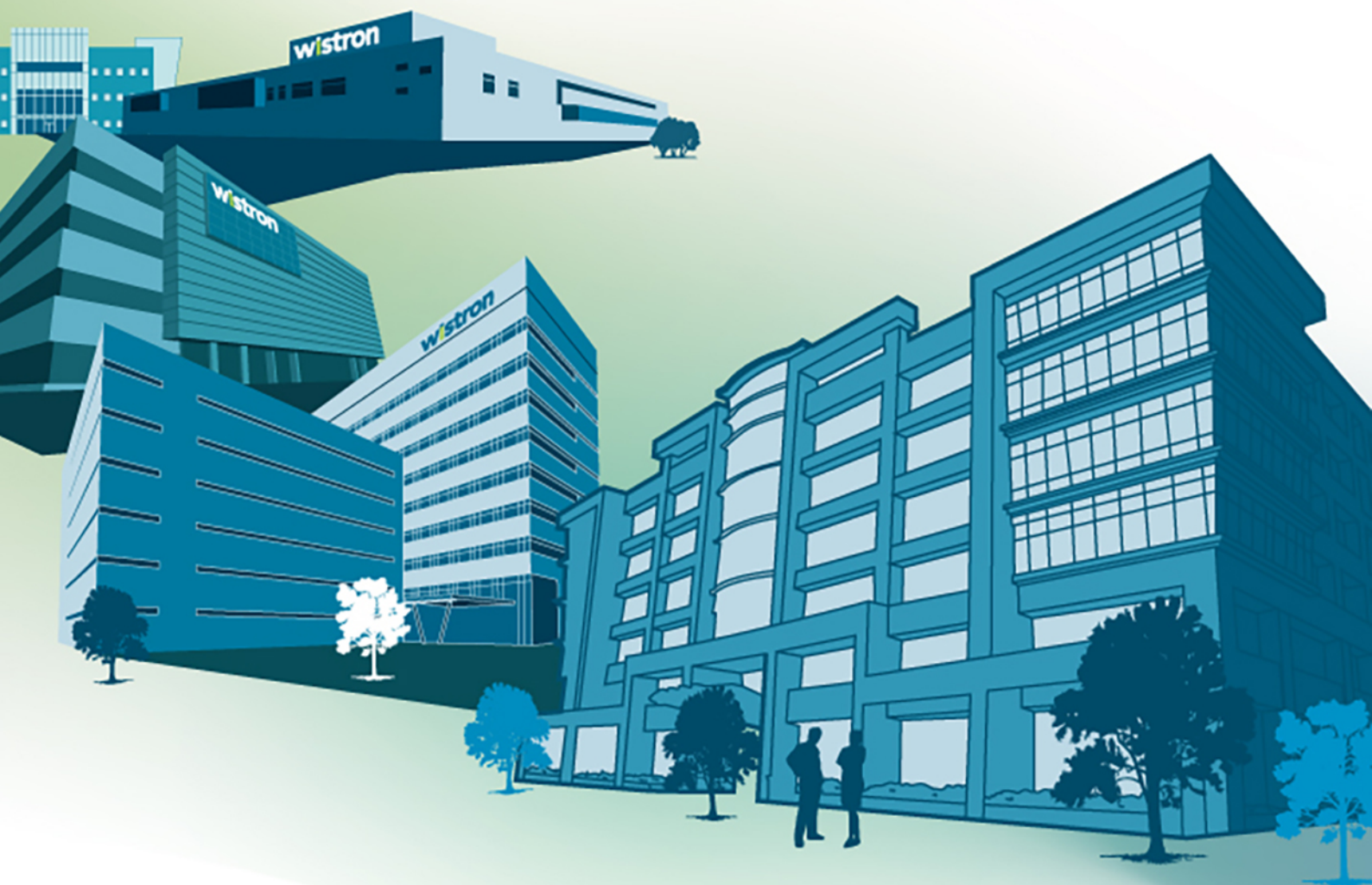


# Wistron Corporation 2022 Annual Report

Taiwan Stock Exchange Market Observation Post System: <https://emops.twse.com.tw>  
Wistron annual report is available at <https://www.wistron.com>

Published Date April 30 , 2023



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Wistron Corp. (Headquarters, NeiHu)	158, Singshan Rd., Neihu, Taipei, 11469, Taiwan, R.O.C.	886-2-6616-9999
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# 1. Letter to Shareholders

