income from discontinued operations, net of income tax effect		-	-	-	-	-	-
Net income		2,961,101	3,885,516	4,908,472	6,800,768	8,681,762	-
Other comprehensive income for the year, net of tax		(2,429,325)	(4,817,688)	441,811	311,148	(3,858,868)	-
Total comprehensive income for the year		531,776	(932,172)	5,350,283	7,111,916	4,822,894	-
EPS		1.16	1.44	1.76	2.40	3.10	-

Note1: The above financial information audited by CPA.

6.1.3 CPAs and Their Opinions for Most Recent 5-Year

Year	Name of CPA	Auditor's Opinion
2016	Ya-Ling, Chen, Li- Li, Lu	Unqualified opinion
2017	Li- Li, Lu, Chia-Hsin, Chang	Unqualified opinion
2018	Li- Li, Lu, Chia-Hsin, Chang	Unqualified opinion
2019	Ya-Ling, Chen, Tang, Chia-Chien	Unqualified opinion
2020	Ya-Ling, Chen, Tang, Chia-Chien	Unqualified opinion

6.2 Most Recent 5-Year Financial Analysis

6.2.1 Financial Analysis-For Consolidated Report

Item	Period(Note1)	Most recent 5-Year Financial Information					2021(As of March 31)
		2016	2017	2018	2019	2020	
Financial ratio (%)	Total liabilities to total assets	75.96	79.67	78.32	75.62	80.43	-
	Long-term debts to Net property, plant and equipment	234.04	197.69	231.46	258.76	314.78	-
Ability to payoff debt (%)	Current ratio	114.28	106.30	114.82	116.67	115.38	-
	Quick Ratio	80.06	69.13	75.88	79.61	84.18	-
	Interest protection	3.40	3.23	3.03	3.66	8.17	-
Ability to operate	A/R turnover (times)	7.28	9.07	8.35	7.02	6.51	-
	A/R turnover days	50.13	40.24	43.71	51.99	56.06	-
	Inventory turnover (times)	9.46	10.22	9.37	9.55	8.85	-
	Account payable turnover (times)	5.57	6.25	6.25	6.02	6.31	-
	Days sales outstanding	38.58	35.71	38.95	38.21	41.24	-
	Fixed assets turnover (times)	17.81	22.87	22.37	21.03	21.88	-
	Total assets turnover (times)	2.30	2.74	2.67	2.57	2.19	-
Earning ability	Return on assets (%)	1.56	2.11	3.26	3.90	3.80	-
	Return on Equity Attributable to Shareholders of the Parent (%)	4.36	5.87	7.32	9.52	11.93	-
	PBT to pay-in capital (%)	17.95	22.40	33.98	44.98	59.30	-
	Net income ratio (%)	0.45	0.52	0.82	1.11	1.53	-
	EPS(NTD)	1.16	1.44	1.76	2.40	3.10	-
Cash flow (%)	Cash flow ratio	22.97	(Note 2)	1.73	7.78	(Note 2)	-
	Cash flow adequacy ratio	95.57	50.22	44.73	88.37	36.45	-
	Cash reinvestment ratio	34.80	(Note 2)	0.66	9.29	(Note 2)	-
Leverage	Operating leverage	3.79	3.97	2.63	2.47	2.57	-
	Financial leverage	1.49	1.87	1.79	1.57	1.19	-

The reasons for all financial ratio changes within the most recent two years are as follows (exempt from analysis less than 20%):

Long-term debts to net property, plant and equipment: The increase is mainly caused by the decrease of property, plant and equipment.

Interest protection: The increase is mainly caused by the decrease of interest expense.

Return on equity attributable to shareholders of the parent: The increase is mainly caused by the increase of net income attributable to shareholders of the parent.

PBT to pay-in capital: The increase is mainly caused by the increase of profit before tax.

Net income ratio: The increase is mainly caused by the increase of net income .

EPS: The increase is mainly caused by the increase of net income

Cash flow adequacy ratio: The decrease is mainly caused by the decrease of most recent 5-year cash flow from operating activities.

Note 1: The above financial information audited by CPA.

Note 2: The analysis of negative cash flow from operating activities is meaningless.

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					2021(As of March 31)
		2016	2017	2018	2019	2020	
Financial ratio (%)	Total liabilities to total assets	79.21	83.15	81.08	78.69	78.24	-
	Long-term debts to Net property, plant and equipment	1527.27	1471.89	1872.87	1872.43	1560.90	-
Ability to payoff debt (%)	Current ratio	100.52	97.46	99.02	98.34	99.37	-
	Quick Ratio	95.76	91.78	94.29	91.55	88.48	-
	Interest protection	4.07	3.37	2.29	3.19	7.82	-
Ability to operate	A/R turnover (times)	3.65	3.59	3.15	3.25	3.40	-
	A/R turnover days	100.02	101.61	115.97	112.42	107.32	-
	Inventory turnover (times)	59.32	53.24	49.73	49.66	32.24	-
	Account payable turnover (times)	3.47	3.40	3.30	3.48	4.01	-
	Days sales outstanding	6.15	6.86	7.34	7.35	11.32	-
	Fixed assets turnover (times)	108.55	147.91	156.94	150.35	122.53	-
	Total assets turnover (times)	2.01	2.16	2.00	2.07	2.03	-
Earning ability	Return on assets (%)	1.28	1.49	1.96	2.58	2.87	-
	Return on equity (%)	4.36	5.87	7.32	9.52	11.93	-
	PBT to pay-in capital (%)	13.00	14.49	13.80	22.96	30.49	-
	Net income ratio (%)	0.48	0.51	0.65	0.92	1.26	-
	EPS(NTD)	1.16	1.44	1.76	2.40	3.10	-
Cash flow (%)	Cash flow ratio	19.90	(Note2)	0.37	0.91	(Note2)	-
	Cash flow adequacy ratio	309.52	160.99	151.32	167.25	(Note2)	-
	Cash reinvestment ratio	45.35	(Note2)	(Note2)	(Note2)	(Note2)	-
Leverage	Operating leverage	3.21	5.08	(Note2)	7.25	10.74	-
	Financial leverage	1.22	1.98	(Note3)	(Note2)	4.20	-

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 increase is mainly caused by the decrease of interest expense.

Inventory turnover (times):The decrease is mainly by the increase of average inventory.

Days sales outstanding: The increase is mainly by the decrease of inventory turnover (times).

Return on assets: The increase is mainly caused by the increase of net income.

Return on equity: The increase is mainly caused by the increase of net income.

PBT to pay-in capital: The increase is mainly caused by the increase of profit before tax.

Net income ratio: The increase is mainly caused by the increase of net income.

EPS: The increase is mainly caused by the increase of net income

Operating leverage: The increase is mainly caused of the decrease of operating income.

Note 1: The above financial information audited by CPA.

Note 2: The negative ratio lacks significance of analysis .

Note 3: The operating income is loss and hence not being calculated.

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=(Nest 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 2020 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 23, 2021

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, 2020 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 23, 2021





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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, 2020 and 2019, 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, 2020 and 2019, 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 audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Ruling No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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. Provision of sales return and allowance (refund liability)

Please refer to Note 4(q) “Revenue from contracts with customers” for accounting policy, Note 5(a) for accounting assumption, judgments and estimation uncertainty of the provision of sales return and allowance (current refund liability), and Note 6(t) for the disclosure of the provision of sales return and allowance (current refund liability) to the financial statements.



Description of key audit matter

Provision of sales return and allowance (refund liability) is one of the key judgmental areas for our audit, particularly in respect of the estimates made for rebates, chargebacks and returns under contractual requirements which valued sales return and allowance.

How the matter was addressed in our audit

Our principal audit procedures included testing the Group's controls surrounding the revenue recognition for key manual and systems based controls, tracing general ledger to sales systems and reconciling the differences, and assessing the appropriateness in applying accounting policies to revenue recognition process; our audit work, in respect of the accrual for rebates and returns, involved testing key management controls over the claims and credits. In order to assess the reasonableness of the estimates for such accruals, we considered the appropriateness of the calculation, imputed parameters, key assumptions, and the historical experience.

2. Inventory valuation

Please refer to Note 4(h) “Inventory” for accounting policy, Note 5(b) for accounting assumption, judgments and estimation uncertainty of inventory and Note 6(f) for the disclosure of the valuation of inventory to the consolidated financial statements.

Description of key audit matter

Inventories are stated at the lower of cost or 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.

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included the examining the inventory aging report, analyzing the variation in inventories, and 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; as well as considering the adequacy of the Company's disclosure in this area.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 23, 2021

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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 66,203,801	15	47,411,947	14
1110 Current financial assets at fair value through profit or loss (note 6(b))	14,063,636	3	59,430	2
1170 Note and trade receivables, net (notes 6(d)(w) and 7)	127,226,803	30	131,405,830	38
1180 Trade receivables - related parties (notes 6(d)(w) and 7)	306,155	-	479,432	2
1210 Other receivables - related parties (notes 6(e) and 7)	14,657	-	4,455	2
1220 Current tax assets	1,440,522	-	565,117	2
130X Inventories (note 6(f))	95,083,647	22	85,570,281	25
1460 Non-current assets or disposal groups classified as held for sale, net (note 6(g))	45,681,090	11	-	-
1470 Other current assets (notes 6(d)(e)(m) and 8)	11,970,036	3	13,251,260	4
Total current assets	361,960,347	84	278,747,752	81
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	74,754	-	220,256	2
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	5,776,152	1	5,555,156	2
1550 Equity - accounted investees (note 6(b))	7,024,318	2	6,727,285	2
1600 Property, plant and equipment (notes 6(j) and 7)	36,572,342	9	40,673,093	12
1755 Rights-of-use assets (notes 6(k) and 7)	5,608,766	1	4,016,639	1
1780 Intangible assets (note 6(i))	1,104,234	-	957,532	2
1840 Deferred tax assets (note 6(s))	6,120,998	2	5,820,351	2
1900 Other non-current assets (notes 6(m)(r) and 8)	4,580,534	1	1,458,271	1
Total non-current assets	66,862,098	16	65,428,583	19
Total assets	\$ 428,822,445	100	\$ 344,176,335	100
Liabilities and Equity				
Current liabilities:				
Short-term loans (notes 6(n)(ae))	\$ 102,040,205	24	57,377,794	16
Current financial liabilities at fair value through profit or loss (note 6(b))	23,007	-	75,225	-
Current contract liabilities (note 6(w))	4,040,436	1	2,429,134	1
Note and trade payables	113,854,541	27	137,536,000	40
Trade payables - related parties (note 7)	836,331	-	909,293	-
Other payables - related parties (note 7)	30,734	-	26,113	-
Liabilities related to non-current assets or disposal groups classified as held for sale (note 6(g))	33,662,861	8	-	-
Current lease liabilities (notes 6(p)(ac) and 7)	1,674,394	-	644,586	-
Current portion of long-term loans (notes 6(n)(ae))	-	-	2,407,177	1
Current refund liability (note 6(w))	9,560,522	2	6,177,579	2
Other current liabilities	47,976,458	11	31,346,070	9
Total current liabilities	313,699,489	73	238,928,971	69
Non-current liabilities:				
Bonds payable (notes 6(o)(ac))	4,991,783	1	-	-
Long-term loans (notes 6(n)(ae))	20,332,308	5	15,752,275	5
Deferred tax liabilities (note 6(s))	2,963,661	1	2,591,022	1
Non-current lease liabilities (notes 6(p)(ac) and 7)	1,122,922	-	923,848	-
Other non-current liabilities (notes 6(r)(ae))	1,786,203	-	2,079,145	1
Total non-current liabilities	31,196,877	7	21,346,290	7
Total liabilities	344,896,366	80	260,275,261	76
Equity attributable to owners of parent (notes 6(o)(o)(u)):				
Ordinary shares	28,406,121	7	28,406,121	8
Capital surplus	25,760,011	6	24,681,872	7
Retained earnings	26,853,167	6	24,398,715	7
Other equity	(7,846,263)	(2)	(3,536,124)	(1)
Treasury shares	(1,607,259)	-	-	-
Total equity attributable to owners of parent	71,565,777	17	73,950,584	21
Non-controlling interests (notes 6(i)(t))	12,360,302	3	9,950,490	3
Total equity	83,926,079	20	83,901,074	24
Total liabilities and equity	\$ 428,822,445	100	\$ 344,176,335	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
4000 Net revenues (notes 6(w) and 7)	\$ 845,011,844	100	878,255,078	100
5000 Cost of sales (notes 6(f)(j)(k)(l)(p)(r)(u)(y), 7 and 12)	798,958,664	95	836,096,528	95
5900 Gross profit	46,053,180	5	42,158,550	5
Operating expenses (notes 6(d)(e)(j)(k)(l)(p)(r)(u)(y), 7 and 12):				
6100 Selling	8,866,295	1	9,243,449	1
6200 Administrative	3,666,552	-	3,417,109	1
6300 Research and development	19,049,271	2	16,198,147	2
Total operating expenses	31,582,118	3	28,858,705	4
6900 Operating income	14,471,062	2	13,299,845	1
7000 Non-operating income and expenses (notes 6(h)(o)(p)(q)(x), 7 and 12):				
7100 Interest income	1,888,042	-	2,009,432	-
7010 Other income	210,312	-	579,300	-
7020 Other gains and losses	2,177,004	-	1,358,737	-
7050 Finance costs	(2,348,171)	-	(4,810,821)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	447,126	-	339,573	-
Total non-operating income and expenses	2,374,313	-	(523,779)	-
7900 Profit before tax	16,845,375	2	12,776,066	1
7950 Less: Income tax expenses (note 6(s))	3,937,479	-	3,049,823	-
8200 Net profit	12,907,896	2	9,726,243	1
8300 Other comprehensive income (notes 6(h)(r)(s))				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
8311 Losses on remeasurements of defined benefit plans	(260,057)	-	(110,406)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(48,126)	-	1,995,704	-
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	(2,664)	-	(3,516)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,282)	-	(34,799)	-
	(302,565)	-	1,916,581	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361 Exchange differences on translation of foreign financial statements	(3,698,533)	-	(1,665,881)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(5,513)	-	2,586	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	(86)	-
	(3,704,046)	-	(1,663,209)	-
Total other comprehensive income, net of tax	(4,006,611)	-	253,372	-
8500 Total comprehensive income	\$ 8,901,285	2	9,979,615	1
Net profit attributable to (notes 6(i)(t)):				
8610 Owners of parent	\$ 8,681,762	1	6,800,768	1
8620 Non-controlling interests	4,226,134	1	2,925,475	-
	\$ 12,907,896	2	9,726,243	1
Comprehensive income attributable to (notes 6(i)(t)):				
8710 Owners of parent	\$ 4,822,894	1	7,111,916	1
8720 Non-controlling interests	4,078,391	1	2,867,699	-
	\$ 8,901,285	2	9,979,615	1
Earnings per share (in dollars)(note 6(v))				
9750 Basic earnings per share	\$ 3.10		2.40	
9850 Diluted earnings per share	\$ 3.03		2.36	

See accompanying notes to financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent		Other equity		Total equity				
	Share capital	Retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation arising from issuance of restricted shares					
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2019	\$ 28,421,220	22,863,619	7,979,677	10,331,896	22,321,828	(533,236)	68,945,197	4,586,385	73,531,582
Effects of retrospective application	-	-	-	(54,346)	(54,346)	-	(54,346)	(938)	(55,284)
Balance at January 1, 2019 after adjustments	28,421,220	22,863,619	7,979,677	10,277,550	22,267,482	-	68,890,851	4,585,447	73,476,298
Net profit	-	-	-	6,800,768	6,800,768	-	6,800,768	2,925,475	9,726,243
Other comprehensive income	-	-	-	(92,207)	(92,207)	-	311,148	(57,776)	253,372
Total comprehensive income	-	-	-	6,708,561	6,708,561	-	7,111,916	2,867,699	9,979,615
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	490,847	(490,847)	-	-	-	-	-
Special dividends	-	-	-	(117,979)	(117,979)	-	(4,226,640)	-	(4,226,640)
Cash dividends	-	-	-	(4,226,640)	(4,226,640)	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	(29,038)	-	-	-	-	(29,038)	-	(29,038)
Treasury shares retired	(15,099)	(17,904)	-	-	-	33,003	-	-	-
Treasury shares transferred to employees	-	(51,852)	-	-	-	500,233	-	-	-
Changes in ownership interests in subsidiaries	-	1,800,464	-	(161,933)	(161,933)	-	448,381	-	448,381
Share-based payment transactions	-	116,583	-	(188,755)	(188,755)	-	1,638,531	-	1,638,531
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(188,755)	(188,755)	-	116,583	-	116,583
Changes in non-controlling interests	-	-	-	(188,755)	(188,755)	-	-	2,497,344	2,497,344
Balance at December 31, 2019	28,406,121	24,681,872	8,470,524	11,799,957	24,398,715	(2,952,181)	73,950,584	9,950,490	83,901,074
Net profit	-	-	-	8,681,762	8,681,762	-	8,681,762	4,226,134	12,907,896
Other comprehensive income	-	-	-	(208,765)	(208,765)	-	(3,858,868)	(147,743)	(4,006,611)
Total comprehensive income	-	-	-	8,472,997	8,472,997	-	4,822,894	4,078,391	8,901,285
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	680,077	(680,077)	-	-	-	-	-
Special dividends	-	-	-	(592,110)	(592,110)	-	(5,681,224)	-	(5,681,224)
Cash dividends	-	-	-	(5,681,224)	(5,681,224)	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	(27,576)	-	6,872	6,872	-	(20,704)	-	(20,704)
Acquisition of treasury shares	-	(15,028)	-	(4,487)	(4,487)	-	(1,607,259)	-	(1,607,259)
Changes in ownership interests in subsidiaries	-	1,118,242	-	-	-	-	(19,515)	-	(19,515)
Share-based payment transactions	-	-	-	(339,706)	(339,706)	-	118,500	-	118,500
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(339,706)	(339,706)	-	-	-	-
Others	-	2,501	-	-	-	-	2,501	-	2,501
Changes in non-controlling interests	-	-	-	-	-	-	(1,668,579)	-	(1,668,579)
Balance at December 31, 2020	\$ 28,406,121	25,760,011	9,150,601	14,166,447	26,853,167	(6,525,783)	71,565,777	12,360,302	83,926,079

See accompanying notes to financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 16,845,375	12,776,066
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	9,736,831	9,783,921
Amortization expense	323,032	300,039
Expected credit loss	6,610	299,462
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(815,798)	383,430
Interest expense	2,348,171	4,810,821
Interest income	(1,888,042)	(2,009,432)
Dividend income	(127,355)	(483,430)
Compensation cost arising from share-based payments	118,726	281,579
Share of profit of associates and joint ventures accounted for using equity method	(447,126)	(339,573)
Loss (gain) on disposal of property, plant and equipment	(40,266)	41,412
Property, plant and equipment reclassified as expenses	19,317	5,677
Other non-current assets reclassified as expenses	13,107	17,395
Gain on disposal of investments	(4,652)	(193,365)
Other investment loss	391	13,597
Lease modification loss (gain)	(4,577)	2,134
Other income	(2,755)	-
Amortization of bank arrangement fees	16,425	16,425
Total adjustments to reconcile profit	9,252,039	12,930,092
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in note and trade receivables	1,704,598	(14,734,428)
Decrease (increase) in trade receivables - related parties	116,518	(421,539)
Decrease in other receivables - related parties	2,335	10
Decrease (increase) in inventories	(32,799,201)	2,501,700
Decrease (increase) in other current assets	(960,157)	403,016
Total changes in operating assets	(31,935,907)	(12,251,241)
Changes in operating liabilities:		
Increase in current contract liabilities	1,611,302	827,420
Increase (decrease) in note and trade payables	(12,369,107)	790,748
Decrease in trade payables - related parties	(37,676)	(156,117)
Increase (decrease) in other payables to related parties	5,853	(14,153)
Increase in current refund liability	3,382,943	1,259,621
Increase in other current liabilities	7,034,095	7,709,075
Decrease in other non-current liabilities	(180,021)	(197,900)
Total changes in operating liabilities	(552,611)	10,218,694
Net changes in operating assets and liabilities	(32,488,518)	(2,032,547)
Total adjustments	(23,236,479)	10,897,545
Cash generated from (used in) operations	(6,391,104)	23,673,611
Interest received	2,082,619	2,142,126
Dividends received	474,400	879,384
Interest paid	(2,708,726)	(5,160,731)
Income taxes paid	(4,126,630)	(2,920,769)
Net cash generated from (used in) operating activities	(10,669,441)	18,613,621
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(343,133)	(410,463)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,772	24,189
Return of financial assets at fair value through other comprehensive income	16,701	44,382
Acquisition of financial assets at fair value through profit or loss	(32,190,666)	(37,968,045)
Proceeds from disposal of financial assets at fair value through profit or loss	18,645,590	37,783,409
Proceeds from capital reduction of investments accounted for using equity method	30,789	-
Addition to equity - accounted investees	(487,849)	(352,166)
Proceeds from disposal of equity - accounted investees	-	248,112
Net cash flow from acquisition of subsidiaries	(37,248)	-
Acquisition of property, plant and equipment	(9,838,227)	(6,610,228)
Proceeds from disposal of property, plant and equipment	1,223,765	102,267
Increase in receipts in advance due to disposal of assets	12,899,819	-
Increase in refundable deposits	(57,984)	(126,822)
Increase in intangible assets	(470,795)	(185,619)
Net cash inflows from business combination	567,013	-
Increase in other receivables - related parties	(13,206)	-
Increase in other current assets	(6,236,523)	(1,324,851)
Net cash flows used in investing activities	(16,279,182)	(8,775,835)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	870,314,450	725,995,118
Repayments of short-term loans	(815,924,974)	(728,625,680)
Proceeds from issuing bonds	4,991,500	-
Increase in long-term loans	28,658,993	8,819,755
Repayments of long-term loans	(25,781,843)	(10,610,150)
Decrease in guarantee deposits received	(327,383)	(66,975)
Repayments of lease liabilities	(1,687,779)	(666,490)
Cash dividends paid	(5,681,224)	(4,226,640)
Payments to acquire treasury shares	(1,607,259)	-
Treasury shares transferred to employees	-	448,381
Change in non-controlling interests	(1,934,175)	3,878,374
Others	2,501	-
Net cash flows generated from (used in) financing activities	51,022,807	(5,054,307)
Effect of exchange rate changes on cash and cash equivalents	(1,940,057)	(900,555)
Net increase in cash and cash equivalents	22,134,127	3,882,924
Cash and cash equivalents at beginning of year	47,411,947	43,529,023
Cash and cash equivalents at end of year	\$ 69,546,074	47,411,947
Components of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 66,203,801	47,411,947
Non-current assets or disposal groups classified as held for sale	3,342,273	-
Cash and cash equivalents at end of year	\$ 69,546,074	47,411,947

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, 2020 and 2019

(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, physiological signal diagnostic device and medical data system;
- (xii) manufacturing, processing and selling of electronic products for automobile.

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

The consolidated financial statements for the years ended December 31, 2020 and 2019 were authorized for issue by the Board of Directors on March 23, 2021.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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. (“FSC”) which have already been adopted.

The details of impact on the Group’s adoption of the new amendments beginning January 1, 2020 are as follows:

- (i) Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets certain conditions is a lease modification, rather any changes in lease liability are recognized in profit or loss. The amendments have been endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) in July 2020, earlier application from January 1, 2020 is permitted. Related accounting policy is explained in Note 4(l).

The Group has elected to apply the practical expedient for all rent concessions that meet the criteria beginning January 1, 2020, with early adoption. No adjustment was made upon the initial application of the amendments. The amounts recognized in profit or loss for the year ended December 31, 2020 was \$2,755.

- (ii) Other amendments

The following new amendments, effective January 1, 2020, do not have a significant impact on the Group’s consolidated financial statements:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”

- (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, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform-Phase 2”

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The 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 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”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(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 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;

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

(c) 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.

(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, 2020	December 31, 2019	
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	-	(Note 1)

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
the Company/WLB/WCL	Wiwynn Corporation ("WYHQ", Taiwan)	50.78	50.84	
WAKS	XTRONICS (Kunshan) Electronics Technology Co., Ltd ("XTRKS", China)	100.00	100.00	(Note 2)
Cowin/AIHH	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/WJC	Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. ("WEKS", 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	
WSC	Wistron InfoComm (Chengdu) Co., Ltd. ("WCD", China)	100.00	100.00	
AIHH	Wistron Optronics (Kunshan) Co., Ltd. ("WOK", China)	100.00	-	(Note 3)
WDC	Wistron Optronics (Kunshan) Co., Ltd. ("WOK", China)	-	100.00	(Note 3)
WVS	Wistron InfoComm Technology (Zhongshan) Co., Ltd. ("WTZS", China)	100.00	100.00	
WEH	Polymer Vision B.V. ("WPV", Holland)	-	100.00	(Note 4)
WCL	Creator Technology B.V. ("WCT", Holland)	100.00	100.00	
WCL	Abilliant Corporation ("WAC", Taiwan)	100.00	100.00	
WYHQ	Wiwynn Technology Service Japan, Inc. ("WYJP", Japan)	50.78	50.84	
WYHQ	Wiwynn International Corporation ("WYUS", U.S.A.)	50.78	50.84	
WYHQ	Wiwynn Korea Ltd. ("WYKR", South Korea)	50.78	50.84	
WYHQ	Wiwynn Mexico, S.A. de C.V. ("WYMX", Mexico)	50.78	50.84	(Note 5)
WYHQ	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD. ("WYMY", Malaysia)	50.78	50.84	
WYHK	Wiwynn Technology Service Kunshan, Ltd. ("WYKS", China)	50.78	50.84	
WMH/WLB/WCL	Wistron Medical Technology Corporation ("WMT", Taiwan)	91.61	100.00	(Note 6)
WMH	B-Temia Asia Pte Ltd. ("BTA", Singapore)	70.00	70.00	(Note 7)
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	-	(Note 1)
the Company/WLB	WiBASE Industrial Solutions ("WIS", Taiwan)	52.92	46.85	(Note 8)

- 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, 2020	December 31, 2019	
the Company	All Holding Corporation ("AIHH", British Virgin Islands)	100.00	100.00	
the Company	SMS InfoComm Corporation ("WTX", U.S.A.)	100.00	100.00	
the Company/WDH	WiAdvance Technology Corporation ("AGI", Taiwan)	99.99	-	(Note 9)
the Company	WiAdvance Technology Corporation ("AGI", Taiwan)	-	99.99	(Note 9)
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 Colombia S.A.S. ("WSCO", Colombia)	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	ANWITH SERVICE CO., LTD. ("WSTH", Thailand)	-	100.00	(Note 4)
the Company	Anwith Corporation ("ANC", U.S.A.)	100.00	100.00	
the Company	SMS InfoComm Global Service (CQ) ("WSCQ", China)	100.00	100.00	
the Company	SMS InfoComm Chile Servicios Limitada ("WSCL", Chile)	100.00	100.00	

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
the Company/AIHH	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	
AIHH	Wistron Optronics (Shanghai) Co., Ltd. ("WOSH", China)	100.00	-	(Note 3)
WDC	Wistron Optronics (Shanghai) Co., Ltd. ("WOSH", China)	-	100.00	(Note 3)
AIHH	Wistron K.K. ("WJP", Japan)	100.00	100.00	
WSSG/WHK	ICT Service Management Solutions (India) Private Limited ("WIN", India)	100.00	100.00	
WSSG	SMS INFOCOMM (MALAYSIA) SDN. BHD. ("WSMY", Malaysia)	100.00	100.00	
the Company	SMS InfoComm (Czech) s.r.o. ("WSCZ", Czech Republic)	100.00	-	(Note 10)
WEH	SMS InfoComm (Czech) s.r.o. ("WSCZ", Czech Republic)	-	100.00	(Note 10)

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

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
AIHH	Wistron InfoComm (Shanghai) Corporation ("WSH", China)	100.00	100.00	
WEDH	WIEDU SDN. BHD. ("WEMY", Malaysia)	100.00	100.00	

- 4) Subsidiaries engaged in recycling of electronic products:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
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, 2020	December 31, 2019	
the Company	WiEdu Hong Kong Limited ("WEHK", Hong Kong)	100.00	100.00	
WEHK	WIEDU CORPORATION ("WETW", Taiwan)	100.00	100.00	
WEHK	Wesstek Information Technology Services Co., Ltd., Shanghai ("WESH", China)	100.00	100.00	
WCH	Wistron AiEDGE Corporation ("WAUS", U.S.A.)	100.00	-	(Note 11)
WMMI	Smartiply India Private Limited ("STI", India)	99.99	-	(Note 12)

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Investment and holding companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
the Company	Cowin Worldwide Corporation ("Cowin", British Virgin Islands)	100.00	100.00	(Note 13)
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	100.00	
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", Holland)	100.00	100.00	
AIIH	WinDisplay Corporation ("WDC", British Virgin Islands)	-	100.00	(Note 14)
Win Smart	Wistron Hong Kong Holding Limited ("WHHK", Hong Kong)	100.00	100.00	
Win Smart	Wistron Investment (Jiangsu) Co., Ltd. ("WJC", China)	100.00	100.00	(Note 7)
WHHK	Wistron Investment (Sichuan) Co., Ltd. ("WSC", China)	100.00	100.00	
WYHQ	Wiwynn Technology Service Hong Kong Limited ("WYHK", Hong Kong)	50.78	50.84	
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	

7) Lease companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2020	December 31, 2019	
the Company	Wistron InfoComm Mexico S.A. de C.V. ("WIMX", Mexico)	100.00	-	(Note 15)

(Note 1): The capital was injected in the 2nd quarter of 2020.

(Note 2): The capital was injected in the 4th quarter of 2019.

(Note 3): WDC transferred the equity to AIIH in the 1st quarter of 2020.

(Note 4): The entity was dissolved, and the liquidation was completed in the 1st quarter of 2020.

(Note 5): The capital was injected in the 1st quarter of 2019.

(Note 6): Wistron Medical Technology Corporation, a subsidiary of the Group, issued ordinary shares for cash in the 4th quarter of 2020. The shareholding in WMT was decreased while part of the new shares was reserved to be transferred as employee option.

(Note 7): The capital was injected in the 2nd quarter of 2019.

(Note 8): WLB acquired the shares of WIS in the 4th quarter of 2020, wherein the Group held more than half of WIS's ownership interests with voting rights, in which it was considered to have a de facto control over the main operating policies of WIS. As a result, WIS was accounted for as a subsidiary of the Group.

(Note 9): The Company transferred 13,998,000 shares of AGI to WDH in the 3rd quarter of 2020.

(Note 10): WEH transferred the equity of WSCZ to the Company in the 3rd quarter of 2020.

(Note 11): The capital was injected in the 1st quarter of 2020.

(Note 12): The Group acquired STI's shares in the 4th quarter of 2020.

(Note 13): Cowin has been engaged in investment business since the 4th quarter of 2020.

(Note 14): The liquidation process of WDC was completed in the 3rd quarter of 2020.

(Note 15): WIMX was spun-off from WMX in the 1st quarter of 2020.

(iii) Subsidiaries excluded from consolidated: None.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

2) Impairment of financial assets

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) 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.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. 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.

6) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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) Non-current assets or disposal groups held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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
- 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 review 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.

(l) Lease

(i) Identifying a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- 1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) The Group has the right to the direct use of its asset if either:
 - It has the decision-making rights that are most relevant to changing how, and for what purpose, the asset is used.
 - In rare cases, where the decision on how, and for what purpose, the asset is used is predetermined.
 - the Group has the right to operate its asset, wherein the providers do not have the right to change; or
 - the Group designed the asset in a way that predetermines how, and for what purpose, it will be used.

(ii) As a leasee

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, 2021; 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.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) 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.

(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 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 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

(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 pretax 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) 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:

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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.

(q) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) 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 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 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 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.

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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 sharebased payment is the date that the subscription price and shares are authorized by the Board of Directors.

(u) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) 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.

(w) 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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. 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:

(a) Provision of sales return and allowance (refund liability)

The Group records a provision for estimated future returns and allowances in the same period the related revenue is recorded. Provision for estimated sales returns and allowances is generally made and adjusted based on historical experience, market and economic conditions, and any other known factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and evolution of technology could result in significant adjustments to the provision made.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) 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(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	\$ 28,602	23,099
Demand and check deposits	48,237,989	29,388,543
Time deposits	<u>17,937,210</u>	<u>18,000,305</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 66,203,801</u>	<u>47,411,947</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, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 186,360	1,973
Foreign currency forward contracts	30,535	7,096
Non-derivative financial assets		
Money market fund	20,017	50,361
Listed stocks	<u>13,826,724</u>	<u>-</u>
Total	<u>\$ 14,063,636</u>	<u>59,430</u>

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

	December 31, 2020	December 31, 2019
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 2,133	51,687
Foreign currency forward contracts	<u>20,874</u>	<u>23,538</u>
Total	<u>\$ 23,007</u>	<u>75,225</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2020 and 2019, derivative financial instruments not qualified for hedge accounting were as follows:

1) Foreign currency swap contracts:

December 31, 2020		
Amount (in thousands)	Currency	Expiration
USD <u>25,000</u>	USD Put / TWD Call	2021/1/4
USD <u>640,000</u>	TWD Put / USD Call	2021/1/4~2021/1/29

December 31, 2019		
Amount (in thousands)	Currency	Expiration
EUR <u>6,000</u>	EUR Put / USD Call	2020/1/21
USD <u>560,000</u>	TWD Put / USD Call	2020/1/6~2020/1/14

2) Foreign currency forward contracts:

December 31, 2020		
Amount (in thousands)	Currency	Expiration
USD <u>51,000</u>	USD Put / CNY Call	2021/1/5~2021/1/29
USD <u>341,000</u>	TWD Put / USD Call	2021/1/4~2021/2/4
USD <u>10,537</u>	BRL Put / USD Call	2021/1/15~2021/3/26

December 31, 2019		
Amount (in thousands)	Currency	Expiration
USD <u>27,000</u>	USD Put / CNY Call	2020/1/6
USD <u>313,000</u>	TWD Put / USD Call	2020/1/2~2020/1/17
USD <u>6,105</u>	BRL Put / USD Call	2020/3/23

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

	December 31, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Convertible bonds	\$ 70,189	200,206
Simple Agreement for Future Equity (SAFE)	4,565	20,050
	<u>\$ 74,754</u>	<u>220,256</u>

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 4,005,685	4,033,765
Unlisted companies	668,997	575,539
Unlisted fund	<u>1,101,470</u>	<u>945,852</u>
Total	<u>\$ 5,776,152</u>	<u>5,555,156</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 its shares in Applied BioCode Corporation, IP Cathay II, L.P., AOpen Inc., DDD Group PLC, Audio Design Expert, Inc. and B-Temia Inc. with a fair value of \$12,058 during 2020; as well as disposed its shares in Applied BioCode Corporation, Phostek, Inc., Jafco Asia Technology Fund IV, Kibou Fund L.P. and IP Cathay One with a fair value of \$25,219 during 2019, resulting in the Group to recognize the net losses of \$339,706 and \$188,755, 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(z).

(iii) The aforementioned financial assets were not pledged.

(d) Note and trade receivables

	December 31, 2020	December 31, 2019
Note receivables from operating activities	\$ 57,194	42,732
Trade receivables - measured at amortized cost	115,531,286	116,696,737
Trade receivables - measured at FVOCI	12,267,101	15,376,291
Trade receivables - related parties - measured at amortized cost	306,155	479,432
Less: loss allowance	<u>(628,778)</u>	<u>(709,930)</u>
	<u>\$ 127,532,958</u>	<u>131,885,262</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.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2020		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 127,131,034	0.001%~0.102%	40,835
1 to 60 days past due	387,032	5.683%~9.199%	26,507
61 to 180 days past due	82,817	8.510%~24.444%	8,986
181 to 300 days past due	19,099	24.269%~54.407%	5,477
More than 301 days past due	541,754	53.961%~100%	541,741
Total	\$ 128,161,736		623,546

	December 31, 2019		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 126,786,948	0%~0.001%	819
1 to 60 days past due	5,096,896	1.250%~3.069%	85,943
61 to 180 days past due	108,213	1.250%~8.556%	4,463
181 to 300 days past due	4,063	2.500%~18.186%	291
More than 301 days past due	599,072	18.886%~100%	594,377
Total	\$ 132,595,192		685,893

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

	For the years ended December 31,	
	2020	2019
Balance on January 1	\$ 709,930	609,927
Impairment losses recognized (reversed)	(78,825)	101,730
Amounts written off	(2,734)	(1,133)
Effect of changes in consolidated entities	1,208	-
Effect of changes in foreign exchange rates	(801)	(594)
Balance on December 31	\$ 628,778	709,930

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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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. The amounts of receivables from the financial institutions were recognized as "other receivables" upon the derecognition of those trade receivables.

As of December 31, 2020 and 2019, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

	December 31, 2020						
	Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
				Paid	Unpaid		
Financial institutions	\$ 1,739,115	2,826,669	(Note)	1,739,115	1,087,554	0.54%~3.65%	621,000

	December 31, 2019							
	Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Amount recognized in Other Receivables	Interest rate collar	Collateral
				Paid	Unpaid			
Financial institutions	\$ 2,340,197	3,404,248	(Note)	2,298,287	1,105,961	41,910	2.06%~3.55%	691,000

(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, 2020 and 2019, the note and trade receivables were not pledged.

(e) Other receivables

	December 31, 2020	December 31, 2019
Other current assets - other receivables	\$ 5,286,580	5,479,881
Other receivables - related parties	14,657	4,455
Less: loss allowance	(480,898)	(395,463)
	\$ 4,820,339	5,088,873

As of December 31, 2020 and 2019, 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:

	2020	2019
Balance on January 1	\$ 395,463	197,731
Impairment losses recognized	85,435	197,732
Balance on December 31	\$ 480,898	395,463

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Inventories

	December 31, 2020	December 31, 2019
Raw materials	\$ 49,191,331	36,795,972
Work in progress	7,679,751	6,133,864
Finished goods	25,327,640	30,716,078
Inventory in transit	<u>12,854,925</u>	<u>11,924,367</u>
	<u>\$ 95,053,647</u>	<u>85,570,281</u>

For the years ended December 31, 2020 and 2019, the details of cost of sales were as follows:

	2020	2019
Cost of goods sold	\$ 796,324,116	832,153,778
Loss on valuation of inventories	2,814,186	3,823,119
Loss (Gain) on inventory physical count	2,631	(2,653)
Income from sale of scraps	(215,660)	(211,402)
Unallocated manufacturing overhead	<u>33,391</u>	<u>333,686</u>
	<u>\$ 798,958,664</u>	<u>836,096,528</u>

As of December 31, 2020 and 2019, the inventories were not pledged.

(g) Non-current assets or disposal groups and liabilities related to non-current assets or disposal group classified as held for sale

The Group disposed its entire shareholdings in WEKS and WJC to Luxshare Precision Industry Co. Ltd. in January 2021 based on the resolution approved during the board meeting held in July 2020. The above disposals had been reclassified as held-for-sale based on their book value in the consolidated balance because the expected fair value, minus, the cost of sale exceeded the book value of the above disposal. The main components were as follows:

	December 31, 2020
Non-current assets or disposal groups classified as held for sale:	
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	4,007,904
Right-of-use assets	111,300
Other non-current assets	<u>316,412</u>
	<u>\$ 45,681,090</u>

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2020
Liabilities related to non-current assets or disposal groups classified as held for sale:	
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	<u>6,225</u>
	<u>\$ 33,662,861</u>

(h) Equity-accounted investees

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

	December 31, 2020	December 31, 2019
Associates	<u>\$ 7,024,318</u>	<u>6,727,285</u>

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

	December 31, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
WNC	\$ 3,802,596	6,984,434	3,730,992	6,786,676
WITS	618,449	1,642,323	553,087	1,782,563
Formosa Prosonic Industries Berhad (FPI)	<u>512,968</u>	<u>1,114,660</u>	<u>493,087</u>	<u>820,001</u>
	<u>\$ 4,934,013</u>	<u>9,741,417</u>	<u>4,777,166</u>	<u>9,389,240</u>

(ii) For the years ended December 31, 2020 and 2019, the recognized share of profits and other comprehensive income of associates were as follows:

	2020	2019
Attributable to the Group:		
Net profit	\$ 447,126	339,573
Other comprehensive income	<u>(8,177)</u>	<u>(930)</u>
Comprehensive income	<u>\$ 438,949</u>	<u>338,643</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2020	December 31, 2019
Total assets	\$ <u>60,574,352</u>	<u>57,788,392</u>
Total liabilities	\$ <u>34,047,452</u>	<u>31,995,849</u>
	2020	2019
Revenue	\$ <u>84,744,069</u>	<u>85,508,541</u>
Profit	\$ <u>1,868,952</u>	<u>1,576,477</u>

- (iv) WLB, a subsidiary of the Group, acquired the shares of WIS amounting to \$37,248 from IBASE Technology Inc. and Darwin Precisions Corporation in the 4th quarter of 2020. The Group held more than half of WIS's ownership interests with voting rights, wherein it was considered to have a de facto control over the main operating policies of WIS. As a result, WIS was accounted for as a subsidiary of the Group.

- (v) Collateral

As of December 31, 2020 and 2019, the investments in aforementioned equity-accounted investees were not pledged.

- (vi) Judgment 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) 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, 2020	December 31, 2019
WYHQ	Taiwan	49.22 %	49.16 %

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

	December 31, 2020	December 31, 2019
Total assets	\$ <u>54,724,165</u>	<u>48,147,226</u>
Total liabilities	\$ <u>30,210,242</u>	<u>27,928,361</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2020	2019
Revenue	\$ <u>186,927,647</u>	<u>163,600,423</u>
Profit	\$ <u>8,609,657</u>	<u>6,169,254</u>

- (j) 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, 2020	\$ 3,498,447	30,039,416	31,631,710	15,957,683	2,522,626	2,543,471	9,696,563	95,889,916
Effect of changes in consolidated entities	-	-	272	10,919	3,636	7,318	20,009	42,154
Additions	77,069	1,095,257	5,092,218	674,172	228,392	520,856	2,150,263	9,838,227
Reclassification (Note)	-	1,883,226	849,210	695,057	24,092	21,153	(1,712,231)	1,760,507
Reclassified from expense (as expense)	-	(1,280)	659	-	(2,959)	(12)	(15,725)	(19,317)
Disposals	-	(1,872,346)	(2,677,171)	(1,690,893)	(436,813)	(272,245)	(567,227)	(7,516,695)
Effect of changes in foreign exchange rates	(24,266)	(1,389,990)	(1,429,928)	(257,887)	(7,156)	(88,564)	(389,188)	(3,586,979)
Reclassified to non-current assets or disposal group classified as held for sale	-	(2,572,948)	(5,225,759)	-	-	(264,336)	(503,398)	(8,566,441)
Balance at December 31, 2020	\$ <u>3,551,250</u>	<u>27,181,335</u>	<u>28,241,211</u>	<u>15,389,051</u>	<u>2,331,818</u>	<u>2,467,641</u>	<u>8,679,066</u>	<u>87,841,372</u>
Balance at January 1, 2019	\$ 3,506,678	28,851,602	30,680,768	14,581,575	2,734,023	2,478,359	10,310,666	93,143,671
Additions	-	20,518	2,806,113	803,054	143,264	214,177	2,623,102	6,610,228
Reclassification (Note)	-	2,018,490	211,237	908,514	4,979	62	(1,944,294)	1,198,988
Reclassified from expense (as expense)	-	(2,841)	260	-	(230)	2	(2,868)	(5,677)
Disposals	-	(245,948)	(1,355,814)	(241,711)	(352,068)	(114,584)	(1,085,871)	(3,395,996)
Effect of changes in foreign exchange rates	(8,231)	(602,405)	(710,854)	(93,749)	(7,342)	(34,545)	(204,172)	(1,661,298)
Balance at December 31, 2019	\$ <u>3,498,447</u>	<u>30,039,416</u>	<u>31,631,710</u>	<u>15,957,683</u>	<u>2,522,626</u>	<u>2,543,471</u>	<u>9,696,563</u>	<u>95,889,916</u>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2020	\$ -	13,199,748	17,301,047	14,982,366	2,201,133	2,125,229	5,407,300	55,216,823
Effect of changes in consolidated entities	-	-	272	10,160	890	4,697	18,874	34,893
Depreciation	-	1,866,662	3,966,889	1,552,083	138,544	219,880	1,138,415	8,882,473
Disposals	-	(1,310,498)	(2,235,442)	(1,690,893)	(405,028)	(237,956)	(446,270)	(6,326,087)
Effect of changes in foreign exchange rates	-	(622,588)	(825,641)	(215,885)	(6,644)	(63,613)	(246,164)	(1,980,535)
Reclassified to non-current assets or disposal group classified as held for sale	-	(1,155,232)	(2,909,867)	-	-	(226,085)	(267,353)	(4,558,537)
Balance at December 31, 2020	\$ -	<u>11,978,092</u>	<u>15,297,258</u>	<u>14,637,831</u>	<u>1,928,895</u>	<u>1,822,152</u>	<u>5,604,802</u>	<u>51,269,030</u>
Balance at January 1, 2019	\$ -	11,975,460	14,711,098	13,639,620	2,384,330	2,054,993	5,509,783	50,275,284
Depreciation	-	1,838,388	4,170,446	1,658,503	169,820	188,465	1,055,729	9,081,351
Disposals	-	(339,427)	(1,194,358)	(241,711)	(346,616)	(89,623)	(1,040,582)	(3,252,317)
Effect of changes in foreign exchange rates	-	(274,673)	(386,139)	(74,046)	(6,401)	(28,606)	(117,630)	(887,495)
Balance at December 31, 2019	\$ -	<u>13,199,748</u>	<u>17,301,047</u>	<u>14,982,366</u>	<u>2,201,133</u>	<u>2,125,229</u>	<u>5,407,300</u>	<u>55,216,823</u>
Carrying value:								
Balance at December 31, 2020	\$ <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, 2019	\$ <u>3,498,447</u>	<u>16,839,668</u>	<u>14,330,663</u>	<u>975,317</u>	<u>321,493</u>	<u>418,242</u>	<u>4,289,263</u>	<u>40,673,093</u>
Balance at January 1, 2019	\$ <u>3,506,678</u>	<u>16,876,142</u>	<u>15,969,670</u>	<u>941,955</u>	<u>349,693</u>	<u>423,366</u>	<u>4,800,883</u>	<u>42,868,387</u>

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

As of December 31, 2020 and 2019, the property, plant and equipment were not pledged.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Right-of-use assets

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

	Land	Building and improvements	Machinery and equipment	Office equipment	Other equipment	Total
Cost:						
Balance at January 1, 2020	\$ 3,106,691	3,678,790	-	26,219	69,009	6,880,709
Effect of changes in consolidated entities	-	75,962	-	-	-	75,962
Addition	1,309,317	2,165,886	-	2,897	23,831	3,501,931
Decrease	(663,194)	(583,605)	-	-	(19,643)	(1,266,442)
Effect of changes in foreign exchange rates	(177,341)	(199,151)	-	(110)	(600)	(377,202)
Reclassified to non-current assets or disposal group classified as held for sale	(124,431)	-	-	-	-	(124,431)
Balance at December 31, 2020	<u>\$ 3,451,042</u>	<u>5,137,882</u>	<u>-</u>	<u>29,006</u>	<u>72,597</u>	<u>8,690,527</u>
Balance at January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application	3,171,229	3,228,685	6,348	2,188	48,880	6,457,330
Addition	-	551,741	-	24,144	26,884	602,769
Decrease	-	(34,310)	(6,385)	-	(6,379)	(47,074)
Effect of changes in foreign exchange rates	(64,538)	(67,326)	37	(113)	(376)	(132,316)
December 31, 2019	<u>\$ 3,106,691</u>	<u>3,678,790</u>	<u>-</u>	<u>26,219</u>	<u>69,009</u>	<u>6,880,709</u>
Accumulated depreciation:						
Balance at January 1, 2020	\$ 582,273	2,249,982	-	4,864	26,951	2,864,070
Effect of changes in consolidated entities	-	19,895	-	-	-	19,895
Depreciation	59,720	767,390	-	6,590	20,658	854,358
Decrease	(67,010)	(434,812)	-	-	(16,926)	(518,748)
Effect of changes in foreign exchange rates	(26,639)	(97,685)	-	(53)	(306)	(124,683)
Reclassified to non-current assets or disposal group classified as held for sale	(13,131)	-	-	-	-	(13,131)
Balance at December 31, 2020	<u>\$ 535,213</u>	<u>2,504,770</u>	<u>-</u>	<u>11,401</u>	<u>30,377</u>	<u>3,081,761</u>
Balance at January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application	530,303	1,689,415	2,645	393	13,447	2,236,203
Depreciation	63,528	616,692	573	4,511	17,266	702,570
Decrease	-	(15,217)	(3,233)	-	(3,560)	(22,010)
Effect of changes in foreign exchange rates	(11,558)	(40,908)	15	(40)	(202)	(52,693)
December 31, 2019	<u>\$ 582,273</u>	<u>2,249,982</u>	<u>-</u>	<u>4,864</u>	<u>26,951</u>	<u>2,864,070</u>
Carrying value:						
Balance at December 31, 2020	<u>\$ 2,915,829</u>	<u>2,633,112</u>	<u>-</u>	<u>17,605</u>	<u>42,220</u>	<u>5,608,766</u>
Balance at December 31, 2019	<u>\$ 2,524,418</u>	<u>1,428,808</u>	<u>-</u>	<u>21,355</u>	<u>42,058</u>	<u>4,016,639</u>

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Intangible assets

	Patent	Goodwill	Software	Professional technology	Customer relationships	Total
Costs:						
Balance at January 1, 2020	\$ 385,433	561,485	674,546	133,094	-	1,754,558
Effect of changes in consolidated entities	-	-	21,815	-	-	21,815
Additions	-	21,654	449,141	-	-	470,795
Disposals	-	-	(255,425)	-	-	(255,425)
Effect of changes in foreign exchange rates	1,885	-	(15,623)	(7,066)	-	(20,804)
Balance at December 31, 2020	<u>\$ 387,318</u>	<u>583,139</u>	<u>874,454</u>	<u>126,028</u>	<u>-</u>	<u>1,970,939</u>
Balance at January 1, 2019	\$ 1,070,279	561,485	714,606	66,715	264,800	2,677,885
Additions	-	-	116,065	69,554	-	185,619
Disposals	(680,416)	-	(153,842)	-	(264,800)	(1,099,058)
Effect of changes in foreign exchange rates	(4,430)	-	(2,283)	(3,175)	-	(9,888)
Balance at December 31, 2019	<u>\$ 385,433</u>	<u>561,485</u>	<u>674,546</u>	<u>133,094</u>	<u>-</u>	<u>1,754,558</u>
Accumulated amortization:						
Balance at January 1, 2020	\$ 283,706	-	475,725	37,595	-	797,026
Effect of changes in consolidated entities	-	-	17,550	-	-	17,550
Amortization	30,888	-	259,220	32,924	-	323,032
Disposals	-	-	(255,425)	-	-	(255,425)
Effect of changes in foreign exchange rates	95	-	(12,421)	(3,152)	-	(15,478)
Balance at December 31, 2020	<u>\$ 314,689</u>	<u>-</u>	<u>484,649</u>	<u>67,367</u>	<u>-</u>	<u>866,705</u>
Balance at January 1, 2019	\$ 916,944	-	389,634	29,310	264,800	1,600,688
Amortization	49,053	-	241,867	9,119	-	300,039
Disposals	(680,416)	-	(153,842)	-	(264,800)	(1,099,058)
Effect of changes in foreign exchange rates	(1,875)	-	(1,934)	(834)	-	(4,643)
Balance at December 31, 2019	<u>\$ 283,706</u>	<u>-</u>	<u>475,725</u>	<u>37,595</u>	<u>-</u>	<u>797,026</u>
Carrying value :						
Balance at December 31, 2020	<u>\$ 72,629</u>	<u>583,139</u>	<u>389,805</u>	<u>58,661</u>	<u>-</u>	<u>1,104,234</u>
Balance at December 31, 2019	<u>\$ 101,727</u>	<u>561,485</u>	<u>198,821</u>	<u>95,499</u>	<u>-</u>	<u>957,532</u>
Balance at January 1, 2019	<u>\$ 153,335</u>	<u>561,485</u>	<u>324,972</u>	<u>37,405</u>	<u>-</u>	<u>1,077,197</u>

(i) Impairment testing for goodwill

- 1) For the Group's impairment testing purpose, goodwill had been allocated to the operating units testing purpose. The units were the minimum level for the Group to goodwill, and its level was not higher than Group's operating segments.