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Dear Shareholders,

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

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

### **2022 Financial and Operation Results**

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

### **Sustainability**

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

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

### **2023 Business and Operation Focus**

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

- (1) **Enhancing the speed and scale of entry into new markets**  
In addition to maintaining its leading position in the computer industry, Wistron is also striving to expand its presence in emerging technology fields, with the aim of achieving more diverse sources of revenue and profits. We closely monitors technology trends, actively engages in industry-academia collaborations, and continues to expand its investment in cutting-edge technology research and development. The projects cover emerging fields with future potential such as network communication, AI computation, technology services, green energy and environmental protection, Industry 4.0, and intelligent automobiles.
- (2) **Continuing the globalization of the supply chain**  
To enhance the resilience of the supply chain and respond to customer needs, Wistron plans to expand its manufacturing scale in Vietnam, Mexico, and Taiwan. We will strategically integrate resources and suppliers from various regions to achieve the overall optimization of cost control and management efficiency.
- (3) **Incorporating innovation into the corporate culture**  
Wistron has long encouraged employees to engage in research and development and innovation, and has improved the transparency and integrity of the patent process systemically, focusing on an efficient global patent portfolio to strengthen its business competitiveness and explore future development opportunities. Wistron has been selected as one of the Top 100 Global Innovators by Clarivate Analytics for two consecutive years, which demonstrates its research and development innovation achievements and capabilities that have been well recognized internationally.
- (4) **Focusing on ESG 6-pillar strategies**  
In order to pursue sustainability for our company and turn ESG issues into positive impacts on the environment and society, we have developed ESG 6-pillar strategies that are most in line with Wistron's future sustainability: including "Sustainable supply base", "Green products", "Recycling", "Decarbonization", "People with purpose", and "Labor welfare". We have also set specific short-, medium-, and long-term goals, launched various initiatives, and taken proactive actions to implement sustainability.

## **Outlook for the Future**

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

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

Chairman



# **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. 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.

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. Our extensive technology services include 5G, AI, Metaverse related applications, Electric and Autonomous Vehicles, as well as Industry 4.0.

Wistron was founded on May 30, 2001. With 65,000 employees in various R&D, manufacturing and after-sales service facilities in North America, Europe, and Asia, Wistron's revenue in 2022 was NTD\$984.62 billion.

Wistron was listed as a Fortune Global 500 company in 2011, 2012, and from 2018 to 2022. In 2018, Wistron was recognized as one of The 100 Global Technology Leaders by Thomson Reuters, and one of Top 100 Global Innovators by Clarivate in 2022 and 2023. Since 2009, Forbes Magazine has included Wistron among Global 2000 for 14 consecutive years (2009-2022). As recognition for digitalization methods facilitating growth and sustainability, Wistron's Kunshan manufacturing site joined the World Economic Forum's Global Lighthouse Network in 2021, then Wistron Zhongshan joined Global Lighthouse Network in 2023.

Wistron values corporate sustainability and long-term value for our stakeholders. For sustainable practices in terms of environmental, social, and governance factors in the industry of technology hardware, storage and peripherals, Wistron has been rated A since 2021 by MSCI ESG Ratings, and was selected as MSCI Emerging Markets IMI ESG Screened Index Constituent. For five consecutive years (5th to 9th round), Wistron was recognized as reaching the top 5% of evaluated companies with regards to corporate governance performance, and selected to the FTSE4Good TIP Taiwan ESG Index. Wistron was rated "A list", leadership level of climate change as well as management level of water security by CDP questionnaire, and was selected as 2022 CDP Supplier Engagement Leader. Moreover, Wistron actively participates in S&P Global Corporate Sustainability Assessment, and excelled in the Computers & Peripherals and Office Electronics industry on a global scale. Wistron has become Dow Jones Sustainability Emerging Markets Index constituent since 2022. From 2022 to 2023, Wistron has been included in the S&P Global Sustainability Yearbook, and was recognized as Top 5% and Industry Mover in 2023. The recognitions Wistron garnered have made it a global leader in sustainable development.

In addition, The CommonWealth Magazine presented Wistron the Excellence in Corporate Social Responsibility awards for 13 consecutive years from 2010 to 2022, and Wistron won fourth place among large enterprises in 2022. Wistron received the Taiwan Corporate Sustainability Awards (TCSA) for sustainability reporting from 2019 to 2021. In 2022, the company was awarded the Top 100 Domestic Companies Sustainability Model Award, the Platinum Level in the Electronics Information Manufacturing Industry for its sustainability report, as well as the Innovation and Growth Leadership Award by TCSA. From 2021 to 2022, we won the Best Companies to Work for in Asia awarded by HR Asia for our efforts in fostering a diversified and inclusive workplace and gaining more competitive edges.