The carrying amounts of goodwill were as follows:

	December 31, 2020	December 31, 2019
Developing and manufacturing services cash-generating units	<u>\$ 583,139</u>	<u>561,485</u>

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) The recoverable amount of developing and manufacturing services cash-generating units (CGU) was based on its value-in-use, determining by discounting the future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of the value in use were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Revenue growth rate	6.78 %	4.00 %
After-tax discount rate	4.30 %	6.85 %

The key assumptions represented the management's evaluation of the future industry trends, and of which the external, internal and also historical information were considered. There was no impairment occurred as of December 31, 2020 and 2019.

(ii) Collateral

As of December 31, 2020 and 2019, the intangible assets were not pledged.

(m) Other current assets and non-current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
(i) Other current assets:		
Other receivables, net	\$ 4,805,682	5,084,418
Prepaid royalties	283,301	310,492
Other prepayments	2,556,733	2,661,588
Other financial assets (Note)	730,902	-
Tax refundable	3,518,561	5,118,415
Others	<u>74,857</u>	<u>76,347</u>
	<u>\$ 11,970,036</u>	<u>13,251,260</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
(ii) Other non-current assets:		
Advance payment for equipment	\$ 3,917,154	756,169
Refundable deposits	613,020	412,662
Others	<u>50,360</u>	<u>289,440</u>
	<u>\$ 4,580,534</u>	<u>1,458,271</u>

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

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Bank loans

(i) Short-term loans

<u>December 31, 2020</u>				
	<u>Currency</u>	<u>Interest rate collar</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank loans	USD	0.58%~2.7%	2021/1/1~2021/12/28	\$ 86,016,796
Unsecured bank loans	JPY	0.35%~0.36%	2021/1/31	414,150
Unsecured bank loans	TWD	0.55%~1.33%	2021/1/3~2021/6/21	12,717,500
Unsecured bank loans	EUR	0.65%~0.95%	2021/1/1~2021/1/13	390,884
Unsecured bank loans	CZK	1.2%	2021/1/1	829,901
Unsecured bank loans	INR	3%	2021/2/13	321,112
Unsecured bank loans	RMB	3.25%~3.85%	2021/1/22~2021/12/20	<u>1,349,862</u>
Total				<u>\$ 102,040,205</u>
Unused credit line				<u>\$ 135,524,599</u>

<u>December 31, 2019</u>				
	<u>Currency</u>	<u>Interest rate collar</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank loans	USD	2.15%~3.68%	2020/1/1~2020/8/5	\$ 54,634,753
Unsecured bank loans	JPY	0.34%~0.69%	2020/1/20~2020/7/24	569,087
Unsecured bank loans	TWD	1.18%~1.47%	2020/1/3~2020/6/22	214,500
Unsecured bank loans	EUR	0.69%~1.10%	2020/1/1~2020/1/20	1,796,502
Unsecured bank loans	CZK	2.90%	2020/1/1	<u>162,952</u>
Total				<u>\$ 57,377,794</u>
Unused credit line				<u>\$ 122,845,056</u>

(ii) Long-term loans

<u>December 31, 2020</u>				
	<u>Currency</u>	<u>Interest rate collar</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank loans	USD	0.75%~1.25%	2022/3/7~2023/5/23	\$ 18,352,308
Unsecured bank loans	TWD	0.6%~0.78%	2022/7/23	<u>1,980,000</u>
Total				<u>\$ 20,332,308</u>
Unused credit line				<u>\$ 446,288</u>

<u>December 31, 2019</u>				
	<u>Currency</u>	<u>Interest rate collar</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured bank loans	USD	2.31%~3.00%	2020/4/9~2022/3/7	\$ 18,159,452
Less: current portion				<u>(2,407,177)</u>
Total				<u>\$ 15,752,275</u>
Unused credit line				<u>\$ 9,710,559</u>

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Breach of covenant

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:

Total credit facility: USD600,000,000

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.

The Company was in compliance with the above financial covenants as of December 31, 2020 and 2019, respectively.

(iv) The interest expenses for short-term and long-term loans for the the year ended December 31, 2020 and 2019 were disclosed in Note 6(x).

(o) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2020
Total convertible corporate bonds issued	\$ 5,000,000
Unamortized discounted corporate bonds payable	<u>(8,217)</u>
Corporate bonds issued balance at year-end	<u>\$ 4,991,783</u>
	2020
Interest expense	<u>\$ 8,583</u>

Wiwynn, a subsidiary of the Group, issued 5,000 unsecured 5-years ordinary corporate bonds, and paid interest yearly 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.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Lease liabilities

	December 31, 2020	December 31, 2019
Current	<u>\$ 1,674,394</u>	<u>644,586</u>
Non-current	<u>\$ 1,122,922</u>	<u>923,848</u>

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

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	<u>\$ 51,818</u>	<u>44,466</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 153,314</u>	<u>259,236</u>
Expenses relating to short-term leases	<u>\$ 204,311</u>	<u>163,934</u>
Expenses relating to leases of low-value assets	<u>\$ 992</u>	<u>1,700</u>
COVID-19-related rent concessions (recognized as other income)	<u>\$ 2,755</u>	<u>-</u>

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

	2020	2019
Total cash outflow for leases	<u>\$ 2,098,214</u>	<u>1,135,826</u>

(i) Leases of land, buildings and improvement

As of December 31, 2020, the Group leased land, buildings and improvement for its office spaces, factories, warehouses and staff dormitories. The leases of land ran for a period of 19 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. In which lessee was 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, 2020, 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.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) 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, 2020 and 2019, rental income recognized in profit or loss, were \$82,957 and \$95,870, respectively.

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

	December 31, 2020	December 31, 2019
Less than one year	<u>\$ 18,931</u>	<u>24,188</u>

(r) Employee benefits

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

	2020	2019
Present value of defined benefit obligations	\$ 6,080	5,246
Fair value of plan assets	<u>(6,827)</u>	<u>(6,562)</u>
Net defined benefit assets (accounted for under "Other non-current assets")	<u>\$ (747)</u>	<u>(1,316)</u>
	2020	2019
Present value of defined benefit obligations	\$ 2,306,294	2,106,696
Fair value of plan assets	<u>(1,206,250)</u>	<u>(1,056,638)</u>
Net defined benefit liabilities (accounted for under "Other non-current liabilities")	<u>\$ 1,100,044</u>	<u>1,050,058</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 or 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 \$1,213,077 and \$1,063,200 as of December 31, 2020 and 2019, 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.

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:

	2020	2019
Balance at January 1	\$ 2,111,942	2,138,400
Current service cost and interests	37,717	43,609
Benefit paid by the plan	(74,303)	(142,950)
Benefit paid by the Group	(50,168)	(62,366)
Net remeasurements of defined benefit liabilities (assets)		
— Actuarial losses arising from changes in financial assumptions	230,560	70,639
— Experience adjustments	54,828	64,239
Effect of change in foreign exchange rates	<u>1,798</u>	<u>371</u>
Balance at December 31	<u>\$ 2,312,374</u>	<u>2,111,942</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:

	2020	2019
Fair value of plan assets at January 1	\$ 1,063,200	980,469
Contribution paid by the employer	187,602	187,933
Benefit paid by the plan	(74,303)	(142,950)
Expected return on plan assets	11,247	13,276
Net remeasurements of defined benefit liabilities (assets)		
— Return on plan assets	<u>25,331</u>	<u>24,472</u>
Balance at December 31	<u>\$ 1,213,077</u>	<u>1,063,200</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, 2020 and 2019, were as follow:

	<u>2020</u>	<u>2019</u>
Current service cost	\$ 13,239	13,408
Net interest on the net defined benefit liabilities	24,478	30,201
Net remeasurements of defined benefit liabilities (assets)		
— Loss on plan assets	25,331	24,472
Actual return on plan assets	(36,578)	(37,748)
Exchange differences	<u>1</u>	<u>5</u>
	<u>\$ 26,471</u>	<u>30,338</u>
	<u>2020</u>	<u>2019</u>
Cost of sales	\$ 12,729	9,064
Selling expenses	5,000	5,751
Administrative expenses	4,706	5,589
Research and development expenses	<u>4,036</u>	<u>9,934</u>
	<u>\$ 26,471</u>	<u>30,338</u>

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

As of December 31, 2020 and 2019, the Group's remeasurements of the net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	<u>2020</u>	<u>2019</u>
Balance as of January 1	\$ 646,339	535,933
Recognized during the year	<u>260,057</u>	<u>110,406</u>
Balance as of December 31	<u>\$ 906,396</u>	<u>646,339</u>

6) Actuarial assumptions

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	0.625%~3.9%	1.125%~5.3%
Future salary increases	1.31%~3.5%	1.73%~5%

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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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, 2020 was \$45,452.

The weighted average lifetime of the defined benefits plans was 13.36~20.27 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, 2020		
Discount rate	\$ (63,435)	66,036
Future salary increases	61,461	(59,408)
December 31, 2019		
Discount rate	(59,621)	62,068
Future salary increases	59,765	(57,771)

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.

(i) 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 \$664,931 and \$541,807 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2020 and 2019, respectively.

(Continued)

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(s) Income Taxes

(i) Income tax expense

- 1) The components of income tax expense for the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Current tax expense		
Current period	\$ 3,556,289	3,194,259
Prior period adjustments	300,916	482,966
	<u>3,857,205</u>	<u>3,677,225</u>
Deferred tax expense (benefit)		
Origination and reversal of temporary difference	80,274	(627,402)
Income tax expense	<u>\$ 3,937,479</u>	<u>3,049,823</u>

- 2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ (51,546)	(20,830)
Unrealized gains (losses) on equity instruments as fair value through other comprehensive income	43,264	(13,969)
	<u>\$ (8,282)</u>	<u>(34,799)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ -	(86)

- 3) The reconciliation of income tax expense and profit before tax for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Profit before tax	<u>\$ 16,845,375</u>	<u>12,776,066</u>
Estimated income tax calculated based on the Company's statutory tax rate	\$ 3,369,075	2,555,213
Tax effects of different tax rates applicable in foreign jurisdiction	2,160,247	1,504,046
Surtax on undistributed earnings	65,909	85,752
Tax-exempt income	(1,076,442)	(835,415)
Change in unrecognized temporary differences	(544,174)	(792,791)
Prior-period tax adjustments	300,916	482,966
Others	(338,052)	50,052
	<u>\$ 3,937,479</u>	<u>3,049,823</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2020</u>	<u>December 31, 2019</u>
Unused tax losses carryforwards	\$ 1,444,638	2,173,289
Deductible temporary differences	2,015,847	1,005,689
	<u>\$ 3,460,485</u>	<u>3,178,978</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, 2020, 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>
2021	\$ -	264,035	264,035
2022	5,531	261,917	267,448
2023	-	236,893	236,893
2024	-	197,064	197,064
2025	-	65,621	65,621
2026	7,390	12,727	20,117
2027	10,056	329,799	339,855
2028	-	11,918	11,918
2029	-	14,330	14,330
2030	-	18,952	18,952
After 2031	241,062	31,382	272,444
	<u>\$ 264,039</u>	<u>1,444,638</u>	<u>1,708,677</u>

b) Unrecognized deferred tax assets and liabilities on investment

As of December 31, 2020 and 2019, the temporary differences associated with investments in subsidiaries were not recognized as deferred income tax assets and liabilities as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax assets	\$ 1,142,968	825,388
Unrecognized deferred tax liabilities	\$ 4,977,640	3,783,802

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Recognized share of loss of subsidiaries and associates accounted for equity method	Unrealized exchange loss	Contract liabilities	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, 2020	\$ 409,107	185,442	172,301	1,704,095	531,234	413,866	449,644	910,554	1,044,108	5,820,351
Recognized in profit or loss	-	(185,442)	(172,301)	896,822	93,199	(149,827)	(261,930)	42,536	23,951	287,008
Recognized in other comprehensive income	-	-	-	-	-	-	-	-	13,639	13,639
Balance at December 31, 2020	<u>\$ 409,107</u>	<u>-</u>	<u>-</u>	<u>2,600,917</u>	<u>624,433</u>	<u>264,039</u>	<u>187,714</u>	<u>953,090</u>	<u>1,081,698</u>	<u>6,120,998</u>
Balance at January 1, 2019	\$ 409,107	168,167	158,163	1,235,393	408,372	872,022	569,945	601,980	1,353,748	5,776,897
Recognized in profit or loss	-	17,275	14,138	468,702	122,862	(458,156)	(120,301)	308,574	(266,434)	86,660
Recognized in other comprehensive income	-	-	-	-	-	-	-	-	(43,206)	(43,206)
Balance at December 31, 2019	<u>\$ 409,107</u>	<u>185,442</u>	<u>172,301</u>	<u>1,704,095</u>	<u>531,234</u>	<u>413,866</u>	<u>449,644</u>	<u>910,554</u>	<u>1,044,108</u>	<u>5,820,351</u>

	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain	Others	Total
Deferred income tax liabilities:				
Balance at January 1, 2020	\$ 2,483,538	-	107,484	2,591,022
Recognized in profit or loss	(161,525)	271,886	256,921	367,282
Recognized in other comprehensive income	-	-	5,357	5,357
Balance at December 31, 2020	<u>\$ 2,322,013</u>	<u>271,886</u>	<u>369,762</u>	<u>2,963,661</u>
Balance at January 1, 2019	\$ 3,060,372	-	149,483	3,209,855
Recognized in profit or loss	(576,834)	-	36,092	(540,742)
Recognized in other comprehensive income	-	-	(78,091)	(78,091)
Balance at December 31, 2019	<u>\$ 2,483,538</u>	<u>-</u>	<u>107,484</u>	<u>2,591,022</u>

(iii) The Company's tax returns for the years through 2018 were examined and approved by the Taiwan National Tax Administration.

(t) Capital and Other Equities

(i) Capital

As of December 31, 2020 and 2019, the Company's authorized common stock consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,840,612,000 shares, were issued and outstanding.

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company's Board of Directors approved to retire the expired treasury shares amounting to \$15,099 consisting of 1,510,000 shares repurchased by the Company in 2016. The dates of capital decrease were August 12, 2019 wherein the relevant registration procedures had been completed.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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(ii) Treasury Shares

1) In order to motivate the employees and improve the operating performance, the Company's Board of Directors approved a resolution to repurchase its own common stock as treasury shares in accordance with the requirements under section 28(2) of the Securities and Exchange Act on March 24, 2020. As of December 31, 2020, the treasury shares the Company repurchased were 58,769,000 shares with the total amounts of \$1,607,259.

During 2015 and 2016, the Company repurchased 164,362,000 shares of its common stock as treasury shares to transfer to employees. As of December 31, 2019, the treasury shares transferred to employees was 145,941,000 shares. And 1,510,000 shares, 13,255,000 shares and 3,656,000 shares had been retired in August 2019, July 2018 and November 2018, respectively. Therefore, no treasury shares the Company held as of December 31, 2019.

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 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 it should be cancelled. Furthermore, treasury stock cannot be pledged for debts, and treasury stock 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, 2020	December 31, 2019
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	2,484,466	2,527,070
Restricted shares to employees	1,008,344	-
Employee stock options	109,898	-
Transaction of treasury shares	57,257	57,257
Other	76,118	73,617
	<u>\$ 25,760,011</u>	<u>24,681,872</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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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) Unappropriated earnings

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 Rule No. 1010012865 issued by the FSC on April 6, 2012, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings (which does not qualify for earnings distribution) shall be reclassified as special earnings reserve to account for the cumulative changes to other shareholders' equity pertaining to prior periods. The 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 appropriations of 2019 and 2018 earnings have been approved by the Company's shareholders in its meeting held on June 18, 2020 and June 12, 2019, respectively. The appropriations were as follows:

	2019	2018
Cash dividends	\$ 5,681,224	4,226,640

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
	Group	Associates	Group	Associates	Group
Balance at January 1, 2020	\$ (2,714,169)	(238,012)	(531,892)	(52,051)	-
Foreign currency translation differences (net of tax)	(3,553,199)	(20,403)	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	(91,391)	14,890	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	339,706	-	-
Deferred compensation arising from issuance of restricted shares	-	-	-	-	(999,742)
Balance at December 31, 2020	\$ (6,267,368)	(258,415)	(283,577)	(37,161)	(999,742)
	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
	Group	Associates	Group	Associates	
Balance at January 1, 2019	\$ (1,105,265)	(187,327)	(2,730,320)	(105,322)	
Foreign currency translation differences (net of tax)	(1,608,904)	(50,685)	-	-	
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	2,009,673	53,271	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	188,755	-	
Balance at December 31, 2019	\$ (2,714,169)	(238,012)	(531,892)	(52,051)	

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Non-controlling interests (net of tax)

	For the years ended December 31,	
	2020	2019
Balance on January 1	\$ 9,950,490	4,586,385
Effects of retrospective application	-	(938)
Profit attributable to non-controlling interests	4,226,134	2,925,475
Other comprehensive income attributable to non-controlling interests		
Exchange differences on translation of foreign financial statements	(145,334)	(56,890)
Remeasurements of defined benefit plans	(2,409)	(886)
Changes in non-controlling interests	<u>(1,668,579)</u>	<u>2,497,344</u>
Balance on December 31	<u>\$ 12,360,302</u>	<u>9,950,490</u>

(u) Share-based payment transactions

(i) WHQ-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 issue 63,000,000 new shares of restricted stocks 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 stocks, 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 stock 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 stocks are vested respectively depending on the completion of both the Company and their personal performance in each year. The restricted stock is 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.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Determining the fair value of equity instruments granted

The Company adopted the Black-Scholes model to calculate the fair value of the stock option at grant date, and assumption adopted in this valuation model was as follows:

Stock price at grant date (in dollars)	30
Exercise price (in dollars)	0
Expected life of the option	4 years
Expected volatility	28.33%~29.87%
Risk-free interest rate	0.1130%~0.1505%

- 3) The Company recognized the salary cost of \$8,602 from the issuance of restricted employee shares for the year ended December 31, 2020.

(ii) WHQ-Treasury shares transfer to employees

- 1) The Company transferred 58,769,000 and 24,362,000 shares repurchased in 2020 and 2016 to employee based on the resolution approved during the board meeting held on November 12, 2020 and May 10, 2019, respectively. The treasury shares were granted to the full-time employees of the subsidiary at home and aboard who meet the specific requirement.
- 2) The Company adopted the Black-Scholes model to calculate the fair value of the treasury shares at the grant date. The assumptions adopted in this valuation model were as follows:

	2020	2019
Fair value at grant date (in dollars)	1.87	4.83
Stock price at grant date (in dollars)	29.20	24.55
Exercise price (in dollars)	27.35	19.68
Expected life of the option	0.03 years	0.03 years
Expected volatility	28.224%	28.910%
Risk-free interest rate	0.2907%	0.0100%

- 3) The Company recognized the salary costs of \$109,898 and \$116,583 for the stock option plan for the years ended December 31, 2020 and 2019, respectively.

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(iii) WYHQ-Employee stock option

As of December 31, 2020 and 2019, the information of WYHQ's employee stock options were as follows:

	Equity-settled		
	2015 employee stock options	2017 employee stock options	2019 cash capital increase reserved for employees
Grant date	January 26, 2015	June 20, 2017	February 27, 2019
Grant quantity	1,000,000	8,000,000	2,821,000
Contract period	5years	3years	-
Grant to	WYHQ's employee	WYHQ's employee	WYHQ's employee
Vesting conditions	(Note 1)	(Note 2)	Immediately

(Note 1): The exercise ratio of the employee stock options over the grant period were as follows:

2015 employee stock options	
Grant period	Exercise ratio (cumulative)
February 15, 2017	1/3
February 15, 2018	2/3
February 15, 2019	3/3

(Note 2): The exercise ratio of the employee stock options over the grant period were as follows:

2017 employee stock options	
Grant period	Exercise ratio (cumulative)
August 1, 2017	1/2
February 1, 2019	2/2

1) Measurable parameters of fair value at grant date

a) Employee stock option plan

WYHQ adopted the Black-Scholes model to evaluate the fair value of the stock options at the grant dates. The assumptions adopted in this valuation model were as follows:

	2015 employee stock options	2017 employee stock options
Fair value at grant date (in dollars)	\$ 7.19	4.54 / 6.24
Share price at grant date (in dollars)	25.98	25.23
Stock price (in dollars)	17.40	25.00
Expected volatility	38.87 %	34.99 % / 39.93%
Expected life of the option	2 years	1.56 years / 2.31 years
Risk-free interest rate	0.60 %	0.5053 % / 0.5936%

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Cash capital increase reserved for employees

	2019 cash capital increase reserved for employees
Fair value at grant date (in dollars)	\$ 305.3
Stock price at grant date (in dollars)	248
Exercise price (in dollars)	57.3
Weighed-average cost of capital	-
Debt-equity ratio	23 %
Control premium ratio	31.5 %
Adjustment ratio of liquidity shortage	22 %
Adjustment ratio of control shortage	24 %

2) Information on employee stock option plan

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

	2020		2019	
	Weighted-average exercise price (expressed in dollars)	Number of option (in thousands)	Weighted-average exercise price (expressed in dollars)	Number of option (in thousands)
Outstanding balance at the beginning of year	\$ 16.04	232	17.50	4,044
Options granted	-	-	-	-
Options forfeited	-	(28)	-	(14)
Options exercised	15.87	(204)	17.52	(3,798)
Outstanding balance at the end of year	-	-	16.04	<u>232</u>
Exercisable numbers at the end of year	-	-	-	<u>232</u>

The outstanding employee stock options were as follows:

	For the years ended December 31,	
	2020	2019
Range of exercise price (in dollar)	\$ 10.0 ~17.3	10.0 ~17.3
Weighed-average remaining duration (years)	-	0.19

(Continued)

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3) Expenses recognized in profit or loss

WYHQ incurred expenses of share-based payments in 2020 and 2019 as follows:

	For the years ended December 31,	
	2020	2019
Expenses resulting from employee stock option plan	\$ -	2,319
Expenses resulting from cash capital increase reserved for employees	-	161,643
Total	\$ -	163,962

(iv) AGI-Employee stock option

AGI issued 1,400,000 shares of employee stock option according to the resolution approved by the board of directors on September 16, 2020. The related information was as follows:

1) Arrangement

	Equity-settled Employee stock option
Grant date	September 16, 2020
Grant quantity	1,400,000
Contract period	3 years
Grant to	AGI's employees
Vesting conditions	(Note)

(Note): The exercise ratio of the employee stock options over the grant period were as follows:

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

(Continued)

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2) Measurable parameter of fair value at grant date

- a) AGI adopted 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:

	2020 employee stock option
Fair value at grant date (in dollars)	\$ 1.06
Stock price at grant date (in dollars)	8.05
Exercise price (in dollars)	10.00
Expected volatility	25.98 %
Expected life of the option	4 years
Risk-free interest rate	0.2915 %

- 3) For the year ended December 31, 2020, the expenses for employee stock options amounted to \$226.

(v) Earnings per share

	2020	2019
Basic earnings per share:		
Net profit belonging to ordinary shareholders	\$ 8,681,762	6,800,768
Weighted average ordinary shares outstanding (in thousands)	2,802,027	2,830,397
Basic EPS (in dollars)	\$ 3.10	2.40
Diluted EPS:		
Net profit belonging to ordinary shareholders	\$ 8,681,762	6,800,768
Weighted average ordinary shares outstanding (in thousands)	2,802,027	2,830,397
Effect of potentially dilutive ordinary shares (in thousands):		
Employees' remuneration	63,649	48,405
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	2,865,676	2,878,802
Diluted EPS (in dollars)	\$ 3.03	2.36

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	2020	2019
Primary geographical markets		
United states	\$ 337,750,466	328,937,152
China	198,707,568	247,998,381
Europe	174,524,060	167,564,825
Others	134,029,750	133,754,720
	\$ 845,011,844	878,255,078

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	<u>2020</u>	<u>2019</u>	
Major products			
Computer, Communication & Consumer electronics	\$ 754,958,428	770,728,400	
Others	<u>90,053,416</u>	<u>107,526,678</u>	
	<u>\$ 845,011,844</u>	<u>878,255,078</u>	
(ii) Contract balances			
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Note receivables	\$ 57,194	42,732	541,001
Trade receivables	127,798,387	132,073,028	118,362,881
Trade receivables - related parties	306,155	479,432	58,988
Less: loss allowance	<u>(628,778)</u>	<u>(709,930)</u>	<u>(609,927)</u>
Total	<u>\$ 127,532,958</u>	<u>131,885,262</u>	<u>118,352,943</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Current contract liabilities-warranty	<u>\$ 4,040,436</u>	<u>2,429,134</u>	<u>1,601,713</u>
Current refund liability	<u>\$ 9,560,522</u>	<u>6,177,579</u>	<u>4,917,958</u>

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

The contract liabilities were primarily related to the advance received from customers due to the warranty service. 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, 2020 and 2019 that were included in the contract liabilities balances at the beginning of the year were \$1,933,611 and \$2,157,200, respectively.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>2020</u>	<u>2019</u>
Interest income	<u>\$ 1,888,042</u>	<u>2,009,432</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
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(ii) Other income

The details of other income were as follows:

	<u>2020</u>	<u>2019</u>
Dividend income	\$ 127,355	483,430
Rental income	<u>82,957</u>	<u>95,870</u>
Total	<u>\$ 210,312</u>	<u>579,300</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2020</u>	<u>2019</u>
Foreign exchange gains, net	\$ 1,501,119	340,011
Gains on disposal of investments, net	4,652	193,365
Gain (losses) on disposal of property plant and equipment, net	40,266	(41,412)
Gains on financial assets or liabilities at fair value through profit or loss, net	293,599	96,606
Other investment loss	(391)	(13,597)
Grant income	514,514	529,600
Others	<u>(176,755)</u>	<u>254,164</u>
Total	<u>\$ 2,177,004</u>	<u>1,358,737</u>

(iv) Finance costs

	<u>2020</u>	<u>2019</u>
Interest expense	<u>\$ (2,348,171)</u>	<u>(4,810,821)</u>

(y) Employees' and directors' remuneration

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.

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The Company recognized the remuneration to employees and directors as follows:

	<u>2020</u>	<u>2019</u>
Employees' remuneration	\$ 1,546,640	1,164,751
Directors' remuneration	102,078	76,873
	<u>\$ 1,648,718</u>	<u>1,241,624</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 2019 and 2020.

The remuneration to employees of 2019 was paid in cash. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, were the same with those of the actual distributions for 2020 and 2019.

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.

(z) 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 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, evaluates the recoverability of trade receivables and recognize as loss allowances for doubtful accounts. Furthermore, it bought insurance for the receivables. As of December 31, 2020 and 2019, 65% of the Group's trade receivables were concentrated on 3 and 5 specific customers, respectively, therefore, the Group was exposed to credit risk.

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(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
As of December 31, 2020					
Non-derivative financial liabilities					
Short-term loans	\$ 102,040,205	102,115,072	102,115,072	-	-
Note and trade payables (including related parties)	114,690,872	114,690,872	114,690,872	-	-
Other payables (including related parties)	36,462,535	36,462,535	36,462,535	-	-
Lease liabilities	2,797,316	2,831,943	1,689,630	831,999	310,314
Bonds payable	4,991,783	5,199,200	41,500	5,157,700	-
Long-term loans	20,332,308	20,869,492	-	20,869,492	-
Subtotal	<u>281,315,019</u>	<u>282,169,114</u>	<u>254,999,609</u>	<u>26,859,191</u>	<u>310,314</u>
Derivative financial liabilities					
Foreign currency swap contracts:					
Outflow	2,133	2,852,933	2,852,933	-	-
Inflow	-	(2,850,800)	(2,850,800)	-	-
Carrying amount	<u>2,133</u>	<u>2,133</u>	<u>2,133</u>	<u>-</u>	<u>-</u>
Foreign currency forward contracts:					
Outflow	20,874	1,652,920	1,652,920	-	-
Inflow	-	(1,632,046)	(1,632,046)	-	-
Carrying amount	<u>20,874</u>	<u>20,874</u>	<u>20,874</u>	<u>-</u>	<u>-</u>
Subtotal	<u>23,007</u>	<u>23,007</u>	<u>23,007</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 281,338,026</u>	<u>282,192,121</u>	<u>255,022,616</u>	<u>26,859,191</u>	<u>310,314</u>
As of December 31, 2019					
Non-derivative financial liabilities					
Short-term loans	\$ 57,377,794	57,454,547	57,454,547	-	-
Note and trade payables (including related parties)	138,445,293	138,445,293	138,445,293	-	-
Other payables (including related parties)	28,923,845	28,923,845	28,923,845	-	-
Lease liabilities	1,568,434	1,624,952	671,111	757,202	196,639
Long-term loans (including current portion)	18,159,452	18,849,919	2,422,623	16,427,296	-
Subtotal	<u>244,474,818</u>	<u>245,298,556</u>	<u>227,917,419</u>	<u>17,184,498</u>	<u>196,639</u>
Derivative financial liabilities					
Foreign currency swap contracts:					
Outflow	51,687	15,907,793	15,907,793	-	-
Inflow	-	(15,856,106)	(15,856,106)	-	-
Carrying amount	<u>51,687</u>	<u>51,687</u>	<u>51,687</u>	<u>-</u>	<u>-</u>
Foreign currency forward contracts:					
Outflow	23,538	207,341	207,341	-	-
Inflow	-	(183,803)	(183,803)	-	-
Carrying amount	<u>23,538</u>	<u>23,538</u>	<u>23,538</u>	<u>-</u>	<u>-</u>
Subtotal	<u>75,225</u>	<u>75,225</u>	<u>75,225</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 244,550,043</u>	<u>245,373,781</u>	<u>227,992,644</u>	<u>17,184,498</u>	<u>196,639</u>

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

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(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, 2020		
	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets			
<u>Monetary items</u>			
USD	2,088 USD/BRL=	5.199	59,524
	299 USD/CLP=	722.220	8,529
	35,249 USD/CZK=	21.379	1,004,867
	60 USD/HKD=	7.752	1,708
	70 USD/INR=	72.800	1,995
	5,421 USD/JPY=	103.240	154,544
	249 USD/MXN=	19.872	7,080
	2,146,837 USD/TWD=	28.508	61,202,059
	6,722 USD/CNY=	6.525	191,644
	106 USD/TRY=	7.383	3,025
CNY	37,892 CNY/TWD=	4.369	165,552
	1,937,080 CNY/USD=	0.153	8,463,297
<u>Non-monetary items</u>			
USD	56,384 USD/TWD=	28.508	1,607,395
Financial liabilities			
<u>Monetary items</u>			
USD	4,005 USD/BRL=	5.199	114,173
	10,781 USD/CZK=	21.379	307,351
	2 USD/HKD=	7.752	48
	7,889 USD/INR=	72.800	224,888
	1,500 USD/MXN=	19.872	42,762
	4,879,454 USD/TWD=	28.508	139,103,506
	59,886 USD/CNY=	6.525	1,707,270
	- USD/TRY=	7.383	3
CNY	8,563 CNY/TWD=	4.369	37,413
	3,490,436 CNY/USD=	0.153	15,250,069

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Notes to the Consolidated Financial Statements

	December 31, 2019		
	Foreign currency (In thousands)	Exchange rate	TWD
Financial assets			
<u>Monetary items</u>			
USD	499 USD/BRL=	4.025	15,010
	0.21 USD/COP=	3,286.510	6
	40,516 USD/CZK=	22.693	1,219,785
	125 USD/INR=	70.200	3,752
	12,177 USD/JPY=	108.890	366,605
	493 USD/MXN=	18.928	14,853
	2,574,952 USD/TWD=	30.106	77,521,512
	23,178 USD/CNY=	6.987	697,801
	116 USD/TRY=	5.951	3,507
CNY	153,237 CNY/TWD=	4.309	660,300
	1,313,391 CNY/USD=	0.143	5,659,403
<u>Non-monetary items</u>			
USD	38,324 USD/TWD=	30.106	1,153,778
Financial liabilities			
<u>Monetary items</u>			
USD	6,519 USD/BRL=	4.025	196,252
	1,985 USD/CLP=	735.100	59,764
	10,816 USD/CZK=	22.693	325,613
	1 USD/HKD=	7.788	26
	22,245 USD/INR=	70.200	669,719
	26,412 USD/JPY=	108.890	795,155
	10,136 USD/MXN=	18.928	305,166
	3,900,578 USD/TWD=	30.106	117,430,809
	14,921 USD/CNY=	6.987	449,211
CNY	9,258 CNY/TWD=	4.309	39,892
	2,700,424 CNY/USD=	0.143	11,636,125

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 (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 and the CNY as of December 31, 2020 and 2019, would change the net profit after tax by \$3,420,946 and \$1,829,808, respectively. The analysis assumed that all other variables remain constant.

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	December 31, 2019				
	Carrying amount	Level 1	Level 2	Level 3	Total
Non-current financial assets at fair value through profit or loss					
Convertible bonds	\$ 200,206	-	-	200,206	200,206
SAFE	20,050	-	-	20,050	20,050
Subtotal	<u>\$ 220,256</u>	<u>-</u>	<u>-</u>	<u>220,256</u>	<u>220,256</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 5,555,156	4,033,765	-	1,521,391	5,555,156
Trade receivables	15,376,291	-	-	-	-
Subtotal	<u>\$ 20,931,447</u>	<u>4,033,765</u>	<u>-</u>	<u>1,521,391</u>	<u>5,555,156</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 47,411,947	-	-	-	-
Note and trade receivables (including related parties)	116,508,971	-	-	-	-
Other receivables (including related parties)	5,088,873	-	-	-	-
Subtotal	<u>\$ 169,009,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 412,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 75,225	-	75,225	-	75,225
Financial liabilities measured at amortized cost					
Short-term loans	\$ 57,377,794	-	-	-	-
Note and trade payables (including related parties)	138,445,293	-	-	-	-
Other payables (including related parties)	28,923,845	-	-	-	-
Lease liabilities	1,568,434	-	-	-	-
Long-term loans (including current portion)	18,159,452	-	-	-	-
Subtotal	<u>\$ 244,474,818</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.

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 are 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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WISTRON CORPORATION AND SUBSIDIARIES
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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 is 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, is calculated based on available market data at the reporting date.

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

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 Applied BioCode Corporation, which was classified as fair value through other comprehensive income. The fair value of the investment was previously categorized as Level 3 as of December 31, 2019. This was because the shares were not listed on an exchange and there were no recent observable arm's length transactions in the shares. In June 2020, Applied BioCode Corporation, listed its equity shares on an exchange and they were currently actively traded in that market. Because the equity shares now had a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy in June 2020.

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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, 2020 and 2019 were as follows:

	<u>Fair value through profit or loss</u>		<u>Fair value through other comprehensive income</u>	<u>Total</u>
	<u>Non-derivative financial assets mandatorily measured at fair value through profit or loss</u>	<u>Unquoted equity instruments</u>		
January 1, 2020	\$ 220,256	1,521,391		1,741,647
Total gains and losses recognized				
in profit or loss	(146,504)	-		(146,504)
in other comprehensive income	-	226,138		226,138
Purchased	10,463,681	343,133		10,806,814
Disposal and return of capital	(10,462,679)	(297,063)		(10,759,742)
Effect of tax	-	43,264		43,264
Effect of exchange rate changes	-	(4,308)		(4,308)
Transfers out of Level 3	-	(62,088)		(62,088)
December 31, 2020	<u>\$ 74,754</u>	<u>1,770,467</u>		<u>1,845,221</u>
January 1, 2019	438,871	1,681,091		2,119,962
Total gains and losses recognized				
in profit or loss	(373,893)	-		(373,893)
in other comprehensive income	-	(266,410)		(266,410)
Purchased	26,673,193	410,463		27,083,656
Disposal and return of capital	(26,517,915)	(79,328)		(26,597,243)
Effect of tax	-	(81,468)		(81,468)
Effect of exchange rate changes	-	(971)		(971)
Transfers out of Level 3	-	(141,986)		(141,986)
December 31, 2019	<u>\$ 220,256</u>	<u>1,521,391</u>		<u>1,741,647</u>

For the years ended December 31, 2020 and 2019, total gains and losses that were included in “other gains and losses” and “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income” were as follows:

	<u>For the years ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Total gains and losses recognized:		
in profit or loss, and presented in “other gains and losses”	\$ (146,504)	(373,893)
in other comprehensive income, and presented in “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income”	226,138	(266,410)
	<u>\$ 79,634</u>	<u>(640,303)</u>

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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”.

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

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through profit or loss – SAFE and convertible bonds	Binary tree model	·EV/Revenue (as of December 31, 2020, were 0.8~1.9, and December 31, 2019, were 1.10~1.84)	·The estimated fair value would increase if the multiplier is higher.
		·Volatility (as of December 31, 2020 were 49.25%~63.85%, and December 31, 2019, were 36.22%~57.63%)	·The estimated fair value would increase if volatility is higher.
	Black-Scholes Option Pricing Model	·Perpetually growing rate (as of December 31, 2020 were 3.3~3.7, and December 31, 2019, were 3.4~3.8)	·The estimated fair value would increase if perpetually growing rate is higher.
		·Cost of capital rate (as of December 31, 2020 and 2019, were 29%~31%)	·The estimated fair value would decrease if cost of capital rate is higher.
		·EV/Revenue (as of December 31, 2019 were 1.07~1.31)	·The estimated fair value would increase if multiplier is higher.
		·Volatility (as of December 31, 2019 was 45.77%)	·The estimated fair value would decrease if the volatility is higher.

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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, 2020, were 1.01~21.82, and December 31, 2019, were 0.71~23.66)	The estimated fair value would increase if the multiplier is higher.
		Market liquidity discount rate (as of December 31, 2020, and December 31, 2019, were 20%)	The estimated fair value would decrease if market liquidity discount rate is higher.
	Comparable listed companies approach – surplus multiplier method	Price/EPS (as of December 31, 2020 were 11.13~15.11)	The estimated fair value would increase if the multiplier is higher.
		Market liquidity discount rate (as of December 31, 2020 was 20%)	The estimated fair value would decrease if market liquidity discount rate is 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 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:

	Inputs	Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	\$ 228	(228)	-	-
	Volatility	5%	228	(228)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	33,450	(33,450)
	Market liquidity discount rate	5%	-	-	33,450	(33,450)
	Net asset value method	5%	-	-	55,074	(55,074)
December 31, 2019						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	8,632	(8,632)	-	-
	Volatility	5%	8,632	(8,632)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	28,777	(28,777)
	Market liquidity discount rate	5%	-	-	28,777	(28,777)
	Net asset value method	5%	-	-	47,293	(47,293)

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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 instruments 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 thousands

December 31, 2020					
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 amounts (e)=(c)-(d)
Other non-current assets	USD 16,275,041	16,275,041	-	-	-
	CNY 1,642,780	1,642,780	-	-	-

December 31, 2020					
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 amounts (e)=(c)-(d)
Short-term loans	USD 16,275,041	16,275,041	-	-	-
	CNY 1,642,780	1,642,780	-	-	-

December 31, 2019					
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 amounts (e)=(c)-(d)
Other non-current assets	USD 14,700,838	14,700,838	-	-	-
	CNY 4,763,458	4,763,458	-	-	-

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December 31, 2019						
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)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD 14,700,838	14,700,838	-	-	-	-
	CNY 4,763,458	4,763,458	-	-	-	-

(aa) Financial risk management

(i) By using financial instruments, the Group 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 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 reports 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 accounts receivables and investment.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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) Investment

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.

3) Guarantee

According to the Group's policy, the Group could only provide guarantee to which is listed under the regulation. The Group did not provide guarantees to any non-consolidated subsidiaries as of December 31, 2020 and 2019.

(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 ensures in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Group. As of December 31, 2020 and 2019, the Group had unused credit facilities for short-term and long-term loans of \$135,970,887 and \$132,555,615, 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 influence 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.

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.

(ab) 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 and 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 from time to time.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group controlled the capital structure through regularly reviewing debt-to-equity ratio. The debt-to-equity ratio of the Group at December 31, 2020 and 2019, were as follow:

	December 31, 2020	December 31, 2019
Total liabilities	\$ 344,896,366	260,275,261
Less: cash and cash equivalents	<u>(66,203,801)</u>	<u>(47,411,947)</u>
Net debt	278,692,565	212,863,314
Total equity	<u>83,926,079</u>	<u>83,901,074</u>
Adjusted equity	<u>\$ 362,618,644</u>	<u>296,764,388</u>
Debt-to-equity ratio at 31 December	<u>76.86%</u>	<u>71.73%</u>

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

As of December 31, 2020, the Group's capital management strategy was consistent with the prior years.

(ac) Financing activities not affecting current cash flow

For the years ended December 31, 2020 and 2019, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes		December 31, 2020
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 57,377,794	54,389,476	(4,445,870)	(5,281,195)	102,040,205
Long-term loans	18,159,452	2,877,150	(720,719)	16,425	20,332,308
Lease liabilities	1,568,434	(1,687,779)	114,078	2,802,583	2,797,316
Bonds payable	-	4,991,500	-	283	4,991,783
Guarantee deposits	<u>1,018,562</u>	<u>(327,383)</u>	<u>(9,485)</u>	<u>-</u>	<u>681,694</u>
Total liabilities from financing activities	<u>\$ 78,124,242</u>	<u>60,242,964</u>	<u>(5,061,996)</u>	<u>(2,461,904)</u>	<u>130,843,306</u>

	January 1, 2019	Cash flows	Non-cash changes		December 31, 2019
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 61,012,704	(2,630,562)	(1,004,348)	-	57,377,794
Long-term loans (including current portion)	20,234,382	(1,790,395)	(300,960)	16,425	18,159,452
Lease liabilities	1,698,090	(666,490)	(43,005)	579,839	1,568,434
Guarantee deposits	<u>1,077,704</u>	<u>(66,975)</u>	<u>7,833</u>	<u>-</u>	<u>1,018,562</u>
Total liabilities from financing activities	<u>\$ 84,022,880</u>	<u>(5,154,422)</u>	<u>(1,340,480)</u>	<u>596,264</u>	<u>78,124,242</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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	Relationship
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
ICA Inc. (CQIC)	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
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
FORMOSA PROSONIC TECHNOLOGY SDN BHD (FPTC)	The Group's associate
Free Bionics Japan Inc. (FBJP)	The Group's associate
Optiemus Electronics Limited (OPEL)	The Group's associate
Smartiply, Inc (SMTP)	The Group's associate
Wistron Information Technology and Services Limited (WIHK)	The Group's associate
WIBASE INDUSTRIAL SOLUTIONS INC. (WIS) (Note)	The Group's associate
WISTRON HUMANITIES FOUNDATION	The Group's other related party

(Note): WIS was accounted for as a subsidiary of the Group since it had been controlled by the Group in the 4th quarter of 2020.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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	
	2020	2019
Associates		
FPI	\$ 634,369	754,662
WIS (Note)	345,382	321,596
Others	66,842	116,427
	<u>\$ 1,046,593</u>	<u>1,192,685</u>
	Receivables from related parties	
	December 31, 2020	December 31, 2019
Associates		
FPI	\$ 284,367	240,567
WIS (Note)	-	200,821
Others	21,788	38,044
	<u>\$ 306,155</u>	<u>479,432</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	
	2020	2019
Associates		
FPI	\$ 1,449,543	1,460,873
WNC	394,625	373,620
TPE	367,261	456,980
LYZ	278,498	371,923
Others	616,498	923,331
	<u>\$ 3,106,425</u>	<u>3,586,727</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Payables to related parties	
	December 31, 2020	December 31, 2019
Associates		
FPI	\$ 213,055	199,964
WNC	143,181	130,959
LYZ	119,214	189,793
HYZS	113,023	66,928
TPE	108,821	136,153
Others	139,037	185,496
	\$ 836,331	909,293

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	
	2020	2019
Associates		
NQX	\$ 1,879	1,964
NQJ	1,879	1,964
Others	58	342
	\$ 3,816	4,270

	Other receivables resulted from rental	
	December 31, 2020	December 31, 2019
Associates		
NQX	\$ 168	331
NQJ	168	331
	\$ 336	662

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	Acquisition price	
	2020	2019
Acquisition of assets		
Associates		
LYZ	\$ 44,789	24,683
SMTF	19,435	-
WIS (Note)	-	3,900
Others	4,314	89
	\$ 68,538	28,672
	Contribution expenses	
	2020	2019
Contribution		
Other related party	\$ 21,122	19,225
	Other payables	
	December 31, 2020	December 31, 2019
Payables resulting from acquisition of assets		
Associate		
LYZ	\$ 14,113	1,373

(v) Acquisition of shares

The Group acquired 100% shares of XTRKS from XTRNA with amount of \$139,830, during the fourth quarter of 2019.

(vi) In January 2019, the Group leased factories from WNC. The leases typically ran for the period of 2 years. The amounts of right-of-use assets and lease liabilities recognized at the beginning were \$168,400, respectively. The amounts of interest expense recognized for the years ended December 31, 2020 and 2019 were \$2,429 and \$2,310, respectively. As of December 31, 2020 and 2019, the balances of lease liabilities were \$105,204 and \$143,064, respectively.

(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:

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Other receivables	
	December 31, 2020	December 31, 2019
Associates		
XTRNA	\$ 13,206	-
JLH	655	655
WNC	326	2,814
Others	134	324
	<u>\$ 14,321</u>	<u>3,793</u>

(viii) Advances from related parties

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

	Other payables	
	December 31, 2020	December 31, 2019
Associates		
WITS	\$ 7,301	9,975
LYZ	7,191	9,011
XTRNA	1,957	-
Others	172	5,754
	<u>\$ 16,621</u>	<u>24,740</u>

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

	December 31, 2020	December 31, 2019
Other receivables - related parties:		
Rental receivables	\$ 336	662
Other receivables	14,321	3,793
	<u>\$ 14,657</u>	<u>4,455</u>

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

	December 31, 2020	December 31, 2019
Other payables - related parties:		
Payables resulting from acquisition of assets	\$ 14,113	1,373
Other payables	16,621	24,740
	<u>\$ 30,734</u>	<u>26,113</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Key management personnel remuneration:

	2020	2019
Short-term employee benefits	\$ 82,986	76,796
Post-employment benefits	1,981	1,888
Other long-term benefits	\$ 1,020	-
	<u>85,987</u>	<u>78,684</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2020	December 31, 2019
Other non - current assets - restricted deposits	Litigation, and performance guarantee	\$ 27,463	32,135
Other non - current assets - restricted deposits	Stand by L/C	1,993	1,912
Other current assets/ Other non - current assets - restricted deposits	Custom guarantee	5,902	6,021
		<u>\$ 35,358</u>	<u>40,068</u>

(9) Commitments and contingencies:

(a) As of December 31, 2020 and 2019, the unused letters of credit were as follows:

	December 31, 2020	December 31, 2019
Unused letters of credit	\$ 171,170	80,413

(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. Based on the decision of Court of Appeals for the Federal Circuit, some claims were returned to the US Patent Trial and Appeal Board to re-examine the validity of the patent. 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, wherein the Group had appointed an attorney to deal with the matter. The case was still in progress.

(10) Losses Due to Major Disasters: None.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(11) Subsequent Events:

- (a) The appropriation of earnings for 2020 that was approved at the Board of Directors meeting on March 23, 2021 were as follow:

	2020
Ordinary share dividends	
Cash dividends	\$ 6,258,655

The abovementioned appropriations are to be presented for approval in the shareholders' meeting to be held in June 2021.

- (b) The Company issued 63,000,000 shares of restricted shares, with the record date of capital increase set on February 18, 2021 according to the resolution approved by the board. The relevant registration procedures had been completed.
- (c) The executions of capital reduction amounting to USD 380 million were completed by Win Smart Co., Ltd, a subsidiary of the Group, on January 4, February 8 and March 2, 2021. The relevant registration procedures had been completed as of the reporting date.
- (d) Win Smart Co., Ltd., a subsidiary of the Group, disposed its entire shareholdings in Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. and Wistron Investment (Jiangsu) Co., Ltd. to Luxshare Precision Industry Co. Ltd., with a fair value of RMB 3.35 billion (approximately USD 507 million), resulting in the Group to recognize the disposal gain of RMB 512 million (approximately USD 82 million), which was accounted for as under non-operating income and expense.

(12) Other

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

	2020			2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	20,697,387	14,523,920	35,221,307	18,855,508	13,113,481	31,968,989
Labor and health insurance	2,038,324	1,101,521	3,139,845	2,146,763	1,102,162	3,248,925
Pension	216,233	475,169	691,402	129,572	442,573	572,145
Remuneration of directors	-	123,178	123,178	-	92,894	92,894
Others	3,318,922	512,787	3,831,709	2,270,966	565,394	2,836,360
Depreciation	8,705,452	1,031,379	9,736,831	8,879,567	904,354	9,783,921
Amortization	16,172	306,860	323,032	12,528	287,511	300,039

- (b) The riot which occurred at WMMI's plant in Narasapura, India in December 2020, resulted in the impairment losses of the buildings, equipment and inventories. The Group have cooperated with the local government to investigate on the matter, while its business operation resumed in February 2021. The losses were estimated to be approximately \$72,000, which was accounted for as non-operating income and expense in 2020. The above properties have been insured and the negotiation with the insurance agency is still in progress. Thus, the Group cannot yet determine the amount of the claim as of the reporting date. When the actual amount can be reasonably measured, it will be recognized thereafter.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

- (a) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the years ended December 31, 2020:

- (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.
- (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.
- (vi) Disposal of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 6 attached.
- (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 7 attached.
- (viii) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital: Please see Table 8 attached.
- (ix) Derivative transactions: Please refer to Note 6(b) for related information.
- (x) Business relationships and significant inter-company transactions: Please see Table 9 attached.
- (b) Information on investees:
Information on investees for the year ended December 31, 2020: Please see Table 10 attached.
- (c) Information on investment in Mainland China : Please see Table 11 attached.
- (d) Major shareholders: No shareholding was more than 5% as of December 31, 2020.

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WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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

	2020			
	R&D and Manufacturing	Others	Eliminations	Total
Revenue:				
Revenues from external customers	\$ 754,958,428	90,053,416	-	845,011,844
Segment revenues	3,452,666	542,598	(3,995,264)	-
Total revenues	\$ 758,411,094	90,596,014	(3,995,264)	845,011,844
Segment profit	\$ 14,186,932	284,130	2,374,313	16,845,375
	2019			
	R&D and Manufacturing	Others	Eliminations	Total
Revenue:				
Revenues from external customers	\$ 770,728,400	107,526,678	-	878,255,078
Segment revenues	3,591,339	478,932	(4,070,271)	-
Total revenues	\$ 774,319,739	108,005,610	(4,070,271)	878,255,078
Segment profit	\$ 12,464,851	834,994	(523,779)	12,776,066

(c) Geographical information

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

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Non-current assets:

<u>Geography</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Taiwan	\$ 8,854,915	7,481,020
Asia	33,531,756	36,286,031
Other countries	4,896,066	2,776,999
Total	\$ 47,282,737	46,544,050

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, 2020 and 2019, the amounts of sales to customers representing greater than 10% of net revenue were as follows:

<u>Customer</u>	<u>2020</u>		<u>2019</u>	
	<u>Net revenue</u>	<u>Percentage of net revenue %</u>	<u>Net revenue</u>	<u>Percentage of net revenue %</u>
Customer H	\$ 216,470,510	26	166,314,984	19
Customer G	121,108,235	14	140,221,187	16
Customer I	104,151,084	12	93,816,112	11
Customer D	50,261,544	6	90,628,380	10

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 1 Financing to other parties
(December 31, 2020)

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	WMMI	Other receivables	Yes	1,364,850	1,282,860	1,282,860	1.50%-3.00%	1	1,609,728	Business Demand	-	-	71,565,777	35,782,888	(Note 1, Note 3, Note 4 and Note 14)	
0	The Company	WMMY	Other receivables	Yes	1,361,430	1,282,860	-	2.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	35,782,888	(Note 1, Note 3, Note 4 and Note 14)	
0	The Company	WSPH	Other receivables	Yes	570,160	570,160	-	1.50%	1	738,350	Business Demand	-	-	71,565,777	35,782,888	(Note 1, Note 3, Note 4 and Note 14)	
1	WAKS	WTZ	Other receivables	Yes	3,033,000	2,850,800	2,850,800	1.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 5 and Note 14)	
1	WAKS	WTRKS	Other receivables	Yes	1,627,189	564,458	564,458	1.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 5 and Note 14)	
1	WAKS	WOSHI	Other receivables	Yes	734,009	734,009	715,665	1.50%-4.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 5 and Note 14)	
1	WAKS	WOSHI	Other receivables	Yes	298,020	61,600	-	2.60%-4.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 5 and Note 14)	
1	WAKS	WJC	Other receivables	Yes	34,555	-	-	4.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 5 and Note 14)	
2	WCO	WTZ	Other receivables	Yes	3,033,000	2,850,800	2,850,800	1.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 6 and Note 14)	
2	WCO	WMCQ	Other receivables	Yes	300,320	142,540	142,255	2.60%-4.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 6 and Note 14)	
2	WCO	WSPH	Other receivables	Yes	1,729,440	855,240	427,620	1.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 6 and Note 14)	
3	AIHH	WETW	Other receivables	Yes	166,815	71,270	-	2.60%	2	-	Operating Capital	-	-	502,598	2,010,393	(Note 7 and Note 14)	
3	AIHH	WSPH	Other receivables	Yes	485,280	-	-	3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 7 and Note 14)	
4	WCH	WGTX	Other receivables	Yes	485,280	256,572	256,572	3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 8 and Note 14)	
4	WCH	WAUS	Other receivables	Yes	75,080	71,270	71,270	1.50%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 8 and Note 14)	
4	WCH	WIMX	Other receivables	Yes	72,060	71,270	71,270	1.50%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 8 and Note 14)	
5	WHK	WMMY	Other receivables	Yes	60,064	57,016	57,016	2.60%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 9 and Note 14)	
5	WHK	COWIN	Other receivables	Yes	60,660	-	-	3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 9 and Note 14)	
6	WCCZ	WSCZ	Other receivables	Yes	606,600	570,160	570,160	1.50%-3.00%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 10 and Note 14)	
6	WCCZ	WSPH	Other receivables	Yes	606,600	399,112	399,112	2.60%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 10 and Note 14)	
6	WCCZ	WVNN	Other receivables	Yes	1,310,670	1,282,860	1,282,860	1.50%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 10 and Note 14)	
6	WCCZ	WSSG	Other receivables	Yes	1,270,668	-	-	2.60%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 10 and Note 14)	
7	WHHK	WMMY	Other receivables	Yes	222,237	210,959	210,959	2.60%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 11 and Note 14)	
8	WIN	WMMI	Other receivables	Yes	1,124,280	391,600	391,600	6.30%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 12 and Note 14)	
9	WSSG	WMMI	Other receivables	Yes	3,458,880	3,420,960	3,420,960	4.29%	2	-	Operating Capital	-	-	71,565,777	71,565,777	(Note 13 and Note 14)	

(TWD : expressed in thousands)

(Note 1) The total amount available for financing purposes shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant; and the total amount for short-term financing shall not exceed 40% of the Company's net worth.

(Note 2) Nature of financing:

1 For entities that the Company has business transactions with.

2 For entities with short-term financing needs.

(Note 3) The limit on financing granted of the entities that the Company has business transactions 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 40% and 5% of net worth of the borrower and the Company, respectively.

(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 net worth, which was audited or reviewed by Certified Public Accountant; and the total amount for short-term financing shall not exceed 40% of net worth of WAKS. However, for those subsidiaries in China in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant; 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 China 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 not exceed net worth, which was audited or reviewed by Certified Public Accountant, of the Company.

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

(Note 6) Subsidiary - WCO

(1) The total amount available for financing purposes shall not exceed 50% of WCO's net worth, which was audited or reviewed by Certified Public Accountant; and the total amount for short-term financing shall not exceed 40% of net worth of WCO. However, for those subsidiaries in China in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant; 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 China 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 not exceed net worth, which was audited or reviewed by Certified Public Accountant, of the Company.

(Note 7) Subsidiary - AIHH

(1) The total amount available for financing purposes shall not exceed 40% of AIHH's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed AIHH's net worth, which was audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of AIHH. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed AIHH's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 8) Subsidiary - WCH

(1) The total amount available for financing purposes shall not exceed 40% of WCH's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WCH. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 9) Subsidiary - WHK

(1) The total amount available for financing purposes shall not exceed 40% of WHK's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which is audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WHK. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 10) Subsidiary - WCCZ

(1) The total amount available for financing purposes shall not exceed 40% of WCCZ's net worth, which was audited by Certified Public Accountant; 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 not exceed the Company's net worth, which is audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WCCZ. However, to the Company and the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 11) Subsidiary - WHHK

(1) The total amount available for financing purposes shall not exceed 40% of WHHK's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which is audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WHHK. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 12) Subsidiary - WIN

(1) The total amount available for financing purposes shall not exceed 40% of WIN's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which is audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WIN. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 13) Subsidiary - WSSG

(1) The total amount available for financing purposes shall not exceed 40% of WSSG's net worth, which was audited by Certified Public Accountant; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which is audited or reviewed by Certified Public Accountant.

(2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% net worth of WSSG. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the Company's net worth, which was audited or reviewed by Certified Public Accountant.

(Note 14) 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, 2020)

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 endorsements/guarantees 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 in China	Notes
		Name	Relationship with the company (Note 10)											
0	The Company	WJP		21,469,733	1,064,380	745,470	745,470	-	1.04%	71,565,777	Y	N	N	(Note 11)
0	The Company	Cowin (Note 5)		21,469,733	22,748	21,381	21,381	-	0.03%	71,565,777	Y	N	N	(Note 11)
0	The Company	WZS shared with WAKS and WEKS (Note 5)		21,469,733	68,243	64,143	64,143	-	0.09%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WCCZ		21,469,733	506,473	504,271	504,271	-	0.70%	71,565,777	Y	N	N	(Note 11)
0	The Company	WSKS		21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WBR		21,469,733	849,240	798,224	798,224	-	1.12%	71,565,777	Y	N	N	(Note 11)
0	The Company	WIN		21,469,733	1,907,753	1,867,274	1,867,274	-	2.61%	71,565,777	Y	N	N	(Note 11)
0	The Company	WSSG		21,469,733	7,765,338	7,668,652	7,668,652	-	10.72%	71,565,777	Y	N	N	(Note 11)
0	The Company	WITX		21,469,733	1,652,112	1,026,288	1,026,288	-	1.43%	71,565,777	Y	N	N	(Note 11)
0	The Company	WGTX		21,469,733	318,465	299,334	299,334	-	0.42%	71,565,777	Y	N	N	(Note 11)
0	The Company	WTZ		21,469,733	2,978,922	2,143,674	2,143,674	-	3.00%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WSMX		21,469,733	627,176	627,176	627,176	-	0.88%	71,565,777	Y	N	N	(Note 11)
0	The Company	WGKS		21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WCCZ shared with WSCZ		21,469,733	8,282,900	3,260,978	3,260,978	-	4.56%	71,565,777	Y	N	N	(Note 11)
0	The Company	WMAKS		21,469,733	606,600	570,160	570,160	-	0.80%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WMKS shared with WTZ and WGKS (Note 6)		21,469,733	606,600	570,160	570,160	-	0.80%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WTR		21,469,733	30,330	28,508	28,508	-	0.04%	71,565,777	Y	N	N	(Note 11)
0	The Company	WTZ shared with WGKS and WSKS		21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WCH		21,469,733	37,912	35,635	35,635	-	0.05%	71,565,777	Y	N	N	(Note 11)
0	The Company	AGI		21,469,733	202,000	202,000	202,000	-	0.28%	71,565,777	Y	N	N	(Note 11)
0	The Company	WSCL		21,469,733	181,980	-	-	-	-	71,565,777	Y	N	N	(Note 11)
0	The Company	WSCQ		21,469,733	1,880,460	1,482,416	1,482,416	-	2.07%	71,565,777	Y	N	Y	(Note 11)
0	The Company	ANC		21,469,733	151,650	-	-	-	-	71,565,777	Y	N	N	(Note 11)
0	The Company	WCHQ		21,469,733	60,000	60,000	60,000	-	0.08%	71,565,777	Y	N	N	(Note 11)
0	The Company	WMH		21,469,733	230,330	-	-	-	-	71,565,777	Y	N	N	(Note 11)
0	The Company	WSCQ shared with WMCQ		21,469,733	454,950	427,620	427,620	-	0.60%	71,565,777	Y	N	Y	(Note 11)
0	The Company	WMMI shared with WIN		21,469,733	873,780	855,240	855,240	-	1.20%	71,565,777	Y	N	N	(Note 11)
0	The Company	WILB		21,469,733	400,000	400,000	400,000	-	0.56%	71,565,777	Y	N	N	(Note 11)
0	The Company	WCL		21,469,733	1,200,000	1,200,000	1,200,000	-	1.68%	71,565,777	Y	N	N	(Note 11)
0	The Company	WMMI		21,469,733	2,507,688	2,166,608	2,166,608	-	3.03%	71,565,777	Y	N	N	(Note 11)
0	The Company	WMMY shared with WSMY		21,469,733	302,500	-	-	-	-	71,565,777	Y	N	N	(Note 11)
0	The Company	WMMY		21,469,733	4,986,532	4,931,884	4,931,884	-	6.89%	71,565,777	Y	N	N	(Note 11)
0	The Company	WITT		21,469,733	826,732	826,732	826,732	-	1.16%	71,565,777	Y	N	N	(Note 11)
0	The Company	WMX		21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N	N	(Note 11)
0	The Company	WETW		21,469,733	375,000	275,000	275,000	-	0.38%	71,565,777	Y	N	N	(Note 11)
0	The Company	Cowin shared with WSPH, WCCZ, WMX and WITX (Note 7)		21,469,733	1,971,450	1,853,020	1,853,020	-	2.59%	71,565,777	Y	N	N	(Note 11)
0	The Company	WAKS shared with WEKS, WZS, WCD and WCQ (Note 7)		21,469,733	1,971,450	1,853,020	1,853,020	-	2.59%	71,565,777	Y	N	Y	(Note 11)

(TWD : expressed in thousands)

Table 2 Guarantees and endorsements for other parties
(December 31, 2020)

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 endorsements/guarantees 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 in China	Notes
		Name	Relationship with the company (Note 10)											
0	The Company	WYN		21,469,733	6,927,444	6,927,444	-	-	9.68%	71,565,777	Y	N	N	(Note 11)
0	The Company	WIMX		21,469,733	855,240	855,240	-	-	1.20%	71,565,777	Y	N	N	(Note 11)
0	The Company	WSPH shared with WCCZ, WMX and WITX (Note 8)		21,469,733	1,282,860	1,282,860	-	-	1.79%	71,565,777	Y	N	N	(Note 11)
0	The Company	WAKS shared with WZS, WCD and WCQ (Note 8)		21,469,733	1,282,860	1,282,860	-	-	1.79%	71,565,777	Y	N	Y	(Note 11)
1	WYHQ	WYMX		7,354,176	197,857	185,971	185,971	-	0.76%	12,256,961	Y	N	N	(Note 11)
1	WYHQ	WYUS		7,354,176	126,467	123,783	123,783	-	0.50%	12,256,961	Y	N	N	(Note 11)

(TWD : expressed in thousands)

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 net worth, which was audited by Certified Public Accountant.
(Note 2) The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's net worth, which was audited by Certified Public Accountant.
(Note 3) The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's net worth, which was audited by Certified Public Accountant.
(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 net worth, which was audited by Certified Public Accountant.
(Note 5) The credit line shared by Cowin, WZS, WAKS and WEKS amounted to USD3,000,000.
(Note 6) The credit line shared by WMKS, WIZ and WGKS amounted to USD20,000,000, while the maximum credit line for each entity was USD10,000,000.
(Note 7) The credit line shared by Cowin, WSPH, WCCZ, WMX, WITX, WAKS, WEKS, WZS, WCD and WCQ amounted to USD130,000,000.
(Note 8) The credit line shared by WSPH, WCCZ, WMX, WITX, WAKS, WZS, WCD and WCQ amounted to USD90,000,000.
(Note 9) Due to WYHQ's Operation Procedure for Guarantees and Endorsements:

- The total amount for guarantees and endorsements provided by WYHQ to other entities shall not exceed 50% of WYHQ's net worth, which was audited by Certified Public Accountant.
- The amount for guarantees and endorsements provided by WYHQ to any individual entity shall not exceed 30% of WYHQ's net worth, which was audited by Certified Public Accountant.
- The total amount for guarantees and endorsements provided by WYHQ and its subsidiaries to other entities shall not exceed 50% of WYHQ's net worth, which was audited by Certified Public Accountant.
- The amount of guarantees and endorsements provided by WYHQ and its subsidiaries to any individual entity shall not exceed 30% of WYHQ's net worth, which was audited by Certified Public Accountant.

(Note 10) Relationship with the Company:

- An entity that is with business relationship.
- A Subsidiary which owned more than 50% by the guarantor.
- An investee owned more than 50% in total by both the guarantor and its subsidiary.
- An investee owned more than 90% by the guarantor or its subsidiary.
- Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
- An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
- The companies 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.

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, 2020)

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2020				Highest percentage of shares during the period	Notes
				Number of shares	Book value	Percentage of Ownership	Fair Value		
The Company	Alpha Networks Inc.	-	Non-current financial assets at fair value through other comprehensive income	19,448	607,744	3.59%	607,744	3.59%	-
The Company	Gamania Digital Entertainment Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,126	78,738	0.64%	78,738	0.64%	-
The Company	Super Dragon Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,676	112,101	5.80%	112,101	5.80%	-
The Company	Global Lighting Technologies Inc.	-	Non-current financial assets at fair value through other comprehensive income	20,914	2,342,416	15.97%	2,342,416	15.97%	-
The Company	ARBOR Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	4,634	122,335	6.65%	122,335	7.12%	-
The Company	AOpen Inc.	-	Non-current financial assets at fair value through other comprehensive income	7,941	123,078	11.11%	123,078	11.89%	-
The Company	FineMat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,589	203,075	6.91%	203,075	6.91%	-
The Company	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	917	22,189	1.44%	22,189	1.44%	-
The Company	Plexbio Corporation, LTD	-	Non-current financial assets at fair value through other comprehensive income	1,227	14,366	1.19%	14,366	1.19%	-
The Company	Howe advanced Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,000	-	13.91%	-	13.91%	-
The Company	ABC-KY	-	Non-current financial assets at fair value through other comprehensive income	2,075	122,010	2.54%	122,010	2.97%	-
The Company	Lilite Systems, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.54%	-	29.54%	-
The Company	Zeo Inc	-	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-	6.57%	-
The Company	Janus Technologies, Inc	-	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-	4.01%	-
The Company	Vmedia Research	-	Non-current financial assets at fair value through other comprehensive income	2,000	-	7.69%	-	7.69%	-
The Company	Tube Inc.	-	Non-current financial assets at fair value through other comprehensive income	17,009	93,105	22.08%	93,105	22.08%	-
The Company	Tactus Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-	0.06%	-
The Company	Airdog, Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,536	-	16.26%	-	16.26%	-
The Company	Videri Inc.	-	Non-current financial assets at fair value through other comprehensive income	226	18,329	3.26%	18,329	3.32%	-
The Company	Securen, Inc.	-	Non-current financial assets at fair value through other comprehensive income	645	2,134	12.89%	2,134	12.89%	-
The Company	Innovium Inc.	-	Non-current financial assets at fair value through other comprehensive income	493	145,330	0.45%	145,330	0.45%	-
The Company	IP Fund Six Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	6,000	62,968	10.71%	62,968	10.71%	-
The Company	Corsa Fund 2012,L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	10,900	20.00%	10,900	20.00%	-
The Company	Kibou Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	257,873	6.67%	257,873	6.67%	-
The Company	Jafo AI Fund VI L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	43,562	12.78%	43,562	12.78%	-
The Company	Fenox Venture Company XIV,L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	-	99.00%	-
The Company	Vertex V (C.I.) Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	114,695	3.11%	114,695	3.11%	-
The Company	China Renewable Energy Fund, LP	-	Non-current financial assets at fair value through other comprehensive income	-	219,373	9.01%	219,373	9.01%	-
The Company	JAFCO Taiwan I Venture Capital L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	17,280	4.07%	17,280	5.74%	-
The Company	Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	1,339	20,017	-	20,017	-	-
AIH	Advance Powered & Energy Semiconductor, Inc.	-	Non-current financial assets at fair value through profit or loss	23,375	-	19.26%	-	19.26%	-
WAKS	Luxshare Precision Industry Co., Ltd.	-	Current financial assets at fair value through profit or loss	13,158	3,226,234	0.19%	3,226,234	0.19%	-
WCD	Luxshare Precision Industry Co., Ltd.	-	Current financial assets at fair value through profit or loss	11,278	2,765,346	0.16%	2,765,346	0.16%	-
WCHK	Dell technologies Inc.	-	Non-current financial assets at fair value through other comprehensive income	364	135,387	0.05%	135,387	0.05%	-

(TWD : expressed in thousands)

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, 2020)

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2020				Highest percentage of shares during the period	Notes
				Number of shares	Book value	Percentage of Ownership	Fair Value		
WCL	Alpha Networks Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,892	121,609	0.72%	121,609	0.72%	-
WCL	Howe advanced Ltd.	-	Non-current financial assets at fair value through other comprehensive income	500	-	1.74%	-	1.74%	-
WCL	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	626	15,154	0.98%	15,154	0.98%	-
WCL	Vmedia Research	-	Non-current financial assets at fair value through other comprehensive income	324	-	1.25%	-	1.25%	-
WCL	ARBOR Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	1,986	44,821	2.85%	44,821	3.05%	-
WCL	Umbo CV Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,467	-	4.08%	-	4.44%	-
WCL	ABC-KY	-	Non-current financial assets at fair value through other comprehensive income	1,725	101,401	2.11%	101,401	2.39%	-
WCL	FII	-	Non-current financial assets at fair value through other comprehensive income	365	-	13.95%	-	13.95%	-
WCL	feelheebat Holdings Limited	-	Non-current financial assets at fair value through other comprehensive income	13	-	9.29%	-	9.29%	-
WCL	AOpen Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,042	12,990	1.46%	12,990	1.46%	-
WCL	FineMat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	302	13,367	0.45%	13,367	0.45%	-
WCL	Bioinspira, Inc	-	Non-current financial assets at fair value through other comprehensive income	4,040	11,059	17.60%	11,059	17.60%	-
WCL	Unity Opto Technology co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,263	-	1.14%	-	1.14%	-
WCL	HIROIA COMMUNICATIONS PTE.LTD.	-	Non-current financial assets at fair value through other comprehensive income	467	1,692	14.29%	1,692	14.29%	-
WCL	APPWORKS FUND II CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	5,500	158,378	8.15%	158,378	8.15%	-
WCL	APPWORKS FUND III CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	8,250	75,080	5.03%	75,080	14.83%	-
WCL	Fund VII L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	19,831	18.75%	19,831	18.75%	-
WCL	LUCID VR,INC.	-	Non-current financial assets at fair value through profit or loss	-	4,565	-	4,565	-	-
WCO	feelheebat Holdings Limited	-	Current financial assets at fair value through profit or loss	13,158	3,226,237	0.19%	3,226,237	0.19%	-
WDH	Luxshare Precision Industry Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	846	31,106	6.59%	31,106	7.40%	-
WMH	MOBAGEL,INC.	-	Non-current financial assets at fair value through other comprehensive income	15,000	15,390	16.67%	15,390	16.67%	-
WMH	Admes Biotechnology(Cayman) Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	6,667	31,660	20.21%	31,660	20.21%	-
WMH	Apollo Medical Optics Inc.	-	Non-current financial assets at fair value through other comprehensive income	375	10,990	10.68%	10,990	11.43%	-
WMH	Hukai Biotechnology Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,327	3,242	2.52%	3,242	2.52%	-
WMH	Spartan Bioscience Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,500	17,558	1.46%	17,558	1.46%	-
WMH	Plexbio Corporation, LTD	-	Non-current financial assets at fair value through other comprehensive income	267	12,985	4.80%	12,985	4.80%	-
WMH	DIAGNOSTICS FOR THE REAL WORLD LIMITED	-	Non-current financial assets at fair value through other comprehensive income	927	66,296	16.93%	66,296	16.93%	-
WMH	U.S. Biomics Inc.	-	Non-current financial assets at fair value through other comprehensive income	-	40,378	12.00%	40,378	12.00%	-
WMH	Hikari Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	81,152	17.82%	81,152	17.82%	-
WMH	Pacific 8 Ventures Fund L.L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	51,620	-	51,620	-	-
WMH	B-Temia Inc.	-	Non-current financial assets at fair value through other comprehensive income	700	268	4.02%	268	4.02%	-
WMH	YSENSE CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	2	20,757	7.96%	20,757	7.96%	-
WMH	ANIWEAR Company Limited	-	Non-current financial assets at fair value through other comprehensive income	124	-	0.36%	-	0.36%	-
WMH	Darmyam, Inc.	-	Current financial assets at fair value through other comprehensive income	18,797	4,608,907	0.27%	4,608,907	0.27%	-
WZS	Luxshare Precision Industry Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	-	-	-	-	-	-

(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 NT\$300 million or 20% of share capital (December 31, 2020)

Securities held by	Category and name of securities	Financial statement account	Counter-party	Relationship with the investor	Beginning balance		Addition		Disposal		Ending balance		Notes
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Gain/Loss on Disposal	Shares/Units	
The Company WMH	stock	Equity - accounted investees	(Note 2)	subsidiary	200,000	1,089,296	80,000	800,000	-	-	-	280,000	1,815,988 (Note 1)
The Company WYN	stock	Equity - accounted investees	(Note 2)	subsidiary	-	-	-	1,346,288	-	-	-	-	1,346,288 (Note 1)
The Company WAMY	stock	Equity - accounted investees	(Note 2)	subsidiary	80,000	294,472	187,425	1,320,269	-	-	-	267,425	1,055,911 (Note 1)
The Company WSSG	stock	Equity - accounted investees	(Note 2)	subsidiary	112,489	2,346,015	45,000	1,321,349	-	-	-	157,489	3,084,865 (Note 1)
The Company WDH	stock	Equity - accounted investees	(Note 2)	subsidiary	67,873	819,225	120,000	1,200,000	-	-	-	197,673	2,097,750 (Note 1)
The Company COWIN	stock	Equity - accounted investees	(Note 2)	subsidiary	188,394	4,394,513	29,000	823,385	-	-	-	217,394	15,668,560 (Note 1)
The Company WLLC	stock	Equity - accounted investees	(Note 2)	subsidiary	5,436	2,256,938	1,500	433,990	-	-	-	6,936	2,586,714 (Note 1)
WAKS	stock	Current financial assets at fair value through profit or loss	-	-	-	-	13,158	2,997,399	-	-	-	13,158	3,226,234
WCD	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	2,359,314	2,366,336	2,339,314	7,278	-	-
WCD	stock	Current financial assets at fair value through profit or loss	-	-	-	-	-	11,278	2,569,201	-	-	11,278	2,765,346
WCO	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	1,081,090	1,083,653	1,081,090	2,656	-	-
WCO	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	-	493,708	493,708	1,388	-	-
WCO	stock	Current financial assets at fair value through profit or loss	-	-	-	-	13,158	2,997,401	-	-	-	13,158	3,226,237
WDH	stock	Equity - accounted investees	(Note 2)	subsidiary	-	-	223,225	434,895	-	-	-	223,225	422,260 (Note 1)
WEKS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	790,370	792,998	790,370	2,724	-	-
WLLC	stock	Equity - accounted investees	(Note 2)	subsidiary	451	119,534	-	435,990	-	-	-	1,951	543,029 (Note 1)
WMKS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	1,485,494	1,495,716	1,485,494	10,019	-	-
WMKS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	-	1,498,343	1,485,494	12,594	-	-
WSSG	stock	Equity - accounted investees	(Note 2)	subsidiary	379,937	1,591,087	330,570	1,321,349	-	-	-	710,507	2,034,162 (Note 1)
WTZ	Fund	Current financial assets at fair value through profit or loss	-	-	-	-	-	70,000	306,246	306,246	424	-	-
WTZS	Fund	Current financial assets at fair value through profit or loss	-	-	-	-	-	605,800	2,646,602	2,646,602	2,745	-	-
WZS	Fund	Current financial assets at fair value through profit or loss	-	-	-	-	-	1,183,000	5,174,492	5,168,645	6,163	-	-
WZS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	-	371,742	371,742	381	-	-
WZS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	-	611,674	613,138	1,518	-	-
WZS	Structured deposits	Current financial assets at fair value through profit or loss	-	-	-	-	-	-	439,510	439,510	2,736	-	-
WZS	stock	Current financial assets at fair value through profit or loss	-	-	-	-	-	18,797	4,281,999	-	-	18,797	4,608,907

(TWD : expressed in thousands)

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, 2020)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party		Price Reference	Purpose of Acquisition	Other Terms
							Owner	Transfer Date			
WAKS	Fixed asset-Building	2020/11/30	1,980,930	Paid	WEKS	-	-	-	-	Asset exchange	-
WEKS	Fixed asset-Building	2020/11/30	607,251	Paid	WAKS	-	-	-	-	Asset exchange	-

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 6 Disposal of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital (December 31, 2020)

Company name	Type of property	Transaction Date	Acquisition Date	Book value	Transaction Amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of Relationships	Purpose of disposal	Price Reference	Other Terms
WAKS	Fixed asset-Building	2020/11/30	2003/5/1	129,720	577,708	Paid	464,278	WEKS	-	Asset exchange	-	-
WEKS	Fixed asset-Building	2020/11/30	2020/11/30	1,369,790	1,441,887	Paid	74,718	WAKS	-	Asset exchange	-	-

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2020)

Purchaser/Seller	Related Party	Relationship	Transaction				Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)		
											Purchase/Sales	
The Company	AIH	Subsidiary	Sales	200,151,306	29.11%	OA90	-	-	-	54,895,709	30.13%	(Note)
The Company	WYHQ	Subsidiary	Sales	49,927,413	7.26%	OA45	-	-	-	9,987,749	5.48%	(Note)
The Company	WITX	Subsidiary	Sales	25,663,752	3.73%	OA150	-	-	-	13,723,212	7.53%	(Note)
The Company	WMMI	Subsidiary	Sales	4,953,762	0.72%	OA90	-	-	-	9,414,908	5.17%	(Note)
The Company	WIN	Subsidiary	Sales	2,579,206	0.38%	OA120	-	-	-	790,285	0.43%	(Note)
The Company	WYUS	Subsidiary	Sales	2,228,839	0.32%	OA90	-	-	-	750,725	0.41%	(Note)
The Company	WSCZ	Subsidiary	Sales	1,356,561	0.20%	OA90	-	-	-	316,650	0.17%	(Note)
The Company	WJP	Subsidiary	Sales	1,289,342	0.19%	OA90	-	-	-	573,892	0.31%	(Note)
The Company	WZS	Subsidiary	Sales	852,001	0.12%	OA90	-	-	-	8,415,208	4.62%	(Note)
The Company	WSSG	Subsidiary	Sales	792,758	0.12%	OA90	-	-	-	273,466	0.15%	(Note)
The Company	WMKS	Subsidiary	Sales	686,762	0.10%	OA90	-	-	-	170,804	0.09%	(Note)
The Company	FPI	Associate	Sales	634,369	0.09%	OA120	-	-	-	284,367	0.16%	-
The Company	WIS	Subsidiary	Sales	482,291	0.07%	OA60	-	-	-	140,248	0.08%	(Note)
The Company	WYUS	Subsidiary	Sales	200,175	0.03%	OA45	-	-	-	99,997	0.05%	(Note)
The Company	WMT	Subsidiary	Sales	142,890	0.02%	OA90	-	-	-	6,475	0.00%	(Note)
The Company	WSMX	Subsidiary	Sales	107,666	0.02%	OA60	-	-	-	31,367	0.02%	(Note)
The Company	WCD	Subsidiary	Purchases	174,327,275	26.16%	OA30	-	-	-	(22,688,573)	17.44%	(Note)
The Company	WEKS	Subsidiary	Purchases	125,013,397	18.76%	OA90	-	-	-	(16,851,226)	12.95%	(Note)
The Company	WAKS	Subsidiary	Purchases	75,812,575	11.38%	OA90	-	-	-	(11,872,878)	9.13%	(Note)
The Company	WZS	Subsidiary	Purchases	58,575,541	8.79%	OA90	-	-	-	(21,740,565)	16.71%	(Note)
The Company	COWIN	Subsidiary	Purchases	52,651,151	7.90%	OA90	-	-	-	(18,139)	0.01%	(Note)
The Company	WOK	Subsidiary	Purchases	51,975,139	7.80%	OA90	-	-	-	(2,448,835)	1.88%	(Note)
The Company	WCQ	Subsidiary	Purchases	45,486,936	6.83%	OA90	-	-	-	(6,636,981)	5.10%	(Note)
The Company	WSCQ	Subsidiary	Purchases	6,823,673	1.02%	OA60	-	-	-	(1,615,070)	1.24%	(Note)
The Company	WYHQ	Subsidiary	Purchases	4,322,546	0.65%	OA90	-	-	-	(596,746)	0.46%	(Note)
The Company	WMMY	Subsidiary	Purchases	4,043,246	0.61%	OA90	-	-	-	(1,796,164)	1.38%	(Note)
The Company	WIN	Subsidiary	Purchases	3,435,458	0.52%	OA60	-	-	-	(2,479)	0.00%	(Note)
The Company	WSKS	Subsidiary	Purchases	3,121,610	0.47%	OA60	-	-	-	(732,694)	0.56%	(Note)
The Company	WMMI	Subsidiary	Purchases	1,536,124	0.23%	OA30	-	-	-	(1,523,221)	1.17%	(Note)
The Company	FPI	Associate	Purchases	1,449,543	0.22%	OA50	-	-	-	(213,055)	0.16%	-

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Note to the Consolidated Financial Statements

WISTRON CORPORATION AND SUBSIDIARIES

Note to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NTS\$100 million or 20% of share capital (December 31, 2020)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Notes
			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	WTZ	Subsidiary	Purchases	923,745	0.14%	OA60	-	-	(147,829)	0.11%	(Note)
The Company	WSPH	Subsidiary	Purchases	712,313	0.11%	OA30	-	-	(28,482)	0.02%	(Note)
The Company	WYUS	Subsidiary	Purchases	266,991	0.04%	OA60	-	-	(63,515)	0.05%	(Note)
The Company	WSCZ	Subsidiary	Purchases	171,785	0.03%	OA60	-	-	(7,261)	0.01%	(Note)
The Company	WITX	Subsidiary	Purchases	162,861	0.02%	OA90	-	-	-	-	(Note)
AGI	The Company	Subsidiary	Sales	157,584	22.51%	OA90	-	-	16,989	18.22%	(Note)
AIH	WAKS	Parent company	Sales	163,924	0.08%	OA90	-	-	41,903	0.08%	(Note)
AIH	WCQ	Parent company	Sales	1,071,465	0.53%	OA90	-	-	98,738	0.20%	(Note)
AIH	WCD	Parent company	Sales	308,440	0.15%	OA90	-	-	104,146	0.21%	(Note)
AIH	The Company	Subsidiary	Purchases	200,151,306	99.25%	OA90	-	-	(54,895,709)	99.47%	(Note)
COWIN	WZS	Subsidiary	Sales	134,895	0.25%	OA90	-	-	736,229	69.80%	(Note)
COWIN	The Company	Subsidiary	Sales	52,651,151	96.52%	OA90	-	-	18,139	1.71%	(Note)
COWIN	WTZS	Parent company	Sales	1,605,018	2.99%	OA90	-	-	300,432	28.48%	(Note)
COWIN	WZS	Subsidiary	Purchases	54,519,021	100.00%	OA90	-	-	(430,024)	95.80%	(Note)
WAKS	AIH	Parent company	Purchases	163,924	0.21%	OA90	-	-	(41,903)	0.23%	(Note)
WAKS	WNC	Associate	Purchases	167,995	0.21%	OA90	-	-	(60,371)	0.33%	-
WAKS	WMMY	Parent company	Purchases	293,147	0.34%	OA90	-	-	(44,908)	0.24%	(Note)
WAKS	The Company	Subsidiary	Sales	75,812,575	97.20%	OA90	-	-	11,872,878	95.23%	(Note)
WAKS	WITX	Parent company	Sales	130,674	0.17%	OA90	-	-	47,385	0.38%	(Note)
WAKS	WSKS	Parent company	Sales	810,192	1.03%	OA60	-	-	128,154	1.03%	(Note)
WAKS	WOSH	Parent company	Sales	488,170	0.62%	OA90	-	-	-	-	(Note)
WAKS	WMMY	Parent company	Sales	230,262	0.29%	OA90	-	-	120,267	0.97%	(Note)
WAKS	XTRKS	Subsidiary	Sales	509,377	0.65%	OA90	-	-	287,745	2.31%	(Note)
WBR	WYUS	Parent company	Purchases	1,628,936	89.08%	OA120	-	-	(226,659)	63.21%	(Note)
WBR	WYHQ	Parent company	Purchases	131,921	7.21%	OA120	-	-	(110,407)	30.79%	(Note)
WCCZ	The Company	Subsidiary	Sales	744,286	87.26%	OA120	-	-	536,915	95.23%	(Note)
WCD	AIH	Parent company	Purchases	308,440	0.17%	OA90	-	-	(104,146)	0.36%	(Note)
WCD	WNC	Associate	Purchases	182,550	0.10%	OA90	-	-	(73,644)	0.25%	-
WCD	WCQ	Parent company	Purchases	970,341	0.57%	OA90	-	-	(746,745)	2.56%	(Note)
WCD	The Company	Subsidiary	Sales	174,327,275	98.51%	OA30	-	-	22,688,573	94.62%	(Note)
WCD	WSKS	Parent company	Sales	1,642,654	0.92%	OA60	-	-	337,706	1.41%	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Note to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NTS\$100 million or 20% of share capital (December 31, 2020)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
WCD	WCQ	Parent company	Sales	953,097	0.54%	OA90	-	-	934,167	3.90%	(Note)
WCD	AIH	Parent company	Purchases	1,071,465	2.46%	OA90	-	-	(98,738)	1.48%	(Note)
WCD	WCD	Parent company	Purchases	953,097	2.13%	OA90	-	-	(934,167)	14.02%	(Note)
WCD	WSCQ	Parent company	Purchases	148,522	0.33%	OA90	-	-	(17,576)	0.26%	(Note)
WCD	The Company	Subsidiary	Sales	45,486,936	96.83%	OA90	-	-	6,636,981	88.35%	(Note)
WCD	WCD	Parent company	Sales	970,341	2.13%	OA90	-	-	746,745	9.95%	(Note)
WCD	WSCQ	Parent company	Sales	470,315	1.00%	OA90	-	-	122,526	1.63%	(Note)
WEKS	The Company	Subsidiary	Sales	125,013,397	100.00%	OA90	-	-	16,851,226	100.00%	(Note)
WEKS	WMMI	Parent company	Purchases	263,881	0.02%	OA60	-	-	(377)	0.00%	(Note)
WIMX	WMX	Parent company	Sales	126,431	98.99%	OA90	-	-	-	-	(Note)
WIN	The Company	Subsidiary	Purchases	2,579,206	92.75%	OA120	-	-	(790,285)	98.35%	(Note)
WIN	The Company	Subsidiary	Sales	3,435,458	79.60%	OA60	-	-	2,479	0.69%	(Note)
WIS	The Company	Subsidiary	Purchases	482,291	78.04%	OA60	-	-	(140,248)	84.90%	(Note)
WITX	WZS	Parent company	Purchases	259,045	100.00%	OA90	-	-	-	-	(Note)
WITX	The Company	Subsidiary	Purchases	25,663,752	93.86%	OA150	-	-	(13,723,212)	97.98%	(Note)
WITX	WAKS	Parent company	Purchases	130,674	0.52%	OA90	-	-	(47,385)	0.29%	(Note)
WITX	The Company	Subsidiary	Sales	162,861	0.58%	OA90	-	-	-	-	(Note)
WJP	The Company	Subsidiary	Purchases	1,289,342	98.96%	OA90	-	-	(573,892)	98.66%	(Note)
WMCQ	WMT	Subsidiary	Sales	116,970	99.74%	OA90	-	-	13,113	100.00%	(Note)
WMSK	The Company	Subsidiary	Purchases	686,762	47.45%	OA90	-	-	(170,804)	49.07%	(Note)
WMMI	The Company	Subsidiary	Purchases	4,953,762	40.26%	OA90	-	-	(9,414,908)	85.21%	(Note)
WMMI	WEKS	Parent company	Sales	263,881	6.20%	OA60	-	-	377	0.02%	(Note)
WMMI	The Company	Subsidiary	Sales	1,536,124	37.14%	OA30	-	-	1,523,221	83.70%	(Note)
WMMY	WAKS	Parent company	Purchases	230,262	3.93%	OA90	-	-	(120,267)	7.93%	(Note)
WMMY	The Company	Subsidiary	Sales	4,043,246	93.21%	OA90	-	-	1,796,164	97.50%	(Note)
WMMY	WAKS	Parent company	Sales	293,147	6.68%	OA90	-	-	44,908	2.40%	(Note)
WMT	WMCQ	Subsidiary	Purchases	116,970	55.71%	OA90	-	-	(13,113)	6.79%	(Note)
WMX	WITT	Parent company	Sales	456,236	27.37%	OA90	-	-	223,540	31.03%	(Note)
WMX	WYUS	Parent company	Sales	1,208,560	72.49%	OA90	-	-	120,629	16.74%	(Note)
WOK	The Company	Subsidiary	Sales	51,975,139	99.96%	OA90	-	-	2,448,835	100.00%	(Note)
WOSH	WAKS	Parent company	Purchases	488,170	71.75%	OA90	-	-	-	-	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Note to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NTS100 million or 20% of share capital (December 31, 2020)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction		Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Notes
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	
WOSH	XTRKS	Parent company	Purchases	192,957	28.25%	OA90	-	-	-	(Note)
WRKS	The Company	Subsidiary	Sales	126,730	0.82%	OA90	-	-	-	(Note)
WSCQ	The Company	Subsidiary	Sales	6,823,673	97.13%	OA60	-	-	1,615,070	98.71% (Note)
WSCQ	WCQ	Parent company	Sales	148,522	2.13%	OA90	-	-	17,576	1.07% (Note)
WSCQ	WCQ	Parent company	Purchases	470,315	7.01%	OA90	-	-	(122,526)	10.30% (Note)
WSCZ	The Company	Subsidiary	Purchases	1,356,561	36.31%	OA90	-	-	(316,650)	49.97% (Note)
WSCZ	The Company	Subsidiary	Sales	177,785	3.79%	OA60	-	-	7,261	0.75% (Note)
WSKS	WAKS	Parent company	Purchases	810,192	29.63%	OA60	-	-	(128,154)	24.55% (Note)
WSKS	WCD	Parent company	Purchases	1,642,654	60.05%	OA60	-	-	(337,706)	64.78% (Note)
WSMX	The Company	Subsidiary	Sales	3,121,610	93.81%	OA60	-	-	732,694	97.02% (Note)
WSPH	The Company	Subsidiary	Sales	107,666	47.00%	OA30	-	-	(31,367)	27.08% (Note)
WSSG	The Company	Subsidiary	Purchases	792,758	30.16%	OA90	-	-	(273,466)	58.68% (Note)
WTX	The Company	Subsidiary	Purchases	2,228,839	77.68%	OA90	-	-	(720,725)	83.06% (Note)
WTZ	WZS	Parent company	Sales	119,762	1.95%	OA90	-	-	17,826	1.47% (Note)
WTZ	The Company	Subsidiary	Sales	923,745	15.24%	OA60	-	-	147,829	12.20% (Note)
WTZS	WZS	Parent company	Purchases	1,095,417	44.50%	OA90	-	-	(727,508)	70.19% (Note)
WTZS	COWIN	Parent company	Purchases	1,605,018	66.43%	OA90	-	-	(300,432)	29.81% (Note)
WTZS	The Company	Subsidiary	Sales	624,718	12.98%	OA90	-	-	137,812	10.98% (Note)
WYHK	WZS	Parent company	Sales	1,452,527	30.18%	OA90	-	-	153,669	12.24% (Note)
WYHQ	WYHQ	Subsidiary	Purchases	697,136	100.00%	OA90	-	-	(74,442)	100.00% (Note)
WYHQ	WBR	Parent company	Sales	132,019	0.17%	OA120	-	-	110,407	0.61% (Note)
WYHQ	WYUS	Subsidiary	Sales	35,212,046	44.56%	OA120	-	-	11,242,985	61.97% (Note)
WYHQ	WYJP	Subsidiary	Sales	2,001,949	2.53%	OA90	-	-	722,416	3.98% (Note)
WYHQ	WYKR	Subsidiary	Sales	616,246	0.78%	OA90	-	-	100,065	0.55% (Note)
WYHQ	WYHK	Subsidiary	Sales	697,136	0.88%	OA90	-	-	74,442	0.41% (Note)
WYHQ	WYKS	Subsidiary	Sales	734,345	0.93%	OA90	-	-	10,053	0.06% (Note)
WYHQ	The Company	Subsidiary	Purchases	47,899,393	72.56%	OA45	-	-	(9,538,213)	88.85% (Note)
WYHQ	WYUS	Subsidiary	Purchases	597,678	0.91%	OA90	-	-	(186,733)	1.74% (Note)
WYJP	WYHQ	Subsidiary	Purchases	2,001,949	100.00%	OA90	-	-	(722,416)	100.00% (Note)
WYKR	WYHQ	Subsidiary	Purchases	616,246	100.00%	OA90	-	-	(100,065)	100.00% (Note)