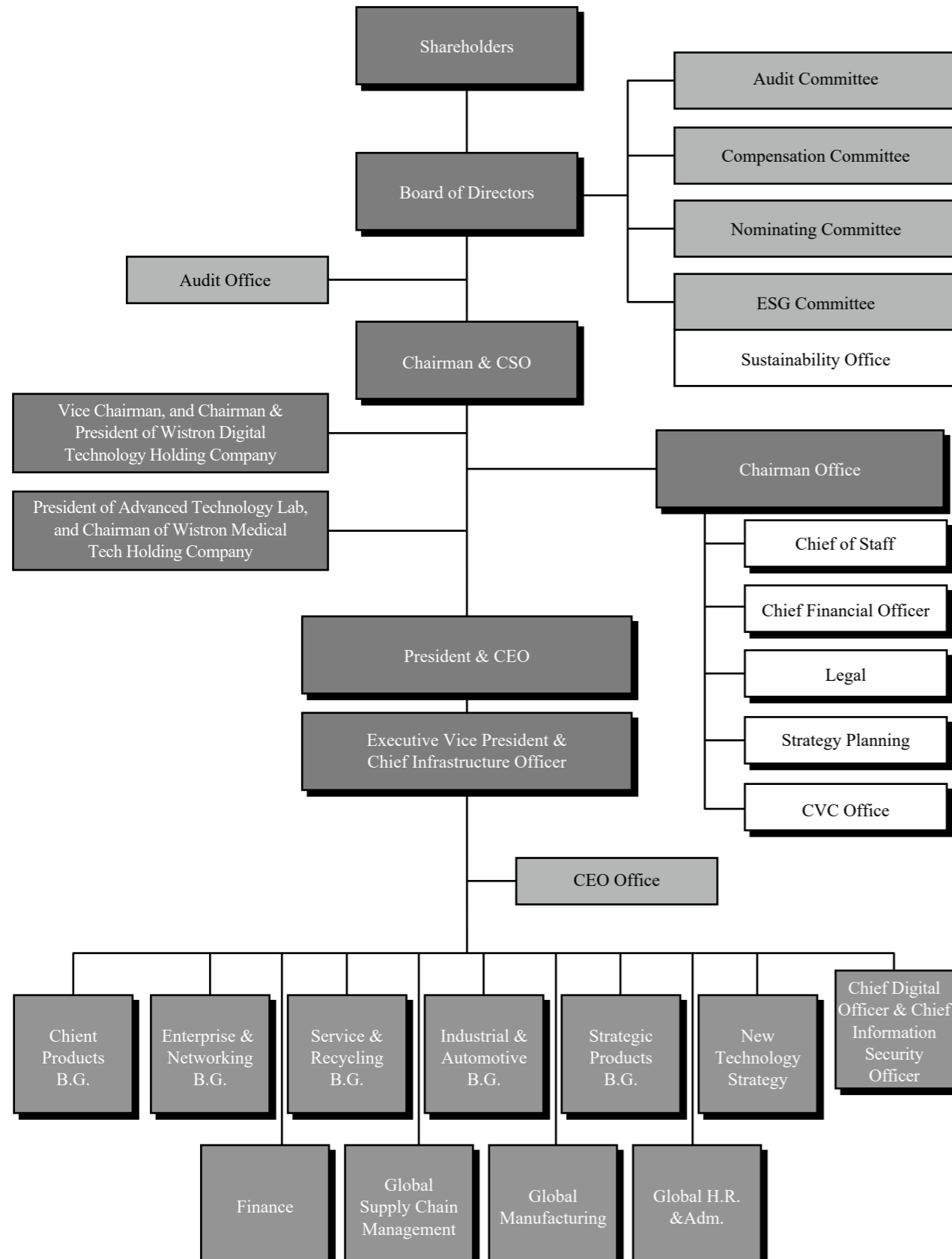
# 3. Corporate Governance Report

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### 3.1 Organization

#### 3.1.1 Organization Chart



#### 3.1.2 Department functions

Department	Main responsibilities
Audit office	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. Assist the Audit Committee to supervise the implementation of internal control system and corporate governance.</li> </ol>
Sustainability Office	Responsible for corporate sustainability implementation, follow issues of concern to various stakeholders, and coordinate communication and integration of sustainability strategies, goals, and initiatives to fulfill the company's vision, mission, and core values.
Vice Chairman Office	<ol style="list-style-type: none"> <li>1. Ensure that the investment and management of team members of the Digital Technology Holding presents growing commercial value.</li> <li>2. Manage the performance and goals of the internal innovation and incubation teams, and assist the external innovation teams in the achievements of mass production tasks and business model optimization.</li> </ol>
Advanced Technology Lab	Responsible for advanced technology, new energy research, advanced medical equipment research and industry-academia partnerships.
Chief of Staff	Being responsible for implementation, functional control and optimization of policies and corporate governance of the Board of Directors, and assists the Chairman & CSO to evaluate and analyze external investment and business performance for the Company and its subsidiaries to achieve corporate goals.
Chief Financial Officer	<ol style="list-style-type: none"> <li>1. Coordinate the company's fund collection and payment, financing scheduling and currency hedging to support operational needs.</li> <li>2. Responsible for operations of fund management.</li> <li>3. Coordinate and establish the financial operation system of our group.</li> </ol>
Legal	<ol style="list-style-type: none"> <li>1. In charge of drafting and reviewing legal documents and providing advocacy, governance, and compliance services for related business.</li> <li>2. Managing patent rights, copyrights, trademarks, technology licensing and other intellectual property related business of our company.</li> </ol>
Strategy Planning Office	Responsible for the company's overall strategic planning, growth direction, efficiency enhancement and long-term development.
CVC Office	Manage corporate venture capital (CVC) and post-investment management (PIM) related operations.