WISTRON CORPORATION AND SUBSIDIARIES

Note to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NTS100 million or 20% of share capital (December 31, 2020)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction		Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Notes	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance		Percentage of total note and trade receivables (payables)
WYKS	WYHQ	Subsidiary	Purchases	734,345	100.00%	OA90	-	-	(10,053)	100.00% (Note)	
WYUS	WBR	Parent company	Sales	1,557,147	1.08%	OA120	-	-	226,658	11.52% (Note)	
WYUS	WYHQ	Subsidiary	Sales	597,678	0.37%	OA90	-	-	186,733	9.49% (Note)	
WYUS	WYHQ	Subsidiary	Purchases	35,212,046	23.98%	OA120	-	-	(11,242,985)	85.09% (Note)	
WYUS	The Company	Subsidiary	Purchases	202,347	0.14%	OA45	-	-	(99,998)	0.76% (Note)	
WYUS	WMX	Parent company	Purchases	1,150,652	0.78%	OA90	-	-	(119,866)	0.91% (Note)	
WZS	LYZ	Associate	Purchases	278,498	0.25%	OA120	-	-	(119,214)	0.42% (Note)	
WZS	The Company	Subsidiary	Purchases	852,001	0.77%	OA90	-	-	(8,415,208)	29.91% (Note)	
WZS	COWIN	Subsidiary	Purchases	134,895	0.12%	OA90	-	-	(736,229)	2.62% (Note)	
WZS	HYZS	Associate	Purchases	212,344	0.19%	OA60	-	-	(113,013)	0.40% (Note)	
WZS	WTZ	Parent company	Purchases	119,762	0.11%	OA90	-	-	(17,826)	0.06% (Note)	
WZS	ITZS	Associate	Purchases	128,124	0.12%	OA90	-	-	(51,090)	0.18% (Note)	
WZS	WYHQ	Parent company	Purchases	339,123	0.31%	OA90	-	-	(280,371)	1.00% (Note)	
WZS	The Company	Subsidiary	Sales	58,575,541	49.49%	OA90	-	-	21,740,565	88.66% (Note)	
WZS	COWIN	Subsidiary	Sales	54,519,021	45.58%	OA90	-	-	430,024	1.75% (Note)	
WZS	WTZS	Parent company	Sales	1,095,417	0.92%	OA90	-	-	727,508	2.97% (Note)	
WZS	WITT	Parent company	Sales	259,045	0.22%	OA90	-	-	-	-	(Note)
XTRKS	WAKS	Subsidiary	Purchases	509,377	38.49%	OA90	-	-	(287,745)	38.49% (Note)	
XTRKS	WOSH	Parent company	Sales	192,957	92.55%	OA90	-	-	-	-	(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 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2020)

(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	Notes
					Amount	Action taken			
The Company	AIH	Subsidiary	54,895,709	429.04%	-	-	23,258,330	-	(Note)
The Company	WEKS	Subsidiary	17,851,457	-	-	-	-	-	(Note)
The Company	WITX	Subsidiary	13,723,212	202.11%	4,516,839	Collecting	4,076,646	-	(Note)
The Company	WYHQ	Subsidiary	9,987,749	584.56%	484,963	Collecting	5,321,030	-	(Note)
The Company	WMMI	Subsidiary	9,414,908	104.53%	4,528,074	Collecting	455,849	-	(Note)
The Company	WZS	Subsidiary	8,415,208	20.25%	81,583	Collecting	8,415,208	-	(Note)
The Company	WCQ	Subsidiary	6,070,242	0.02%	2,261,787	Collecting	2,280,779	-	(Note)
The Company	WAKS	Subsidiary	3,552,586	-	-	-	2,907,818	-	(Note)
The Company	WITZ	Subsidiary	1,792,227	2.40%	804,893	Collecting	153,677	-	(Note)
The Company	WOK	Subsidiary	1,169,369	-	-	-	1,140,183	-	(Note)
The Company	WIN	Subsidiary	790,285	114.13%	789,796	Collecting	675,651	-	(Note)
The Company	WTX	Subsidiary	750,725	255.13%	104,998	Collecting	105,432	-	(Note)
The Company	WJP	Subsidiary	573,892	262.30%	277,907	Collecting	79,951	-	(Note)
The Company	WSCZ	Subsidiary	316,650	346.98%	-	-	74,792	-	(Note)
The Company	FPI	Associate	284,367	241.69%	-	-	153,632	-	-
The Company	WSSG	Subsidiary	273,466	287.73%	80,204	Collecting	82,710	-	(Note)
The Company	WCD	Subsidiary	207,730	0.01%	-	-	347	-	(Note)
The Company	WMKS	Subsidiary	170,804	335.20%	-	-	44,926	-	(Note)
The Company	WIS	Subsidiary	140,248	282.87%	5,073	Collecting	46,991	-	(Note)
AIH	WCD	Parent company	104,146	441.54%	-	-	-	-	(Note)
COWIN	WZS	Subsidiary	736,229	12.55%	-	-	-	-	(Note)
COWIN	WITZS	Parent company	300,432	73.74%	-	-	-	-	(Note)
WAKS	The Company	Subsidiary	11,872,878	544.46%	-	-	10,440,971	-	(Note)
WAKS	WAKS	Parent company	128,154	255.54%	-	-	51,620	-	(Note)
WAKS	WMMY	Parent company	120,267	232.49%	-	-	32,186	-	(Note)
WAKS	XTRKS	Subsidiary	287,745	337.04%	-	-	-	-	(Note)
WCCZ	The Company	Subsidiary	536,915	21.41%	79,286	Collecting	-	-	(Note)
WCD	The Company	Subsidiary	22,688,573	820.33%	-	-	8,099,998	-	(Note)
WCD	WAKS	Parent company	337,706	512.50%	-	-	3	-	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 8 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital
(December 31, 2020)

(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	Notes
					Amount	Action taken			
WCD	WCQ	Parent company	934,167	97.66%	-	-	2,627,031	-	(Note)
WCQ	The Company	Subsidiary	6,636,981	475.27%	-	-	-	-	(Note)
WCQ	WCD	Parent company	746,745	196.24%	-	-	-	-	(Note)
WCQ	WSCQ	Parent company	122,526	359.96%	-	-	-	-	(Note)
WEKS	The Company	Subsidiary	16,851,226	568.63%	-	-	-	-	(Note)
WIN	WMMI	Parent company	332,823	2.94%	-	-	-	-	(Note)
WMMI	The Company	Subsidiary	1,523,221	188.52%	-	-	812,617	-	(Note)
WMMY	The Company	Subsidiary	1,796,164	434.67%	-	-	-	-	(Note)
WMX	WYUS	Parent company	120,629	821.83%	-	-	-	-	(Note)
WMX	WITT	Parent company	223,540	188.00%	91,616	Collecting	-	-	(Note)
WMX	WIMX	Parent company	372,099	1.21%	-	-	-	-	(Note)
WOK	The Company	Subsidiary	2,448,835	610.05%	-	-	1,658,823	-	(Note)
WSCQ	The Company	Subsidiary	1,615,070	528.67%	-	-	1,200,142	-	(Note)
WSKS	The Company	Subsidiary	732,694	379.02%	-	-	-	-	(Note)
WITZ	The Company	Subsidiary	147,829	967.70%	-	-	106,483	-	(Note)
WITZS	WZS	Parent company	153,669	586.31%	-	-	153,669	-	(Note)
WYHQ	WYUS	Subsidiary	11,242,985	284.10%	-	-	142,829	-	(Note)
WYHQ	WYJP	Subsidiary	722,416	263.33%	-	-	364,203	-	(Note)
WYHQ	WYKR	Subsidiary	100,065	571.56%	-	-	89,644	-	(Note)
WYHQ	WBR	Parent company	110,407	239.15%	-	-	-	-	(Note)
WYUS	WBR	Parent company	226,658	485.60%	-	-	172,331	-	(Note)
WYUS	WYHQ	Subsidiary	186,733	222.93%	-	-	-	-	(Note)
WZS	The Company	Subsidiary	21,740,565	525.50%	246,233	Collecting	37,689	-	(Note)
WZS	COWIN	Subsidiary	430,024	684.52%	143,708	Collecting	143,708	-	(Note)
WZS	WITZS	Parent company	727,508	195.57%	-	-	-	-	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 8 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2020)

(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	Notes
					Amount	Action taken			
Other receivables									
The Company	WMMI	Subsidiary	2,854,539	-	1,813,782	Collecting	-	-	(Note)
The Company	WEKS	Subsidiary	307,540	-	-	-	-	-	(Note)
The Company	WMT	Subsidiary	141,064	-	-	-	2,212	-	(Note)
AIH	The Company	Subsidiary	445,216	-	-	-	-	-	(Note)
COWIN	The Company	Subsidiary	132,799	-	-	-	-	-	(Note)
WAKS	WTZ	Parent company	2,851,032	-	-	-	-	-	(Note)
WAKS	WGKS	Parent company	564,504	-	-	-	-	-	(Note)
WAKS	XTRKS	Subsidiary	709,907	-	-	-	-	-	(Note)
WCCZ	WSCZ	Parent company	570,391	-	-	-	-	-	(Note)
WCCZ	WSPH	Parent company	399,274	-	-	-	-	-	(Note)
WCCZ	WVN	Parent company	1,283,380	-	-	-	-	-	(Note)
WCQ	WTZ	Parent company	2,851,150	-	-	-	-	-	(Note)
WCQ	WSCQ	Parent company	428,594	-	-	-	-	-	(Note)
WCQ	WMCQ	Parent company	143,135	-	-	-	-	-	(Note)
WEKS	WAKS	Parent company	116,698	-	-	-	-	-	(Note)
WEKS	WMMI	Parent company	140,455	-	-	-	-	-	(Note)
WHHK	WMMY	Parent company	213,732	-	-	-	-	-	(Note)
WIN	WMMI	Parent company	391,600	-	-	-	-	-	(Note)
WSSG	WMMI	Subsidiary	3,420,960	-	-	-	-	-	(Note)
WYHQ	WZS	Parent company	312,583	-	-	-	312,583	-	(Note)
WYHQ	The Company	Subsidiary	178,355	-	-	-	178,345	-	(Note)
WYUS	WYHQ	Subsidiary	125,705	-	-	-	97,355	-	(Note)
WZS	WTZS	Parent company	156,812	-	-	-	-	-	(Note)
WZS	WITT	Parent company	214,010	-	-	-	22,482	-	(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 9 Business relationships and significant inter-company transactions (December 31, 2020)

(TWD : expressed in thousands)

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	AIH	1	Sales	200,151,306	OA90	23.69%
0	The Company	WYHQ	1	Sales	49,927,413	OA45	5.91%
0	The Company	WITX	1	Sales	25,663,752	OA150	3.04%
0	The Company	WMMI	1	Sales	4,953,762	OA90	0.59%
0	The Company	WIN	1	Sales	2,579,206	OA120	0.31%
0	The Company	WTX	1	Sales	2,228,839	OA90	0.26%
0	The Company	WSCZ	1	Sales	1,356,561	OA90	0.16%
0	The Company	WJP	1	Sales	1,289,342	OA90	0.15%
0	The Company	WZS	1	Sales	852,001	OA90	0.10%
0	The Company	WSSG	1	Sales	792,758	OA90	0.09%
0	The Company	WMKS	1	Sales	686,762	OA90	0.08%
0	The Company	WIS	1	Sales	482,291	OA60	0.06%
0	The Company	WYUS	1	Sales	200,175	OA45	0.02%
0	The Company	WMT	1	Sales	142,890	OA90	0.02%
0	The Company	WSMX	1	Sales	107,666	OA60	0.01%
0	The Company	AIH	1	Trade Receivables	54,895,709	OA90	13.37%
0	The Company	WEKS	1	Trade Receivables	17,851,457	OA180	4.35%
0	The Company	WITX	1	Trade Receivables	13,723,212	OA150	3.34%
0	The Company	WYHQ	1	Trade Receivables	9,987,749	OA45	2.43%
0	The Company	WMMI	1	Trade Receivables	9,414,908	OA90	2.29%
0	The Company	WZS	1	Trade Receivables	8,413,208	OA90	2.05%
0	The Company	WCO	1	Trade Receivables	6,070,242	OA90	1.48%
0	The Company	WAKS	1	Trade Receivables	3,552,586	OA120	0.87%
0	The Company	WTZ	1	Trade Receivables	1,792,227	OA90	0.44%
0	The Company	WOK	1	Trade Receivables	1,169,369	OA90	0.28%
0	The Company	WIN	1	Trade Receivables	790,285	OA120	0.19%
0	The Company	WTX	1	Trade Receivables	750,725	OA90	0.18%
0	The Company	WJP	1	Trade Receivables	573,892	OA90	0.14%
0	The Company	WSCZ	1	Trade Receivables	316,650	OA90	0.08%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2020)

(TWD : expressed in thousands)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			
				Financial statement account	Amount	Credit term	
0	The Company	WMKS	1	Trade Receivables	170,804	OA90	Percentage of consolidated sales revenue and total assets (Note 2)
0	The Company	WIS	1	Trade Receivables	140,248	OA60	0.04%
1	AGI	The Company	2	Sales	157,584	OA90	0.03%
2	AIH	WCQ	3	Sales	1,071,465	OA90	0.02%
2	AIH	WCD	3	Sales	308,440	OA90	0.13%
2	AIH	WAKS	3	Sales	163,924	OA90	0.04%
2	AIH	WCD	3	Trade Receivables	104,146	OA90	0.02%
3	COWIN	The Company	2	Sales	52,651,151	OA90	0.03%
3	COWIN	WTZS	3	Sales	1,605,018	OA90	6.23%
3	COWIN	WZS	1	Sales	134,895	OA90	0.19%
3	COWIN	WZS	1	Trade Receivables	736,229	OA90	0.02%
3	COWIN	WTZS	3	Trade Receivables	300,432	OA90	0.18%
4	WAKS	The Company	2	Sales	75,812,575	OA90	0.07%
4	WAKS	WSKS	3	Sales	810,192	OA60	8.97%
4	WAKS	XTRKS	1	Sales	509,377	OA90	0.10%
4	WAKS	WOSH	3	Sales	488,170	OA90	0.06%
4	WAKS	WMMY	3	Sales	230,262	OA90	0.06%
4	WAKS	WITX	3	Sales	130,674	OA90	0.03%
4	WAKS	The Company	2	Trade Receivables	11,872,878	OA90	0.02%
4	WAKS	XTRKS	1	Trade Receivables	287,745	OA90	2.89%
4	WAKS	WSKS	3	Trade Receivables	128,154	OA60	0.07%
4	WAKS	WMMY	3	Trade Receivables	120,267	OA90	0.03%
5	WCCZ	The Company	2	Sales	744,286	OA120	0.03%
5	WCCZ	The Company	2	Trade Receivables	536,915	OA120	0.09%
6	WCD	The Company	2	Sales	174,327,275	OA30	0.13%
6	WCD	WSKS	3	Sales	1,642,654	OA60	20.63%
6	WCD	WCQ	3	Sales	953,097	OA90	0.19%
6	WCD	The Company	2	Trade Receivables	22,688,573	OA30	0.11%
6	WCD	WCQ	3	Trade Receivables	934,167	OA90	5.53%
6	WCD	WSKS	3	Trade Receivables	337,706	OA60	0.23%
6	WCD	WSKS	3	Trade Receivables		OA60	0.08%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
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(TWD : expressed in thousands)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			
				Financial statement account	Amount	Credit term	
7	WCQ	The Company	2	Sales	45,486,936	OA90	Percentage of consolidated sales revenue and total assets (Note 2)
7	WCQ	WCD	3	Sales	970,341	OA90	5.38%
7	WCQ	WSCQ	3	Sales	470,315	OA90	0.11%
7	WCQ	The Company	2	Trade Receivables	6,636,981	OA90	0.06%
7	WCQ	WCD	3	Trade Receivables	746,745	OA90	1.62%
7	WCQ	WSCQ	3	Trade Receivables	122,526	OA90	0.18%
8	WEKS	The Company	2	Sales	125,013,397	OA90	0.03%
8	WEKS	The Company	2	Trade Receivables	16,851,226	OA90	14.79%
9	WIMX	WMX	3	Sales	126,431	OA90	4.10%
10	WIN	The Company	2	Sales	3,435,458	OA60	0.01%
10	WIN	WMMI	3	Trade Receivables	332,823	OA90	0.41%
11	WITX	The Company	2	Sales	162,861	OA90	0.08%
12	WMCQ	WMT	2	Sales	116,970	OA90	0.02%
13	WMMI	The Company	2	Sales	1,536,124	OA30	0.01%
13	WMMI	WEKS	3	Sales	263,881	OA60	0.18%
13	WMMI	The Company	2	Trade Receivables	1,523,221	OA30	0.03%
14	WMMY	The Company	2	Sales	4,043,246	OA90	0.37%
14	WMMY	WAKS	3	Sales	293,147	OA90	0.48%
14	WMMY	The Company	2	Trade Receivables	1,796,164	OA90	0.03%
15	WMX	WYUS	3	Sales	1,208,560	OA90	0.44%
15	WMX	WITT	3	Sales	456,236	OA90	0.14%
15	WMX	WIMX	3	Trade Receivables	372,099	OA90	0.05%
15	WMX	WITT	3	Trade Receivables	223,540	OA90	0.09%
15	WMX	WYUS	3	Trade Receivables	120,629	OA90	0.05%
16	WOK	The Company	2	Sales	51,975,139	OA90	0.03%
16	WOK	The Company	2	Trade Receivables	2,448,835	OA90	6.15%
17	WRKS	The Company	2	Sales	126,730	OA90	0.60%
18	WSCQ	The Company	2	Sales	6,823,673	OA60	0.01%
18	WSCQ	WCQ	3	Sales	148,522	OA90	0.81%
18	WSCQ	The Company	2	Trade Receivables	1,615,070	OA60	0.02%
18	WSCQ	The Company	2	Trade Receivables		OA60	0.39%

WISTRON CORPORATION AND SUBSIDIARIES

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(TWD : expressed in thousands)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			Percentage of consolidated sales revenue and total assets (Note 2)
				Financial statement account	Amount	Credit term	
19	WSCZ	The Company	2	Sales	177,785	OA60	0.02%
20	WSKS	The Company	2	Sales	3,121,610	OA60	0.37%
20	WSKS	The Company	2	Trade Receivables	732,694	OA60	0.18%
21	WSPH	The Company	2	Sales	712,313	OA30	0.08%
22	WTZ	The Company	2	Sales	923,745	OA60	0.11%
22	WTZ	WZS	3	Sales	119,762	OA90	0.01%
22	WTZ	The Company	2	Trade Receivables	147,829	OA60	0.04%
23	WTZS	WZS	3	Sales	1,452,527	OA90	0.17%
23	WTZS	The Company	2	Sales	624,718	OA90	0.07%
23	WTZS	WZS	3	Trade Receivables	153,669	OA90	0.04%
24	WYHQ	WYUS	1	Sales	35,212,046	OA120	4.17%
24	WYHQ	WYJP	1	Sales	2,001,949	OA90	0.24%
24	WYHQ	WYKS	1	Sales	734,345	OA90	0.09%
24	WYHQ	WYHK	1	Sales	697,136	OA90	0.08%
24	WYHQ	WYKR	1	Sales	616,246	OA90	0.07%
24	WYHQ	WBR	3	Sales	132,019	OA120	0.02%
24	WYHQ	WYUS	1	Trade Receivables	11,242,985	OA120	2.74%
24	WYHQ	WYJP	1	Trade Receivables	722,416	OA90	0.18%
24	WYHQ	WBR	1	Trade Receivables	110,407	OA120	0.03%
24	WYHQ	WYKR	1	Trade Receivables	100,065	OA90	0.02%
25	WYUS	WBR	3	Sales	1,557,147	OA120	0.18%
25	WYUS	WYHQ	2	Sales	597,678	OA90	0.07%
25	WYUS	WBR	3	Trade Receivables	226,658	OA120	0.06%
25	WYUS	WYHQ	2	Trade Receivables	186,733	OA90	0.05%
26	WZS	The Company	2	Sales	58,575,541	OA90	6.93%
26	WZS	COWIN	2	Sales	54,519,021	OA90	6.45%
26	WZS	WTZS	3	Sales	1,095,417	OA90	0.13%
26	WZS	WITT	3	Sales	259,045	OA90	0.03%
26	WZS	The Company	2	Trade Receivables	21,740,565	OA90	5.30%
26	WZS	WTZS	3	Trade Receivables	727,508	OA90	0.18%

WISTRON CORPORATION AND SUBSIDIARIES

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(TWD : expressed in thousands)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			Percentage of consolidated sales revenue and total assets (Note 2)
				Financial statement account	Amount	Credit term	
26	WZS	COWIN	2	Trade Receivables	430,024	OA90	0.10%
27	XTRKS	WOSH	3	Sales	192,957	OA90	0.02%

(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 10 Information on investees (excluding investees in Mainland China)
(December 31, 2020)

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	2,265,012	16,004,371	100.00%	1,167,349	(152,019)	(152,019)	(Note)
The Company	WTX	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	1,668,488	146,687	146,687	(Note)
The Company	AIH	B.V.I.	Investment, holding and trading business	6,041,478	6,041,478	347,886	100.00%	4,882,669	-	-	(Note)
The Company	COWIN	B.V.I.	Investment, holding and trading business	6,858,764	6,030,379	217,394	100.00%	15,668,560	1,338,509	1,338,509	(Note)
The Company	Win Smart	B.V.I.	Investment and holding	14,894,651	14,894,651	484,065	100.00%	21,525,545	2,954,754	2,954,754	(Note)
The Company	WCL	Taiwan	Investment consultant and business management consultant	1,212,000	1,197,000	-	100.00%	2,429,000	315,729	315,729	(Note)
The Company	ISL	Taiwan	Safety and EMI testing	14,603	14,603	2,434	100.00%	85,701	15,400	15,400	(Note)
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	2,853,068	139,567	100.00%	67,874	(66,828)	(66,828)	(Note)
The Company	WLLC	U.S.A.	Investment and holding	2,118,814	1,682,824	6,936	100.00%	2,386,714	22,751	22,751	(Note)
The Company	WVS	B.V.I.	Investment and holding	398,221	398,221	12,005	100.00%	670,681	126,027	126,027	(Note)
The Company	WEH	Netherlands	Investment and holding	1,421,024	1,421,024	-	99.99%	411,210	(431)	(431)	(Note)
The Company	WBR	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	334,601	23,653	23,653	(Note)
The Company	WTR	Turkey	Sales and maintenance service center	46,650	46,650	22	99.90%	81,904	18,212	18,212	(Note)
The Company	WGTX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	134,643	22,909	22,909	(Note)
The Company	WGHK	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	100.00%	33,586	(36,263)	(36,263)	(Note)
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	775,560	267,425	100.00%	1,055,911	(524,183)	(524,183)	(Note)
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	36,429	36,429	100.00%	(105,772)	(59,426)	(59,426)	(Note)
The Company	WSCO	Colombia	Sales and maintenance service center	91,561	91,561	559	100.00%	25,263	(2,924)	(2,924)	(Note)
The Company	WGH	U.S.A.	Investment and retail	589,520	589,520	20	100.00%	454,297	(58,356)	(58,356)	(Note)
The Company	WYHQ	Taiwan	Research, development, sales and service of information products	1,783,104	1,783,104	78,418	44.85%	10,994,739	8,609,657	3,862,551	(Note)
The Company	WEDH	Seychelles	Investment and holding	170,148	170,148	5,700	100.00%	2,259	(50)	(50)	(Note)
The Company	WCHK	Hong Kong	Investment and holding	225,494	225,494	58,446	100.00%	259,487	14,788	14,788	(Note)
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	10,202	(1,323)	(1,323)	(Note)
The Company	WCZZ	Czech Rep.	Electronic product manufacturing	121,527	789,793	-	100.00%	2,021,639	99,048	99,048	(Note)
The Company	WEHK	Hong Kong	Investment and holding	397,542	247,954	16,426	100.00%	(51,163)	(56,580)	(56,580)	(Note)
The Company	AGI	Taiwan	Software solution integrator	2,570	465,948	1	0.01%	8	(52,414)	(20,537)	(Note)
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	3,476,456	157,489	100.00%	3,084,865	(808,149)	(808,149)	(Note)
The Company	WDH	Taiwan	Investment and holding	2,800,000	2,000,000	197,671	100.00%	2,090,750	86,194	86,194	(Note)
The Company	WMBH	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	1,815,988	(97,956)	(97,956)	(Note)
The Company	ANC	U.S.A.	Sales and maintenance of mobile phone	22,808	22,808	75	100.00%	20,508	(2,354)	(2,354)	(Note)
The Company	WSCL	Chile	Sales and maintenance service center	92,114	31,710	-	100.00%	29,801	(2,051)	(2,051)	(Note)
The Company	WTS	U.S.A.	Development of new business and customer service	10,348	10,348	35	100.00%	13,637	1,642	1,642	(Note)
The Company	WVMX	Mexico	Real property rental and management	910,394	-	13,340,990	100.00%	1,268,793	290,555	290,555	(Note)
The Company	WSZC	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	-	-	100.00%	385,422	(14,579)	(14,579)	(Note)
The Company	WIS	Taiwan	Design, sales and service of network communication products	282,833	214,656	46,105	100.00%	243,356	25,469	25,469	(Note)
The Company	WNC	Taiwan	Manufactures and sales of wireless receiver products	585,487	585,487	89,675	22.55%	3,792,545	1,466,920	334,502	(Note)
The Company	JIH	Taiwan	Sales of audio system of vehicles and components	578,889	578,889	20,261	37.99%	3,754	(60,080)	(23,438)	(Note)
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,728	26,728	3,823	13.65%	76,482	177,188	24,184	(Note)
The Company	ISGTG	Seychelles	Research, design and sales of information technology products	160,025	160,025	5	40.00%	-	-	-	(Note)
The Company	ISGTC	Hong Kong	Research, design and sales of information technology products	160,000	160,000	5	40.00%	-	-	-	(Note)
The Company	HCL	B.V.I.	Investment and holding	96,045	96,045	-	30.00%	71,665	(188)	(188)	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES
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Table 10 Information on investees (excluding investees in Mainland China)
(December 31, 2020)

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	Formosa Prosonic Industries Berhad	Malaysia	Manufacturing of audio and hooter	513,565	513,565	69,260	28.00%	512,969	279,251	97,022	(Note)
The Company	Smartfly Inc.	U.S.A.	Software R&D	62,710	62,710	2,724	26.67%	-	(1,045)	-	(Note)
AGI	Xserve(BVI)Corp.	B.V.I.	Investment and holding	3,938	3,938	113	15.00%	-	-	Not required to disclose	(Note)
AIH	WJP	Japan	Sales and maintenance service center	129,985	129,985	9	100.00%	282,795	60,295	Not required to disclose	(Note)
AIH	WNC	Taiwan	Manufacture and sale of wireless receiver products	1,311	1,311	115	0.03%	4,868	1,466,920	Not required to disclose	(Note)
AIH	HarecAsia	Singapore	Investment and holding	178,700	178,700	6,090	20.02%	231,904	97,490	Not required to disclose	(Note)
AIH	WEH	Netherlands	Investment and holding	91	91	-	0.01%	78	(431)	Not required to disclose	(Note)
AIH	WBR	Brazil	Sales and maintenance service center	96	96	5	0.01%	86	23,653	Not required to disclose	(Note)
AIH	Hsieh Yuh	B.V.I.	Holding company and OEM	80,678	80,678	3,990	26.08%	-	4,934	Not required to disclose	(Note)
AIH	Xserve(BVI)Corp.	B.V.I.	Investment and holding	4,988	4,988	143	19.00%	-	-	Not required to disclose	(Note)
BFA	KJP	Japan	Exoskeleton product device	16,902	-	1	100.00%	13,322	(3,252)	Not required to disclose	(Note)
WCL	WAUS	U.S.A.	Edge computing R&D	98,126	-	327	100.00%	40,993	(54,128)	Not required to disclose	(Note)
WCL	WLB	Taiwan	Investment and business management consultant	234,500	234,500	63,461	100.00%	89,529	285,382	Not required to disclose	(Note)
WCL	WCT	Netherlands	Research and development	445,704	445,704	12,100	100.00%	115,274	(245,105)	Not required to disclose	(Note)
WCL	WYHQ	Taiwan	Research, development, sales and service of information products	518,888	518,888	4,471	2.56%	626,821	8,609,657	Not required to disclose	(Note)
WCL	JIH	Taiwan	Sales of audio system of vehicles and components	55,256	55,256	1,934	3.63%	388	(60,080)	Not required to disclose	(Note)
WCL	WAC	Taiwan	Manufacturing, wholesale and retail of electronic related products	16,000	1,000	1,600	100.00%	14,988	(870)	Not required to disclose	(Note)
WCL	WMT	Taiwan	Manufacturing of medical instruments	40,000	-	4,000	8.00%	31,434	(1,662)	Not required to disclose	(Note)
WCL	WTS	Taiwan	Manufacture and maintenance of computer information system and technical consultant	23,444	23,444	1,177	1.79%	48,043	465,889	Not required to disclose	(Note)
WCL	WNC	Taiwan	Manufacturing and sales of wireless receiver products	2,450	2,450	100	0.03%	5,183	1,466,920	Not required to disclose	(Note)
WCL	WTR	Turkey	Sales and maintenance service center	47	47	-	0.10%	47	18,212	Not required to disclose	(Note)
WCL	MAYA	Taiwan	Information integration of medical service	23,800	22,800	773	10.91%	18,908	318	Not required to disclose	(Note)
WCL	TPE	Taiwan	Wholesale and retail of electronic materials	34,821	34,821	2,528	9.03%	55,427	177,188	Not required to disclose	(Note)
WDH	WTS	Taiwan	Manufacturing and maintenance of computer information system and technical consultant	330,202	330,202	15,719	23.91%	570,406	465,889	Not required to disclose	(Note)
WDH	CGI	Taiwan	Software and information technology service and research video application software for manufacture and sales	35,325	35,325	3,238	23.04%	56,261	56,221	Not required to disclose	(Note)
WDH	AGI	Taiwan	Software solution integrator	115,600	-	13,998	99.98%	95,097	(52,414)	Not required to disclose	(Note)
WDH	IKALA GLOBAL ONLINE CORP.	Guyana Island	Investment and holding	434,895	-	225,225	20.35%	422,260	(108,906)	Not required to disclose	(Note)
WEDH	WEMY	Malaysia	Development and sales of information technology products and related software	170,192	170,192	21,236	100.00%	1,178	(9)	Not required to disclose	(Note)
WEHK	WETW	Taiwan	Development of internet platform and sales, consultant and providing application service	5,000	65,000	500	100.00%	(55,576)	(26,421)	Not required to disclose	(Note)
WEHK	WIN	India	Sales and maintenance service center	-	-	-	0.01%	-	(65,333)	Not required to disclose	(Note)
WEHK	WMMI	India	Information and communication products manufacturing	-	-	-	0.01%	-	(808,466)	Not required to disclose	(Note)
Win Smart	WHK	Hong Kong	Sales and maintenance service center	97,729	97,729	25,281	100.00%	84,156	3,744	Not required to disclose	(Note)
Win Smart	WHKH	Hong Kong	Investment and holding	2,682,237	2,682,237	89,520	100.00%	6,882,213	1,075,385	Not required to disclose	(Note)
Win Smart	MINDFORCE	B.V.I.	Investment and holding	692,634	692,634	21,693	28.88%	593,416	(209,066)	Not required to disclose	(Note)
WLB	WYHQ	Taiwan	Research, development, sales and service of information products	421,848	421,848	5,889	3.37%	825,629	8,609,657	Not required to disclose	(Note)
WLB	WIS	Taiwan	Design, sales and service of network communication products	40,858	3,280	2,443	6.81%	41,333	25,469	Not required to disclose	(Note)
WMBH	WMT	Taiwan	Manufacturing of medical instruments	49,134	-	3,06	0.61%	2,405	(1,662)	Not required to disclose	(Note)
WLB	PELL	Taiwan	Biotechnology service	49,134	49,134	626	3.78%	47,288	(122,346)	Not required to disclose	(Note)
WLLC	WITX	U.S.A.	Sales of electronic information products	1,525,557	1,525,557	4,950	100.00%	2,016,014	23,558	Not required to disclose	(Note)
WLLC	WITI	U.S.A.	Sales of electronic information products	585,784	149,794	1,951	100.00%	543,029	2,900	Not required to disclose	(Note)

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Table 10 Information on investees (excluding investees in Mainland China)
(December 31, 2020)

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				
WMH	WMT	Taiwan	Manufacturing of medical instruments	415,000	200,000	41,500	83.00%	326,126	1,662	Not required to disclose	(Note)
WMH	MAYA	Taiwan	Information integration of medical service	48,614	48,614	2,346	33.10%	51,454	318	Not required to disclose	(Note)
WMH	Free Biotech, Inc.	Cayman Island	Research, designing and sales of medical instruments	270,850	270,850	10,100	45.99%	95,030	(63,283)	Not required to disclose	-
WMH	PELL	Taiwan	Biotechnology service	182,366	182,366	3,024	18.25%	186,910	(122,346)	Not required to disclose	(Note)
WMH	BTA	Singapore	Sales of medical device	129,638	57,818	4,250	70.00%	61,961	(41,927)	Not required to disclose	(Note)
WMH	BTI	Canada	Sales of medical device	182,837	130,214	3,422	30.81%	66,666	(56,365)	Not required to disclose	(Note)
WMMI	STI	India	Development of internet platform and Internet of things related products	19,435	-	1,878	99.99%	17,880	(1,563)	Not required to disclose	(Note)
WSSG	WIN	India	Sales and maintenance service center	1,805,085	1,805,085	14,344	99.99%	1,070,525	(65,333)	Not required to disclose	(Note)
WSSG	WSMY	Malaysia	Sales and maintenance service center	41,009	41,009	4,391	100.00%	1,727	(116)	Not required to disclose	(Note)
WSSG	WMMI	India	Information and communication product manufacturing	2,993,708	1,672,359	710,507	99.99%	2,034,162	(808,466)	Not required to disclose	(Note)
WYHO	WYJP	Japan	Sales of electronic products	6,620	6,620	-	100.00%	156,246	29,233	Not required to disclose	(Note)
WYHQ	WYUS	U.S.A.	Sales of electronic products	5,021,581	5,021,581	169,010	100.00%	5,059,217	77,028	Not required to disclose	(Note)
WYHQ	WYHK	Hong Kong	Investing and sales of data storage equipment	12,181	12,181	400	100.00%	191,036	34,676	Not required to disclose	(Note)
WYHO	WYKR	South Korea	Sales of electronic products	2,903	2,903	20	100.00%	83,865	14,521	Not required to disclose	(Note)
WYHO	WYMY	Malaysia	Sales of electronic products	15,109	15,109	2,650	100.00%	13,926	(230)	Not required to disclose	(Note)
WYHQ	WYMX	Mexico	Human resource service	49,285	49,285	31,053	100.00%	38,635	(4,688)	Not required to disclose	(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 11 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 from Taiwan as of January 1, 2020	Investment flows		Net income (loss) of the investee	Direct / indirect shareholding by the Company	Investment income (losses) recognized by the Company	Carrying amount of the investment as of December 31, 2020	Accumulated inward remittance of earnings as of December 31, 2020	Notes
					Outflow	Inflow						
Wistron InfoComm (Zhongshan) Corporation	Manufacture and sales of information technology products	7,944,668 (Note 1)	(Note 27) 2	7,944,179 (Note 1)	-	-	1,586,137	100.00%	10.00%	18,740,767	-	(Note 29)
Wistron InfoComm (Shanghai) Corporation	Research, development, design, testing and sales of computers software	31,691	(Note 27) 2	31,691	-	-	(8,149)	100.00%	100.00%	44,099	-	(Note 29)
Wistron InfoComm Technology (Zhongshan) Co., Ltd.	Human resource services and sales of LCD monitor	67,510	(Note 27) 2	67,510	-	-	123,851	100.00%	100.00%	587,008	-	(Note 29)
Wistron InfoComm (Kunshan) Co., Ltd.	Manufacture and sales of information technology products	1,085,212 (Note 2)	(Note 27) 2	1,085,212 (Note 2)	-	-	1,337,956	100.00%	100.00%	9,961,725	-	(Note 29)
Wistron InfoComm Manufacturing (Kunshan) Co., Ltd.	Sales of mobile phone	3,995,250 (Note 20)	(Note 27) 2	3,995,250	-	-	732,880	100.00%	100.00%	12,120,480	-	(Note 29)
Wistron Service (Kunshan) Corp.	Sales and maintenance service center in Asia	12,287	(Note 27) 2	12,287	-	-	12,287	100.00%	100.00%	702,292	-	(Note 29)
SMS (Kunshan) Co., Ltd.	Sales and maintenance service center in Mainland China	806,230	(Note 27) 2	806,230	-	-	96,195	100.00%	100.00%	1,869,623	-	(Note 29)
Wistron InfoComm (Taizhou) Co., Ltd.	Manufacture and sales of LCD monitor and touch display module	4,929,489	(Note 27) 2	4,929,489	-	-	(706,188)	100.00%	100.00%	(42,187,751)	-	(Note 29)
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacture and sales of computer shell and mold plastic	795,220	(Note 27) 2	231,014	-	-	7,712	28.88%	28.88%	165,701	-	(Note 29)
T-CONN PRECISION(Zhongshan) CORPORATION	Production of telecommunication equipment and coupling for special purpose	234,991	(Note 27) 2	85,873 (Note 3)	-	-	60,702	22.88%	22.88%	21,580	-	(Note 29)
Wistron Optronics (Kunshan) Co., Ltd.	Production of communication products and components	3,676,442	(Note 27) 2	3,652,613 (Note 4)	-	-	165,804	100.00%	100.00%	3,541,839	-	(Note 29)
Wistron Optronics (Shanghai) Co., Ltd.	Production of communication products and components	131,044	(Note 27) 2	131,044	-	-	414	100.00%	100.00%	70,970	-	(Note 29)
HSHIH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD.	Production and management of new-type electronic components	426,655 (Note 18)	(Note 27) 2	79,722	-	-	8,408	26.08%	26.08%	-	-	(Note 29)
LIAN-YI PRECISION (ZHONGSHAN) INC.	Manufacture of high-temperature resistant insulation materials and molded insulation products, and assembly of computer, server and the peripheral equipment	1,124,931	(Note 27) 2	332,795	-	-	(7,897)	28.88%	28.88%	(102,999)	-	(Note 29)
WIS PRECISION (TAIZHOU) CO., LTD.	Sales of new-type alloy (Mg-X-Al) material	2,220,502	(Note 27) 2	643,191	-	-	(85,473)	28.88%	28.88%	727,935	-	(Note 29)
Hartec Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech nano material	516,617	(Note 27) 2	128,815	-	-	111,896	20.02%	20.02%	205,020	-	(Note 29)
Wistron Advanced Materials (Kunshan) Co., Ltd.	Research, manufacture, and sales of electronic regeneration ecofriendly plastic goods	953,939	(Note 27) 2	953,939	-	-	(23,943)	100.00%	100.00%	23,346	-	(Note 29)
Zongshan Global Lighting Technology Limited Co.	Sales of LED backlight and related light-electronic components	445,525	(Note 27) 2	72,007	-	-	NA	15.97%	15.97%	68,291	-	(Note 29)
Wistron InfoComm (CHONGQING) Co.Ltd.	Assembly and sales of Notebook computer	583,823	(Note 27) 2	583,823	-	-	851,225	100.00%	100.00%	5,263,316	-	(Note 29)
Wistron Investment (Shanghai) Co., Ltd.	Investment and holding	2,501,366	(Note 27) 2	2,501,366 (Note 3)	-	-	1,071,304	100.00%	100.00%	6,662,293	-	(Note 29)
Wistron InfoComm (Chengde) Co., Ltd.	Assembly and sales of Notebook computer	2,966,524	(Note 27) 2	2,966,524 (Note 5)	-	-	1,068,931	100.00%	100.00%	6,598,366	-	(Note 29)
Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Research and development of electronic calculator and other electronic products	59,042	(Note 27) 2	59,042	-	-	8,189	100.00%	100.00%	131,797	-	(Note 29)
Weshek Information Technology Services Co., Ltd., Shanghai	Development of internet platform, providing of application services and consulting services	31,324	(Note 27) 2	22,449 (Note 19)	-	-	(563)	100.00%	100.00%	3,308	-	(Note 29)
Shenzhen Keen High Technologies Ltd	Manufacture of digital photo frame, MP3, MP4, and GPS	198,448	(Note 27) 2	31,110 (Note 6)	-	-	NA	15.17%	15.17%	-	-	(Note 29)
SMS InfoComm (Chongqing) Co., Ltd.	Sales and distribution of computer products and components	126,838	(Note 27) 1	126,838	-	-	194,997	100.00%	100.00%	274,539	-	(Note 29)
Kunshan ChangNun Precision Die Casting Co., Ltd.	Sales and distribution of Zn-Al Alloy precision casting process, LCD monitor of supporting frame and electronic tool series	173,981	(Note 27) 3	-	-	-	(12,886)	14.48%	14.28%	6,815	-	(Note 29)
Wuyimi Technology Service Kunshan Ltd.	Sales of electronic products	10,659	(Note 27) 3	10,659 (Note 25)	-	-	20,498	50.84%	50.78%	39,684	-	(Note 29)
ICA Inc.	Research, design, manufacture, sales, and maintenance of intelligent terminals	91,991	(Note 27) 2	-	-	-	(15,860)	20.00%	20.00%	6,942	-	(Note 29)
Wistron Medical Tech (Chongqing) CO., LTD.	Production of medical equipment	94,300	(Note 27) 3	-	-	-	1,000,000	91.61%	91.61%	18,614	-	(Note 29)
XTRONICS(Nanjing) Automotive Intelligent Technologies Co., Ltd.	Virtual image head-up display, high-power ear interior high-power charging device	540,532 (Note 24)	(Note 27) 3	-	-	-	(42,493)	33.41%	33.41%	134,592	-	(Note 29)
Wistron Investment(Jiangsu)CO., Ltd.	Investment and holding	3,117,440 (Note 20)	(Note 27) 2	3,117,440	-	-	578,826	100.00%	100.00%	9,568,874	-	(Note 29)
XTRONICS(Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telemetics	139,530	(Note 27) 3	-	-	-	(19,311)	100.00%	100.00%	107,641	-	(Note 29)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

2. Limitation on investment in Mainland China

Company	Accumulated amounts investment in Mainland China as of December 31, 2020 (Note 1), (Note 2), (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) and (Note 25)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4), (Note 15) and (Note 25)	(TWD : expressed in thousands)	
			Investment Commission of the Ministry of Economic Affairs imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 16) and (Note 26)	
Wistron Corporation	28,497,764 (USD19,612,330)	26,384,136 (USD 924,866,321)&CNY 4,000,000)	-	
Wiwynn Corporation	10,659 (USD350,000)	9,978 (USD 350,000)	14,708,353	

(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 BrVision 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 BrVision was liquidated in the first quarter of 2015. Therefore, 100% ownership of BrVision Optronics (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 BrVision 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 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 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 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, AIIH 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 (Chengde) 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 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.

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

(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 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 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 (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 TWD51,121) was included in the accumulated investment amounts.

(Note 15) The amounts translated were using the spot rates on December 31, 2020.

(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 BrVision 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 Weshiek Information Technology Services Co., Ltd., Shanghai (Weshiek), which entitled the Company to a full ownership of Weshiek.

(Note 20) The indirect investment in Wistron Investment (Jiangsu) Co., Ltd. a holding company, through Win Smart Co. 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 TWD3,055,830) 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 USD 100,000,000 which had not been implemented was authorized by the Investment Commission on November 13, 2020.

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

(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 TWD179,436), was included in the accumulated investment amounts.

(Note 22) Wiyynn 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 CNY7,543,211, 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) ANWITTH (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., 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 25) Wiyynn Technology Service Hong Kong Limited used its own Capital to invest in WYKS.

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

(Note 27) 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 28) 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

(Note 29) The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

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 11.

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, 2020 and 2019, 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, 2020 and 2019, 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 audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants' Ruling No.1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in 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 Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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. Provision of sales return and allowance (current refund liability)

Please refer to Note 4(q) “Revenue from contracts with customers” for accounting policy, Note 5(a) for accounting assumption, judgments and estimation uncertainty of provision of sales return and allowance (refund liability), and Note 6(t) for the disclosure of the provision of sales return and allowance (refund liability) to the financial statements.



Description of key audit matter

The Company provides the sale rebates to the customers under contractual requirements and evaluates the adequacy of the provision of sales return and allowance based on historical experiences and contract conditions. Consequently, the evaluation of the sales return and allowance (refund liability) resulting from sales has been identified as a key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included testing the Company's controls surrounding the revenue recognition for key manual and systems based controls, tracing general ledger to sales systems and reconciling the differences, and assessing the appropriateness in applying accounting policies to revenue recognition process; our audit work, in respect of the accrual for rebates and returns, involved testing key management controls over the claims and credits. In order to assess the reasonableness of the estimates for such accruals, we considered the appropriateness of the calculation, imputed parameters, key assumptions, and the historical experience.

2. Inventory valuation

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

Description of 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.

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included the examining the inventory aging report, analyzing the variation in inventories, and 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; as well as considering the adequacy of the Company's disclosure in this area.

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.



Auditor's 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 auditor's 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 auditor's 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 auditor's 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 auditor's 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 23, 2021

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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 3,907,196	1	3,038,447	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	227,834	-	58,927	-
1170 Note and trade receivables, net (notes 6(d)(i))	51,569,866	16	68,863,387	20
1180 Trade receivable - related parties (notes 6(d)(i) and 7)	130,624,237	40	153,326,860	44
1210 Other receivables - related parties (notes 6(e) and 7)	3,526,025	1	1,361,738	-
1220 Current tax assets	19,967	-	26,488	-
130X Inventories (note 6(f))	24,867,124	7	16,496,198	5
1460 Non-current assets classified as held for sale (note 6(g))	12,018,229	4	-	-
1470 Other current assets (notes 6(d)(e)(k))	4,192,805	1	5,329,824	2
Total current assets	230,953,283	70	248,501,869	72
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	-	-	136,114	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(e))	4,733,601	2	4,618,902	1
1550 Equity - accounted investees (note 6(g))	80,060,468	24	82,823,693	24
1600 Property, plant and equipment (notes 6(h) and 7)	6,184,970	2	5,039,467	2
1755 Right-of-use assets (note 6(i))	481,232	-	397,347	-
1780 Intangible assets (notes 6(j) and 7)	813,574	-	770,210	-
1840 Deferred tax assets (note 6(p))	5,256,727	2	4,384,962	1
1900 Other non-current assets (notes 6(k) and 8)	477,798	-	379,678	-
Total non-current assets	98,008,370	30	98,550,373	28
Total assets	\$ 328,961,653	100	347,052,242	100
Liabilities and Equity				
Current liabilities:				
Short-term loans (notes 6(l)(z))	\$ 67,173,137	20	21,865,014	6
Current financial liabilities at fair value through profit or loss (note 6(b))	8,377	-	68,043	-
Current contract liabilities (note 6(i))	1,735,880	1	1,565,181	-
Note and trade payables	40,633,266	12	54,735,019	16
Trade payable - related parties (note 7)	89,464,575	27	147,515,249	42
Other payables - related parties (note 7)	953,995	-	855,756	-
Other payables (notes 6(m)(z))	193,487	-	153,748	-
Current lease liabilities (notes 6(m)(z))	-	-	2,407,177	1
Current portion of long-term loans (notes 6(l)(z))	9,560,522	3	6,177,579	2
Current refund liability (note 6(i))	22,697,262	7	17,349,065	5
Other current liabilities	232,420,701	70	252,691,831	72
Total current liabilities	203,332,308	6	15,752,275	5
Non-current liabilities:				
Long-term loans (notes 6(l)(z))	2,721,023	1	2,484,701	1
Deferred tax liabilities (note 6(p))	285,193	-	239,052	-
Non-current lease liabilities (notes 6(m)(z))	1,636,651	1	1,933,799	1
Other non-current liabilities (notes 6(o)(z))	24,975,175	8	20,409,827	7
Total non-current liabilities	257,398,876	78	273,101,658	79
Equity (notes 6(o)(q)):				
Ordinary shares	28,406,121	9	28,406,121	8
Capital surplus	25,760,011	8	24,681,872	7
Retained earnings	26,853,167	8	24,398,715	7
Other equity	(7,846,263)	(3)	(3,536,124)	(1)
Treasury shares	(1,607,259)	-	-	-
Total equity	71,565,777	22	73,950,584	21
Total liabilities and equity	\$ 328,961,653	100	347,052,242	100

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 Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Net revenues (notes 6(t) and 7)	\$ 687,686,152	100	735,742,458	100
5000 Cost of sales (notes 6(f)(h)(i)(j)(m)(o)(v), 7 and 12)	666,864,786	97	715,395,847	97
5900 Gross profit	20,821,366	3	20,346,611	3
5910 Unrealized profit from sales	(146,080)	-	(488,515)	-
5950 Net gross profit	20,675,286	3	19,858,096	3
6000 Operating expenses (notes 6(d)(e)(h)(i)(j)(k)(m)(o)(v), 7 and 12):				
6100 Selling	2,915,782	-	3,016,676	-
6200 Administrative	2,527,625	-	2,144,835	-
6300 Research and development	13,564,223	2	12,306,433	3
Total operating expenses	19,007,630	2	17,467,944	3
6900 Operating income	1,667,656	1	2,390,152	-
7000 Non-operating income and expenses (notes 6(g)(k)(m)(n)(u)(w), 7 and 12):				
7100 Interest income	81,898	-	80,735	-
7010 Other income	118,941	-	515,300	-
7020 Other gains and losses	23,097	-	631,315	-
7050 Finance costs	(1,270,967)	-	(2,973,387)	-
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	8,041,587	1	5,879,266	1
Total non-operating income and expenses	6,994,556	1	4,133,229	1
7900 Profit before tax	8,662,212	2	6,523,381	1
7950 Less: Income tax benefit (note 6(p))	(19,550)	-	(277,387)	-
8200 Net profit	8,681,762	2	6,800,768	1
8300 Other comprehensive income (notes 6(g)(o)(p)(q)(w))				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Losses on remeasurements of defined benefit plans	(250,843)	-	(96,910)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(121,421)	-	1,983,210	-
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	69,763	-	(22,733)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(2,345)	-	(53,900)	-
	(300,156)	-	1,917,467	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(3,878,882)	(1)	(1,434,415)	-
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	320,170	-	(171,990)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	(86)	-
	(3,558,712)	(1)	(1,606,319)	-
Other comprehensive income	(3,858,868)	(1)	311,148	-
8500 Total comprehensive income	\$ 4,822,894	1	7,111,916	1
Earnings per share (in dollars) (note 6(s))				
9750 Basic earnings per share	\$ 3.10		2.40	
9850 Diluted earnings per share	\$ 3.03		2.36	

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings		Other equity		Total	Treasury shares	Total equity
	Share capital	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation arising from issuance of restricted shares			
Balance at January 1, 2019	28,421,220	10,331,896	22,321,828	(533,236)	68,945,197	(533,236)	68,411,961
Effects of retrospective application	-	(54,346)	(54,346)	-	(108,692)	-	(108,692)
Balance at January 1, 2019 after adjustments	28,421,220	10,277,550	22,267,482	-	68,890,851	-	68,890,851
Net profit	-	6,800,768	6,800,768	-	13,601,536	-	13,601,536
Other comprehensive income	-	(92,207)	(92,207)	-	(92,207)	-	(92,207)
Total comprehensive income	-	6,708,561	6,708,561	-	13,509,329	-	13,509,329
Appropriation and distribution of retained earnings:							
Legal reserve	-	(490,847)	(490,847)	-	(981,694)	-	(981,694)
Special reserve	-	(117,979)	(117,979)	-	(235,958)	-	(235,958)
Cash dividends	-	(4,226,640)	(4,226,640)	-	(8,453,280)	-	(8,453,280)
Changes in equity of associates and joint ventures accounted for using equity method	(15,099)	-	-	-	(15,099)	-	(15,099)
Treasury shares retired	-	-	-	-	-	33,003	33,003
Treasury shares transferred to employees	-	-	-	-	-	500,233	500,233
Changes in ownership interests in subsidiaries	-	(161,933)	(161,933)	-	(323,866)	-	(323,866)
Share-based payment transactions	-	-	-	-	-	-	-
Share-based payments transactions	-	1,800,464	1,800,464	-	3,600,928	-	3,600,928
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	116,583	116,583	-	233,166	-	233,166
Balance at December 31, 2019	28,406,121	11,799,957	24,398,715	(188,755)	73,950,584	(533,236)	73,417,348
Net profit	-	8,681,762	8,681,762	-	17,363,524	-	17,363,524
Other comprehensive income	-	(208,765)	(208,765)	-	(417,530)	-	(417,530)
Total comprehensive income	-	8,472,997	8,472,997	-	16,945,994	-	16,945,994
Appropriation and distribution of retained earnings:							
Legal reserve	-	(680,077)	(680,077)	-	(1,360,154)	-	(1,360,154)
Special reserve	-	(592,110)	(592,110)	-	(1,184,220)	-	(1,184,220)
Cash dividends	-	(5,681,224)	(5,681,224)	-	(11,362,448)	-	(11,362,448)
Changes in equity of associates and joint ventures accounted for using equity method	(27,576)	-	-	-	(27,576)	-	(27,576)
Acquisition of treasury shares	-	6,872	6,872	-	13,744	-	13,744
Changes in ownership interests in subsidiaries	-	(4,487)	(4,487)	-	(8,974)	-	(8,974)
Share-based payments transactions	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(339,706)	(339,706)	-	(679,412)	-	(679,412)
Others	-	-	-	-	-	-	-
Balance at December 31, 2020	28,406,121	14,166,442	26,853,167	(999,742)	71,566,777	(1,607,259)	70,000,000

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 8,662,212	6,523,381
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	652,187	483,091
Amortization expense	244,840	259,422
Expected credit loss	32,216	274,597
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(122,216)	389,089
Interest expense	1,270,967	2,973,387
Interest income	(81,898)	(80,735)
Dividend income	(85,050)	(474,301)
Compensation cost arising from share-based payments	118,500	116,583
Recognized share of associates and joint ventures accounted for equity method	(8,041,587)	(5,879,266)
Gain on disposal of property, plant and equipment	(7,178)	(46)
Property, plant and equipment reclassified as expenses	3,307	2,778
Other assets reclassified as expenses	4,973	9
Loss (gain) on disposal of investments	3,495	(12,475)
Other investment loss (gain)	(265)	13,597
Unrealized profit from sales	146,080	488,515
Lease modification loss	68	590
Gain on foreign currency exchange arising from loans and guarantee deposits	(3,121,990)	(686,620)
Amortization on bank arrangement fees	16,425	16,425
Total adjustments to reconcile profit	(8,967,126)	(2,115,360)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in note and trade receivables	17,346,740	1,366,986
Decrease in trade receivables - related parties	22,702,623	7,187,656
Increase in other receivables - related parties	(1,632,721)	(191,910)
Increase in inventories	(8,370,926)	(4,183,272)
Decrease (increase) in other current assets	1,062,656	(1,392,416)
Total changes in operating assets	31,108,372	2,787,044
Changes in operating liabilities:		
Increase in current contract liabilities	170,699	345,282
Decrease in note and trade payables	(14,101,753)	(161,339)
Decrease in trade payables - related parties	(58,050,674)	(6,242,623)
Increase (decrease) in other payables - related parties	98,239	(6,189,992)
Increase in current refund liability	3,382,943	1,259,621
Increase in other current liabilities	5,327,258	6,731,190
Decrease in other non-current liabilities	(210,964)	(219,837)
Total changes in operating liabilities	(63,384,252)	(4,477,698)
Net changes in operating assets and liabilities	(32,275,880)	(1,690,654)
Total changes in operating assets and liabilities	(41,243,006)	(3,806,014)
Cash inflow generated from (used in) operations	(32,580,794)	2,717,367
Interest received	80,663	84,035
Dividends received	2,176,225	2,137,816
Interest paid	(1,313,521)	(3,093,299)
Income taxes paid	(564,016)	471,738
Net cash flows generated from (used in) operating activities	(32,201,443)	2,317,657
Cash flows used in investing activities:		
Increase in other receivables - related parties	(530,210)	(752,650)
Acquisition of financial assets at fair value through other comprehensive income	(254,979)	(185,520)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,772	24,189
Return of financial assets at fair value through other comprehensive income	6,801	43,794
Acquisition of financial assets at fair value through profit or loss	(20,000)	(145,662)
Proceeds from disposal of financial assets at fair value through profit or loss	50,406	1,914
Proceeds from capital reduction of investments accounted for using equity method	668,266	-
Addition to equity - accounted investees	(7,760,104)	(219,943)
Proceeds from disposal of equity - accounted investees	124,004	-
Acquisition of property, plant and equipment	(1,400,895)	(532,630)
Proceeds from disposal of property, plant and equipment	3,465	27,957
Increase in refundable deposits	(83,224)	(131,293)
Increase in intangible assets	(288,204)	(88,134)
Increase in other non-current assets	(213,517)	(87,545)
Net cash flows used in investing activities	(9,685,419)	(2,045,523)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	679,489,732	563,978,583
Repayments of short-term loans	(631,796,685)	(576,166,055)
Increase in long-term loans	28,658,993	8,819,755
Repayments of long-term loans	(25,781,843)	(5,087,914)
Decrease in guarantee deposits received	(320,680)	(63,804)
Payment of lease liabilities	(207,924)	(180,298)
Cash dividends paid	(5,681,224)	(4,226,640)
Acquisition of treasury shares	(1,607,259)	-
Treasury shares transferred to employees	-	448,381
Others	2,501	-
Net cash flows generated from (used in) financing activities	42,755,611	(12,477,992)
Net increase (decrease) in cash and cash equivalents	868,749	(12,205,858)
Cash and cash equivalents at beginning of year	3,038,447	15,244,305
Cash and cash equivalents at end of year	\$ 3,907,196	3,038,447

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, 2020 and 2019

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

(I) 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, 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, 2020 and 2019 were authorized for issue by the Board of Directors on March 23, 2021.

(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. (“FSC”) 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, 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

- (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, 2021, would not have a significant impact on its financial statements:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform-Phase 2”

- (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 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”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(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. And the accounting policies have been applied consistently to all periods presented in these parent company only financial statements, except for which explained specially.

- (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 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 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.

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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 as 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 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.

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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)

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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 receivable, 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.

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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) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) 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.

5) 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.

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WISTRON CORPORATION

Notes to the Parent Company Only Financial Statements

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.

6) 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) Non-current assets for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(i) 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.

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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

(j) 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.

(k) 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.

(l) 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

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

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

(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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(m) Lease

(i) Identifying a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- 1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) The Company has the right to the direct use of its asset if either:
 - It has the decision-making rights that are most relevant to changing how, and for what purpose, the asset is used.
 - In rare cases, where the decision on how, and for what purpose, the asset is used is predetermined.
 - the Company has the right to operate its asset, wherein the providers do not have the right to change; or
 - the Company designed the asset in a way that predetermines how, and for what purpose, it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) 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.

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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.

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 Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the Company'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 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

(iii) 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.

(n) 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.

(o) 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.

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WISTRON CORPORATION
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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.

(p) 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.

(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.

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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.

(r) Government grants

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable.

(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.

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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.

(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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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 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 reverse, 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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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.

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

The preparation of the parent company only financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. 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:

(a) Provision of sales return and allowance (current refund liability)

The Company records a provision for estimated future returns and other allowances in the same period the related revenue is recorded. Provision for estimated sales returns and other allowances is generally made and adjusted based on the historical experience, market and economic condition and any other known factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and evolution of technology could result in significant adjustments to the provision made.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(b) 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(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	\$ 22,983	17,733
Demand and check deposits	3,468,060	2,265,307
Time deposits	<u>416,153</u>	<u>755,407</u>
	\$ 3,907,196	3,038,447

(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, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss-current:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 186,360	1,973
Foreign currency forward contracts	21,457	6,593
Non-derivative financial assets		
Money market fund	<u>20,017</u>	<u>50,361</u>
	\$ 227,834	58,927

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

	December 31, 2020	December 31, 2019
Held-for trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 2,133	51,687
Foreign currency forward contracts	<u>6,444</u>	<u>16,356</u>
	\$ 8,577	68,043

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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. Derivative financial instruments not qualified for hedge accounting were as follows:

1) Foreign currency swap contracts:

December 31, 2020		
Amount (in thousands)	Currency	Expiration
USD 25,000	USD Put / TWD Call	2021/1/4
USD 640,000	TWD Put / USD Call	2021/1/4~2021/1/29
December 31, 2019		
Amount (in thousands)	Currency	Expiration
EUR 6,000	EUR Put / USD Call	2020/1/21
USD 560,000	TWD Put / USD Call	2020/1/6~2020/1/14

2) Foreign currency forward contracts:

December 31, 2020		
Amount (in thousands)	Currency	Expiration
USD 3,000	USD Put / CNY Call	2021/1/5
USD 341,000	TWD Put / USD Call	2021/1/4~2021/2/4
December 31, 2019		
Amount (in thousands)	Currency	Expiration
USD 22,000	USD Put / CNY Call	2020/1/6
USD 313,000	TWD Put / USD Call	2020/1/2~2020/1/17

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

	December 31, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Convertible bonds	\$ -	<u>136,114</u>

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

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

	December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 3,711,497	3,826,716
Unlisted companies	295,453	178,446
Unlisted fund	<u>726,651</u>	<u>613,740</u>
Total	<u>\$ 4,733,601</u>	<u>4,618,902</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 its shares in Applied BioCode Corporation, IP Cathay II, L.P., AOPEN INC., DDD Group PLC and Audio Design Expert, Inc. with a fair value of \$12,058 during 2020; as well as disposed its shares in Applied BioCode Corporation, Phostek, Inc., Jafco Asia Technology Fund IV and Kibou Fund L.P. with a fair value of \$25,219 during 2019, resulting in the Company to recognize the net losses of \$243,810 and \$113,620, respectively, which were accounted for as under other comprehensive income; then later on, were reclassified to retained earnings.

(ii) For market risk, please refer to Note 6(w).

(iii) The aforementioned financial assets were not pledged.

(d) Note and trade receivables

	December 31, 2020	December 31, 2019
Note receivables from operating activities	\$ -	41,035
Trade receivables - measured at amortized cost	43,169,238	60,860,193
Trade receivables - measured at FVOCI	9,003,056	8,620,356
Trade receivables - related parties - measured at amortized cost	130,624,237	153,326,860
Less: loss allowance	<u>(602,428)</u>	<u>(658,197)</u>
	<u>\$ 182,194,103</u>	<u>222,190,247</u>

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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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, note and trade receivables had been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2020		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 168,199,628	0.000%~0.310%	72,976
1 to 60 days past due	11,927,721	0.000%~5.907%	4,619
61 to 180 days past due	2,134,958	0.000%~13.207%	1,158
181 to 300 days past due	13,831	0.000%~34.167%	2,180
More than 301 days past due	520,393	15.726%~100%	520,393
Total	\$ 182,796,531		601,326

	December 31, 2019		
	Gross carrying amount of note and trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 203,797,905	0.000%	-
1 to 60 days past due	15,336,254	1.250%	58,299
61 to 180 days past due	3,157,695	1.250%~2.500%	883
181 to 300 days past due	190	2.500%~5.357%	5
More than 301 days past due	556,400	5.357%~100%	556,072
Total	\$ 222,848,444		615,259

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

	2020	2019
Balance on January 1	\$ 658,197	582,288
Impairment losses recognized (reversed)	(53,219)	76,865
Amounts written off	(2,550)	(956)
Balance on December 31	\$ 602,428	658,197

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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 has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as "other receivables" upon the derecognition of those trade receivables.

As of December 31, 2020 and 2019, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

December 31, 2020						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
			Paid	Unpaid		
Financial institutions	\$ 737,661	2,177,567 (Note 1)	737,661	1,439,906 (Note 2)	0.54%~1.49%	621,000 (Note 2)

December 31, 2019						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
			Paid	Unpaid		
Financial institutions	\$ 1,456,765	2,701,592 (Note 1)	1,414,855	1,286,737 (Note 2)	2.22%~3.11%	691,000 (Note 2)

(Note 1): For vendor financing transactions, the factoring credit limit was the credit line that the financial institution provided to the Company's clients.

(Note 2): The unpaid amount advanced and the collateral were shared by the Company and its subsidiary.

As of December 31, 2020 and 2019, the note and trade receivables were not pledged.

For further credit risk information, please refer to Note 6(w).

(e) Other receivables

	December 31, 2020	December 31, 2019
Other current assets-other receivables	\$ 4,152,771	4,840,746
Other receivables-related parties	3,526,025	1,361,738
Less: loss allowance	(480,898)	(395,463)
	\$ 7,197,898	5,807,021

As of December 31, 2020 and 2019, there were no significant changes in credit quality and risk of the other receivables, and the overdue amounts were impaired.

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

	<u>2020</u>	<u>2019</u>
Balance on January 1	\$ 395,463	197,731
Impairment loss recognized	85,435	197,732
Balance on December 31	<u>\$ 480,898</u>	<u>395,463</u>

(f) Inventories

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Raw materials	\$ 7,113,221	3,435,739
Work in progress	531,906	203,868
Finished goods	10,332,475	7,274,781
Inventory in transit	6,889,522	5,581,810
	<u>\$ 24,867,124</u>	<u>16,496,198</u>

For the years ended December 31, 2020 and 2019, the details of cost of sales were as follows:

	<u>2020</u>	<u>2019</u>
Cost of goods sold	\$ 666,312,250	714,711,290
Loss on valuation of inventories	490,567	210,821
Loss on supplier inventory reserve	90,968	502,953
Income from sale of scraps	(28,999)	(29,217)
	<u>\$ 666,864,786</u>	<u>715,395,847</u>

As of December 31, 2020 and 2019, the inventories were not pledged.

(g) Equity-accounted investees

As of December 31, 2020 and 2019, the components of investments accounted for using the equity method were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 75,638,880	78,275,554
Associates	4,421,588	4,548,139
	<u>\$ 80,060,468</u>	<u>82,823,693</u>

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2020.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Associates

- 1) As of December 31, 2020 and 2019, the fair value of investments in associates of the Company for which there were public price quotations were as follows:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
WNC	\$ 3,792,545	6,967,723	3,720,953	6,770,438
Formosa Prosonic Industries Berhad (FPI)	512,969	1,114,660	493,087	820,001
	<u>\$ 4,305,514</u>	<u>8,082,383</u>	<u>4,214,040</u>	<u>7,590,439</u>

- 2) For the years ended December 31, 2020 and 2019, the share of profits and other comprehensive income of associates recognized by the Company were as follows:

	<u>2020</u>	<u>2019</u>
Attributable to the Company:		
Net profit	\$ 433,351	392,887
Other comprehensive income	(13,064)	(12,093)
Comprehensive income	<u>\$ 420,287</u>	<u>380,794</u>

- 3) The financial information for associates was as follows (before being adjusted to the Company's proportionate share):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Total assets	<u>\$ 44,146,602</u>	<u>41,920,327</u>
Total liabilities	<u>\$ 24,456,557</u>	<u>22,602,447</u>
	<u>2020</u>	<u>2019</u>
Revenue	<u>\$ 68,760,370</u>	<u>70,282,365</u>
Profit	<u>\$ 1,874,126</u>	<u>1,575,038</u>

(iii) Collateral

As of December 31, 2020 and 2019 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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(v) Win Smart, one of the Company's subsidiaries, disposed its entire shareholdings in WEKS and WJC to Luxshare Precision Industry Co. Ltd. in January 2021 based on the resolution approved during the board meeting held in July 2020. The above disposals of \$12,018,229 had been reclassified as held-for-sale as of December 31, 2020 based on the book value of the equity-accounted investments.

(h) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2020 and 2019, were as follows,

	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, 2020	\$ 2,810,384	2,188,341	969,584	11,764,111	2,021,618	901,346	360,429	21,015,813
Additions	-	90,201	922,518	7,752	194,481	58,330	127,613	1,400,895
Reclassification (Note)	-	68,554	32,579	62,418	16,281	6,399	3,671	189,902
Reclassified from expense (as expense)	-	(1,280)	659	-	(2,959)	(12)	285	(3,307)
Disposals	-	-	(82,342)	(1,642,243)	(178,100)	(70,567)	(2,791)	(1,976,043)
Balance at December 31, 2020	\$ <u>2,810,384</u>	<u>2,345,816</u>	<u>1,842,998</u>	<u>10,192,038</u>	<u>2,051,321</u>	<u>895,496</u>	<u>489,207</u>	<u>20,627,260</u>
Balance at January 1, 2019	\$ 2,810,384	2,212,871	643,344	11,964,531	2,229,546	866,963	512,601	21,240,240
Additions	-	28,822	300,542	9,807	110,142	54,819	28,498	532,630
Reclassification (Note)	-	-	62,844	17,243	2,708	-	10,850	93,645
Reclassified as expense (as expense)	-	(2,841)	260	-	(230)	2	31	(2,778)
Disposals	-	(50,511)	(37,406)	(227,470)	(320,548)	(20,438)	(191,551)	(847,924)
Balance at December 31, 2019	\$ <u>2,810,384</u>	<u>2,188,341</u>	<u>969,584</u>	<u>11,764,111</u>	<u>2,021,618</u>	<u>901,346</u>	<u>360,429</u>	<u>21,015,813</u>
Accumulated depreciation:								
Balance at January 1, 2020	\$ -	746,583	601,629	11,749,116	1,794,328	817,397	267,293	15,976,346
Depreciation	-	82,578	108,266	40,912	104,615	35,769	66,451	438,591
Disposals	-	-	(79,003)	(1,642,243)	(178,043)	(70,567)	(2,791)	(1,972,647)
Balance at December 31, 2020	\$ -	<u>829,161</u>	<u>630,892</u>	<u>10,147,785</u>	<u>1,720,900</u>	<u>782,599</u>	<u>330,953</u>	<u>14,442,290</u>
Balance at January 1, 2019	\$ -	731,882	611,596	11,938,693	2,003,629	807,846	398,854	16,492,500
Depreciation	-	65,212	20,900	37,893	99,404	29,972	50,478	303,859
Disposals	-	(50,511)	(30,867)	(227,470)	(308,705)	(20,421)	(182,039)	(820,013)
Balance at December 31, 2019	\$ -	<u>746,583</u>	<u>601,629</u>	<u>11,749,116</u>	<u>1,794,328</u>	<u>817,397</u>	<u>267,293</u>	<u>15,976,346</u>
Carrying value:								
Balance at December 31, 2020	\$ <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>
Balance at December 31, 2019	\$ <u>2,810,384</u>	<u>1,441,758</u>	<u>367,955</u>	<u>14,995</u>	<u>227,290</u>	<u>83,949</u>	<u>93,136</u>	<u>5,039,467</u>
Balance at January 1, 2019	\$ <u>2,810,384</u>	<u>1,480,989</u>	<u>31,748</u>	<u>25,838</u>	<u>225,917</u>	<u>59,117</u>	<u>113,747</u>	<u>4,747,740</u>

(Note): Reclassifications are mainly transferring from other non-current assets-advance payment for equipment.

As of December 31, 2020 and 2019, the property, plant and equipment were not pledged.

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Notes to the Parent Company Only Financial Statements

(i) Right-of-use assets

The Company leased many assets including land, buildings and improvement, office equipment, transportation and other equipment. Information about leases for which the Company as a lessee was as below:

	Land	Building and improvements	Machinery and equipment	Office equipment	Other equipment	Total
Cost:						
Balance at January 1, 2020	\$ 113,240	676,925	24,144	43,580	4,345	862,234
Addition	-	275,023	2,897	17,241	1,508	296,669
Disposals	-	(192,609)	-	(10,557)	(580)	(203,746)
Balance at December 31, 2020	\$ <u>113,240</u>	<u>759,339</u>	<u>27,041</u>	<u>50,264</u>	<u>5,273</u>	<u>955,157</u>
Balance at January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application	113,240	610,822	-	30,450	4,345	758,857
Addition	-	83,964	24,144	14,547	-	122,655
Decrease	-	(17,861)	-	(1,417)	-	(19,278)
December 31, 2019	\$ <u>113,240</u>	<u>676,925</u>	<u>24,144</u>	<u>43,580</u>	<u>4,345</u>	<u>862,234</u>
Accumulated depreciation:						
Balance at January 1, 2020	\$ 53,988	388,144	4,132	16,852	1,771	464,887
Depreciation	5,876	184,237	6,194	12,476	1,068	209,851
Disposals	-	(191,952)	-	(8,281)	(580)	(200,813)
Balance at December 31, 2020	\$ <u>59,864</u>	<u>380,429</u>	<u>10,326</u>	<u>21,047</u>	<u>2,259</u>	<u>473,925</u>
Balance at January 1, 2019	\$ -	-	-	-	-	-
Effects of retrospective application	48,601	236,332	-	8,966	787	294,686
Depreciation	5,387	155,755	4,132	9,229	984	175,487
Decrease	-	(3,943)	-	(1,343)	-	(5,286)
December 31, 2019	\$ <u>53,988</u>	<u>388,144</u>	<u>4,132</u>	<u>16,852</u>	<u>1,771</u>	<u>464,887</u>
Carrying value:						
Balance at December 31, 2020	\$ <u>53,376</u>	<u>378,910</u>	<u>16,715</u>	<u>29,217</u>	<u>3,014</u>	<u>481,232</u>
Balance at December 31, 2019	\$ <u>59,252</u>	<u>288,781</u>	<u>20,012</u>	<u>26,728</u>	<u>2,574</u>	<u>397,347</u>

(j) Intangible assets

The cost and amortization of the intangible assets for the years ended December 31, 2020 and 2019 were as follows:

	Patent	Software	Goodwill	Customer relationship	Total
Costs:					
Balance at January 1, 2020	\$ 265,896	531,265	561,485	-	1,358,646
Additions	-	288,204	-	-	288,204
Disposal	-	(254,057)	-	-	(254,057)
Balance at December 31, 2020	\$ <u>265,896</u>	<u>565,412</u>	<u>561,485</u>	<u>-</u>	<u>1,392,793</u>
Balance at January 1, 2019	\$ 946,312	587,114	561,485	264,800	2,359,711
Additions	-	88,134	-	-	88,134
Disposal	(680,416)	(143,983)	-	(264,800)	(1,089,199)
Balance at December 31, 2019	\$ <u>265,896</u>	<u>531,265</u>	<u>561,485</u>	<u>-</u>	<u>1,358,646</u>

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Patent	Software	Goodwill	Customer relationship	Total
Accumulated amortization:					
Balance at January 1, 2020	\$ 222,573	365,863	-	-	588,436
Amortization	19,475	225,365	-	-	244,840
Disposal	-	(254,057)	-	-	(254,057)
Balance at December 31, 2020	<u>\$ 242,048</u>	<u>337,171</u>	<u>-</u>	<u>-</u>	<u>579,219</u>
Balance at January 1, 2019	\$ 866,207	287,206	-	264,800	1,418,213
Amortization	36,782	222,640	-	-	259,422
Disposal	(680,416)	(143,983)	-	(264,800)	(1,089,199)
Balance at December 31, 2019	<u>\$ 222,573</u>	<u>365,863</u>	<u>-</u>	<u>-</u>	<u>588,436</u>
Carrying value:					
Balance at December 31, 2020	<u>\$ 23,848</u>	<u>228,241</u>	<u>561,485</u>	<u>-</u>	<u>813,574</u>
Balance at December 31, 2019	<u>\$ 43,323</u>	<u>165,402</u>	<u>561,485</u>	<u>-</u>	<u>770,210</u>
Balance at January 1, 2019	<u>\$ 80,105</u>	<u>299,908</u>	<u>561,485</u>	<u>-</u>	<u>941,498</u>

(i) Impairment testing for goodwill

- 1) For the Company's impairment testing purpose, goodwill had been allocated to the operating units testing purpose. The units were the minimum level for the Company to supervise goodwill, and its level was not higher than Company's operating divisions.

The carrying amounts of goodwill were as follows:

	December 31, 2020	December 31, 2019
Developing and manufacturing services cash-generating units	<u>\$ 561,485</u>	<u>561,485</u>

- 2) The recoverable amount of developing and manufacturing services cash-generating unit (CGU) was based on its value-in-use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The key assumptions used in the estimation of the value in use were as follows:

	December 31, 2020	December 31, 2019
Revenue growth rate	6.78 %	4.00 %
After-tax discount rate	4.30 %	6.85 %

The key assumptions represented the management's evaluation of the future industry trends, and of which, the external, internal and also historical information, were considered. There was no impairment occurred as of December 31, 2020 and 2019.

(ii) Collateral

As of December 31, 2020 and 2019, the intangible assets were not pledged.

(Continued)

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Notes to the Parent Company Only Financial Statements

(k) Other current assets and non-current assets

	December 31, 2020	December 31, 2019
(i) Other current assets:		
Other receivables, net	\$ 3,671,873	4,445,283
Tax refundable	73,217	228,778
Prepaid royalties	283,301	310,492
Other prepayments	163,811	343,860
Others	603	1,411
	<u>\$ 4,192,805</u>	<u>5,329,824</u>
(ii) Other non-current assets:		
Advance payments for equipment	\$ 33,520	14,989
Investment property	171,324	175,069
Others	272,954	189,620
	<u>\$ 477,798</u>	<u>379,678</u>

- Investment property comprised land and office buildings that were leased to 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.

- 1) The cost and accumulated depreciation of investment property for the years ended December 31, 2020 and 2019, were as follows:

	Owned property		
	Land	Buildings and improvements	Total
Cost:			
Balance at December 31, 2020 (same as balance at January 1, 2020)	<u>\$ 51,477</u>	<u>185,708</u>	<u>237,185</u>
Balance at December 31, 2019 (same as balance at January 1, 2019)	<u>\$ 51,477</u>	<u>185,708</u>	<u>237,185</u>
Accumulated depreciation:			
Balance at January 1, 2020	\$ -	62,116	62,116
Depreciation	-	3,745	3,745
Balance at December 31, 2020	<u>\$ -</u>	<u>65,861</u>	<u>65,861</u>
Balance at January 1, 2019	\$ -	58,371	58,371
Depreciation	-	3,745	3,745
Balance at December 31, 2019	<u>\$ -</u>	<u>62,116</u>	<u>62,116</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Owned property		
	Land	Buildings and improvements	Total
Carrying amount:			
Balance at December 31, 2020	\$ 51,477	119,847	171,324
Balance at December 31, 2019	\$ 51,477	123,592	175,069
Balance at January 1, 2019	\$ 51,477	127,337	178,814

- 2) Rental income and direct operating expenses arising from investment property that generate rental income were as follows:

	2020	2019
Rent income	\$ 6,129	7,794
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% and 0.9% for the years ended December 31, 2020 and 2019, respectively.

- 4) As of December 31, 2020 and 2019, the investment property was not pledged.

(l) Bank loans

(i) Short-term loans

	December 31, 2020			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	0.58%~1.26%	2021/1/4~2021/2/18	\$ 54,533,704
Unsecured bank loans	NTD	0.6%~1.02%	2021/1/4~2021/3/30	12,579,900
Unsecured bank loans	EUR	0.65%	2021/1/13	59,533
Total				\$ 67,173,137
Unused credit line				\$ 49,083,524

	December 31, 2019			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	2.15%~2.51%	2020/1/2~2020/2/25	\$ 21,680,378
Unsecured bank loans	JPY	0.69%	2020/1/20	127,074
Unsecured bank loans	EUR	0.69%	2020/1/20	57,562
Total				\$ 21,865,014
Unused credit line				\$ 69,944,802

(Continued)

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Notes to the Parent Company Only Financial Statements

(ii) Long-term loans

	December 31, 2020			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	0.75%~1.25%	2022/3/7~2023/5/23	\$ 18,352,308
Unsecured bank loans	NTD	0.6%~0.78%	2022/7/23	1,980,000
Total				\$ 20,332,308
Unused credit line				\$ 446,288

	December 31, 2019			
	Currency	Interest rate collars	Expiration	Amount
Unsecured bank loans	USD	2.31%~3.00%	2020/4/9~2022/3/7	\$ 18,159,452
Less: current portion				(2,407,177)
Total				\$ 15,752,275
Unused credit line				\$ 9,710,559

(iii) Breach of covenant

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:

Total credit facility: USD600,000,000

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.

The Company was in compliance with the above financial covenants as of December 31, 2020 and 2019, respectively.

- (iv) The interest expenses for short-term and long-term loans for the years ended December 31, 2020 and 2019, were disclosed in Note 6(u).

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(m) Lease liabilities

	December 31, 2020	December 31, 2019
Current	<u>\$ 193,487</u>	<u>153,748</u>
Non-current	<u>\$ 285,193</u>	<u>239,052</u>

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

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	<u>\$ 7,705</u>	<u>7,033</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 18,279</u>	<u>5,382</u>
Expenses relating to short term lease	<u>\$ 15,807</u>	<u>13,411</u>
Expenses relating to leases of low-value assets	<u>\$ -</u>	<u>146</u>

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

	2020	2019
Total cash outflow for leases	<u>\$ 249,715</u>	<u>206,270</u>

(i) Leases of land, buildings and improvement and equipment

As of December 31, 2020, the Company leased land, buildings and improvement for its office spaces, factories, warehouses and staff dormitories. The leases of land ran for a period of 19 years, and of buildings typically for 1 to 8 years. Furthermore, the Company leased office equipment, other equipment and transportation equipment, with lease terms typically of 2 to 5 years. Some leases contained extension options. In which leasee was 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, 2020, 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

(n) Operating leases

The Company leased 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, 2020 and 2019, rental income recognized in profit or loss, were \$33,891 and \$40,999, respectively.

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

	December 31, 2020	December 31, 2019
Less than one year	<u>\$ 8,672</u>	<u>8,252</u>
Between one to five years	<u>33,987</u>	<u>5,119</u>
More than five years	<u>34,096</u>	<u>9,240</u>
Total	<u>\$ 76,755</u>	<u>22,611</u>

(o) 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, 2020	December 31, 2019
Present value of defined benefit obligations	<u>\$ 2,187,498</u>	<u>1,998,728</u>
Fair value of plan assets	<u>(1,151,677)</u>	<u>(1,002,786)</u>
Net defined benefit liabilities	<u>\$ 1,035,821</u>	<u>995,942</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 set aside 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.

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The Company's labor pension reserve account balance in Bank of Taiwan and Taipei Fubon Commercial Bank amounted to \$1,151,677 and \$1,002,786 as of December 31, 2020 and 2019, 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 for the years ended December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 1,998,728	2,039,321
Current service cost and interests	30,534	36,672
Benefit paid by the Company	(43,441)	(56,204)
Benefit paid by the plan	(74,303)	(142,950)
Net remeasurements of defined benefit liabilities		
-Actuarial losses arising from changes in financial assumptions	225,936	57,142
-Experience adjustments	50,044	64,747
Balance at December 31	<u>\$ 2,187,498</u>	<u>1,998,728</u>

3) The movements in the fair value of the planned assets

The movements in the fair value of the defined benefit plan assets for the Company for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Fair value of plan assets at January 1	\$ 1,002,786	920,452
Contribution paid by the employer	186,892	187,846
Benefit paid by the plan	(74,303)	(142,950)
Expected return on plan assets	11,165	12,459
Net remeasurements of defined benefit liabilities		
-Return on plan assets	25,137	24,979
Balance at December 31	<u>\$ 1,151,677</u>	<u>1,002,786</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, 2020 and 2019, were as follow:

	<u>2020</u>	<u>2019</u>
Current service cost	\$ 8,396	9,066
Net interest on the net defined benefit liabilities	22,138	27,606
Net remeasurements of defined benefit liabilities		
-Gain on plan assets	25,137	24,979
Accrual return on plan assets	(36,302)	(37,438)
	<u>\$ 19,369</u>	<u>24,213</u>

	<u>2020</u>	<u>2019</u>
Cost of sales	\$ 9,926	7,261
Selling expenses	1,481	2,389
Administrative expenses	3,931	4,650
Research and development expenses	4,031	9,913
	<u>\$ 19,369</u>	<u>24,213</u>

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

As of December 31, 2020 and 2019, the Company's remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 641,715	544,805
Recognized during the year	250,843	96,910
Balance at December 31	<u>\$ 892,558</u>	<u>641,715</u>

6) Actuarial assumptions

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	0.625 %	1.125 %
Future salary increases	3.500 %	3.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after December 31, 2020 was \$44,639.

The weighted average lifetime of the defined benefits plans was 14.48 years.

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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, 2020		
Discount rate	\$ (60,793)	63,285
Future salary increases	60,318	(58,307)
December 31, 2019		
Discount rate	(57,142)	59,487
Future salary increases	57,262	(55,350)

The sensibility analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis was consistent with the calculation on the net pension liabilities.

The analysis was performed on the same basis for 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 \$425,680 and \$375,250 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2020 and 2019, respectively.

(p) Income Taxes

(i) Income tax expense

- 1) The details of income tax benefit for the years ended December 31, 2020 and 2019, were as follows:

	2020	2019
Current tax expense		
Current period	\$ 597,742	778,661
Prior period adjustments	15,806	105,037
	<u>613,548</u>	<u>883,698</u>
Deferred tax benefit		
Origination and reversal of temporary difference	(633,098)	(1,161,085)
Income tax benefit	<u>\$ (19,550)</u>	<u>(277,387)</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, 2020 and 2019, were as follows:

	2020	2019
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ (50,169)	(19,382)
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	47,824	(34,518)
	<u>(2,345)</u>	<u>(53,900)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ -	(86)

- 3) The reconciliation of income tax benefit and profit before tax for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Profit before tax	\$ <u>8,662,212</u>	<u>6,523,381</u>
Estimated income tax calculated based on financial income before tax at the Company's statutory tax rate		
	\$ 1,732,442	1,304,676
Tax-exempt income	(901,733)	(744,236)
Prior-period tax adjustments	15,806	105,037
Change in unrecognized temporary differences	(918,069)	(1,008,893)
Others	52,004	66,029
	<u>\$ (19,550)</u>	<u>(277,387)</u>

(ii) Deferred tax assets and liabilities

- 1) Unrecognized deferred income tax assets and liabilities

a) Unrecognized deferred income tax assets

	December 31, 2020	December 31, 2019
Deductible temporary differences	<u>\$ 1,383,228</u>	<u>1,107,459</u>

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Notes to the Parent Company Only Financial Statements

b) Unrecognized deferred tax assets and liabilities on investments

As of December 31, 2020 and 2019, the temporary differences associated with investments in subsidiaries which not recognized as deferred income tax assets and liabilities were as follows:

	December 31, 2020	December 31, 2019
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax assets	\$ 1,142,968	825,338
Unrecognized deferred tax liabilities	\$ 4,977,640	3,783,802

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Recognized share of loss of subsidiaries and associates accounted for equity method	Unrealized exchange loss	Contract liability	Refund liability	Allowance for inventory obsolescence and accrued expenses	Unearned revenue	Others	Total
Deferred tax assets:								
Balance at January 1, 2020	\$ 409,107	131,705	-	1,704,095	417,766	910,554	811,735	4,384,962
Recognized in profit or loss	-	(131,705)	-	896,822	63,660	(3,533)	38,703	863,947
Recognized in other comprehensive income	-	-	-	-	-	-	7,818	7,818
Balance at December 31, 2020	\$ 409,107	-	-	2,600,917	481,426	907,021	858,256	5,256,727
Balance at January 1, 2019	\$ 409,107	149,817	81,800	1,235,393	313,482	601,980	1,031,276	3,822,855
Recognized in profit or loss	-	(18,112)	(81,800)	468,702	104,284	308,574	(195,335)	586,313
Recognized in other comprehensive income	-	-	-	-	-	-	(24,206)	(24,206)
Balance at December 31, 2019	\$ 409,107	131,705	-	1,704,095	417,766	910,554	811,735	4,384,962
	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain	Others	Total				
Deferred tax liabilities:								
Balance at January 1, 2020	\$ 2,379,004	-	-	105,697	2,484,701			
Recognized in profit or loss	(191,634)	-	318,891	103,592	230,849			
Recognized in other comprehensive income	-	-	-	5,473	5,473			
Balance at December 31, 2020	\$ 2,187,370	-	318,891	214,762	2,721,023			
Balance at January 1, 2019	\$ 2,989,990	-	-	147,675	3,137,665			
Recognized in profit or loss	(610,986)	-	-	36,214	(574,772)			
Recognized in other comprehensive income	-	-	-	(78,192)	(78,192)			
Balance at December 31, 2019	\$ 2,379,004	-	-	105,697	2,484,701			

(iii) The Company's tax returns for the years through 2018 were examined and approved by the Taiwan National Tax Administration.

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Notes to the Parent Company Only Financial Statements

(q) Capital and Other Equities

(i) Capital

As of December 31, 2020 and 2019, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, respectively, with a par value of \$10 per share, of which 2,840,612,000 shares, respectively, were issued and outstanding.

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company's Board of Directors approved to retire the expired treasury shares amounting to \$15,099 consisting of 1,510,000 shares repurchased by the Company in 2016. The dates of capital decrease were August 12, 2019 wherein the relevant registration procedures had been completed.

(ii) Treasury Shares

1) In order to motivate the employees and improve the operating performance, the Company's Board of Directors approved a resolution to repurchase its own common stock as treasury shares in accordance with the requirements under section 28(2) of the Securities and Exchange Act on March 24, 2020. As of December 31, 2020, the treasury shares the Company repurchased were 58,769,000 shares with the total amounts of \$1,607,259.

During 2015 and 2016, the Company repurchased 164,362,000 shares of its common stock as treasury shares to transfer to employees. As of December 31, 2019, the treasury shares transferred to employees were 145,941,000 shares. And 1,510,000 shares, 13,255,000 shares and 3,656,000 shares had been retired in August 2019, July 2018 and November 2018, respectively. Therefore, no treasury shares the Company held as of December 31, 2019.

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 purpose of transferring to employees shall be transferred within three 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 stock cannot be pledged for debts, and treasury shares does not carry any shareholder rights until it is 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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	2,484,466	2,527,070
Restricted shares to employees	1,008,344	-
Employee stock options	109,898	-
Transaction of treasury shares	57,257	57,257
Other	76,118	73,617
	<u>\$ 25,760,011</u>	<u>24,681,872</u>

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) Unappropriated earnings

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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Notes to the Parent Company Only Financial Statements

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings (which does not qualify for earnings distribution) shall be reclassified as special earnings reserve to account for the cumulative changes to other shareholders' equity pertaining to prior periods. The 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 appropriations of 2019 and 2018 earnings have been approved by the Company's shareholders in its meeting held on June 18, 2020 and June 12, 2019, respectively. The appropriations were as follows:

	<u>2019</u>	<u>2018</u>
Cash dividends	<u>\$ 5,681,224</u>	<u>4,226,640</u>

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, 2020	\$ (2,064,834)	(649,335)	(238,012)	528,472	(1,060,364)	(52,051)	-
Foreign currency translation differences (net of tax)	(3,878,882)	325,683	(20,403)	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(169,244)	77,853	14,890	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	243,810	95,896	-	-
Deferred compensation arising from issuance of restricted shares	-	-	-	-	-	-	(999,742)
Balance at December 31, 2020	<u>\$ (5,943,716)</u>	<u>(323,652)</u>	<u>(258,415)</u>	<u>603,038</u>	<u>(886,615)</u>	<u>(37,161)</u>	<u>(999,742)</u>

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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		
	The Company			The Company		
	Subsidiaries	Associates		Subsidiaries	Associates	
Balance at January 1, 2019	\$ (630,505)	(474,760)	(187,327)	(1,602,875)	(1,127,445)	(105,322)
Foreign currency translation differences (net of tax)	(1,434,329)	(174,575)	(50,685)	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	2,017,727	(8,054)	53,271
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	113,620	75,135	-
Balance at December 31, 2019	<u>\$ (2,064,834)</u>	<u>(649,335)</u>	<u>(238,012)</u>	<u>528,472</u>	<u>(1,060,364)</u>	<u>(52,051)</u>

(r) Share-based payment

(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 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 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) Determining the fair value of equity instruments granted

The Company adopted the Black-Scholes model to calculate the fair value of the stock option at grant date, and the assumptions adopted in this valuation model was as follows:

Stock price at grant date (in dollars)	30
Exercise price (in dollars)	0
Expected life of the option	4 years
Expected volatility	28.33%~29.87%
Risk-free interest rate	0.1130%~0.1505%

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WISTRON CORPORATION
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- 3) The Company recognized the salary cost of \$8,602 from the issuance of restricted employee shares for the year ended December 31, 2020.