Department	Main responsibilities
Chief Digital Officer & Chief Information Security Officer	1. Integrate digital technology and develop the strategy of digital transformation and cyber security to accelerate the company's digital innovation. 2. Information security strategy planning, control, and management.
Client Products Business Group	Product management, development, manufacturing, and marketing for personal computer, display products and peripheral.
Enterprise & Networking Business Group	Product management, development, manufacturing, and marketing for server, storage, and networking products.
Service & Recycling Business Group	Providing consultant support of after sales service, end-to-end solution including spare parts supply, repair, refurbish, recycle and refinery. Helping customers improve end-user satisfaction and social environmental responsibility.
Industrial & Automotive Business Group	1. Responsible for R&D, design and production of industrial PC, professional display products and automobile electronics. 2. Product planning, development, manufacturing, and marketing for commercial/industrial grade and B2B connected products.
Strategic Products Business Group	Product management, development, manufacturing, and marketing for smart device products.
New Technology Strategy	In charge of Strategic Alliance and Business/Technology Integration, for application areas of Server/Industrial, Cockpit/Automotive, ESG Green Materials, and AIoT.
Finance	Finance, accounting service, tax service, and providing reports to profit units.
Global Supply Chain Management	Global supplier purchasing, quality control and tooling management.
Global Manufacturing	Global production operations, manufacturing capacity allocation, and efficiency enhancement among factories.
Global H.R. & Administration	Responsible for global human resources, employee communication, training, general affairs, and other related matters in the company.

## 3.2. Directors, Supervisors and Management Team

### 3.2.1 Directors (April 17, 2023)

Title	Nationality or registered	Name	Gender & Age	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 61~70	07/20/2021	3	05/23/2001	42,599,252	1.47	42,599,252	1.47	1,544	0.00	0	0.00	Bachelor Degree from National Chiao Tung University President of Acer Inc.	Chairman & CSO of Wistron Corp. Chairman of Wiyynn Corp. Director of Gamania Digital Entertainment Co., Ltd. Independent Director of Elan Microelectronics Corp. Independent Director of Powerchip Semiconductor Manufacturing Corp. Chairman of Wistron Green Energy Holding Company	-	-	-	-
Vice Chairman	Republic of China	Robert Hwang	Male 61~70	07/20/2021	3	06/08/2006	9,757,628	0.34	10,917,628	0.38	179,005	0.01	0	0.00	Executive MBA Training Program at National Chengchi University Bachelor Degree in Industrial Engineering from Ta-Tung Institute of Technology Vice President of Acer Inc.	Vice Chairman of Wistron Corp. Chairman and President of Wistron Digital Technology Holding Company Chairman of WiAdvance Technology Corporation Chairman of WiEdu Corp. Chairman of Wistron InfoComm (Shanghai) Corp. Chairman of Win Smart Co., Ltd. Chairman of WiEdu Hong Kong Limited Director of Ikala Global Online Corp.	-	-	-	-
Director	Republic of China	Wistron NeWeb Corp.	-	07/20/2021	3	06/14/2018	28,796,209	0.99	28,796,209	0.99	-	-	0	0.00	-	-	-	-	-	
	Republic of China	Representative: Haydn Hsieh	Male 61~70	07/20/2021	3	06/09/2005	-	-	1,122,911	0.04	13,271	0.00	0	0.00	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. Independent Director of Raydium Semi-conductor Corp. Director of Apacer Technology Inc. Director of aEnrich Technology Corp. Director of WNC Holding Corporation Director of NeWeb Holding Corporation	-	-	-	-
Director	Republic of China	Philip Peng	Male 61~70	07/20/2021	3	06/14/2018	360,870	0.01	1,108,870	0.04	0	0.00	200,000	0.01	Master Degree in business administration from National Chengchi University Senior Vice President & CFO of Acer Inc. President of iD SoftCapital 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. Director of Cruise10 Co. Ltd. Supervisor of Allxon Inc.	-	-	-	-
Independent Director	Republic of China	Jack Chen	Male 61~70	07/20/2021	3	06/14/2018	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Degree in electrical engineering from National Taiwan University Chairman of Spirox Corp. Chairman of RDC Semiconductor Co., Ltd.	Independent Director of Wistron Corp. Director of Spirox Corp. Director of RDC Semiconductor Co., Ltd. Director of Taiwan Oasis Technology Co., Ltd. Director of Browave Corp.	-	-	-	-