(ii) Treasury shares transfer to employees

- 1) The Company transferred 58,769,000 and 24,362,000 shares repurchased in 2020 and 2016 to employees based on the resolution approved during the board meeting held on November 12, 2020 and May 10, 2019, respectively. The treasury shares were granted to the fulltime employees of the subsidiary at home and aboard who meet the specific requirement
- 2) The Company adopted the Black-Sholes model to calculate the fair value of the treasury shares at the grant date. The assumptions adopted in this valuation model were as follows:

	2020	2019
Fair value at grant date (in dollars)	1.87	4.83
Stock price at grant date (in dollars)	29.20	24.55
Exercise price (in dollars)	27.35	19.68
Expected life of the option	0.03 year	0.03 year
Expected volatility	28.224%	28.910%
Risk-free interest rate	0.2907%	0.0100%

- 3) The Company recognized the salary costs of \$109,898 and \$116,583 for the stock option plan for the years ended December 31, 2020 and 2019, respectively.

(s) Earnings per share ("EPS")

	2020	2019
Basic earnings per share:		
Net profit belonging to ordinary shareholders	<u>\$ 8,681,762</u>	<u>6,800,768</u>
Weighted average ordinary shares outstanding (in thousands)	<u>2,802,027</u>	<u>2,830,397</u>
Basic EPS (in dollars)	<u>\$ 3.10</u>	<u>2.40</u>
Diluted EPS:		
Net profit belonging to ordinary shareholders	<u>\$ 8,681,762</u>	<u>6,800,768</u>
Weighted average ordinary shares outstanding (in thousands)	2,802,027	2,830,397
Effect of potentially dilutive ordinary shares (in thousands):		
Employees' compensation	63,649	48,405
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	<u>2,865,676</u>	<u>2,878,802</u>
Diluted EPS (in dollars)	<u>\$ 3.03</u>	<u>2.36</u>

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2020</u>	<u>2019</u>
Primary geographical markets		
United states	\$ 197,917,415	206,325,207
China	155,143,005	193,257,300
Europe	169,660,027	149,141,674
Others	<u>164,965,705</u>	<u>187,018,277</u>
	<u>\$ 687,686,152</u>	<u>735,742,458</u>
Major products		
Computer, Communication & Consumer electronics	\$ 559,751,398	589,515,227
Others	<u>127,934,754</u>	<u>146,227,231</u>
	<u>\$ 687,686,152</u>	<u>735,742,458</u>

(ii) Contract balances

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Note receivables	\$ -	41,035	147
Trade receivables	52,172,294	69,480,549	71,074,867
Trade receivables - related parties	130,624,237	153,326,860	160,521,861
Less: loss allowance	<u>(602,428)</u>	<u>(658,197)</u>	<u>(582,288)</u>
	<u>\$ 182,194,103</u>	<u>222,190,247</u>	<u>231,014,587</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Current contract liabilities-warranty	<u>\$ 1,735,880</u>	<u>1,565,181</u>	<u>1,219,899</u>
Current refund liability	<u>\$ 9,560,522</u>	<u>6,177,579</u>	<u>4,917,958</u>

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

The contract liabilities were primarily related to the advance received from customers due to the warranty service. 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, 2020 and 2019 that were included in the contract liability balance at the beginning of both years were \$577,450 and \$846,031, respectively.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(u) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Interest income	<u>\$ 81,898</u>	<u>80,735</u>

(ii) Other income

The details of other income for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Dividend income	\$ 85,050	474,301
Rental income	<u>33,891</u>	<u>40,999</u>
Total	<u>\$ 118,941</u>	<u>515,300</u>

(iii) Other gain and loss

The details of other gain and loss for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Foreign exchange gains, net	\$ 782,320	274,158
Gains (losses) on disposal of investments, net	(3,495)	12,475
Gains on disposal of property plant and equipment, net	7,178	46
Gains (losses) on financial assets or liabilities at fair value through profit or loss, net	(881,086)	111,966
Other investment gain (loss), net	265	(13,597)
Others	<u>117,915</u>	<u>246,267</u>
Total	<u>\$ 23,097</u>	<u>631,315</u>

(iv) Finance costs

	<u>2020</u>	<u>2019</u>
Interest Expense	<u>\$ (1,270,967)</u>	<u>(2,973,387)</u>

(v) Employees' and directors' remuneration

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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (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 Company recognized the remuneration to employees and directors as follows:

	<u>2020</u>	<u>2019</u>
Employee's remuneration	\$ 1,546,640	1,164,751
Directors' remuneration	102,078	76,873
	<u>\$ 1,648,718</u>	<u>1,241,624</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 2019 and 2020.

The remuneration to employees of 2019 was paid in cash. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, were the same with those of the actual distributions for 2020 and 2019.

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.

(w) 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 its 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, 2020 and 2019, 71% and 80%, respectively, of the Company's trade receivables were concentrated on 6 and 8 specific customers, respectively. Therefore, the Company was exposed to credit risk.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>2-5 years</u>	<u>More than 5 years</u>
As of December 31, 2020					
Non-derivative financial liabilities					
Short-term loans	\$ 67,173,137	67,196,070	67,196,070	-	-
Note and trade payables (including related parties)	130,097,841	130,097,841	130,097,841	-	-
Other payables (including related parties)	13,175,450	13,175,450	13,175,450	-	-
Lease liabilities	478,680	492,573	199,735	264,271	28,567
Long-term loans	20,332,308	20,869,492	-	20,869,492	-
Subtotal	<u>231,257,416</u>	<u>231,831,426</u>	<u>210,669,096</u>	<u>21,133,763</u>	<u>28,567</u>
Derivative financial liabilities					
Foreign currency swap contacts:					
Outflow	2,133	2,852,933	2,852,933	-	-
Inflow	-	(2,850,800)	(2,850,800)	-	-
Carrying amount	<u>2,133</u>	<u>2,133</u>	<u>2,133</u>	<u>-</u>	<u>-</u>
Foreign currency forward contracts:					
Outflow	6,444	6,444	6,444	-	-
Carrying amount	<u>6,444</u>	<u>6,444</u>	<u>6,444</u>	<u>-</u>	<u>-</u>
Subtotal	<u>8,577</u>	<u>8,577</u>	<u>8,577</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 231,265,993</u>	<u>231,840,003</u>	<u>210,677,673</u>	<u>21,133,763</u>	<u>28,567</u>
As of December 31, 2019					
Non-derivative financial liabilities					
Short-term loans	\$ 21,865,014	21,882,731	21,882,731	-	-
Note and trade payables (including related parties)	202,250,268	202,250,268	202,250,268	-	-
Other payables (including related parties)	9,314,457	9,314,457	9,314,457	-	-
Lease liabilities	392,800	406,300	159,122	210,727	36,451
Long-term loans (including current portion)	18,159,452	18,849,919	2,422,623	16,427,296	-
Subtotal	<u>251,981,991</u>	<u>252,703,675</u>	<u>236,029,201</u>	<u>16,638,023</u>	<u>36,451</u>
Derivative financial liabilities					
Foreign currency swap contacts:					
Outflow	51,687	15,907,793	15,907,793	-	-
Inflow	-	(15,856,106)	(15,856,106)	-	-
Carrying amount	<u>51,687</u>	<u>51,687</u>	<u>51,687</u>	<u>-</u>	<u>-</u>
Foreign currency forward contracts:					
Outflow	16,356	16,356	16,356	-	-
Subtotal	<u>68,043</u>	<u>68,043</u>	<u>68,043</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 252,050,034</u>	<u>252,771,718</u>	<u>236,097,244</u>	<u>16,638,023</u>	<u>36,451</u>

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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, 2020			December 31, 2019		
	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets						
Monetary items						
USD	6,625,238 USD/NTD=	28.508	188,872,282	7,511,123 USD/NTD=	30.106	226,129,878
Non-monetary items						
USD	1,880,287 USD/NTD=	28.508	53,603,234	2,001,799 USD/NTD=	30.106	60,266,161
Financial liabilities						
Monetary items						
USD	7,800,236 USD/NTD=	28.508	222,369,120	8,569,468 USD/NTD=	30.106	257,992,415

b) Currency risk sensitivity analysis

The Company's exposure to foreign currency risk arises 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, 2020 and 2019, would increase (decrease) the net profit after tax by \$1,339,874 and \$1,274,501, 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.

The following 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 assumes 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 \$112,951 and \$29,106 for the years ended December 31, 2020 and 2019, respectively, with all other variable factors that remained constant. This was mainly due to the Company's borrowings in floating variable rate.

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WISTRON CORPORATION
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3) Other market price risk

For the years ended December 31, 2020 and 2019, the sensitivity analyses for the changes in the securities price at the reporting dates were performed using the same basis for the profit and loss as illustrated below:

	2020	2019
Price of securities at reporting date	After-tax other comprehensive income	After-tax other comprehensive income
Increasing 3%	\$ 136,576	134,597
Decreasing 3%	\$ (136,576)	(134,597)

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, 2020				
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 207,817	-	207,817	-	207,817
Money market fund	20,017	-	20,017	-	20,017
Subtotal	<u>\$ 227,834</u>	<u>-</u>	<u>227,834</u>	<u>-</u>	<u>227,834</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 4,733,601	3,711,497	-	1,022,104	4,733,601
Trade receivables	9,003,056	-	-	-	-
Subtotal	<u>\$ 13,736,657</u>	<u>3,711,497</u>	<u>-</u>	<u>1,022,104</u>	<u>4,733,601</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,907,196	-	-	-	-
Note and trade receivables (including related parties)	173,191,047	-	-	-	-
Other receivables (including related parties)	7,197,898	-	-	-	-
Subtotal	<u>\$ 184,296,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 270,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 8,577	-	8,577	-	8,577

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	December 31, 2020				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	\$ 67,173,137	-	-	-	-
Note and trade payables (including related parties)	130,097,841	-	-	-	-
Other payables (including related parties)	13,175,450	-	-	-	-
Lease liabilities	478,680	-	-	-	-
Long-term loans (including current portion)	20,332,308	-	-	-	-
Subtotal	<u>\$ 231,257,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2019					
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 8,566	-	8,566	-	8,566
Money market fund	50,361	-	50,361	-	50,361
Subtotal	<u>\$ 58,927</u>	<u>-</u>	<u>58,927</u>	<u>-</u>	<u>58,927</u>
Current financial assets at fair value through other comprehensive income					
Convertible bonds	<u>\$ 136,114</u>	<u>-</u>	<u>-</u>	<u>136,114</u>	<u>136,114</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 4,618,902	3,826,716	-	792,186	4,618,902
Trade receivables	8,620,356	-	-	-	-
Subtotal	<u>\$ 13,239,258</u>	<u>3,826,716</u>	<u>-</u>	<u>792,186</u>	<u>4,618,902</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 3,038,447	-	-	-	-
Note and trade receivables (including related parties)	213,569,891	-	-	-	-
Other receivables (including related parties)	5,807,021	-	-	-	-
Subtotal	<u>\$ 222,415,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 187,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 68,043</u>	<u>-</u>	<u>68,043</u>	<u>-</u>	<u>68,043</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 21,865,014	-	-	-	-
Note and trade payables (including related parties)	202,250,268	-	-	-	-
Other payables (including related parties)	9,314,457	-	-	-	-
Lease liabilities	392,800	-	-	-	-
Long-term loans (including current portion)	18,159,452	-	-	-	-
Subtotal	<u>\$ 251,981,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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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 were taking place 'regularly' was a matter of judgment and depends 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 is infrequent, the market was not well-established, only small volumes were traded, or bid-ask spreads are 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 as follows: The fair value was determined based 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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

c) Transfer between Level 1 and Level 3:

The company held an investment in equity shares of Applied BioCode Corporation, which was classified as fair value through other comprehensive income. The fair value of the investment was previously categorized as Level 3 as of December 31, 2018. This was because the shares were not listed on an exchange and there was no recent observable arm's length transaction in the shares. In June 2020, Applied BioCode Corporation, listed its equity shares on an exchange and they were currently actively traded in the market. Since the equity shares now had a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy as of December 31, 2020.

d) Changes between Level 3

The movements in the reconciliation of Level 3 fair values during the years ended December 31, 2020 and 2019 were as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Total
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	
January 1, 2020	\$ 136,114	792,186	928,300
Total gains and losses recognized			
in profit or loss	(136,114)	-	(136,114)
in other comprehensive income	-	213,868	213,868
Purchased	-	254,979	254,979
Disposal and return of capital	-	(252,845)	(252,845)
Effect of tax	-	47,824	47,824
Transfers out of Level 3	-	(33,908)	(33,908)
December 31, 2020	<u>\$ -</u>	<u>1,022,104</u>	<u>1,022,104</u>
	Fair value through profit or loss	Fair value through other comprehensive income	Total
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	
January 1, 2019	\$ 382,766	1,138,576	1,521,342
Total gains and losses recognized			
in profit or loss	(390,400)	-	(390,400)
in other comprehensive income	-	(245,219)	(245,219)
Purchased	145,662	185,520	331,182
Disposal and return of capital	(1,914)	(78,728)	(80,642)
Effect of tax	-	(74,746)	(74,746)
Transfers out of Level 3	-	(133,217)	(133,217)
December 31, 2019	<u>\$ 136,114</u>	<u>792,186</u>	<u>928,300</u>

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WISTRON CORPORATION
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For the years ended December 31, 2020 and 2019, 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:

	2020	2019
Total gains and losses recognized:		
in profit or loss, and presented in "other gains and losses"	\$ (136,114)	(390,400)
in other comprehensive income, and presented in "unrealized gains and losses from financial assets measured at fair value through other comprehensive income"	213,868	(245,219)
	<u>\$ 77,754</u>	<u>(635,619)</u>

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 – convertible bonds	Black Scholes Option Pricing Model	·EV/Revenue (as of December 31, 2019, were 1.07~1.31) ·Volatility (as of December 31, 2019, was 45.77%)	·The estimated fair value would increase if multiplier was higher ·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, 2020 were 1.37~2.85 as of December 31, 2019 were 0.72~3.53) ·Market liquidity discount rate (as of December 31, 2020 and 2019 were 20%)	·The estimated fair value would increase if the multiplier was higher ·The estimated fair value would decrease if market liquidity discount rate was higher
	Net asset value method	·Net asset value	Not applicable

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Notes to the Parent Company Only Financial Statements

- 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 may 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 :

	Inputs	Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	14,773	(14,773)
	Market liquidity discount rate	5%	-	-	14,773	(14,773)
	Net assets value method	5%	-	-	36,333	(36,333)
December 31, 2019						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	6,806	(6,806)	-	-
	Volatility	5%	6,806	(6,806)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	8,922	(8,922)
	Market liquidity discount rate	5%	-	-	8,922	(8,922)
	Net asset value method	5%	-	-	30,687	(30,687)

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 instruments 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 those transactions were recognized in the net amount of the balance sheets.

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

December 31, 2020						
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 off set in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD 883,552	883,552	-	-	-	-

(Continued)

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December 31, 2020						
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 off set in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD 883,552	883,552	-	-	-	-
December 31, 2019						
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 off set in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD 630,000	630,000	-	-	-	-
	CNY 960,000	960,000	-	-	-	-
December 31, 2019						
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 off set in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD 630,000	630,000	-	-	-	-
	CNY 960,000	960,000	-	-	-	-

(x) Concentration of financial risk

- (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.

(Continued)

WISTRON CORPORATION
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(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.

(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 note and trade receivables and investments.

1) Note and 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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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, 2020 and 2019.

(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, 2020 and 2019, the Company had unused credit facilities for short-term and long-term loans of \$49,529,812 and \$79,655,361, 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 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 are 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.

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

(y) 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 has 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 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 at December 31, 2020 and 2019, were as follow:

	December 31, 2020	December 31, 2019
Total liabilities	\$ 257,395,876	273,101,658
Less: cash and cash equivalents	(3,907,196)	(3,038,447)
Net debt	253,488,680	270,063,211
Total equity	71,565,777	73,950,584
Adjusted equity	\$ 325,054,457	344,013,795
Debt-to-equity ratio at December 31	77.98%	78.50%

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

As of December 31, 2020, the Company's capital management strategy was consistent with the prior years.

(z) Financing activities not affecting current cash flow

For the years ended December 31, 2020 and 2019, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes		December 31, 2020
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 21,865,014	47,693,047	(2,384,924)	-	67,173,137
Long-term loans	18,159,452	2,877,150	(720,719)	16,425	20,332,308
Lease liabilities	392,800	(207,924)	-	293,804	478,680
Guarantee deposits	937,857	(320,680)	(16,347)	-	600,830
Total liabilities from financing activities	\$ 41,355,123	50,041,593	(3,121,990)	310,229	88,584,955

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WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	January 1, 2019	Cash flows	Non-cash changes		December 31, 2019
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 34,434,687	(12,187,472)	(382,201)	-	21,865,014
Long-term loans	14,712,146	3,731,841	(300,960)	16,425	18,159,452
Lease liabilities	463,845	(180,298)	-	109,253	392,800
Guarantee deposits	1,005,120	(63,804)	(3,459)	-	937,857
Total liabilities from financing activities	\$ 50,615,798	(8,699,733)	(686,620)	125,678	41,355,123

(7) Related-party transactions

(a) Names and relationship with related parties

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

Names of the related party	Relationship
Weshtek Information Technology Services Co., Ltd., Shanghai (WESH)	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
WIBASE INDUSTRIAL SOCUTIONS INC. (WIS)	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 1)	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. (WOK)	The Company's subsidiary
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	The Company's subsidiary

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Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. (WEKS) (Note 1)	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
XTRONICS (Kunshan) Electronics Technology Co., Ltd. (XTRKS)	The Company's subsidiary
AII Holding Corporation (AIIH)	The Company's subsidiary
Anwith Corporation (ANC)	The Company's subsidiary
ANWITH SERVICE CO., LTD. (WSTH) (Note 2)	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)	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
Polymer Vision B.V. (WPV) (Note 3)	The Company's subsidiary
Service Management Solutions Colombia S.A.S. (WSCO)	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)	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)	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
WinDisplay Corporation (WDC) (Note 4)	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)	The Company's subsidiary
Wistron GreenTech (Texas) Corporation (WGTX)	The Company's subsidiary
Wistron Hong Kong Holding Limited (WHHK)	The Company's subsidiary

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Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
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
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
Wiwynn 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
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
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
Super Elite Ltd.(SEL) (Note 5)	The Company's associate
Wistron Humanities Foundation.	The Company's other related party

(Note 1): Win Smart Co. Ltd. disposed its entire shareholdings in WEKS and WJC to Luxshare Precision Industry Co. Ltd. in January 2021.

(Note 2): WSTH was liquidated in the first quarter of 2020.

(Note 3): WPV was liquidated in the first quarter of 2020.

(Note 4): WDC was liquidated in the third quarter of 2020.

(Note 5): SEL was liquidated in the second quarter of 2019.

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(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	
	2020	2019
Subsidiaries		
AIIH	\$ 200,151,306	160,886,654
WYHQ	49,927,413	34,814,022
WITX	25,663,752	29,019,380
Others	15,868,930	18,504,700
Associates	640,211	1,094,180
	<u>\$ 292,251,612</u>	<u>244,318,936</u>
	Receivables from related party	
	December 31,	December 31,
	2020	2019
Subsidiaries		
AIIH	\$ 54,895,708	38,407,278
WEKS	17,851,457	27,168,121
WITX	13,723,212	11,672,419
WCQ	6,070,242	21,900,443
WOK	1,169,369	18,456,806
Others	36,625,141	35,279,695
Associates	289,108	442,098
	<u>\$ 130,624,237</u>	<u>153,326,860</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.

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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	
	2020	2019
Subsidiaries		
WCD	\$ 174,327,275	125,171,940
WEKS	125,013,397	142,342,997
WAKS	75,812,575	74,690,303
Cowin	52,651,151	144,469,947
WOK	51,975,139	72,364,702
WCQ	45,486,936	102,400,707
Others	84,334,593	27,528,821
Associates	1,484,356	1,494,441
	<u>\$ 611,085,422</u>	<u>690,463,858</u>
	Payables to related party	
	December 31,	December 31,
	2020	2019
Subsidiaries		
WCD	\$ 22,688,573	19,651,554
WZS	21,740,565	-
WEKS	16,851,226	27,171,146
WAKS	11,872,878	16,182,067
WCQ	6,636,981	23,033,265
WOK	2,448,835	14,878,762
Cowin	18,139	34,685,406
Others	6,982,392	11,704,503
Associates	224,986	208,546
	<u>\$ 89,464,575</u>	<u>147,515,249</u>

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

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

	Rental income	
	2020	2019
Subsidiaries		
ISL	\$ 6,218	8,558
WMT	1,200	1,200
Others	408	53
Associates	<u>57</u>	<u>343</u>
	\$ 7,883	10,154
	Other receivables resulted from rental	
	December 31,	December 31,
	2020	2019
Subsidiaries		
ISL	\$ 1,632	1,989
Others	<u>245</u>	<u>115</u>
	\$ 1,877	2,104

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

	Disposal price	
	2020	2019
Disposal of assets		
Subsidiaries		
WZS	\$ 3,132	-
ISL	-	12,637
WTX	-	8,449
WSPH	-	4,883
Others	<u>264</u>	<u>1,894</u>
	\$ 3,396	27,863

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	Acquisition price	
	2020	2019
Acquisition of assets		
Subsidiaries		
AGI	\$ 125,712	5,176
WZS	7,526	-
WCQ	5,629	-
WCD	1,942	-
WAKS	-	35,324
Others	-	<u>3,233</u>
	\$ 140,809	43,733
	Contribution expenses	
	2020	2019
Contribution		
Other related party	\$ 21,122	19,225
	Other receivables	
	December 31,	December 31,
	2020	2019
Receivables from disposal of assets		
Subsidiaries		
WSPH	-	4,740
WIN	-	1,531
Others	-	<u>315</u>
	\$ -	6,586
	Other payables	
	December 31,	December 31,
	2020	2019
Payables resulting from acquisition of assets		
Subsidiaries		
WZS	\$ 7,160	-
WITT	-	888
WCHQ	-	<u>142</u>
	\$ 7,160	1,030

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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:

		2020				
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
WMMI	2020.8	\$ <u>1,364,850</u>	<u>1,282,860</u>	1.50%	<u>31,056</u>	<u>6,690</u>
		2019				
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
WMMI	2019.8	\$ <u>1,413,450</u>	<u>752,650</u>	3.0%	<u>6,063</u>	<u>5,334</u>

(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, 2020	December 31, 2019
Subsidiaries			
WMMI	\$	1,564,989	187
WEKS		307,540	52
WITX		28,469	344,988
WIN		102	155,326
Others		332,391	90,749
Associates		<u>1,107</u>	<u>3,762</u>
	\$	<u>2,234,598</u>	<u>595,064</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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, 2020	December 31, 2019
Subsidiaries:			
AIHH	\$	445,216	390,757
WTZS		137,812	120,375
Cowin		132,744	124,757
WCCZ		118,454	-
Others		105,419	205,282
Associates		<u>7,190</u>	<u>13,555</u>
	\$	<u>946,835</u>	<u>854,726</u>

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

		December 31, 2020	December 31, 2019
Other receivable-related parties:			
Rental receivables	\$	1,877	2,104
Receivables from disposal of assets		-	6,586
Financing and interest receivables		1,289,550	757,984
Other receivables		<u>2,234,598</u>	<u>595,064</u>
	\$	<u>3,526,025</u>	<u>1,361,738</u>

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

		December 31, 2020	December 31, 2019
Other payables-related parties:			
Payables resulting from acquisition of assets	\$	7,160	1,030
Other payables		<u>946,835</u>	<u>854,726</u>
	\$	<u>953,995</u>	<u>855,756</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(c) Transactions with key management personnel

Key management personnel compensation:

	2020	2019
Short-term employee benefits	\$ 82,986	76,796
Post-employment benefits	1,981	1,888
Other long-term benefits	1,020	-
	<u>\$ 85,987</u>	<u>78,684</u>

(8) Pledged assets:

The carrying values of pledged assets were as follow:

Pledged assets	Object	December 31, 2020	December 31, 2019
Other non-current assets - restricted deposits	Stand by L/C	<u>\$ 1,993</u>	<u>1,912</u>

(9) Commitments and contingencies:

- (a) In June of 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. Based on the decision of Court of Appeals for the Federal Circuit, some claims were returned to the US Patent Trial and Appeal Board to re-examine the validity of the patent. The Company still could not assess the possible impact on its financial losses.
- (b) 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, wherein the Company and Wiwynn had appointed an attorney to deal with the matter. The case was still in progress.

(10) Losses Due to Major Disasters: None.**(11) Subsequent Events:**

- (a) The appropriation of earnings for 2020 that was approved at the board of directors meeting on March 23, 2021, was as follows:

	2020
Common stock dividends	
Cash dividends	<u>\$ 6,258,655</u>

The appropriation of earnings for 2020 is to be presented for approval in the shareholders' meeting to be held in June 2021.

- (b) The Company issued 63,000,000 shares of restricted shares, with the record date of capital increase set on February 18, 2021 according to the resolution approved by the board. The relevant registration procedures had been completed.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(12) Other:

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

	2020			2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	1,956,807	10,483,904	12,440,711	1,198,597	8,823,985	10,022,582
Labor and health insurance	140,743	646,475	787,218	87,206	586,841	674,047
Pension	65,038	380,011	445,049	46,976	352,487	399,463
Remuneration of directors	-	102,688	102,688	-	77,484	77,484
Others	105,797	231,150	336,947	47,872	211,486	259,358
Depreciation (Note)	228,355	420,087	648,442	90,793	388,553	479,346
Amortization	92	244,748	244,840	-	259,422	259,422

(Note) : The depreciation of the investment property for the years ended December 31, 2020 and 2019, amounted to \$3,745, which was recognized under other gains and losses.

For the years ended December 31, 2020 and 2019, the information on numbers of employees and employee benefit expense of the Company was as follows:

	2020	2019
Numbers of employees	<u>8,861</u>	<u>7,451</u>
Numbers of directors (non-employee)	<u>7</u>	<u>7</u>
Average employee benefit expense	<u>\$ 1,582</u>	<u>1,525</u>
Average employee salary expense	<u>\$ 1,405</u>	<u>1,346</u>
Percentage of increase in average employee salary expense	<u>4.38 %</u>	
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- 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, 2020:

- (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.
- (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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (b) Information on investees (excluded investment in Mainland China):
 Information on investees for the year ended December 31, 2020: Please see Table 7 attached.
- (c) Information on investment in Mainland China : Please see Table 8 attached.
- (d) Major shareholders: No shareholding was more than 5% as of December 31, 2020.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2020.

Wistron Corporation
Statement of Cash and Cash Equivalents
December 31, 2020
(Expressed in thousands of New Taiwan Dollars / Foreign Currencies)

Item	Description	Amount
Cash on hand		\$ 22,983
	EUR 6.00	
	USD 0.033	
	NTD 22,782	
Demand and check deposits		3,468,060
	USD 45,615	
	AUD 111	
	EUR 102	
	GBP 0.2	
	HKD 4,880	
	JPY 3,536,913	
	PLN 396	
	RMB 914	
	SGD 9,926	
	CZK 3,660	
	NTD 941,062	
Time deposits		416,153
	USD 10,000	
	RMB 30,000	
Total		\$ 3,907,196

Note 1: The ending rates of foreign currency deposits on December 31, 2020 were as follows:

EUR/NTD=35.019
USD/NTD=28.508
AUD/NTD=21.994
GBP/NTD=38.933
HKD/NTD=3.677
JPY/NTD=0.276
PLN/NTD=7.653
RMB/NTD=4.369
SGD/NTD=21.581
CZK/NTD=1.334

Note 2: The periods of time deposits ranged from 1 to 33 days, and the annual rate ranges between 0.225% and 1.7%.

Wistron Corporation
Statement of Financial Assets Measured at Fair Value through Profit or Loss
- Current - Non-Derivative Financial Instruments
December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units (in thousands)	Acquisition cost	Fair Value	
				Unit price (in dollars)	Total amount
Beneficiary Certificate					
JIH SUN MONEY MARKET FUND	Open-end fund	1,339	\$ 20,000	14.95	<u>20,017</u>

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Profit or Loss

- Current - Derivative Financial Instruments Not Used for Hedging (1)

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Description	Name of financial instrument	Notional amounts (in thousands)	Fair value (in thousands of NTD)
CTBC Bank	Buy foreign currency swap contract	USD 20,000	\$ 7,742
Taipei Fubon Commercial Bank	Buy foreign currency swap contract	USD 20,000	4,605
SinoPac Bank	Buy foreign currency swap contract	USD 30,000	11,013
ESUN Bank	Buy foreign currency swap contract	USD 30,000	11,814
	Buy foreign currency swap contract	USD 30,000	11,270
	Buy foreign currency swap contract	USD 30,000	11,141
	Buy foreign currency swap contract	USD 30,000	10,906
	Buy foreign currency swap contract	USD 30,000	10,651
	Buy foreign currency swap contract	USD 20,000	8,036
Citi Bank	Buy foreign currency swap contract	USD 30,000	10,699
	Buy foreign currency swap contract	USD 20,000	8,117
	Buy foreign currency swap contract	USD 10,000	3,865
	Buy foreign currency swap contract	USD 10,000	3,665
KGI Bank	Buy foreign currency swap contract	USD 25,000	9,907
	Buy foreign currency swap contract	USD 25,000	9,700
	Buy foreign currency swap contract	USD 20,000	6,741
	Buy foreign currency swap contract	USD 15,000	5,970
	Buy foreign currency swap contract	USD 15,000	-
Bank of Taiwan	Buy foreign currency swap contract	USD 10,000	-
KGI Bank	Sell foreign currency swap contract	USD 15,000	-
Bank of Taiwan	Sell foreign currency swap contract	USD 10,000	-
Standard Chartered Bank	Buy foreign currency swap contract	USD 25,000	10,135
	Buy foreign currency swap contract	USD 15,000	5,563
Far Eastern International Bank	Buy foreign currency swap contract	USD 30,000	11,869
	Buy foreign currency swap contract	USD 25,000	9,700
ANZ Bank	Buy foreign currency swap contract	USD 25,000	3,251
DBS Bank	Buy foreign currency forward contract	USD 3,000	268
	Buy foreign currency forward contract	USD 2,000	247
	Buy foreign currency forward contract	USD 4,000	229
	Buy foreign currency forward contract	USD 2,000	175
	Buy foreign currency forward contract	USD 2,000	170
	Buy foreign currency forward contract	USD 2,000	159
	Buy foreign currency forward contract	USD 2,000	104
	Buy foreign currency forward contract	USD 2,000	86
	Buy foreign currency forward contract	USD 2,000	70
	Buy foreign currency forward contract	USD 2,000	24
	Buy foreign currency forward contract	USD 3,000	16
	Buy foreign currency forward contract	USD 1,000	12
	Buy foreign currency forward contract	USD 2,000	6
United Overseas Bank	Buy foreign currency forward contract	USD 5,000	797
	Buy foreign currency forward contract	USD 4,000	554
	Buy foreign currency forward contract	USD 4,000	530
	Buy foreign currency forward contract	USD 6,000	447
	Buy foreign currency forward contract	USD 8,000	412
	Buy foreign currency forward contract	USD 13,000	408
	Buy foreign currency forward contract	USD 2,000	367
	Buy foreign currency forward contract	USD 2,000	339
	Buy foreign currency forward contract	USD 2,000	291
	Buy foreign currency forward contract	USD 2,000	275
	Buy foreign currency forward contract	USD 2,000	271
	Buy foreign currency forward contract	USD 2,000	268
	Buy foreign currency forward contract	USD 5,000	258
	Buy foreign currency forward contract	USD 2,000	257
	Buy foreign currency forward contract	USD 5,000	254
	Buy foreign currency forward contract	USD 2,000	243

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Profit or Loss

- Current - Derivative Financial Instruments Not Used for Hedging (2)

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Description	Name of financial instrument	Notional amounts (in thousands)	Fair value (in thousands of NTD)
United Overseas Bank	Buy foreign currency forward contract	USD 5,000	238
	Buy foreign currency forward contract	USD 2,000	224
	Buy foreign currency forward contract	USD 3,000	181
	Buy foreign currency forward contract	USD 2,000	181
	Buy foreign currency forward contract	USD 3,000	169
	Buy foreign currency forward contract	USD 2,000	168
	Buy foreign currency forward contract	USD 3,000	151
	Buy foreign currency forward contract	USD 2,000	145
	Buy foreign currency forward contract	USD 2,000	139
	Buy foreign currency forward contract	USD 2,000	135
	Buy foreign currency forward contract	USD 2,000	127
	Buy foreign currency forward contract	USD 3,000	124
	Buy foreign currency forward contract	USD 6,000	107
	Buy foreign currency forward contract	USD 3,000	106
	Buy foreign currency forward contract	USD 3,000	102
	Buy foreign currency forward contract	USD 3,000	94
	Buy foreign currency forward contract	USD 3,000	55
	Buy foreign currency forward contract	USD 2,000	45
	Buy foreign currency forward contract	USD 3,000	33
Overswea-Chinese Banking Corporation	Buy foreign currency forward contract	USD 2,000	256
	Buy foreign currency forward contract	USD 3,000	212
	Buy foreign currency forward contract	USD 2,000	153
	Buy foreign currency forward contract	USD 2,000	145
	Buy foreign currency forward contract	USD 2,000	135
	Buy foreign currency forward contract	USD 3,000	82
	Buy foreign currency forward contract	USD 3,000	56
	Buy foreign currency forward contract	USD 2,000	54
	Buy foreign currency forward contract	USD 1,000	47
	Buy foreign currency forward contract	USD 2,000	44
	Buy foreign currency forward contract	USD 2,000	34
	Buy foreign currency forward contract	USD 2,000	30
	Buy foreign currency forward contract	USD 2,000	17
	Buy foreign currency forward contract	USD 3,000	10
	Buy foreign currency forward contract	USD 2,000	10
Deutsche Bank	Buy foreign currency forward contract	USD 5,000	842
	Buy foreign currency forward contract	USD 3,000	402
	Buy foreign currency forward contract	USD 2,000	393
	Buy foreign currency forward contract	USD 4,000	378
	Buy foreign currency forward contract	USD 2,000	337
	Buy foreign currency forward contract	USD 4,000	313
	Buy foreign currency forward contract	USD 2,000	297
	Buy foreign currency forward contract	USD 5,000	289
	Buy foreign currency forward contract	USD 3,000	283
	Buy foreign currency forward contract	USD 2,000	257
	Buy foreign currency forward contract	USD 5,000	250
	Buy foreign currency forward contract	USD 2,000	216
	Buy foreign currency forward contract	USD 2,000	208
	Buy foreign currency forward contract	USD 3,000	208
	Buy foreign currency forward contract	USD 6,000	203
	Buy foreign currency forward contract	USD 2,000	184
	Buy foreign currency forward contract	USD 3,000	178
	Buy foreign currency forward contract	USD 2,000	136
	Buy foreign currency forward contract	USD 7,000	60
	Buy foreign currency forward contract	USD 3,000	6

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Profit or Loss

- Current - Derivative Financial Instruments Not Used for Hedging (3)

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Description	Name of financial instrument	Notional amounts (in thousands)	Fair value (in thousands of NTD)	
J.P. Morgan Private Bank	Buy foreign currency forward contract	USD 5,000	625	
	Buy foreign currency forward contract	USD 4,000	598	
	Buy foreign currency forward contract	USD 6,000	453	
	Buy foreign currency forward contract	USD 3,000	413	
	Buy foreign currency forward contract	USD 5,000	313	
	Buy foreign currency forward contract	USD 5,000	297	
	Buy foreign currency forward contract	USD 5,000	273	
	Buy foreign currency forward contract	USD 2,000	273	
	Buy foreign currency forward contract	USD 6,000	180	
	Buy foreign currency forward contract	USD 2,000	146	
	Buy foreign currency forward contract	USD 5,000	130	
	Buy foreign currency forward contract	USD 1,000	121	
	Buy foreign currency forward contract	USD 3,000	112	
	Buy foreign currency forward contract	USD 1,000	96	
	Sell foreign currency forward contract	USD 3,000	641	
	Financial assets measured at fair value through profit or loss-current			207,817
	Taishin Bank	Buy foreign currency swap contract	USD 30,000	(983)
Chang Hwa Commercial Bank	Buy foreign currency swap contract	USD 30,000	(678)	
Bank of Taiwan	Buy foreign currency swap contract	USD 30,000	(377)	
	Buy foreign currency swap contract	USD 10,000	(95)	
DBS Bank	Buy foreign currency forward contract	USD 4,000	(47)	
	Buy foreign currency forward contract	USD 2,000	(45)	
United Overseas Bank	Buy foreign currency forward contract	USD 3,000	(855)	
	Buy foreign currency forward contract	USD 2,000	(564)	
	Buy foreign currency forward contract	USD 2,000	(552)	
	Buy foreign currency forward contract	USD 2,000	(540)	
Oversea-Chinese Banking Corporation	Buy foreign currency forward contract	USD 2,000	(641)	
	Buy foreign currency forward contract	USD 2,000	(635)	
	Buy foreign currency forward contract	USD 1,000	(325)	
	Buy foreign currency forward contract	USD 3,000	(133)	
	Buy foreign currency forward contract	USD 2,000	(118)	
	Buy foreign currency forward contract	USD 2,000	(69)	
	Buy foreign currency forward contract	USD 2,000	(31)	
	Buy foreign currency forward contract	USD 2,000	(17)	
	Buy foreign currency forward contract	USD 2,000	(547)	
	Buy foreign currency forward contract	USD 2,000	(535)	
	Buy foreign currency forward contract	USD 2,000	(445)	
	Buy foreign currency forward contract	USD 2,000	(345)	
	Financial liabilities measured at fair value through profit or loss-current			(8,577)
			<u>\$ 199,240</u>	

Wistron Corporation

Statement of Notes and Trade Receivables

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Client J	\$ 12,655,318
Client H	7,080,991
Client K	5,913,067
Client B	4,341,202
Client I	3,568,037
Client L	3,544,555
Others (less than 5%)	15,069,124
Less: loss allowance	(602,428)
	<u>\$ 51,569,866</u>

Statement of Inventories

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 7,404,029	7,617,439
Work in progress	539,814	571,337
Finished goods	10,407,771	10,606,846
Inventory in transit	6,889,522	6,949,820
Subtotal	25,241,136	<u>25,745,442</u>
Less: provision of valuation of inventories losses		(374,012)
Total	<u>\$ 24,867,124</u>	

Wistron Corporation

Statement of Movement of Financial Assets Measured at Fair Value
through Profit or Loss — Non-Current

January 1 to December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Losses on Valuation		Ending Balance		Collateral
	Share or units	Fair Value	Share or units	Fair Value	Share or units	Amount	Valuation	Shares or units	Fair Value		
Lilee Systems, Ltd.	-	\$ 136,114	-	-	-	-	(136,114)	-	-	-	None

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income - Current

January 1 to December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Gains (Losses) on Valuation		Ending Balance		Collateral
	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Valuation	Shares or units	Amount		
Alpha Networks Inc.	19,448	\$	-	-	-	-	149,748	19,448	607,744	None	
Gamaania Digital Entertainment Co., Ltd.	1,126	67,699	-	-	-	-	11,039	1,126	78,738	None	
Super Dragon Technology Co., Ltd.	5,676	107,276	-	-	-	-	4,825	5,676	112,101	None	
Global Lighting Technologies Inc.	20,914	2,530,646	-	-	-	-	(188,230)	20,914	2,342,416	None	
ARBOR Technology Corp.	4,546	104,331	88	-	-	-	18,004	4,634	122,335	None	
AOpen Inc.	8,497	139,768	-	-	(556)	(8,785)	(7,905)	7,941	123,078	None	
FineMat Applied Materials Co., Ltd.	4,589	419,000	-	-	-	-	(215,925)	4,589	203,075	None	
Applied BioCode Corporation	2,150	25,419	18	1,052	(93)	(1,113)	96,652	2,075	122,010	None	
Clientron Corp.	917	20,031	-	-	-	-	2,158	917	22,189	None	
Plexbio Corporation, LTD	1,227	13,565	-	-	-	-	801	1,227	14,366	None	
Howe advanced Ltd.	4,000	-	-	-	-	-	-	4,000	-	None	
Lilee Systems, Ltd.	2,143	-	1,385	-	-	-	-	3,528	-	None	
Zeo, Inc.	779	-	-	-	-	-	-	779	-	None	
DDD Group PLC	9,920	-	-	-	(9,920)	-	-	-	-	None	
Janus Technologies, Inc.	864	-	-	-	-	-	-	864	-	None	
Vmedia Research	2,000	-	-	-	-	-	-	2,000	-	None	
Audio Design Experts, Inc.	546	-	-	-	(546)	-	-	-	-	None	
Tube Inc.	17,009	57,353	-	-	-	-	35,752	17,009	93,105	None	
Audio Design Experts, Inc.	546	-	-	-	(546)	-	-	-	-	None	
Tactus Technology, Inc.	7	-	-	-	-	-	-	7	-	None	
Airdog, Inc.	3,536	-	-	-	-	-	-	3,536	-	None	
Vident Inc.	226	57,708	-	-	-	-	(39,379)	226	18,329	None	
Scenera, Inc.	645	4,370	-	-	-	-	(2,236)	645	2,134	None	
Innovium Inc.	-	-	493	145,330	-	-	-	493	145,330	None	
IP Cathy II, L.P.	-	3,290	-	-	-	(3,309)	19	-	-	None	
IP Fund Six Co., Ltd.	6,000	52,162	-	-	-	-	10,806	6,000	62,968	None	
Corsa Fund 2012, L.P.	-	9,282	-	-	-	-	1,618	-	10,900	None	
JAFCO Asia Technology Fund VI	-	233,685	-	-	-	-	24,188	-	257,873	None	
Kibou Fund L.P.	-	44,047	-	-	-	(3,595)	3,110	-	43,562	None	
Fenox Venture Company XIV, L.P.	-	4,125	-	7,866	-	-	(11,991)	-	-	None	
Vertex V (C.I.) Fund L.P.	-	73,155	-	38,362	-	-	3,178	-	114,695	None	
China Renewable Energy Fund L.P.	-	174,640	-	62,369	-	-	(17,636)	-	219,373	None	
JAFCO Taiwan I Venture Capital L.P.	-	19,354	-	-	-	-	(2,074)	-	17,280	None	
Total		\$ 4,618,902		254,970		(16,802)	(123,478)		4,733,601		

Wistron Corporation
Statement of Movement of Investments Accounted for Using the Equity Method

January 1 to December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Reclassification		Ending Balance		Market Value or Net Assets Value	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Percentage of ownership	Amount	Unit price	Total amount
WMX	293,454	2,296,323	15,710,917	(976,955)	(152,019)	16,004,371	16,004,371	1,167,349	100.00%	1,167,349	345	1,167,349
WTX	4,833	1,612,540		(90,739)	146,687	4,833	1,668,488	1,668,488	100.00%	1,668,488	4.833	1,668,488
AIH	347,486	4,897,096		(15,087)	1,338,509	347,486	4,882,609	4,882,609	100.00%	4,882,609	14	5,025,983
Covin	188,394	14,304,313	29,000	(802,647)	2,954,754	217,394	15,668,560	15,668,560	100.00%	15,668,560	72	15,570,040
Win Smart	484,065	32,247,416		(1,648,396)	2,954,754	484,065	21,535,545	21,535,545	100.00%	21,535,545	69	33,533,774
WCL		2,084,703		(20,563)	31,5729	31,5729	2,429,090	2,429,090	100.00%	2,429,090	-	2,429,090
ISL	2,434	64,706		(467)	15,400	2,434	85,701	85,701	100.00%	85,701	35	85,701
WSPH	139,567	142,312		(7,610)	(66,828)	139,567	67,874	67,874	100.00%	67,874	-	67,874
WLLC	5,436	2,256,338	1,500	(128,965)	22,751	6,936	2,886,714	2,886,714	100.00%	2,886,714	373	2,586,714
WVS	12,005	540,459		(128,965)	126,027	12,005	670,681	670,681	100.00%	670,681	56	670,681
WEH	434,223	434,223		(43,065)	(431)	12,005	411,210	411,210	99.99%	411,210	-	411,210
WBR	37,243	425,588		(114,640)	23,653	37,243	334,601	334,601	99.99%	334,601	9	334,601
WTR	22	85,430		(21,738)	18,212	22	81,904	81,904	99.99%	81,904	3,723	81,904
WGTX	13	118,846		(7,112)	22,909	13	134,643	134,643	100.00%	134,643	10,357	134,643
WGK	33,500	62,231		(2,382)	(26,263)	33,500	33,586	33,586	100.00%	33,586	1	33,586
WMMY	80,000	294,472	187,425	(34,647)	(524,183)	36,429	1,055,911	1,055,911	100.00%	1,055,911	4	1,055,911
WSMX	36,429	(48,535)	2,189	(34,647)	(59,426)	36,429	(05,772)	(05,772)	100.00%	(05,772)	(3)	(05,772)
WCO	559	32,056		(3,869)	(2,924)	559	25,263	25,263	100.00%	25,263	45	25,263
WCH	20	539,227		(26,574)	(58,356)	20	454,297	454,297	100.00%	454,297	22,715	454,297
WYHQ	78,418	9,079,078		(1,947,427)	3,862,551	78,418	10,994,739	10,994,739	44.85%	10,994,739	704	55,206,363
WEDH	5,700	2,444		(10,984)	(50)	5,700	2,259	2,259	100.00%	2,259	-	2,259
WCHK	58,446	197,153		(10,984)	14,788	58,446	259,487	259,487	100.00%	259,487	4	259,487
WCHQ	1,000	7,873		(1,323)	(1,323)	1,000	10,202	10,202	100.00%	10,202	10	10,202
WCCZ		2,738,348		(815,757)	99,048	16,426	2,021,639	2,021,639	100.00%	2,021,639	-	2,021,639
WEHK	11,426	(142,557)		(16,14)	(56,580)	1	(51,163)	(51,163)	0.01%	(51,163)	(3)	(51,163)
AGI	19,999	136,630	5,000	(116,085)	(20,537)	6	8	8	100.00%	8	8	
WSSG	112,489	2,746,018	45,000	(174,353)	(808,149)	157,489	3,084,865	3,084,865	100.00%	3,084,865	20	3,084,865
WDH	67,873	819,225	129,798	(20,572)	86,194	197,671	2,090,750	2,090,750	100.00%	2,090,750	11	2,090,750
WMH	200,000	1,089,296	80,000	(101,745)	(97,956)	280,000	1,815,988	1,815,988	100.00%	1,815,988	6	1,815,988
WSTH	3,799	9,034		(9,034)	-	3,799	-	-	100.00%	-	-	-
ANC	75	24,056		(1,194)	(2,354)	75	20,508	20,508	100.00%	20,508	273	20,508
WSCO		182,936		(13,394)	104,997		274,539	274,539	100.00%	274,539	-	274,539
WSQL		(29,994)		(733)	(2,051)		29,801	29,801	100.00%	29,801	-	29,801
WTS		12,728		(60,186)	1,642		13,637	13,637	100.00%	13,637	390	13,637
WIMX	35		13,340,990	(62,916)	290,555	13,340,990	1,140,763	1,140,763	100.00%	1,140,763	-	1,140,763
WVN				(14,579)			1,268,793	1,268,793	100.00%	1,268,793	-	1,268,793
WSCZ				(13,867)	67,328		385,422	385,422	100.00%	385,422	-	385,422
WIS	17,888	238,626		(358,577)	11,742	17,888	243,356	243,356	46.10%	243,356	13	229,174
WNC	89,675	3,720,953		(1,738)	334,502	89,675	3,792,545	3,792,545	22.55%	3,792,545	78	6,967,723
TPE	3,476	53,392	347		24,184	3,823	76,482	76,482	13.65%	76,482	20	76,482
ISGTC	5					5			40.00%		-	-
ISGTC	5					5			30.00%		-	-
HCL		74,391		(2,670)	(56)		71,665	71,665	100.00%	71,665	-	71,664
Formosa Prosonic Industries												
Berhad	69,260	493,087		(77,140)	97,022	69,260	512,969	512,969	28.00%	512,969	16	1,114,660
Smartiply, Inc.	2,724			(690)	(23,438)	2,724			26.67%		(26)	(70,249)
JLH	20,261	4,653				20,261	3,754	3,754	37.99%	3,754	-	3,754
Total		82,823,693		(7,882,346)	8,041,587		80,000,468	80,000,468				

The effect of adjustments on intercompany lease transactions
Deferred credits

Wistron Corporation
Statement of Short-Term Loans
December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Period	Interest Rate	Loan	
				Commitments	Collateral Amount
Credit loan	MUFG Bank	2020/7/17 ~ 2021/1/4	0.77%	\$ 2,850,800	None \$ 2,714,611
Credit loan	Hua Nan Commercial Bank	2020/12/7 ~ 2021/1/6	0.66%	5,000,000	None 3,299,548
Credit loan	United Overseas Bank	2020/11/5 ~ 2021/1/13	0.76%	3,706,040	None 3,706,001
Credit loan	Taiwan Business Bank	2020/11/9 ~ 2021/1/8	0.795%	3,500,000	None 3,109,333
Credit loan	Taishin Bank	2020/10/29~2021/1/7	0.78%	6,500,000	None 5,843,551
Credit loan	First Commercial Bank	2020/8/5~2021/1/12	1.12%	6,000,000	None 5,817,578
Credit loan	Chang Hwa Commercial Bank	2020/12/1~2021/1/15	0.73%~0.87%	5,000,000	None 3,789,072
Credit loan	DBS Bank	2020/4/10~2021/1/21	0.65%~0.93%	1,995,560	None 1,921,105
Credit loan	Land Bank of Taiwan	2020/12/3~2021/2/18	0.58%~0.62%	3,500,000	None 3,521,635 (Note)
Credit loan	Entie Bank	2020/11/13 ~ 2021/1/8	0.75%	1,000,000	None 877,836
Credit loan	Taichung Commercial Bank	2020/12/8~2021/1/8	0.79%	1,800,000	None 768,669
Credit loan	Shin Kong Bank	2020/11/27~2021/1/15	0.73%~0.78%	1,425,400	None 1,413,189
Credit loan	Citi Bank	2020/12/9~2021/1/8	0.69%	1,425,730	None 1,293,054
Credit loan	ANZ Bank	2020/12/15~2021/1/14	0.76%~0.77%	3,563,500	None 2,359,194
Credit loan	ESUN Bank	2020/12/16~2021/1/15	0.8%	2,000,000	None 855,234
Credit loan	Agricultural Bank of Taiwan	2020/12/18~2021/1/15	0.64%	1,550,000	None 1,512,289
Credit loan	Far Eastern International Bank	2020/12/22~2021/1/21	0.93%	1,500,000	None 1,504,003 (Note)
Credit loan	ING Bank	2020/10/16~2021/1/15	0.8%~1.26%	2,850,800	None 2,556,000
Credit loan	Bank of Taiwan	2020/12/28~2021/1/29	0.8%	4,500,000	None 1,995,560
Credit loan	Sumitomo Mitsui Bank	2020/1/6~2021/1/22	0.75%	2,280,640	None 2,223,624
Credit loan	Cathy United Bank	2020/4/1~2021/1/22	0.6%~0.84%	1,881,528	None 1,881,528
Credit loan	Taipei Fubon Commercial Bank	2020/5/5~2021/3/30	0.6%~0.7%	2,423,180	None 2,411,146
Credit loan	China Construction Bank	2020/5/7~2021/1/6	0.75%	2,850,800	None 2,850,800
Credit loan	O-Bank	2020/12/23~2021/1/22	1.13%	611,000	None 267,975
Credit loan	Taiwan Cooperative Bank	2020/12/31~2021/1/29	0.68%	4,500,000	None 855,240
Credit loan	Mega International Bank	2020/12/31~2021/1/29	0.8%	5,701,600	None 755,462
Credit loan	Mizuho Bank	2020/10/21~2021/1/28	0.8%	3,420,960	None 3,424,900 (Note)
Credit loan	Bank of Communication	2020/10/29~2021/1/26	0.8%	1,425,400	None 1,375,000
Credit loan	SinoPac Bank	2020/12/24~2021/1/4	1.02%	5,112,256	None 520,000
Credit loan	HSBC Bank	2020/12/3~2021/1/18	0.99%	1,767,496	None 1,750,000
Total					<u>\$67,173,137</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, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Vendor D	\$ 8,709,576
Vendor A	8,063,511
Vendor J	4,061,007
Vendor G	2,821,596
Vendor H	2,752,179
Vendor I	2,212,753
Others (less than 5%)	<u>12,012,644</u>
Total	<u><u>\$ 40,633,266</u></u>

Statement of Other Current Liabilities

<u>Item</u>	<u>Amount</u>
Accrued salaries and bonuses (including employees' and directors' compensation)	\$ 4,894,310
Supplier inventory reserve	2,033,128
Unearned revenue	8,378,851
Others (less than 5%)	<u>7,390,973</u>
Total	<u><u>\$ 22,697,262</u></u>

Wistron Corporation
Statement of Long-Term Loans
December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Bank</u>	<u>Period</u>	<u>Interest Rate</u>	<u>Loan Commitments</u>	<u>Collateral</u>	<u>Amount</u>
Mega Bank and other 22 financial institutions	2020/12/25-2023/05/23	1.13%~1.25%	\$ 17,104,800	None	\$ 17,104,800
KGI Bank	2019/3/7-2022/3/7	0.75%	1,400,000	None	1,254,352
BNP Bank	2020/7/24-2022/7/23	0.6%~0.78%	2,280,640	None	1,980,000
Less : Arrangement fees			-		<u>(6,844)</u>
					<u><u>\$ 20,332,308</u></u>

Wistron Corporation
Statement of Lease Liabilities
December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Leasing term	Discount Rate(%)	Ending Balance
Land	For factory and office use	19 years	1.75%	\$ 59,516
Buildings and construction	For office use	1~8 years	1.15%~1.81%	368,158
Office Equipment	For operating use	4~5 years	1.65%~1.75%	19,709
Transportation Equipment	For operating use	2~5 years	1.49%~1.75%	28,238
Other Equipment	For operating use	5 years	1.75%	<u>3,059</u>
Subtotal				478,680
Less : Current Portion				<u>(193,487)</u>
Lease Liabilities-Non-Current				<u><u>\$ 285,193</u></u>

Statement of Other Non-Current Liabilities

Item	Amount
Net defined benefit liabilities	\$ 1,035,821
Guarantee deposits	<u>600,830</u>
Total	<u><u>\$ 1,636,651</u></u>

Wistron Corporation
Statement of Cost of Sales
For the Year Ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Beginning balance of raw materials	\$ 3,589,429
Add: Purchases	670,640,963
Less: Ending balance of raw materials	(7,460,561)
Transferred	<u>(40,339)</u>
Raw materials used	666,729,492
Direct labor	886,011
Manufacturing overhead	<u>2,958,827</u>
Total manufacturing cost	670,574,330
Add: Beginning balance of work-in-process inventory	216,975
Less: Ending balance of work-in-process inventory	(547,766)
Transferred	<u>(41,258)</u>
Coast of finished goods	670,202,281
Add: Beginning balance of finished goods	12,836,465
Less: Ending balance of finished goods	(17,232,809)
Transferred	<u>(119,889)</u>
Subtotal	665,686,048
Add: Software royalty fees	626,203
Loss on valuation of inventories	490,567
Loss on supplier inventory reserve	90,968
Less: Income from sale of scraps	(28,999)
Loss on physical inventor	<u>(1)</u>
Total cost of sales	<u><u>\$ 666,864,786</u></u>

Wistron Corporation
Statement of Operating Expenses
For the Year Ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Selling Expenses</u>	<u>Administrative Expenses</u>	<u>Research and Development Expenses</u>
Salary and related expenses	\$ 1,040,799	1,350,046	9,323,662
Repairs and maintenance expenses	1,636	186,253	63,780
Freight	920,861	283	12,555
Insurance fees	156,723	85,551	509,541
Professional service fees	38,633	442,125	181,860
Import and export expenses	177,057	-	172
Amortization	4,385	181,201	59,162
Welfare funds	353,901	-	-
Sundry purchase	30,521	32,185	1,594,012
Others (less than 5%)	191,266	249,981	1,819,479
Total	\$ 2,915,782	2,527,625	13,564,223

Wistron Corporation
Others
December 31, 2020 and 2019

<u>Item</u>	<u>Description</u>
Statements of trade receivables-related parties and other receivables-related parties	Disclosure in Note 7
Statement of other current assets	Disclosure in Note 6(k)
Statement of non-current assets classified as held for sale	Disclosure in Note 6(g)
Statement of movement of property, plant and equipment	Disclosure in Note 6(h)
Statement of movement of accumulated depreciation of property, plant and equipment	Disclosure in Note 6(h)
Statement of right-of-use assets	Disclosure in Note 6(i)
Statement of movement of intangible assets	Disclosure in Note 6(j)
Statement of other non-current assets	Disclosure in Note 6(k)
Statement of movement of investment property	Disclosure in Note 6(k)
Statement of movement of accumulated depreciation of investment property	Disclosure in Note 6(k)
Statement of deferred tax assets and liabilities	Disclosure in Note 6(p)
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(t)
Statement of the revenue	Disclosure in Note 6(t)
Statement of the interest income	Disclosure in Note 6(u)
Statement of the other income	Disclosure in Note 6(u)
Statement of the other gain and loss	Disclosure in Note 6(u)
Statement of the financial costs	Disclosure in Note 6(u)

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 1 Financing to other parties
(December 31, 2020)

(TWD : expressed in thousands)

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	WMMI	Other receivables	Yes	1,364,850	1,282,860	1,282,860	1.50%-3.00%	1	1,609,728	Business Demand	-	-	7,156,577	35,782,888	(Note 1 - Note3 & Note4)	
0	The Company	WMMY	Other receivables	Yes	1,361,430	1,282,860	-	2.50%-5.00%	2	-	Operating Capital	-	-	7,156,577	35,782,888	(Note 1 - Note3 & Note4)	
0	The Company	WSPH	Other receivables	Yes	570,160	570,160	-	1.50%	1	738,350	Business Demand	-	-	7,156,577	35,782,888	(Note 1 - Note3 & Note4)	

(Note 1) The total amount available for financing purposes shall not exceed 50% of the Company's net worth, which was audited or reviewed by Certified Public Accountant; and the total amount for short-term financing shall not exceed 40% Company's net worth.

(Note 2) Nature of financing:

1 For entities that the Company has business transactions with.

2 For entities with short-term financing needs.

(Note 3) The limit on financing granted of the entities that the Company has business transactions 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.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 2 Guarantees and endorsements for other parties
(December 31, 2020)

(TWD : expressed in thousands)

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 a subsidiary company	Endorsement / guarantees provided to the party in Mainland China
		Name	Relationship with the company (Note 9)									
0	The Company	WJP	2	21,469,733	1,064,380	745,470	-	-	1.04%	71,565,777	Y	N
0	The Company	Covin (Note 5)	2	21,469,733	22,748	21,381	-	-	0.03%	71,565,777	Y	N
0	The Company	WZS shared with WAKS and WEKS (Note 5)	2	21,469,733	68,243	64,143	-	-	0.09%	71,565,777	Y	Y
0	The Company	WCCZ	2	21,469,733	506,473	504,271	-	-	0.70%	71,565,777	Y	N
0	The Company	WSKS	2	21,469,733	303,300	285,080	-	-	0.40%	71,565,777	Y	Y
0	The Company	WBR	2	21,469,733	849,240	798,224	-	-	1.12%	71,565,777	Y	N
0	The Company	WIN	2	21,469,733	1,907,753	1,867,274	-	-	2.61%	71,565,777	Y	N
0	The Company	WSSG	2	21,469,733	7,765,338	7,685,652	6,813,412	-	10.73%	71,565,777	Y	N
0	The Company	WTX	2	21,469,733	1,652,112	1,026,288	1,026,288	-	1.43%	71,565,777	Y	N
0	The Company	WGTX	2	21,469,733	318,465	299,334	-	-	0.42%	71,565,777	Y	N
0	The Company	WTZ	2	21,469,733	2,978,922	2,143,674	1,545,006	-	3.00%	71,565,777	Y	Y
0	The Company	WSMX	2	21,469,733	627,176	627,176	427,620	-	0.88%	71,565,777	Y	N
0	The Company	WGRS	2	21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	Y
0	The Company	WCCZ shared with WSCZ	2	21,469,733	8,282,900	3,260,978	3,260,978	-	4.56%	71,565,777	Y	N
0	The Company	WMKS	2	21,469,733	606,600	570,160	570,160	-	0.80%	71,565,777	Y	N
0	The Company	WMKS shared with WTZ and WGRS (Note 6)	2	21,469,733	606,600	570,160	570,160	-	0.80%	71,565,777	Y	Y
0	The Company	WTR	2	21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N
0	The Company	WTZ shared with WGRS and WSKS	2	21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N
0	The Company	WGH	2	21,469,733	37,912	35,635	-	-	0.05%	71,565,777	Y	N
0	The Company	AGI	2	21,469,733	202,000	202,000	-	-	0.28%	71,565,777	Y	N
0	The Company	WSCL	2	21,469,733	181,980	-	-	-	-	-	Y	N
0	The Company	WSQ	2	21,469,733	1,880,460	1,482,416	912,256	-	2.07%	71,565,777	Y	N
0	The Company	ANC	2	21,469,733	151,650	60,000	60,000	-	0.08%	71,565,777	Y	N
0	The Company	WGHQ	2	21,469,733	60,000	60,000	60,000	-	0.08%	71,565,777	Y	N
0	The Company	WMH	2	21,469,733	230,330	-	-	-	-	-	Y	N
0	The Company	WSCO shared with WMCQ	2	21,469,733	454,950	427,620	427,620	-	0.60%	71,565,777	Y	N
0	The Company	WMMI shared with WIN	2	21,469,733	873,780	855,240	855,240	-	1.20%	71,565,777	Y	N
0	The Company	WLB	2	21,469,733	400,000	200,000	200,000	-	0.56%	71,565,777	Y	N
0	The Company	WCL	2	21,469,733	1,200,000	600,000	600,000	-	1.68%	71,565,777	Y	N
0	The Company	WMMI	2	21,469,733	2,507,688	2,166,608	1,453,908	-	3.03%	71,565,777	Y	N
0	The Company	WMMY shared with WSMY	2	21,469,733	302,500	-	-	-	-	-	Y	N
0	The Company	WMMY	2	21,469,733	4,986,552	4,931,884	2,850,800	-	6.89%	71,565,777	Y	N
0	The Company	WTT	2	21,469,733	826,732	541,652	541,652	-	1.16%	71,565,777	Y	N
0	The Company	WMX	2	21,469,733	303,300	285,080	285,080	-	0.40%	71,565,777	Y	N
0	The Company	WETW	2	21,469,733	375,000	275,000	75,000	-	0.38%	71,565,777	Y	N
0	The Company	Covin shared with WSPH, WCCZ, WMX and WITX (Note 7)	2	21,469,733	1,971,450	1,853,020	1,853,020	-	2.59%	71,565,777	Y	N

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 2 Guarantees and endorsements for other parties
(December 31, 2020)

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 in Mainland China
		Name	Relationship with the company (Note 9)									
0	The Company	WAKS shared with WEKS, WZS, WCD and WCO (Note 7)	2	21,469,733	1,971,450	1,853,020	1,853,020	-	2.59%	71,565,777	Y	N
0	The Company	WVN	-	21,469,733	6,927,444	6,927,444	-	-	9.68%	71,565,777	Y	N
0	The Company	WIMX	-	21,469,733	855,240	855,240	-	-	1.20%	71,565,777	Y	N
0	The Company	WSPH shared with WCCZ, WMX, and WTX (Note 8)	-	21,469,733	1,282,860	-	-	-	1.79%	71,565,777	Y	N
0	The Company	WAKS shared with WZS, WCD and WCO (Note 8)	-	21,469,733	1,282,860	1,282,860	-	-	1.79%	71,565,777	Y	Y

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

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

(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 net worth, which was audited by Certified Public Accountant.

(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 net worth, which was audited by Certified Public Accountant.

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

(Note 6) The credit line shared by WMKS, WZ and WGKS amounted to USD2,000,000, while the maximum credit line for each entity was USD10,000,000.

(Note 7) The credit line shared by Cowin, WSPH, WCCZ, WMX, WITX, WAKS, WEKS, WZS, WCD and WCO amounted to USD130,000,000.

(Note 8) The credit line shared by WSPH, WCCZ, WMX, WITX, WAKS, WZS, WCD and WCO amounted to USD90,000,000.

(Note 9) Relationship with the Company:

1. An entity that is with business relationship.
2. A Subsidiary which owned more than 50% by the guarantor.
3. An investee owned more than 50% in total by both the guarantor and its subsidiary.
4. An investee owned more than 90% by the guarantor or its subsidiary.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. The companies in the same industry provide among themselves joint and several 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, 2020)

Held Company Name	Marketable Securities Type and Name	Relationship with the company	Financial Statement Account	(TWD : expressed in thousands)			
				Number of shares	Book value	Percentage of Ownership	Highest percentage of shares during the period
The Company	Alpha Networks Inc.	-	Non-current financial assets at fair value through other comprehensive income	19,448	607,744	3.59%	607,744
The Company	Gamania Digital Entertainment Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,126	78,738	0.64%	78,738
The Company	Super Dragon Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,676	112,101	5.50%	112,101
The Company	Global Lighting Technologies Inc.	-	Non-current financial assets at fair value through other comprehensive income	20,914	2,342,416	15.97%	2,342,416
The Company	ARBOR Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	4,634	122,333	6.65%	122,333
The Company	AOOpen Inc.	-	Non-current financial assets at fair value through other comprehensive income	7,941	123,078	11.11%	123,078
The Company	FineMat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,589	203,075	6.91%	203,075
The Company	Clientoon Corp.	-	Non-current financial assets at fair value through other comprehensive income	1,227	22,189	1.44%	22,189
The Company	Plexbio Corporation, LTD	-	Non-current financial assets at fair value through other comprehensive income	1,227	14,366	1.19%	14,366
The Company	Howe advanced Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,000	-	13.91%	-
The Company	ABC-KY	-	Non-current financial assets at fair value through other comprehensive income	2,075	122,010	2.54%	122,010
The Company	Like Systems, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.54%	-
The Company	Zee Inc	-	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-
The Company	Janus Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-
The Company	Vmedia Research	-	Non-current financial assets at fair value through other comprehensive income	2,000	-	7.69%	-
The Company	Tube Inc.	-	Non-current financial assets at fair value through other comprehensive income	17,009	93,103	22.08%	93,103
The Company	Tactus Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-
The Company	Airdog, Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,336	-	16.26%	-
The Company	Vidlet Inc.	-	Non-current financial assets at fair value through other comprehensive income	226	18,329	3.26%	18,329
The Company	Scarama Inc.	-	Non-current financial assets at fair value through other comprehensive income	643	2,134	12.89%	2,134
The Company	Innovium Inc.	-	Non-current financial assets at fair value through other comprehensive income	493	145,330	0.45%	145,330
The Company	IP Fund Six Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	6,000	62,968	10.71%	62,968
The Company	Corsa Fund 2012.L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	10,900	20.00%	10,900
The Company	Julso AT Fund VI L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	257,873	6.67%	257,873
The Company	Kebao Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	43,562	12.78%	43,562
The Company	Fenox Venture Company XIV L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	-
The Company	Vertex V (C.L.) Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	114,695	3.11%	114,695
The Company	China Renewable Energy Fund, LP	-	Non-current financial assets at fair value through other comprehensive income	-	219,373	9.01%	219,373
The Company	JARCO Taiwan I Venture Capital L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	17,280	4.07%	17,280
The Company	Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	1,339	20,017	-	20,017

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 NTS\$300 million or 20% of share capital (December 31, 2020)

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	Shares/Units	Amount	Gain/Loss on Disposal	Shares/Units
The Company	WMH stock	Equity - accounted investees	(Note 1)	subsidiary	200,000	1,089,296	80,000	800,000	-	-	280,000	1,815,988
The Company	WVN stock	Equity - accounted investees	(Note 1)	subsidiary	-	-	-	1,346,388	-	-	-	1,268,793
The Company	WMMY stock	Equity - accounted investees	(Note 1)	subsidiary	80,000	294,472	187,425	1,320,269	-	-	267,425	1,055,911
The Company	WSSG stock	Equity - accounted investees	(Note 1)	subsidiary	112,489	2,746,018	45,000	1,321,349	-	-	157,489	3,084,865
The Company	WDH stock	Equity - accounted investees	(Note 1)	subsidiary	67,873	819,225	120,000	1,200,000	-	-	197,671	2,090,750
The Company	COWIN stock	Equity - accounted investees	(Note 1)	subsidiary	188,394	14,304,313	29,000	828,385	-	-	217,394	15,668,560
The Company	WLLC stock	Equity - accounted investees	(Note 1)	subsidiary	5,436	2,256,938	1,500	435,990	-	-	6,936	2,586,714

(Note 1) Issuance of common stock for cash

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 5 Total purchases from or sales to related parties with the dollar amount at least \$100 million or 20% of paid - in capital (December 31, 2020)

Purchaser/ Seller	Related Party	Relationship	Transaction		Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)	
			Amount	Percentage of total purchases / sales	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)
The Company	AIH	Subsidiary	200,151,306	29.11%	-	-	54,895,709	30.13%
The Company	WYHQ	Subsidiary	49,927,413	7.26%	-	-	9,987,749	5.48%
The Company	WITX	Subsidiary	25,663,752	3.73%	-	-	13,723,212	7.53%
The Company	WMMI	Subsidiary	4,953,762	0.72%	-	-	9,414,908	5.17%
The Company	WIN	Subsidiary	2,579,206	0.38%	-	-	790,285	0.43%
The Company	WTX	Subsidiary	2,228,839	0.32%	-	-	750,725	0.41%
The Company	WSCZ	Subsidiary	1,356,561	0.20%	-	-	316,650	0.17%
The Company	WJP	Subsidiary	1,289,342	0.19%	-	-	573,892	0.31%
The Company	WZS	Subsidiary	852,001	0.12%	-	-	8,415,208	4.62%
The Company	WSSG	Subsidiary	792,758	0.12%	-	-	273,466	0.15%
The Company	WMKS	Subsidiary	686,762	0.10%	-	-	170,804	0.09%
The Company	FPI	Associate	634,369	0.09%	-	-	284,367	0.16%
The Company	WIS	Subsidiary	482,291	0.07%	-	-	140,248	0.08%
The Company	WYUS	Subsidiary	200,175	0.03%	-	-	99,997	0.05%
The Company	WMTL	Subsidiary	142,890	0.02%	-	-	6,475	0.00%
The Company	WSMX	Subsidiary	107,666	0.02%	-	-	31,367	0.02%
The Company	WCD	Subsidiary	174,327,275	26.16%	-	-	(22,688,573)	17.44%
The Company	WEKS	Subsidiary	125,013,397	18.76%	-	-	(16,851,226)	12.95%
The Company	WAKS	Subsidiary	75,812,575	11.38%	-	-	(11,872,878)	9.13%
The Company	WZS	Subsidiary	58,575,541	8.79%	-	-	(21,740,565)	16.71%
The Company	COWIN	Subsidiary	52,651,151	7.90%	-	-	(18,139)	0.01%
The Company	WOK	Subsidiary	51,975,139	7.80%	-	-	(2,448,835)	1.88%
The Company	WCO	Subsidiary	45,486,936	6.83%	-	-	(6,636,981)	5.10%
The Company	WSCQ	Subsidiary	6,823,673	1.02%	-	-	(1,615,070)	1.24%
The Company	WYHQ	Subsidiary	4,322,546	0.65%	-	-	(596,746)	0.46%
The Company	WMMY	Subsidiary	4,043,246	0.61%	-	-	(1,796,164)	1.38%
The Company	WIN	Subsidiary	3,435,458	0.52%	-	-	(2,479)	0.00%
The Company	WSKS	Subsidiary	3,121,610	0.47%	-	-	(732,694)	0.56%
The Company	WMMI	Subsidiary	1,536,124	0.23%	-	-	(1,523,221)	1.17%
The Company	FPI	Associate	1,449,543	0.22%	-	-	(213,055)	0.16%
The Company	WTZ	Subsidiary	923,745	0.14%	-	-	(147,829)	0.11%
The Company	WSPH	Subsidiary	712,313	0.11%	-	-	(28,482)	0.02%
The Company	WYUS	Subsidiary	266,991	0.04%	-	-	(63,515)	0.05%
The Company	WSCZ	Subsidiary	177,785	0.03%	-	-	(7,261)	0.01%
The Company	WITX	Subsidiary	162,861	0.02%	-	-	-	-

(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, 2020)

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	AIH	Subsidiary	54,895,709	429.04%	-	-	23,258,330	-
The Company	WEKS	Subsidiary	17,851,457	-	-	-	-	-
The Company	WITX	Subsidiary	13,723,212	202.11%	4,516,839	Collecting	4,076,646	-
The Company	WYHQ	Subsidiary	9,987,749	584.56%	484,963	Collecting	5,321,030	-
The Company	WMMI	Subsidiary	9,414,908	104.53%	4,528,074	Collecting	455,849	-
The Company	WZS	Subsidiary	8,415,208	20.25%	81,583	Collecting	8,415,208	-
The Company	WCQ	Subsidiary	6,070,242	0.02%	2,261,787	Collecting	2,280,779	-
The Company	WAKS	Subsidiary	3,552,586	-	-	-	2,907,818	-
The Company	WTZ	Subsidiary	1,792,227	2.40%	804,893	Collecting	153,677	-
The Company	WOK	Subsidiary	1,169,369	-	-	-	1,140,183	-
The Company	WIN	Subsidiary	790,285	114.13%	789,796	Collecting	675,651	-
The Company	WTX	Subsidiary	750,725	255.13%	104,998	Collecting	105,432	-
The Company	WJP	Subsidiary	573,892	262.30%	277,907	Collecting	79,951	-
The Company	WSCZ	Subsidiary	316,650	346.98%	-	-	74,792	-
The Company	FPI	Associate	284,367	241.69%	-	-	153,632	-
The Company	WSSG	Subsidiary	273,466	287.73%	80,204	Collecting	82,710	-
The Company	WCD	Subsidiary	207,730	0.01%	-	-	347	-
The Company	WMKS	Subsidiary	170,804	335.20%	-	-	44,926	-
The Company	WIS	Subsidiary	140,248	282.87%	5,073	Collecting	46,991	-

(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, 2020)

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		
Other receivables								
The Company	WMMI	Subsidiary	2,854,539	-	1,813,782	Collecting	-	-
The Company	WEKS	Subsidiary	307,540	-	-	-	-	-
The Company	WMT	Subsidiary	141,064	-	-	-	2,212	-

(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, 2020)

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	Book value			
The Company	WAXX	Mexico	Server and consumer electronics product manufacturing	1,554,618	2,556,032	16,000,171	1,057,749	100.00%	152,010	-
The Company	WYX	U.S.A.	Sales and maintenance service center in Northern America	386,161	386,161	1,462,348	1,462,348	100.00%	146,687	-
The Company	WAL	U.S.A.	Investment, holding and training business	6,041,479	6,041,478	347,432	4,885,268	100.00%	-	-
The Company	WALN	U.S.A.	Investment, holding and training business	6,528,764	6,034,378	217,204	4,885,268	100.00%	1,338,509	-
The Company	WV Smart	H.V.I.	Treatment and holding	14,894,651	14,894,651	488,065	21,535,535	100.00%	2,954,734	-
The Company	WGL	Taiwan	Investment and holding	1,321,000	1,197,000	-	2,429,000	100.00%	315,739	-
The Company	WSPH	Taiwan	Sales and maintenance service center in Asia	14,603	14,603	3,434	85,701	100.00%	15,400	-
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	139,567	67,824	66,838	100.00%	66,838	-
The Company	WLLC	U.S.A.	Investment and holding	2,118,814	1,683,834	4,936	2,586,114	100.00%	22,751	-
The Company	WVS	B.V.I.	Investment and holding	398,221	398,221	12,005	670,681	100.00%	136,027	-
The Company	WEH	Netherlands	Investment and holding	1,421,024	1,421,024	12,605	670,681	100.00%	136,027	-
The Company	WBR	Brazil	Sales and maintenance service center	623,794	37,243	37,243	334,601	99.99%	23,653	-
The Company	WTR	Turkey	Sales and maintenance service center	46,650	46,650	22	93,906	99.99%	18,212	-
The Company	WGHK	U.S.A.	Recycling service of information technology products	859,795	1,003,476	13	134,643	100.00%	22,909	-
The Company	WSSG	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	33,586	100.00%	26,263	-
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	775,360	267,425	1,055,721	100.00%	(524,183)	-
The Company	WSCO	Mexico	Sales and maintenance service center	89,134	89,134	36,429	25,263	100.00%	(59,426)	-
The Company	WYHQ	U.S.A.	Investment and rental	91,561	589,520	20	454,297	100.00%	(2,924)	-
The Company	WEDH	Taiwan	Research, development, sales and service of information products	1,783,104	1,783,104	78,418	10,994,739	44.90%	8,609,657	-
The Company	WCHK	Seychelles	Investment and holding	170,148	170,148	5,700	2,259	100.00%	(50)	-
The Company	WCHQ	Hong Kong	Investment and holding	225,494	225,494	58,446	229,487	100.00%	14,788	-
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	10,202	100.00%	(1,323)	-
The Company	WCZC	Czech Rep.	Electronic product manufacturing	121,527	789,795	-	2,027,639	100.00%	99,048	-
The Company	WEHK	Hong Kong	Investment and holding	397,542	247,954	16,426	(51,659)	100.00%	(56,580)	-
The Company	AGI	Taiwan	Self-ware solution integrator	2,370	465,948	1	8	0.01%	(52,414)	-
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	3,476,456	157,489	3,086,865	100.00%	(808,149)	-
The Company	WDH	Taiwan	Investment and holding	1,800,000	600,000	197,671	2,090,750	100.00%	86,194	-
The Company	WMH	Taiwan	Investment and holding	2,800,000	2,000,000	280,000	1,815,988	100.00%	(97,956)	-
The Company	ANC	Taiwan	Sales and maintenance of mobile phone	22,808	22,808	75	29,508	100.00%	(2,354)	-
The Company	WSSL	U.S.A.	Sales and maintenance service center	92,114	31,710	-	39,801	100.00%	(2,051)	-
The Company	WTS	U.S.A.	Development of new business and customer service	10,348	10,348	35	1,407,763	100.00%	1,642	-
The Company	WVMX	Mexico	Real property rental and management	910,394	-	13,340,990	1,208,793	100.00%	290,555	-
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	-	-	1,208,793	100.00%	290,555	-
The Company	WKSZ	Czech Rep.	Sales and maintenance service center	282,833	-	-	385,422	100.00%	67,328	-
The Company	WIS	Taiwan	Design, sales and service of network communication products	214,656	214,656	17,888	3,792,545	46.10%	25,469	-
The Company	WNC	Taiwan	Manufacture and sales of wireless receiver products	585,487	585,487	89,675	3,792,545	22.55%	1,466,920	-
The Company	LHJ	Taiwan	Sales of radio system of vehicles and components	578,889	578,889	20,261	37,999	41.05%	(60,080)	-
The Company	PPE	Taiwan	Wholesale and retail of electronic materials	26,728	26,728	3,823	76,482	13.65%	177,188	-
The Company	SGTG	Seychelles	Research, design and sales of information technology products	160,025	160,025	3	40,000	40.00%	-	-
The Company	HCL	Hong Kong	Investment and holding	160,000	160,000	3	40,000	40.00%	-	-
The Company	EMC	B.V.I.	Investment and holding	96,045	96,045	-	30,000	30.00%	(188)	-
The Company	Emerson Proxime Industries Bethel	Malaysia	Manufacturing of audio and boxer	513,565	513,565	69,280	512,669	28.00%	279,251	-
The Company	Smurphy Inc.	U.S.A.	Software R&D	62,710	62,710	2,724	26,676	26.67%	(1,045)	-

(TWD : expressed in thousands)

Table 8 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 from Taiwan as of January 1, 2020		Investment flows		Net income (loss) of the investee	Direct/indirect shareholding by the Company	Investment income (losses) recognized by the Company	Carrying amount of the investment as of December 31, 2020	Accumulated inward remittance of earnings as of December 31, 2020	Notes
				Outflow	Inflow								
Wistron InfoComm (Shanghai) Corporation	Manufacture and sales of information technology products	7,394,068 (Note 1)	(Note 1)	7,394,179 (Note 1)	-	1,536,137	100.00%	100.00%	100.00%	(Note 20.2)	18,740,767	-	-
Wistron InfoComm (Shanghai) Corporation	Research, development, design, testing and sales of computers software	31,691	-	31,691	-	(8,149)	100.00%	100.00%	100.00%	(Note 20.2)	44,099	-	-
Wistron InfoComm (Zhongshan) Co., Ltd.	Human resource services and sales of LCD monitor	675,510	-	675,510	-	123,851	100.00%	100.00%	100.00%	(Note 20.2)	587,008	-	-
Wistron InfoComm (Kunshan) Co., Ltd.	Manufacture and sales of information technology products	1,083,212 (Note 2)	(Note 2)	1,083,212 (Note 2)	-	1,337,856	100.00%	100.00%	100.00%	(Note 20.2)	9,961,725	-	-
Wistron Service (Kunshan) Corp.	Sales of mobile phone	3,993,520 (Note 20)	(Note 20)	3,993,520 (Note 20)	-	732,880	100.00%	100.00%	100.00%	(Note 20.2)	12,120,400	-	-
Wistron InfoComm (Taizhou) Co., Ltd.	Sales and maintenance service center in Asia	12,287	-	12,287	-	96,195	100.00%	100.00%	100.00%	(Note 20.2)	702,292	-	-
Wistron InfoComm (Taizhou) Co., Ltd.	Sales and maintenance service center in Mainland China	806,230	-	806,230	-	706,188	100.00%	100.00%	100.00%	(Note 20.2)	1,809,623	-	-
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacture and sales of LCD monitor and touch display module	4,929,489	-	4,929,489	-	(706,188)	100.00%	100.00%	100.00%	(Note 20.2)	(42,187,731)	-	-
T-CONN PRECISION(ZHONGSHAN) CORPORATION	Manufacture and sales of computer shell and mold plastic special purpose	2,220,220	-	2,220,220	-	7,712	28.88%	28.88%	28.88%	(Note 20.1)	165,701	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production of telecommunication equipment and coupling for the peripheral equipment	234,991	-	234,991	-	60,792	22.68%	22.68%	22.68%	(Note 20.1)	22,580	-	-
Wistron Optonics (Shanghai) Co., Ltd.	Production of telecommunication products and components	3,676,442	-	3,676,442	-	165,304	100.00%	100.00%	100.00%	(Note 20.2)	3,541,839	-	-
HSHIEXHUI ELECTRONICS TECHNOLOGY (ZHONGSHAN) CO., LTD.	Sales of communication products and components	131,044	-	131,044	-	414	100.00%	100.00%	100.00%	(Note 20.2)	70,920	-	-
LIAN-YI PRECISION (ZHONGSHAN) INC.	Production and management of new-type electronic components	426,055 (Note 18)	-	79,722	-	8,408	26.08%	26.08%	26.08%	(Note 20.1)	-	-	-
WIS PRECISION (TAIZHOU) CO., LTD.	Manufacture of high-temperature resistant insulation materials and moulded insulation products; and assembly of computer, server and the peripheral equipment	1,124,931	-	332,795	-	(7,897)	28.88%	28.88%	28.88%	(Note 20.1)	(102,999)	-	-
Hartec Technology (Kunshan) Co., Ltd.	Sales of new-type alloy (Mg-Al) material	2,220,502	-	643,191	-	(85,473)	28.88%	28.88%	28.88%	(Note 20.1)	727,935	-	-
Wistron Advanced Materials (Kunshan) Co., Ltd.	Research, manufacture, and sales of electronic regeneration geographically plastic goods	953,939	-	953,939	-	(23,745)	100.00%	100.00%	100.00%	(Note 20.2)	23,346	-	-
Zanshan Global Lighting Technology Limited Co.	Sales of LCP, backlight and related light-electronic components	445,825	-	72,007	-	NA	15.97%	15.97%	15.97%	(Note 20.2)	68,291	-	-
Wistron InfoComm (Chongqing) Co., Ltd.	Assembly and sales of Notebook computer	2,901,466	-	2,901,466	-	1,071,294	100.00%	100.00%	100.00%	(Note 20.2)	2,363,316	-	-
Wistron InfoComm (Chengdu) Co., Ltd.	Assembly and sales of Notebook computer	2,396,524	-	2,396,524	-	1,089,531	100.00%	100.00%	100.00%	(Note 20.2)	6,662,291	-	-
Weshek Information Technology Services Co., Ltd. , Shanghai	Research and development of electronic calculator and other electronic products	59,042	-	59,042	-	(59,042)	100.00%	100.00%	100.00%	(Note 20.2)	131,797	-	-
XTRONCS(Nanjing) Automotive Intelligent Technologies Co., Ltd.	Development of in-vehicle platform, providing of application services	31,324	-	22,449	-	(585)	100.00%	100.00%	100.00%	(Note 20.2)	3,308	-	-
Shenzhen Keen High Technologies Ltd.	Manufacture of digital photo frame, MP3, MP4 and GPS	198,648	-	31,110	-	NA	15.17%	15.17%	15.17%	(Note 20.2)	-	-	-
Kunshan ChangNun Precision Die Casting Co., Ltd.	Sales and distribution of computer products and components	126,838	-	126,838	-	104,997	100.00%	100.00%	100.00%	(Note 20.2)	274,539	-	-
Wwvim Technology Service Kunshan Ltd.	Sales and distribution of Zn-Al Alloy precision casting process, LCD monitor of supporting frame and electronic tool series	173,981	-	-	-	(12,088)	14.48%	14.48%	14.48%	(Note 20.1)	6,815	-	-
ICA Inc.	Sales of electronic products, manufacture, sales, and maintenance of Intelligent terminals	10,659	-	10,659	-	20,408	50.84%	50.78%	50.78%	(Note 20.2)	39,604	-	-
Wistron Medical Tech (Chengung) CO., LTD.	Production of medical equipment	94,500	-	-	-	3,612	100.00%	100.00%	100.00%	(Note 20.2)	6,942	-	-
Wistron Investment (Suzhou) Co., Ltd.	Virtual image head-up display, high-power car interior high-power charging device	540,252 (Note 24)	-	-	-	(42,925)	33.41%	33.41%	33.41%	(Note 20.1)	134,592	-	-
XTRONCS(Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telemeatics	3,117,440 (Note 20)	-	3,117,440	-	578,226	100.00%	100.00%	100.00%	(Note 20.2)	9,266,824	-	-

(TWD : expressed in thousands)

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

2. Limitation on investment in Mainland China

Company	Accumulated amounts invested in Mainland China as of December 31, 2020 (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)
Wistron Corporation	28,497,764 (USD916,612,330)	26,384,136 (USD 924,886,321)&(CNY 4,000,000)	-

(TWD : expressed in thousands)

(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 BriVision 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 BriVision 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 Bri 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 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 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 TWD9,793); 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, 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 Optronics Corporation.

(Note 6) 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 7) The Board of Directors of Shenzhen Kesen 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 8) 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 the accumulated investment amount.

(Note 9) 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 the accumulated investment amounts.

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(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 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 the accumulated investment amounts.

(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 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 the accumulated investment amounts.

(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 TWD5,121) was included in the the accumulated investment amounts.

(Note 15) The amounts translated were using the spot rates on December 31, 2020.

(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) HSEIH - YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. merged with BriVision 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 HSEIH - 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 Weshtek Information Technology Services Co., Ltd., Shanghai (Weshtek), which entitled the Company to a full ownership of Weshtek.

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(Note 20) The indirect investment in Wistron Investment (Jiangsu) Co., Ltd. a holding company, through Win Smart Co. 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 TWD3,055,830) 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 USD 100,000,000 which had not been implemented was authorized by the Investment Commission on November 13, 2020.

(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 TWD179,436), was included in the accumulated investment amounts.

(Note 22) Wiywynn 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 CNY7,543,211, 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., 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 25) 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 26) 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 position, in the last year up till the publication date of this annual report : None.

7. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

7.1.1 2020vs. 2019 financial analysis

Unit : NT\$ thousands

Item	Year	2020.12.31	2019.12.31	Difference	
				Amount	%
Current assets		361,960,347	278,747,752	83,212,595	29.85
Net property, plant and equipment		36,572,342	40,673,093	(4,100,751)	(10.08)
Intangible assets		1,104,234	957,532	146,702	15.32
Other assets		29,185,522	23,797,958	5,387,564	22.64
Total assets		428,822,445	344,176,335	84,646,110	24.59
Current liabilities		313,699,489	238,928,971	74,770,518	31.29
Non-current liabilities		31,196,877	21,346,290	9,850,587	46.15
Total liabilities		344,896,366	260,275,261	84,621,105	32.51
Common stock		28,406,121	28,406,121	0	0.00
Capital surplus		25,760,011	24,681,872	1,078,139	4.37
Retained earnings		26,853,167	24,398,715	2,454,452	10.06
Other equity		(7,846,263)	(3,536,124)	(4,310,139)	(121.89)
Treasury stock		(1,607,259)	0	(1,607,259)	100.00
Equity attributable to owners of the company		71,565,777	73,950,584	(2,384,807)	(3.22)
Non-controlling interests		12,360,302	9,950,490	2,409,812	24.22
Total equity		83,926,079	83,901,074	25,005	0.03

7.1.2 Analysis for asset, liability and stockholders' equity balance change more than 20%, and the changed amount are more than NT\$10,000K

- (1) The increase in current assets was mainly due to increase in Cash and cash equivalents and Noncurrent assets held for sales.
- (2) The increase in other assets was mainly due to increase in Right-of-use assets and Advance payment for equipment.
- (3) The increase in current liabilities was mainly due to increase in Short-term loans and Liabilities directly associated with noncurrent assets held for sale.
- (4) The increase in non-current liabilities was mainly due to increase in Bonds payables and Long-term loans.
- (5) The decrease in other equity was mainly due to the decrease of exchange differences on translation of financial statements.
- (6) The increase in treasury stock was mainly due to purchase of treasury stock.
- (7) The increase in non-controlling interests was mainly due to the increase of net profit from subsidiaries.

7.2 Analysis of Financial Performance

7.2.1 2020 vs. 2019 operating result analysis

Unit : NT\$ thousands

Item	Year	2020	2019	Increasing (decreasing) amount	Change percentage (%)
Cost of sales	798,958,664	836,096,528	(37,137,864)	(4.44)	
Gross profit	46,053,180	42,158,550	3,894,630	9.24	
Operating expenses	31,582,118	28,858,705	2,723,413	9.44	
Operating income	14,471,062	13,299,845	1,171,217	8.81	
Non-operating income and expenses	2,374,313	(523,779)	2,898,092	553.30	
Profit before tax	16,845,375	12,776,066	4,069,309	31.85	
Income tax expenses	3,937,479	3,049,823	887,656	29.11	
Net profit	12,907,896	9,726,243	3,181,653	32.71	
Other comprehensive income, net of tax	(4,006,611)	253,372	(4,259,983)	(1,681.32)	
Total comprehensive income	8,901,285	9,979,615	(1,078,330)	(10.81)	
Net profit attributable to owners of the Company	8,681,762	6,800,768	1,880,994	27.66	
Total comprehensive income attributable to owners of the Company	4,822,894	7,111,916	(2,289,022)	(32.19)	

7.2.2 Analysis for change item amount change more than 20%

- (1) Increase in non-operating income and expenses : The increase was mainly due to the decrease of interest expense.
- (2) Increase in profit before tax, net profit and net profit attributable to owners of the Company : The increase was mainly due to the increase of operating income.
- (3) Decrease in other comprehensive income, net of tax: The decrease was mainly due to the decrease of exchange differences on translation of financial statements.
- (4) Increase in income tax expenses: The increase was mainly due to the increase of profit before tax.
- (5) Decrease in total comprehensive income and total comprehensive income attributable to owners of the Company: The decrease was mainly due to the decrease of exchange differences on translation of financial statements.

7.3 Cash flow

Change in consolidated cash flow in 2020:

Unit:NT\$ thousands

Cash beginning balance	Cash flow from operating activities	Cash flow (used in) investing & financing activities	Cash ending balance	Plan for cash ending balance shortage	
				Investment plan	Financing plan
47,411,947	(10,669,441)	29,461,295	66,203,801	-	-

7.3.1 Analysis of cash flow in 2020

- (1) Operating Activities: Cash flow-out mainly caused by increase in demand for inventory.
- (2) Investing Activities: Cash flow-out mainly caused by the acquisition of financial assets at fair value through profit or loss.
- (3) Financing Activities: Cash flow-in mainly caused by the increase in short-term loans.

7.3.2 Liquidity improvement plan

The Company showed no signs of liquidity deficit.

7.3.3 Analysis of cash liquidity in the coming year

To accommodate the financial market fluctuation and the funding needs for operation and investments, Company manage prudently the cash and other financial tools with the principle of maintaining the liquidity and safety.

7.4 Major Capital Expenditures and Impact on Financial and Business

7.4.1 Major Capital Expenditure and Sources of Funding

Unit : NT\$ thousands

Plan	Actual or planned source of capital	Total amount as of Dec 31, 2020	Status of Actual Use of Capital	
			2019	2020
Acquisition of property, plant and equipment	Cash Flow generated from operation	16,448,455	6,610,228	9,838,227

7.4.2 Expected Future Benefits

The investment in capital expenditure was for business growth as well as to expand capacity and to enhance productivity.

7.5 Investment Policies

The investments the company made were for long-term strategic plans. In 2020, the investment income recognized under equity method was NT\$447,126 thousands. The company will continue making long-term strategic investments through prudent assessment in order to reinforce its competitiveness.

7.6 Risk Management

7.6.1 How does interest rate, exchange rate, or inflation influence Company's profit and loss, and how to manage such risks?

Items	2019 (in thousand NT dollars)	2020 (in thousand NT dollars)
Interest Income	2,009,432	1,888,042
Interest Expense	4,810,821	2,348,171
Exchange loss/gain	340,011	1,501,119

By the end of 2020, the cash and short-term investment balance of the Company totaled about NT\$66.2 billion with short term borrowings about NT\$102 billion. We reinvested the surplus cash after considerable evaluation of risks involved, while watching closely the change of bank lending rates on a regular basis.

Around 99% of the Company's revenue is from exports and most is in U.S. dollars, and most of the Company's material purchases use U.S. dollars as well. Therefore, the majority of Company's foreign currency operating exposure can be mutually offset. In addition, the Company has used regular hedge activities to manage its foreign exchange risk, under proper risk management guidelines. Due to the fluctuation of the foreign exchange rate and hedging activities, the Company delivered a foreign exchange gain of approximately NT\$1,501 million last year.