Title	Nationality or registered	Name	Gender & Age	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
Independent Director	Republic of China	S. J. Paul Chien	Male Above71	07/20/2021	3	06/14/2018	0	0.00	0	0.00	0	0.00	0	0.00	Master Degree in Chemical Engineering from Massachusetts Institute of Technology Chairman & President of Vanguard International Semiconductor Corp.	Independent Director of Wistron Corp. Independent Director of Nan Ya Printed Circuit Board Corp. Director of Ultra Chip, Inc. Chairman of FUCHU General Contractor Corp. Chairman of FUCHU Investment Corp. Director of Neuchips Inc.	-	-	-	-
Independent Director	Republic of China	Christopher Chang	Male Above71	07/20/2021	3	06/14/2018	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor Degree in college of law from National Chengchi University Chairman of Continental Development Corp.	Independent Director of Wistron Corp. Managing Director of Grand River Development Limited Director of Sanlien Educational Foundation	-	-	-	-
Independent Director	Republic of China	Sam Lee	Male 51~60	07/20/2021	3	06/14/2018	0	0.00	0	0.00	0	0.00	0	0.00	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 DFI Inc. Chairman of ILI Technology Corp. Chairman of MagiCapital (Taiwan) Ltd. Chairman of MagiCap Venture Capital Co., Ltd. Chairman of Deus Investments Limited Chairman of Belos Investments Limited Chairman of AchiCapital Management Limited Chairman of Shinehill Investment Holdings Limited	-	-	-	-
Independent Director	Republic of China	Peipei Yu	Female 51~60	07/20/2021	3	07/20/2021	0	0.00	0	0.00	0	0.00	0	0.00	Master Degree in college of Business Administration from University of British Columbia Managing Director of Goldman Sachs (Asia) L.L.C. Chairman of Zoyi Venture Capital Co., Ltd	Independent Director of Wistron corp. Independent Director of Cathay Financial Holding Co., Ltd. Independent Director of Cathay Life Insurance Co., Ltd. Independent Director of Cathay Century Insurance Co., Ltd. Chairman of Vigor Kobo Co., LTD. Director of Hong Ting Investment Management Limited Director of SmartBee Intelligence Company Ltd. Director of CMVT Ltd.	-	-	-	-

**Major shareholders of the institutional shareholders**

April 9, 2023

Name of Institutional Shareholders	Major Shareholders	%
Wistron NeWeb Corporation	Wistron Corporation	21.48
	Yuanta Securities (Hong Kong) Company Limited-CLIENT ACCOUNT	2.90
	Chang Gung Medical Foundation	2.81
	Labor Pension Fund (New Scheme)	2.80
	Mercuries Life Insurance Co., Ltd.	1.92
	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.-Equity Trading Division (Proprietary Trading Desk)	1.65
	Saudi Central Bank - BlackRock Financial Management Inc. as external fund manager	1.64
	Haydn Hsieh	1.48
	Chunghwa Post Co., Ltd.	1.42
	J.P. Morgan Securities Plc	1.40

**Major shareholders of the Company's major institutional shareholders**

April 17, 2023

Name of Institutional Shareholders	Major Shareholders	%
Wistron Corporation	Yuanta Taiwan Dividend Plus ETF	4.68
	Labor Pension Fund	2.47
	Acer Incorporated	1.89
	J.P. Morgan Securities PLC	1.63
	Fubon Taiwan high dividend 30 ETF	1.62
	Taipei Fubon Bank Trust Account (employee share ownership trust)	1.49
	BNP Paribas Arbitrage S.N.C.	1.49
	Lin Hsien-Ming	1.47
	Taipei Fubon Bank Trust Account (employee restricted stock awards)	1.38
	Fubon Life Insurance Co., Ltd.	1.38

March 31, 2023

Name of Institutional Shareholders	Major Shareholders	%
Chang Gung Medical Foundation	Nan Ya Plastics Corp.	18.20
	Formosa Chemicals & Fibre Corp.	14.01
	Formosa Plastics Corp.	13.44
	Wang Yung-Tsai(Note)	11.38
	Wang Yung-Ching(Note)	7.44

Note: Donor has passed away.

April 17, 2023

Name of Institutional Shareholders	Major Shareholders	%
Mercuries Life Insurance Co., Ltd.	Mercuries & Associates Holding, Ltd	34.23
	Shanglin Investment Co., Ltd.	4.23
	Shuren Investment Co., Ltd.	4.10
	Mercury Fu Bao Co., Ltd.	2.66
	Mercuries & Associates Co., Ltd.	1.50
	Lee Chien-Hsiung	0.86
	Bank SinoPac is entrusted with the investment account of SanDong Investment Co., Ltd	0.78
	J.P. Morgan Chase Bank as Custodian of Vanguard Emerging Market Stock Index Fund Account	0.65
	Chase as Custodian of Advanced Starlight Advanced Aggregate International Stock Index	0.63
	First Bank is entrusted with the investment account of YaFei Co., Ltd.	0.62

March 31, 2023

Name of Institutional Shareholders	Major Shareholders	%
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100

**Professional qualifications and independence analysis of directors**

Criteria Name	Professional Qualification and Experience	Independence Criteria	Number of other public companies in which the individual is concurrently serving as an independent director
Simon Lin	Chairman Mr. Simon Lin previously held many important positions in Acer Group, including the President of Acer Inc. He has extensive industry experience and leadership. Currently, he is also the Chief Strategy Officer of Wistron to in charge of strategic planning, and promoting long-term development of the Company. In 2020, Industrial Technology Research Institute recognized Simon as ITRI Laureate.	1. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 2. Not been a person of any conditions defined in Article 30 of the Company Law.	2
Robert Hwang	Mr. Robert Hwang currently serves as Vice Chairman. He has accumulated over 25 years of industry experience at Sampo, Acer computers and Wistron Corporation. He is also in charge of Wistron Growth Incubator and digital transformation. He is dedicated to the integration of smart devices, cloud services, and value-added platform systems that drive Wistron's transformation into a Technology Service Provider.		0
Wistron NeWeb Corp. Representative: Haydn Hsieh	Mr. Haydn Hsieh has also previously held many important positions in Acer Group, as well as the president of the Mobile Computing Business Unit at Acer. He is the currently the Chairman and CSO of Wistron NeWeb Corporation. He has rich leadership and decision-making capabilities.		1
Philip Peng	Mr. Philip Peng was the Chief Financial Officer at Acer and President of iD SoftCapital Inc. providing business consulting, fund management, and asset management services; he not only has experience within the technology sector, but also has professional financial expertise.		2

Criteria Name	Professional Qualification and Experience	Independence Criteria	Number of other public companies in which the individual is concurrently serving as an independent director
Jack Chen	Mr. Jack Chen used to be one of the founders of RDC Semiconductor Co., Ltd. and Spirox Corp., and is now the director of Spirox Corp.. He has expertise within the semiconductor industry, and has enhance leadership and decision-making skills.	All of the independent directors are meet the independent criteria as following during the two years before being elected or during the term of office: 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 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.	0
S. J. Paul Chien	Mr. S. J. Paul Chien has served important management positions such as R&D, engineering, business and marketing in Intel and TSMC, and was previously the Chairman of Vanguard International Semiconductor Corporation. He has expertise in the high-precision wafer foundry industry and well connections.	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 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.	1
Christopher Chang	Mr. Christopher Chang graduated college of law from National Chengchi University. He was the Chairman of Continental Development Corp. with expertise in law, real estate development and construction management.	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.	0
Sam Lee	Mr. Sam Lee served as the Executive vice president of Yuanta Securities Co., Ltd. and Managing Director of Citigroup Global Markets Securities. He is currently the Chairman of MagiCapital (Taiwan) Ltd. and MagiCap Venture Capital Co., Ltd., with financial professional background. He specializes in mergers and acquisitions, international investment and joint ventures, and is familiar with financial markets and industry.	8. 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. 9. 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.	0
Peipei Yu	Ms. Peipei Yu served as the Managing Director of Goldman Sachs (Asia) L.L.C. and Chairman of Zoyi Venture Capital Co., Ltd.. She also had professional financial background and rich experience in investment and mergers and acquisitions.	10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 11. Not been a person of any conditions defined in Article 30 of the Company Law. 12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	3

### Diversity Status of the composition of Directors

#### 1. Diversity Policy, management objectives and the goals achieved:

##### (1) Diversity Policy of Board of Directors members:

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. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

A. Basic requirements and values: Gender, age, nationality, race, and culture.

B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The composition of the board shall give due attention to the principles of gender equality, and its members shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

A. Ability to make operational judgment.

B. Ability to perform accounting and financial analysis.

C. Ability to conduct management administration.

D. Ability to conduct crisis management.

E. Industrial knowledge.

F. International market perspective.

G. Ability to lead.

H. Ability to make decisions.

## (2) The management objectives of diversity policy and the goals achieved

Wistron has a total of 9 directors, of which 22% are employees; 56% are independent directors. 1 and 4 independent director tenure average below and above 3 years respectively. 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, Mr. Sam Lee and Ms. Peipei Yu 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 aspects. 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. And Wistron has also elected at one female independent director in 2021 Annual Shareholders' Meeting.

Name	Item	Gender	Wistron Employee	Age			Independent Director Tenure			Operational judgment	Accounting and financial analysis	Management administration	Crisis management	Industrial knowledge	International market perspective	Leadership	Decision making	Law
				51~60	61~70	Above 71	Below 3 years	Above 3 years										
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	v		
S. J. Paul Chien		Male				v		v	v		v	v	v	v	v	v		
Christopher Chang		Male				v		v	v		v	v	v	v	v	v	v	
Sam Lee		Male		v				v	v	v	v	v	v	v	v	v		
Peipei Yu		Female		v				v	v	v	v	v	v	v	v	v		

## 2. Status of independence of the board of directors

Wistron's board of directors of our company consists of 9 directors, of which five are independent directors. There is no situation as described in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act among the directors.