There was no major inflation around the world during the 2020 and the Company has not experienced much in this regard.

The action plan to cope with impacts from interest rates, exchange rates, and inflation is:

- (1) Mutually offset foreign assets and liabilities to mitigate the exposure.
- (2) Well plan and arrange the funding in advance based on the company's business projection and cash flow forecast.
- (3) Apply suitable financial instruments, such as derivatives, to hedge the risks under proper guidelines.

7.6.2 What is the Company's policy to make high risk or leveraged investment, make a loan, make a guarantee or buy derivatives? And what are the reasons of gain or loss and what are the future plans

The Company has not performed any high-risk or highly leveraged investments in the past year. And the Company has not loaned funds and endorsed or guaranteed for any parties other than the subsidiaries which were restricted by Company's internal policies, and no loss has incurred. The Company performed derivatives transactions under the related guidelines of the Company, and the transactions were within our business scope.

Looking ahead, the Company will adhere to its existing principles, and not make high-risk and highly leveraged investments. We will only loan to other parties, endorse and guarantee for other parties under the Company's applicable regulations. The derivatives transactions will be performed strictly in compliance with the Derivatives Transaction Procedures set forth by the Company.

7.6.3 Future R&D Development Plan and Investment

All R&D plans for 2020 have been implemented during volume production related activities or have been submitted to the customers for verification after internal testing for possible future utilization. We will continue to invest in R&D for 2021 to meet business growth needs. The estimated investment ratio of R&D expense to revenue will be around 2% in 2021.

7.6.4 Effects of and Responsive actions to Changes in Policies and Regulations Relating to Finance and Operation

The Company paid close attention on any change in policies and regulations domestically or overseas that may affect operation and finance. Till the end of 2020, there was no such significant changes in policies and regulations which would bring negative influence.

7.6.5 Effects of and Responsive actions to Changes in Technology and the Industry Relating to Finance and Operation

There was no significant impact on finance and operation in the Company relating to recent technological and industrial changes.

7.6.6 Effects of and Responsive actions to Changes in Corporate Image Change on Our Risk Management

The most important factor of the Company's image is its integrity. Integrity is the fundamental principal in both our corporate culture and regulations, and has obtained recognition from the general public. Adhering to the integrity principle is beneficial to our risk management.

7.6.7 Expected benefits, risks and responsive measures of planned mergers or acquisitions

The Company selected appropriate target companies for merger and acquisition which highly aligned with future business development. By doing so the Company obtained effective risk control against business integration, investment results, financial performance and so on.

7.6.8 Expected Benefits and Risks Related to Plant Facility Expansions

We establish our worldwide operations and arrange production services in the most appropriate location to meet the needs of customers. In 2020, Wistron began projects to establish new manufacturing bases in Taiwan and Mexico, acquired a factory from Western Digital (Malaysia) Sdn. Bhd., and continuously increased the production percentage outside of China. These arrangements allow Wistron to take full advantage of the strengths of each country, enabling us to tailor-make products and services for different customers.

However, new operations will increase manufacturing overhead (i.e. purchasing equipment, staff recruiting, and training employees) and will have negative financial impact if future income is not enough to cover the increased overhead. In response to this risk, Wistron not only commits to upgrade the manufacturing processes, improve product quality, save resources, and provide better services, but also strengthens cooperation with customers to earn more business opportunities and improve the capacity utilization.

7.6.9 Supply and Distribution Concentration

Comparing to the peers, there are no concentration risk on the suppliers and customers except 100% owned subsidiaries.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

The shareholdings of the Company's directors have been stable during the last few years, and there have been no major transfers or swaps of shares.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

The company has a very healthy shareholder's structure: 42.74% stock shares are held by foreign investors, 18.46% by domestic institutional investors, 2.02% by treasury shares. They possess around 63.22% in the aggregate. In addition, the healthy shareholding structure of the Company lowers the risk of key management changes. We will do our best effort to improve corporate management to reward our shareholders with better performance. This is the key to our company's sustained development.

7.6.12 Does the Company or its directors, supervisors, general manager, key managers, shareholders with more than 10% shareholding or subsidiaries have any pending lawsuits or disputes which might significantly affect the shareholders' equity or share prices? If yes, what are the facts, claims, filing date, major parties and status upon publishing of this Report

In June of 2016, Alacritech filed an action against the Company in the United States District Court for the Eastern District of Texas. The accused products are servers and network interface devices. The litigation has been stayed pending the decision of the US Patent Trial and Appeal Board to review the validity of Alacritech's patent claims.

7.6.13 Information Security

A. Information Security Policy

In implementing ISO information security management, Wistron focuses on regulation compliance, standardize processes, employees training and deploy security technology.

It strengthens the security on data, information systems, and network. Moreover, it can protect critical business processes and systems from human-induced risks such as theft, improper use, leakage, alteration or destruction which caused by negligence, deliberate or natural disasters.

With this, we can ensure the commitment to shareholders/customers and company's business continuity.

B. Effective Functioning and Continuous Improvement Information Security Management

In order to prove security management effectiveness, we certified ISO 27001 ISMS (Information Security Management System) and apply continuous improvement plan. The management mechanism includes:

- (1) Develop related standards and SOP to enable the operations of the security management;
- (2) Apply security technologies to identify, protect, detect, respond and recover timely and effectively;
- (3) Establish a contingency and recovery operation process for the security incidents, so as to quickly isolate and eliminate threats and minimize the impact;
- (4) Rehearse critical application system disaster recovery plan to verify the effectiveness;
- (5) Enhance information security awareness and comprehensive of employee continuously by social engineering simulation and on-line training;
- (6) Perform internal and external audits periodically.

C. The Information Security and Network Risk Assessment

We refer to internal and external security issues, security incidents and audit results to perform risk assessment regularly, and come out improvement or countermeasure plan to eliminate or reduce risks.

D. The Impact and Response for Major Information Security Incidents

No major security incidents and no information or data breaches that involving customers' personally identifiable information, affecting customers, relating to fines/penalties paid in 2020.

Because of the ever-changing threats and attack techniques, we will pay attention on security information technology and apply proper, timely defense or solution, to ensure management with a consistently effective approach to dealing with information security weaknesses and events, ensure the resilience of information services, and eliminate the business impact.

7.6.14 Emerging Risks

From 2020 to 2021, the company has identified geopolitics, significant infectious disease outbreaks, and new technologies as items of emerging risk.

A. Geopolitics

As the competition between China and the United States heats up, international trade barriers have been raised against groups of nations. A series of measures such as tariff adjustment, import and export control, immigration control, localization of production bases, and shortening of supply chains have been in practice which heavily challenges the operational resilience of enterprises.

For Wistron and its customers, geopolitical conflicts not only increase manufacturing and transportation costs, but also put companies in great uncertainty in terms of talent management, supply chain management, tax burden, and regulatory environment.

Before the Sino-US relations turned sour, Wistron had established manufacturing sites in the Americas and Europe (Mexico and Czech Republic). With the intensification of the Sino-US trade war, Wistron speeded up its pace in globalization of production bases. Further than adding new non-Chinese manufacturing sites (India and Vietnam) and decentralizing supply chains, Wistron are paying more attention to follow-up development and ready to take immediate measures.

B. Significant infectious disease outbreaks

Owing to the threat of COVID-19 pandemic, the company has set up a dedicated anti-epidemic task force to monitor the development of global outbreaks and proactively take actions to adjust work methodologies, attendance policies, and business traveling to sustain smooth daily operations and support employees to avoid illness. In addition, the task force established various epidemic prevention strategies and contingency plans to minimize the impact to the company. Going forward, in view of the emergence of new infectious diseases and the huge impact of a global outbreak on our business operations, how to apply the latest technology to deal with such pandemic risk more quickly and efficiently has become a critical topic for the company's management.

C. New technologies

Wistron has actively invested and developed in cutting-edge technologies. Take the boom in ARM in recent years as an example. Tablets, laptops, desktops, and servers equipped with ARM architecture have received good feedback in terms of pricing, performance, and user experience. The optimistic results are also reflected in sales and market share which turns out to be a threatening sign to the traditional Intel x86 world.

Wistron's computer business (including laptops, desktops, servers, and data centers) accounted for 63% of total revenue. If this trend continues, it will erode the markets of Wistron's existing customers whose products are mainly x86 systems, and will also affect Wistron's revenue and profit.

Wistron has established a new technology development department to focus on the R&D of disruptive new technologies and integration of patented applications (such as ARM architecture product development), and has actively cooperated with world-class leading IT companies (processors, system platforms, etc.) on new product development projects in response to the rapid changes of market trends.

7.6.15 Other Risks : None.

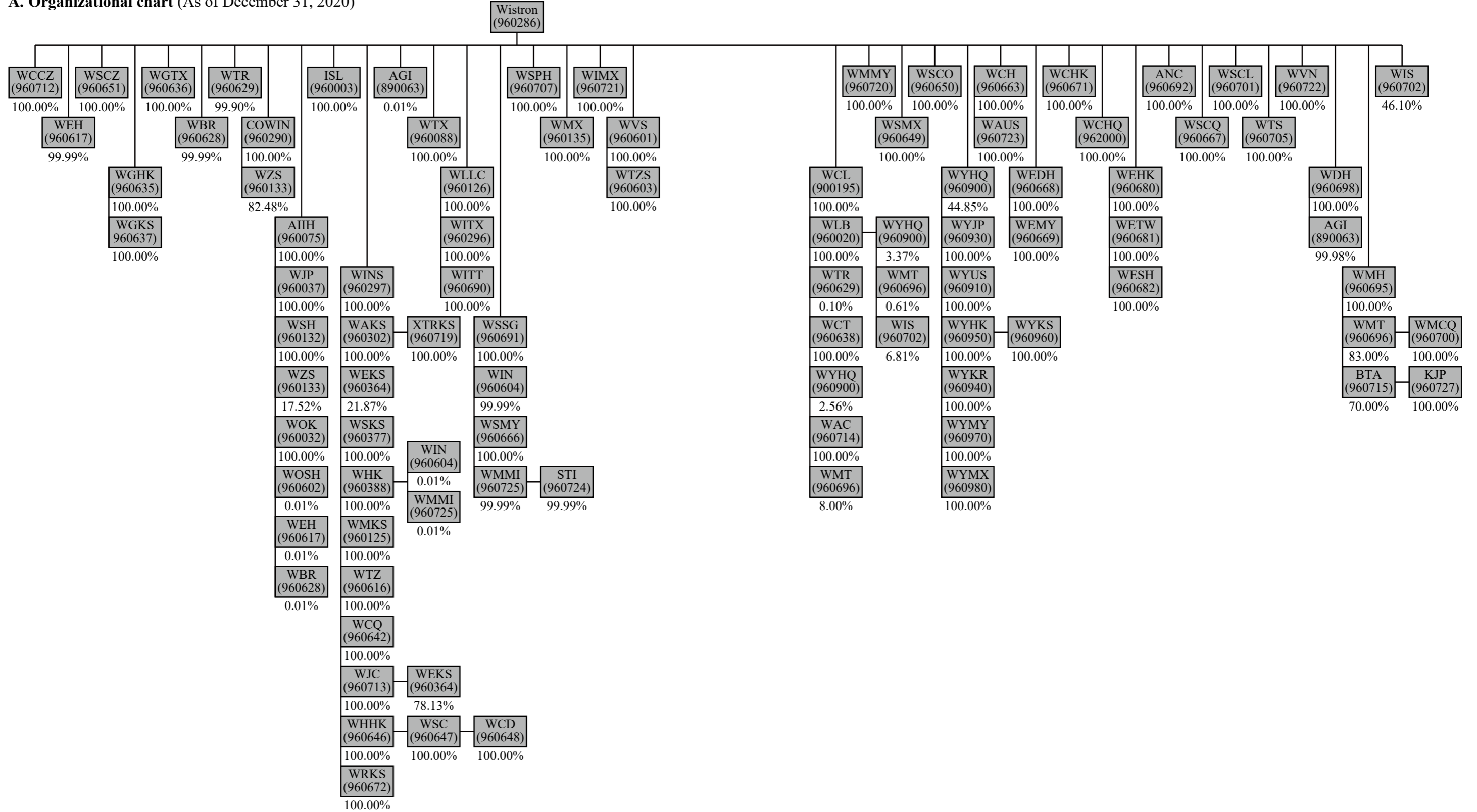
7.7 Other important matters : None.

8. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Consolidated business report

A. Organizational chart (As of December 31, 2020)



B. Backgrounds of affiliated enterprises

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
0	960286	WHQ	Wistron Corporation	2001.05.30	Taiwan	NTD	28,406,120,500	1.0000	Research, development, manufacturing and sale of computer and information products
1	890063	AGI	WiAdvance Technology Corporation	1994.04.25	Taiwan	NTD	140,000,000	1.0000	Software solution integrator
2	900195	WCL	Wise Cap Limited Company	1999.11.05	Taiwan	NTD	2,145,879,870	1.0000	Investment consultant and business management consultant
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	1986.10.28	Taiwan	NTD	24,344,620	1.0000	Safety and EMI test
4	960088	WTX	SMS Infocomm Corporation	1997.12.04	U.S.A.	USD	11,500,000	28.5080	Sales and maintenance service center in Northern America
5	960290	COWIN	Cowin Worldwide Corporation	2001.09.07	B.V.I.	USD	217,393,915	28.5080	Investment and holding
6	960075	AIIH	AII Holding Corporation	1994.12.21	B.V.I.	USD	347,485,701	28.5080	Investment, holding and trading business
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	1995.05.19	Philippines	USD	3,419,437	28.5080	Sales and maintenance service center in Asia
8	960135	WMX	Wistron Mexico S.A. de C.V.	1997.12.04	Mexico	USD	58,291,337	28.5080	Server and consumer electronics product manufacturing
9	960297	WINS	Win Smart Co., Ltd.	2001.09.07	B.V.I.	USD	484,065,492	28.5080	Investment and holding
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	1997.10.28	China	USD	234,000,000	28.5080	Manufacture and sales of information technology products
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	2001.09.27	China	USD	32,000,000	28.5080	Manufacture and sales of information technology products
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	1997.11.04	China	RMB	8,283,779	4.3691	Research, development, design, testing and sales of computers software
13	960037	WJP	Wistron K.K.	1993.12.16	Japan	JPY	90,000,000	0.2761	Sales and maintenance service center
14	960364	WEKS	Wistron InfoComm Manufacturing (Kunshan) Co., Ltd.	2004.02.10	China	USD	128,000,000	28.5080	Sales of mobile phone
15	960377	WSKS	Wistron Service (Kunshan) Corp.	2004.07.23	China	USD	360,000	28.5080	Sales and maintenance service center in Asia
16	960388	WHK	Wistron Hong Kong Limited	2005.05.07	H.K.	HKD	25,281,200	3.6774	Sales and maintenance service center
17	960032	WOK	Wistron Optronics (Kunshan) Co., Ltd.	2006.01.27	China	RMB	763,968,890	4.3691	Production of communication products and components
18	960020	WLB	LE BEN Investment Ltd.	2006.09.26	Taiwan	NTD	634,610,200	1.0000	Investment and business management consultant
19	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	2007.01.03	Czech	USD	5,822,040	28.5080	Electronic product manufacturing
20	960296	WITX	Wistron InfoComm Technology (America) corporation	2007.08.21	U.S.A.	USD	49,500,000	28.5080	Sales of electronic information products
21	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	2008.01.25	Singapore	USD	157,489,410	28.5080	Sales and maintenance service center
22	960126	WLLC	Wistron LLC	2003.06.26	U.S.A.	USD	69,360,000	28.5080	Investment and holding
23	960125	WMKS	SMS (Kunshan) Co., Ltd	2008.03.13	China	RMB	173,809,000	4.3691	Sales and maintenance service center in Mainland China
24	960601	WVS	WisVision Corporation	2008.06.03	B.V.I.	USD	12,005,000	28.5080	Investment and holding
25	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	2008.07.11	China	RMB	27,641,180	4.3691	Sales of communication products and components
26	960604	WIN	ICT Service Management Solutions (India) Private Limited	2008.09.26	India	INR	143,436,020	0.3916	Sales and maintenance service center

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
27	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	2008.11.07	China	RMB	13,670,560	4.3691	Human resource services and sales of LCD Monitor
28	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	2009.08.24	China	USD	160,000,000	28.5080	Manufacture and sales of LCD monitor and touch display module
29	960617	WEH	Wistron Europe Holding Cooperatie U.A.	2010.02.22	Netherlands	EUR	34,922,836	35.0192	Investment and holding
30	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	2010.08.13	Brazil	BRL	37,247,500	5.4823	Sales and maintenance service center
31	960629	WTR	SMS InfoComm Technology Services Limited Company	2010.08.18	Turkey	TRY	2,200,000	3.8613	Sales and maintenance service center
32	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	2010.07.27	H.K.	USD	33,500,000	28.5080	Investment and holding
33	960636	WGTX	Wistron GreenTech (Texas) Corporation	2010.08.25	U.S.A.	USD	13,005,000	28.5080	Recycling service of information technology products
34	960637	WGKS	Wistron Advanced Materials (Kunshan) Co., Ltd.	2010.11.30	China	USD	32,000,000	28.5080	Research, manufacturing, and sales of electronic regeneration ecofriendly plastic goods
35	960638	WCT	Creator Technology B.V.	2010.12.31	Netherlands	EUR	12,100,000	35.0192	Research and development
36	960720	WMMY	Wistron Technology (Malaysia) Sdn.Bhd.	2011.03.22	Malaysia	USD	64,244,648	28.5080	Consumer electronic product manufacturing
37	960646	WHHK	Wistron Hong Kong Holding Limited	2011.05.05	H.K.	USD	89,550,000	28.5080	Investment and holding
38	960642	WCQ	Wistron InfoComm (Chongqing) Co.Ltd.	2011.04.28	China	USD	19,800,000	28.5080	Assembly and sales of Notebook computer
39	960649	WSMX	Service Management Solutions Mexico SA DE CV	2011.07.05	Mexico	MXN	36,429,340	1.4346	Sales and maintenance service center
40	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	2011.11.24	Czech	CZK	242,200,000	1.3335	Sales and maintenance service center
41	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2011.07.11	China	USD	83,500,000	28.5080	Investment and holding
42	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2011.08.05	China	USD	80,000,000	28.5080	Assembly and sales of Notebook computer
43	960650	WSCO	Service Management Solutions Colombia S.A.S.	2011.12.01	Colombia	COP	5,562,754,500	0.0081	Sales and maintenance service center
44	960900	WYHQ	Wiwynn Corporation	2012.03.03	Taiwan	NTD	1,746,367,910	1.0000	Research, development, sale, and service of information products
45	960663	WCH	Wistron Mobile Solutions Corporation	2012.12.14	U.S.A.	USD	20,000,000	28.5080	Investment and rental
46	960930	WYJP	Wiwynn Technology Service Japan , Inc.	2013.03.01	Japan	JPY	20,000,000	0.2761	Sale of electronic products
47	960910	WYUS	Wiwynn International Corporation	2013.02.11	U.S.A.	USD	1,690,100	28.5080	Sale of electronic products
48	960668	WEDH	WiEDU Holding Co., Ltd.	2013.06.06	Seychelles	USD	5,700,000	28.5080	Investment and holding
49	960669	WEMY	WIEDU SDN. BHD.	2013.06.11	Malaysia	MYR	21,086,150	7.0898	Development and sales of information technology products and related software
50	960671	WCHK	WiseCap (Hong Kong) Limited	2013.08.16	Hong Kong	USD	7,512,894	28.5080	Investment and holding
51	962000	WCHQ	Anwith Technology Corporation	2013.09.11	Taiwan	NTD	10,000,000	1.0000	Sale and maintenance of computer products and electronic information products
52	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	2013.11.22	China	USD	2,000,000	28.5080	Research and development of electronic calculator and other electronic products
53	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	2013.09.11	Hong Kong	USD	400,000	28.5080	Investing and sales of data storage equipment
54	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	2014.02.12	China	RMB	2,156,350	4.3691	Sales of electronic products
55	960666	WSMY	SMS INFOCOMM (MALAYSIA) SDN. BHD.	2013.03.21	Malaysia	MYR	4,590,897	7.0898	Sales and maintenance service center

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
56	960680	WEHK	WiEdu Hong Kong Limited	2014.07.21	Hong Kong	USD	15,140,200	28.5080	Investment and holding
57	960681	WETW	WIEDU CORPORATION	2014.11.14	Taiwan	NTD	5,000,000	1.0000	Development of internet platform and sales, consultant and providing of application services
58	960682	WESH	Weshtek Information Technology Services Co., Ltd., Shanghai	2014.12.08	China	RMB	6,236,300	4.3691	Development of internet platform, providing of application services and consulting services
59	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	2015.09.17	U.S.A.	USD	19,510,000	28.5080	Sales of electronic information products
60	960695	WMH	Wistron Medical Tech Holding Company	2016.04.19	Taiwan	NTD	2,800,000,000	1.0000	Investment and holding
61	960698	WDH	Wistron Digital Technology Holding Company	2016.04.12	Taiwan	NTD	1,976,710,000	1.0000	Investment and holding
62	960940	WYKR	Wiwynn Korea Ltd.	2016.05.03	Korea	KRW	100,000,000	0.0262	Sale of electronic products
63	960696	WMT	Wistron Medical Technology Corporation	2016.08.01	Taiwan	NTD	500,000,000	1.0000	Manufacturing of medical instruments
64	960692	ANC	Anwith Corporation	2016.01.07	U.S.A.	USD	750,000	28.5080	Sales and maintenance of mobile phone
65	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	2016.09.14	China	RMB	20,323,200	4.3691	Production of medical equipments
66	960701	WSCL	SMS INFOCOMM CHILE SERVICIOS LIMITADA	2016.09.08	Chile	CLP	2,211,000,000	0.0395	Sales and maintenance service center
67	960667	WSCQ	SMS InfoComm (Chongqing) Co., Ltd.	2016.10.19	China	USD	4,000,000	28.5080	Sales and distribution of computer products and components
68	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	2017.07.13	Malaysia	MYR	2,050,200	7.0898	Sale of electronic products
69	960705	WTS	Wistron Technology Service (America) Corporation	2017.08.30	U.S.A.	USD	350,000	28.5080	Development of new business and customer service
70	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	2018.02.18	India	USD	100,000,015	28.5080	Information and communication products manufacturing
71	960714	WAC	Abilliant Corporation	2018.11.14	Taiwan	NTD	16,000,000	1.0000	Manufacturing, wholesale and retail of electronic related products
72	960980	WYMX	Wiwynn Mexico S.A. de C.V.	2019.02.14	Mexico	MXN	31,053,440	1.4346	Human resource service
73	960715	BTA	B Temia Asia Pte Ltd.	2019.04.02	Singapore	USD	6,071,428	28.5080	Sales of medical device
74	960713	WJC	Wistron Investment (Jiangsu)CO., Ltd.	2019.06.27	China	USD	100,000,000	28.5080	Investment and holding
75	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd.	2019.10.29	China	RMB	32,000,000	4.3691	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telematics
76	960723	WAUS	Wistron AiEDGE Corporation	2020.02.18	U.S.A.	USD	3,270,000	28.5080	Edge computing R&D
77	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	2020.03.01	Mexico	USD	7,008,663	28.5080	Real property rental and management
78	960727	KJP	Keeogo Japan K.K.	2020.05.28	Japan	JPY	30,000,000	0.2761	Exoskeleton product device
79	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	2020.06.03	Vietnam	USD	45,000,000	28.5080	Assembly and sales of Notebook and LCD monitor
80	960724	STI	Smartiply India Private Limited	2020.10.13	India	INR	18,785,100	0.3916	Product and platform development of Internet of things
81	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	2020.11.14	Taiwan	NTD	388,000,000	1.0000	Design, sales and service of network communication products

C. Common Shareholders among Controlling and Controlled Entities : None.

D. 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:

- (A) 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;
- (B) video and internet telephones, video conferencing equipment and telecommunication equipment;
- (C) digital satellite TV receivers, set - top boxes, digital video decoders and multi – media appliance products;
- (D) digital cameras, CD - ROM drives and DVD - ROM drives;
- (E) wireless receiver products (mobile phones, wireless LAN cards, and Bluetooth communication modules);
- (F) LCD TVs and other electronic audio & visual products;
- (G) design and merchandising of computer software and programs;
- (H) import and export trade relevant to the business of this company;
- (I) maintenance and cleaning of electronics products;
- (J) recycling of electronic waste;
- (K) in vitro diagnostic device, physiological signal diagnostic device and medical data system;
- (L) manufacturing, processing and selling of electronic products for automobile

E. Backgrounds of directors, supervisors and presidents of affiliated enterprises: as of the publication date of annual report

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
1	890063	AGI	WiAdvance Technology Corporation	Director	Wistron Corporation Legal Representative: Robert Hwang David Shen Michael Hsia	13,998,977	99.99
2	900195	WCL	Wise Cap Limited Company	Supervisor Director	Stone Shih Wistron Corporation Legal Representative: Frank F.C. Lin Stone Shih Donald Hwang	NT\$2,145,879,870	100.00
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	Director Supervisor	Wistron Corporation Legal Representative: Robert CL Lin Felix Lai York Liang Wistron Corporation Legal Representative: Fred Chiu	2,434,462	100.00
4	960088	WTX	SMS Infocomm Corporation	Director	Jeff Lin Peter Tung Phil Huang	4,832,686	100.00
5	960290	COWIN	Cowin Worldwide Corporation	Director	Jeff Lin Robert CL Lin Jackie Lai	217,393,915	100.00
6	960075	AIIH	AII Holding Corporation	Director	Robert Hwang Donald Hwang Stone Shih	347,485,702	100.00
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	Director	Robert Hwang Ya-Ling Hsu William Lin Ricky Kuan Wallice Wang	139,567,270	100.00
8	960135	WMX	Wistron Mexico S.A. de C.V.	Director	Jeff Lin Peter C.L. Chao Jackie Lai	160,043,715	100.00
9	960297	WINS	Win Smart Co., Ltd.	Director	Robert Hwang Jeff Lin David Shen	484,065,492	100.00
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$234,000,000	100.00
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$32,000,000	100.00
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	Director Supervisor	Robert Hwang Stone Shih	US\$1,000,000	100.00
13	960037	WJP	Wistron K.K.	Director Supervisor	Andy TC Kuo Jeff Lin Peter Tung Fred Chiu	JPY\$90,000,000	100.00
14	960364	WEKS	Wistron InfoComm Manufacturing (Kunshan) Co., Ltd.	Director Supervisor	David Shen Jeff CW Lin James Chou Lydia Liang	US\$128,000,000	100.00
15	960377	WSKS	Wistron Service (Kunshan) Corp.	Director Supervisor	Jeff Lin Peter Tung Audy Yeh Fred Chiu	US\$360,000	100.00
16	960388	WHK	Wistron Hong Kong Limited	Director	Jeff Lin	25,281,200	100.00
17	960032	WOK	Wistron Optronics (Kunshan) Co., Ltd.	Director Supervisor	David Shen Vincent Cho James Chou Lydia Liang	US\$119,800,000	100.00
18	960020	WLB	LE BEN Investment Ltd.	Director	Wise Cap Limited Company Legal Representative: Frank F.C. Lin Stone Shih Donald Hwang	NT\$634,610,200	100.00

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
19	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	Director	Eric Lin	NT\$121,527,451	100.00
20	960296	WITX	Wistron InfoComm Technology (America) corporation	Director	Jeff Lin Peter C.L. Chao Stone Shih	4,950,000	100.00
21	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	Director	Peter Tung Eileen Chan	157,489,410	100.00
22	960126	WLLC	Wistron LLC	Director	Stone Shih	6,936,000	100.00
23	960125	WMKS	SMS (Kunshan) Co., Ltd	Director	Jeff Lin Peter Tung Karl Chang	US\$27,000,000	100.00
				Supervisor	Fred Chiu		
24	960601	WVS	WisVision Corporation	Director	David Shen Jeff Lin Jackie Lai	12,005,000	100.00
25	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	Director	David Shen	US\$4,300,000	100.00
				Supervisor	Lydia Liang		
26	960604	WIN	ICT Service Management Solutions (India) Private Limited	Director	Jeff Lin Peter Tung Daniel CN Chen	14,343,602	100.00
					Juo-Ching, Lu		
27	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	Director	Jeff Lin David Shen Jackie Lai	US\$2,000,000	100.00
				Supervisor	Lydia Liang		
28	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	Director	David Shen Vincent Cho James Chou	US\$160,000,000	100.00
				Supervisor	Lydia Liang		
29	960617	WEH	Wistron Europe Holding Cooperatie U.A.	Director	Robert Hwang	EUR\$34,922,836	100.00
30	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	Director	Corey Chen	BRL\$37,247,500	100.00
31	960629	WTR	SMS InfoComm Technology Services Limited Company	Director	Kevin IK Kao	TRY\$2,200,000	100.00
32	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	Director	David Shen	33,500,000	100.00
33	960636	WGTX	Wistron GreenTech (Texas) Corporation	Director	Jeff Lin Peter Tung Jerry NT Wang	13,005	100.00
34	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	Director	David Shen Vincent Cho Steven SH Huang	US\$32,000,000	100.00
				Supervisor	Lydia Liang		
35	960638	WCT	Creator Technology B.V.	Director	Donald Hwang	EUR\$12,100,000	100.00
36	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	Director	David Shen Eric YH Huang Howard Liu	267,425,000	100.00
37	960646	WHHK	Wistron Hong Kong Holding Limited	Director	Jeff Lin	89,550,000	100.00
38	960642	WCQ	Wistron InfoComm (Chongqing) Co. Ltd.	Director	Jeff Lin Robert CL Lin Jackie Lai	US\$19,800,000	100.00
				Supervisor	Fred Chiu		
39	960649	WSMX	Service Management Solutions Mexico SA DE CV	Director	Jeff Lin Peter Tung Corey Chen	36,429,340	100.00
40	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	Director	Eric Hsiao	CZK\$242,200,000	100.00
41	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	Director	Jeff Lin Robert CL Lin Jackie Lai	US\$83,500,000	100.00
				Supervisor	Fred Chiu		
42	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	Director	Jeff Lin Robert CL Lin Jackie Lai	US\$80,000,000	100.00
				Supervisor	Fred Chiu		
43	960650	WSCO	Service Management Solutions Colombia S.A.S.	Director	Corey Chen	US\$3,100,000	100.00
44	960900	WYHQ	Wiwynn Corporation	Director	Wistron Corporation Legal Representative: Simon Lin Frank F.C. Lin Emily Hong Sunlai Chang Steven Lu	88,777,569	50.78

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
45	960663	WCH	Wistron Mobile Solutions Corporation	Independent director	Charles Kao Zeng,Chui-Ji Han,Jing-Shi Zheng,Zhong-Ren	20,000	100.00
46	960930	WYJP	Wiwynn Technology Service Japan , Inc.	Director	Donald Hwang Brian Chong Eric YH Huang	203	50.78
47	960910	WYUS	Wiwynn International Corporation	Director	Emily Hong	85,823,278	50.78
48	960668	WEDH	WiEDU Holding Co., Ltd.	Director	Emily Hong Robin Wang Hsu,Ruei-Chang	5,700,000	100.00
49	960669	WEMY	WIEDU SDN. BHD.	Director	Robert Hwang	21,236,150	100.00
50	960671	WCHK	WiseCap (Hong Kong) Limited	Director	Robert Hwang	58,445,950	100.00
51	962000	WCHQ	Anwith Technology Corporation	Director	Frank F.C. Lin Robert Hwang Stone Shih	1,000,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Jeff Lin Peter Tung Ted Chiu		
52	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Director	Wistron Corporation Legal Representative: Fred Chiu	US\$2,000,000	100.00
				Supervisor	David Shen Eric YH Huang James Chou		
53	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	Director	Lydia Liang	203,120	50.78
54	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	Director	Emily Hong	US\$177,730	50.78
				Supervisor	Harry Chen		
55	960666	WSMY	SMS INFOCOMM (MALAYSIA) SDN. BHD.	Director	Peter Tung	4,590,895	100.00
56	960680	WEHK	WiEdu Hong Kong Limited	Director	Robert Hwang ° Charles Hsu	16,426,000	100.00
57	960681	WETW	WIEDU CORPORATION	Director	WiEdu Hong Kong Limited Legal Representative: Robert Hwang David Shen Charles Hsu	500,000	100.00
				Supervisor	WiEdu Hong Kong Limited Legal Representative: Stone Shih		
58	960682	WESH	Weshtek Information Technology Services Co., Ltd., Shanghai	Director	Robert Hwang	US\$1,000,000	100.00
				Supervisor	Stone Shih		
59	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	Director	Jeff Lin Stone Shih Peter C.L. Chao	1,951,000	100.00
60	960695	WMH	Wistron Medical Tech Holding Company	Director	Wistron Corporation Legal Representative: Robert Hwang Frank F.C. Lin Donald Hwang	280,000,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Stone Shih		
61	960698	WDH	Wistron Digital Technology Holding Company	Director	Wistron Corporation Legal Representative: Simon Lin Frank F.C. Lin Donald Hwang	197,671,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Stone Shih		

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
62	960940	WYKR	Wiwynn Korea Ltd.	Director	Emily Hong	10,156	50.78
63	960696	WMT	Wistron Medical Technology Corporation	Director	Wistron Medical Tech Holding Company	45,806,000	91.61
				Supervisor	Legal Representative: Robert Hwang Frank F.C. Lin Donald Hwang Wistron Medical Tech Holding Company Legal Representative: Stone Shih		
64	960692	ANC	Anwith Corporation	Director	Jeff Lin Peter Tung Jerry NT Wang	75,000	100.00
65	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	Director	Robert Hwang Gem Hsieh C.K. Lin	US\$2,748,300	91.61
				Supervisor	Lydia Liang		
66	960701	WSCL	SMS INFOCOMM CHILE SERVICIOS LIMITADA	Director	Corey Chen Robert Hwang William Lin	US\$3,000,000	100.00
67	960667	WSCQ	SMS InfoComm(Chongqing) Co.,Ltd.	Director	Jeff Lin Peter Tung Audy Yeh	US\$4,000,000	100.00
				Supervisor	Fred Chiu		
68	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	Director	Joe Chiao Robin Wang	1,041,092	50.78
69	960705	WTS	Wistron Technology Service (America) Corporation	Director	William Lin	35,000	100.00
70	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	Director	David Shen Lydia Liang V Lee Sudipto Gupta Senthil Iyyamperumal Kumar	710,507,000	100.00
71	960714	WAC	Abilliant Corporation	Director	Wise Cap Limited Company Legal Representative: Donald Hwang James C.C. Yu Jeff Lee Wise Cap Limited Company Legal Representative: Stone Shih	1,600,000	100.00
				Supervisor			
72	960980	WYMX	Wiwynn Mexico S.A. de C.V.	Director	Emily Hong Robin Wang	MXN\$15,768,937	50.78
73	960715	BTA	B Temia Asia Pte Ltd	Director	Frank F.C. Lin Stephane Bedard Chan May Yoke	2,375,000	70.00
74	960713	WJC	Wistron Investment (Jiangsu)CO., Ltd.	Director	David Shen Stone Shih James Chou	US\$100,000,000	100.00
				Supervisor	Lydia Liang		
75	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	Director	Jheng,Sian-Cong Jeff Lin Robert CL Lin	RMB\$32,000,000	100.00
				Supervisor	Fred Chiu		
76	960723	WAUS	Wistron AiEDGE Corporation	Director	Wistron Mobile Solutions Corporation Legal Representative: David Shen	327,000	100
77	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	Director	Jeff Lin Peter C.L. Chao Jackie Lai	13,340,990,012	100
78	960727	KJP	Keeogo Japan K.K.	Director	Gem Hsieh Andy TC Kuo Stephane Bedard	JPY\$42,000,000	70
				Supervisor	Fred Chiu		
79	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	Director	Jeff Lin Robert CL Lin Dennis Hung	US\$45,000,000	100

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
80	960724	STI	Smartiply India Private Limited	Director	Sudipto Gupta	1,878,410	99.99
81	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	Director	Wistron Corporation Legal Representative: David Shen Howard Liu	20,531,000	52.92
				Supervisor	Lydia Liang		

F. Performance of affiliated enterprises:

Unit: NT\$ thousands

No.	Code	Brief Name	Name of Company	Capital stock	Total assets	Total liabilities	Net Worth	Operating revenues	Operating income	Net profit (after-tax)	Earnings Per Share (in dollar)
0	960286	Wistron	Wistron Corporation	28,406,121	328,961,653	257,395,876	71,565,777	687,686,152	1,667,656	8,681,762	3.10
1	890063	AGI	WiAdvance Technology Corporation	140,000	244,377	149,273	95,105	700,137	(63,799)	(52,414)	(3.05)
2	900195	WCL	Wise Cap Limited Company	2,145,880	2,512,466	83,377	2,429,089	0	(276)	315,729	NA
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	24,345	189,010	103,309	85,701	174,631	20,206	15,400	6.33
4	960088	WTX	SMS Infocomm Corporation	327,842	3,516,209	1,847,721	1,668,488	4,693,953	197,060	146,687	29.36
5	960290	COWIN	Cowin Worldwide Corporation	6,197,466	16,924,355	1,354,315	15,570,040	53,659,003	(269)	1,338,509	232.34
6	960075	AIH	AII Holding Corporation	9,906,122	60,242,814	55,216,831	5,025,983	202,908,634	(192,021)	0	NA
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	97,481	689,601	621,727	67,874	697,539	(61,642)	(66,828)	NA
8	960135	WMX	Wistron Mexico S.A. de C.V.	1,661,769	1,391,686	224,340	1,167,347	1,667,139	152,150	(152,019)	0.01
9	960297	WINS	Win Smart Co., Ltd.	13,799,739	46,457,215	12,903,440	33,553,775	0	(65)	2,954,754	5.89
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	6,670,872	54,016,712	35,316,223	18,700,489	119,612,566	538,009	1,556,137	NA
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	912,256	33,490,250	22,960,372	10,529,879	78,758,620	97,715	1,337,956	NA
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	36,193	81,706	37,607	44,099	56,435	(6,039)	(8,149)	NA
13	960037	WJP	Wistron K.K.	24,849	1,343,581	1,060,785	282,795	1,483,984	61,377	60,295	6,682.46
14	960364	WEKS	Wistron InfoComm Manufacturing (Kunshan) Co., Ltd.	3,649,024	45,748,306	33,627,826	12,120,480	125,462,073	49,865	732,880	NA
15	960377	WSKS	Wistron Service (Kunshan) Corp.	10,263	1,345,560	643,268	702,292	3,286,744	55,134	76,037	NA
16	960388	WHK	Wistron Hong Kong Limited	92,969	107,119	22,963	84,156	65,350	3,401	3,744	0.14
17	960032	WOK	Wistron Optronics (Kunshan) Co., Ltd.	3,337,856	7,454,540	3,912,701	3,541,839	52,105,449	26,042	165,504	NA
18	960020	WLB	LE BEN Investment Ltd.	634,610	958,907	148	958,759	0	(182)	285,382	NA
19	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	165,975	4,392,912	2,371,274	2,021,639	852,919	238,697	99,048	NA
20	960296	WITX	Wistron InfoComm Technology (America) corporation	1,411,146	18,349,417	16,333,403	2,016,014	27,891,512	65,541	23,558	4.56
21	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	4,489,708	8,519,119	5,434,256	3,084,863	2,958,898	66,991	(808,148)	(5.99)
22	960125	WMKS	SMS (Kunshan) Co., Ltd	1,977,315	2,588,495	1,782	2,586,713	0	(3,108)	22,750	9.69
23	960126	WLLC	Wistron LLC	759,389	2,378,195	568,572	1,809,623	2,424,181	79,342	96,195	NA
24	960601	WVS	WisVision Corporation	342,239	670,682	0	670,682	0	(166)	126,027	10.13
25	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	120,767	74,935	3,965	70,970	694,783	1,394	414	NA
26	960604	WIN	ICT Service Management Solutions (India) Private Limited	56,170	2,251,569	1,181,043	1,070,525	4,231,373	979	(65,333)	(4.48)
27	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	59,728	2,114,907	1,527,899	587,008	4,812,458	133,557	123,851	NA
28	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	4,561,280	5,104,235	9,322,986	(4,218,751)	6,135,578	(105,229)	(706,188)	NA
29	960617	WEH	Wistron Europe Holding Cooperatie U.A.	1,222,970	412,220	933	411,287	9,853	470	(431)	NA
30	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	204,243	1,152,671	817,984	334,687	2,241,997	179,093	23,653	NA
31	960629	WTR	SMS InfoComm Technology Services Limited Company	8,495	89,645	7,694	81,952	34,960	6,525	18,212	759.75
32	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	955,108	33,613	27	33,586	0	(2,518)	(26,263)	(0.86)
33	960636	WGTX	Wistron GreenTech (Texas) Corporation	370,747	633,860	499,216	134,643	513,335	42,496	22,909	1,699.65
34	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	912,256	797,877	774,531	23,346	619,063	(32,613)	(23,745)	NA
35	960638	WCT	Creator Technology B.V.	423,732	115,262	(12)	115,274	0	(11,686)	(245,105)	NA
36	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	1,831,486	4,652,423	3,596,513	1,055,910	4,390,702	(484,442)	(524,182)	NA
37	960646	WHHK	Wistron Hong Kong Holding Limited	2,552,891	6,882,213	0	6,882,213	0	(1)	1,075,385	11.69
38	960642	WCQ	Wistron InfoComm (Chongqing) Co., Ltd.	564,458	18,478,977	13,215,661	5,263,316	47,181,539	65,432	851,275	NA
39	960649	WSMX	Service Management Solutions Mexico SA DE CV	52,262	273,032	378,804	(105,772)	468,092	59,934	(59,424)	(1.70)

No.	Code	Brief Name	Name of Company	Capital stock	Total assets	Total liabilities	Net Worth	Operating revenues	Operating income	Net profit (after-tax)	Earnings Per Share (in dollar)
40	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	322,974	2,456,639	2,071,218	385,422	4,670,717	79,613	67,328	NA
41	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2,380,418	6,666,315	22	6,666,293	0	(21)	1,071,204	NA
42	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2,280,640	41,855,014	35,296,648	6,558,366	178,051,527	300,440	1,068,931	NA
43	960650	WSCO	Service Management Solutions Colombia S.A.S.	45,058	25,460	198	25,263	31	(3,621)	(2,924)	NA
44	960900	WYHQ	Wiwynn Corporation	1,748,408	49,848,891	25,334,968	24,513,923	79,017,070	10,801,869	8,609,657	49.25
45	960663	WCH	Wistron Mobile Solutions Corporation	570,160	490,972	36,675	454,298	532	(22,007)	(58,356)	(2,815.17)
46	960930	WYJP	Wiwynn Technology Service Japan, Inc.	5,522	902,848	746,603	156,245	1,977,558	43,059	29,233	121,494.39
47	960910	WYUS	Wiwynn International Corporation	48,181	21,721,264	16,662,048	5,059,217	146,603,439	322,731	77,028	0.57
48	960668	WEDH	WiEDU Holding Co., Ltd.	162,496	2,259	0	2,259	0	(41)	(50)	NA
49	960669	WEMY	WIEDU SDN. BHD.	149,497	1,178	0	1,178	0	(9)	(9)	NA
50	960671	WCHK	WiseCap (Hong Kong) Limited	214,178	259,487	0	259,487	0	0	14,788	0.29
51	962000	WCHQ	Anwith Technology Corporation	10,000	47,377	37,176	10,201	84,088	(592)	(1,323)	(1.27)
52	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	57,016	135,205	3,408	131,797	128,817	4,305	8,189	NA
53	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	11,403	265,477	74,442	191,035	713,184	21,209	34,676	83.53
54	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	9,421	89,988	11,833	78,155	769,007	24,065	20,498	NA
55	960666	WSMY	SMS INFOCOMM (MALAYSIA) SDN. BHD.	32,549	1,798	71	1,727	0	(118)	(116)	NA
56	960680	WEHK	WiEdu Hong Kong Limited	431,617	(51,162)	0	(51,163)	0	(29,602)	(56,580)	(3.71)
57	960681	WETW	WIEDU CORPORATION	5,000	66,829	122,405	(55,576)	149,912	(20,161)	(26,421)	(2.46)
58	960682	WESH	Weshtek Information Technology Services Co., Ltd., Shanghai	27,247	4,612	1,304	3,308	384	(573)	(565)	NA
59	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	556,191	975,825	432,797	543,029	82,232	3,891	2,300	1.14
60	960695	WMH	Wistron Medical Tech Holding Company	2,800,000	1,816,252	262	1,815,990	0	(584)	(97,956)	NA
61	960698	WDH	Wistron Digital Technology Holding Company	1,976,710	2,091,484	733	2,090,751	30	(529)	86,193	0.74
62	960940	WYKR	Wiwynn Korea Ltd.	2,620	192,690	108,825	83,865	643,961	18,604	14,521	757.87
63	960696	WMT	Wistron Medical Technology Corporation	500,000	678,982	286,060	392,922	312,632	1,294	(1,662)	(0.03)
64	960692	ANC	Anwith Corporation	21,381	20,533	26	20,507	45,391	(2,333)	(2,354)	(30.22)
65	960700	WMCQ	Wistron Medical Tech (Chongqing) CO, LTD.	88,794	162,262	141,943	20,319	117,280	7,621	3,612	NA
66	960701	WSCL	SMS INFOCOMM CHILE SERVICIOS LIMITADA	87,335	29,801	0	29,801	139	727	(2,051)	NA
67	960667	WSCQ	SMS InfoComm(Chongqing) Co., Ltd.	114,032	3,259,316	2,984,777	274,539	6,979,403	82,966	104,997	NA
68	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	14,536	13,927	0	13,927	0	(230)	(230)	NA
69	960705	WTS	Wistron Technology Service (America) Corporation	9,978	24,002	10,365	13,637	62,928	2,997	1,642	45.33
70	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	2,850,800	20,720,407	18,686,244	2,034,163	4,256,541	(685,369)	(808,466)	(1.58)
71	960714	WAC	Abilliant Corporation	16,000	16,269	1,281	14,988	1,363	(874)	(870)	(0.54)
72	960980	WYMX	Wiwynn Mexico S.A. de C.V.	44,549	191,575	152,939	38,636	226,569	10,546	(4,688)	(1.57)
73	960715	BTA	B Temia Asia Pte Ltd.	173,084	111,597	23,081	88,515	9,718	(52,082)	(41,927)	(10.26)
74	960713	WJC	Wistron Investment (Jiangsu)CO., Ltd.	2,850,800	9,485,573	35,036	9,450,537	0	(8,979)	578,926	NA
75	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	139,811	1,859,596	1,751,955	107,641	817,038	(31,644)	(19,511)	NA
76	960723	WAUS	Wistron AiEDGE Corporation	93,221	114,078	73,085	40,993	0	(53,448)	(54,128)	(165.28)
77	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	199,803	1,603,180	462,418	1,140,763	127,717	15,356	290,555	21.02
78	960727	KJP	Keeogo Japan K.K.	8,283	14,745	1,423	13,322	6	(3,248)	(3,252)	(2,703.02)
79	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	1,282,860	2,586,955	1,318,162	1,268,793	0	(7,876)	(14,579)	NA
80	960724	STI	Smartply India Private Limited	7,356	17,889	9	17,880	7,094	(1,485)	(1,563)	(0.82)
81	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	388,000	838,473	341,382	497,092	758,191	30,122	25,469	0.66

8.1.2 Consolidated Financial Statements Covering Affiliated Enterprises

Please refer to the annual report (p.141-262)

8.1.3 Reports on Affiliations : None.**8.2 Private Placement Securities in the Most Recent Years** : None.**8.3 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years** : None.**8.4 Other matters that require additional description** : None.

9. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one : None.

⁹ If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one



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