## 3.2.2 Management Team (April 17, 2023)

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	0.00	0	0.00	Bachelor	Reference to the information of Board of Directors.	-	-	-	-
Vice Chairman	Republic of China	Robert Hwang	Male	01/01/2002	10,917,628 (Note 5)	0.38	179,005	0.01	0	0.00	Master	Reference to the information of Board of Directors.	-	-	-	-
President & CEO	Republic of China	Jeff Lin	Male	04/10/2015	2,669,481	0.09	0	0.00	1,321,000	0.05	Master	Director of Global Lighting Technologies Inc. Chairman of Anwith Technology Corp. Chairman of Kaohsiung Opto-Electronics Inc. Chairman of WiBASE Industrial Solutions Inc. Director of WiSuccess Asset Management Corporation Overseas companies current positions summary (Note 1)	-	-	-	-
Executive Vice President & Chief Infrastructure Officer	Republic of China	David Shen	Male	06/08/2007	1,506,000 (Note 6)	0.05	14,848	0.00	0	0.00	Master	Director of WiEdu Corp. Director of Wistron Digital Technology Holding Company Overseas companies current positions summary (Note 2)	-	-	-	-
Chief of Staff	Republic of China	Frank F.C. Lin	Male	01/01/2002	3,549,569 (Note 7)	0.12	8,199	0.00	0	0.00	Bachelor	Director of Wistron NeWeb Corp. Director of Wistron Information Technology and Services Corporation Director of Wiwynn Corporation Chairman of WiseCap Ltd. Chairman of LE BEN Investment Ltd. Chairman of WiSuccess Asset Management Corporation Director of Wistron Medical Tech Holding Company Director of Wistron Medical Technology Corporation Director of Wistron Digital Technology Holding Company Director of Wistron Green Energy Holding Company Director of Changing Information Technology Inc. Director of Mayaminer Company 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. Director of B-Temia Asia Pte Ltd. Chairman of WiseCap (Hong Kong) Limited Director of Hartec Asia Pte. Ltd. Director of Hukui Biotechnology Corporation	-	-	-	-
President of Advanced Technology Lab	Republic of China	Donald Hwang	Male	01/01/2002	3,278,561 (Note 8)	0.11	0	0.00	0	0.00	Master	Director of Wistron NeWeb Corp. Chairman of Abilliant Corporation Chairman of Wistron Medical Tech Holding Company Chairman of Wistron Medical Technology Corporation Chairman of AiSails Power Inc. Director of WiseCap Ltd. Director of LE BEN Investment Ltd. Director of Mayaminer Company Ltd. Director of Free Bionics Taiwan Inc. Director of Apollo Medical Optics, Ltd. Director of aniWARE Company Limited Director of Wistron Green Energy Holding Company Chairman of Wistron Medical Tech (Chongqing) Co., Ltd. Director of Wistron Mobile Solutions Corp. Director of Wistron Medical Technology Malaysia Sdn. Bhd. Director of Tube Inc. Director of Free Bionics, Inc Director of Apollo Medical Optics Inc. Director of B-Temia Inc. Director of B-Temia Asia Pte. Ltd.	-	-	-	-
Chief Digital Officer & Chief Information Security Officer	Republic of China	Kenny Wang	Male	06/08/2007	871,607 (Note 9)	0.03	-	-	0	0.00	Bachelor	None	-	-	-	-



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 Financial Officer	Republic of China	Stone Shih	Male	07/15/2003	3,531,489	0.12	2,649	0.00	0	0.00	Master	Director of WiseCap Ltd. Director of LE BEN Investment Ltd. Supervisor of Abilliant Corporation Supervisor of WiEdu Corp. Supervisor of WiAdvance Technology Corporation Supervisor of Wistron Digital Technology Holding Company Supervisor of Wistron Medical Tech Holding Company Supervisor of Wistron Medical Technology Corporation Supervisor of Kaohsiung Opto-Electronics Inc. Supervisor of WiSuccess Asset Management Corporation Overseas companies current positions summary (Note 3)	-	-	-	-
President of Enterprise & Networking Business Group	Republic of China	William Lin	Male	04/10/2015	1,124,495	0.04	794	0.00	0	0.00	Master	Chairman of Wistron Technology Service (America) Corporation Director of Wistron Mexico S.A. de C.V. Director of Wistron InfoComm Mexico S.A. de C.V.	-	-	-	-
Technical Vice President	Republic of China	Kelvin Chang	Male	04/10/2015	517,851 (Note 10)	0.02	63,613	0.00	0	0.00	Master	None	-	-	-	-
Strategy Planning Office Vice President	Republic of China	KY Wang	Male	12/22/2017	130,000	0.00	0	0.00	0	0.00	Doctorate	Director of MoBagel, Inc.	-	-	-	-
President of Client Products Business Group	Republic of China	Robert CL Lin	Male	12/21/2018	730,324	0.03	4,301	0.00	0	0.00		Chairman of International Standards Laboratory Corp. Director of ARBOR Technology Corp. Director of AVer Information Inc. Director of Formosa Prosonic Industries Berhad Director of Cowin Worldwide Corp. Director of WisVision 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 (Chongqing) Co., Ltd. Director of Wistron InfoComm Computer (Chengdu) Co., Ltd.	-	-	-	-
Vice President of New Technology Strategy	Republic of China	Vincent Cho	Male	12/21/2018	686,000	0.02	1,209	0.00	0	0.00		Director of Wistron Green Recycling Technology (Kunshan) Co., Ltd. Director of Kaohsiung Opto Electronics (Kunshan) Co., Ltd.	-	-	-	-
President of Global Manufacturing	Republic of China	Jackie Lai	Male	03/05/2019	400,463	0.01	0	0.00	0	0.00	Master	Director of WiSuccess Asset Management Corporation 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 Wistron InfoComm Technology (America) Corp. Director of Wistron InfoComm Technology (Texas) Corp. Director of Wistron InfoComm Computer (Chengdu) Co.,Ltd Director of Wistron Investment (Sichuan) Co., Ltd. Director of Wistron InfoComm (Zhongshan) Corp. Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd.	-	-	-	-
Vice President of Client Products Business Group	Republic of China	Felix Lai	Male	12/21/2018	709,111	0.02	0	0.00	0	0.00	Master	Director of International Standards Laboratory Corp.	-	-	-	-
Vice President of Service & Recycling Business Group	Republic of China	Peter Tung	Male	12/21/2018	1,361,986	0.05	0	0.00	0	0.00	Master	Director of Anwith Technology Corp. Chairman of SMS Infocomm (Singapore) Pte. Ltd. Director of Service Management Solutions Mexico S.A. de C.V. Director of Wistron InfoComm (Philippines) Corp. Director of SMS InfoComm Corp. Director of Wistron Green Tech (Texas) Corp. Director of Wistron K.K. Director of ICT Service Management Solutions (India) Private Limited Director of SMS (Kunshan) Co., Ltd. Director of SMS Infocomm Global Service (CQ) Director of Wistron Service (Kunshan) Corp. Director of Wistron Advanced Materials (Kunshan) Co., Ltd.	-	-	-	-
Vice President of Industrial & Automotive Business Group	Republic of China	Christine Hsu	Female	07/28/2021	580,000	0.02	8,000	0.00	30,000	0.00	Bachelor	Director of Kaohsiung Opto-Electronics Inc. Director of Retronix Technology Inc. Director of Wistron Optronics (Kunshan) Co., Ltd. Director of Wistron InfoComm (Taizhou) Co., Ltd. Director of XTRONICS (Kunshan) Electronics Technology Co., Ltd.	-	-	-	-
Vice President of Enterprise & Networking Business Group	Republic of China	Christopher Huang	Male	07/28/2021	443,822	0.02	-	-	0	0.00	Master	None	-	-	-	-

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	
Vice President of Global Supply Chain Management	Republic of China	Benny Hu	Male	07/28/2021	1,995,014	0.07	0	0.00	0	0.00	Bachelor	Director of Mindforce Holding Limited	-	-	-	-
President of Global Manufacturing	Republic of China	Alec Lai	Male	07/28/2021	410,000	0.01	20,730	0.00	0	0.00	Master	Director of Kaohsiung Opto-Electoics Inc. Director of Wistron Technology (Malaysia) Sdn. Bhd. Director of WisVision Corp. Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm (Chengdu) Co., Ltd. Director of XTRONICS (Kunshan) Electronics Technology Co., Ltd. Director of Wistron InfoComm (Chongqing) Co., Ltd.	-	-	-	-
Vice President of Industrial & Automotive Business Group	Republic of China	Howard Liu	Male	03/16/2022	325,883	0.01	0	0.00	0	0.00	Master	Director of WiBASE Industrial Solutions Inc. Director of Master Transportation Bus Manufacturing Ltd. Director of Wistron Technology (Malaysia) Sdn. Bhd. Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm Technology Service (Kunshan) Corp.	-	-	-	-
Vice President of Global Manufacturing	Republic of China	Mark HH Huang	Male	03/16/2022	30,057	0.00	0	0.00	0	0.00	Doctorate	Director of Wistron InfoComm (Taizhou) Co., Ltd. Director of Wistron Optronics (Kunshan) Co., Ltd. Director of Kaohsiung OptoElectronics (Kunshan) Co., Ltd.	-	-	-	-
Vice President of Information	Republic of China	Kevin Fong	Male	01/01/2023	201,987	0.01	15,258	0.00	0	0.00	Bachelor	None				
Vice President of Global Manufacturing	Republic of China	Benjamin Chang	Male	01/01/2023	690,144	0.02	66,853	0.00	0	0.00	Bachelor	None				
Controller	Republic of China	Fred Chiu	Male	01/01/2023	167,554	0.01	0	0.00	0	0.00	Bachelor	Supervisor of Anwith Technology Corp. Supervisor of International Standards Laboratory Corp. Supervisor of Keeogo Japan K.K. Supervisor of Wistron K.K. Supervisor of Wistron Investment (Sichuan) Co., Ltd. Supervisor of Wistron InfoComm (Zhongshan) Corp. Supervisor of Wistron InfoComm Computer (Chengdu) Co., Ltd. Supervisor of SMS (Kunshan) Co., Ltd. Supervisor of SMS Infocomm Global Service (CQ) Supervisor of Wistron Service (Kunshan) Corp.				
Wistron Smart Devices President of Global Manufacturing & Digital Operations	Republic of China	James Chou (Note 4)	Male	12/21/2018	-	-	-	-	-	-	Bachelor	(Note 4)	-	-	-	-

Note 1: Chairman of Cowin Worldwide Corp., Chairman of Service Management Solutions Mexico S.A. de C.V., Chairman of SMS InfoComm Corp., Chairman of WisVision Corp., Chairman of Wistron InfoComm (Philippines) Corp., Chairman of Wistron InfoComm (Vietnam) Co., Ltd., Chairman of Wistron InfoComm Mexico S.A. de C.V., Chairman of Wistron InfoComm Technology (America) Corp., Chairman of Wistron InfoComm Technology (Texas) Corp., Chairman of Wistron Mexico S.A. de C.V., Chairman of Wistron InfoComm (Kunshan) Co., Ltd., Chairman of Wistron Optronics (Kunshan) Co., Ltd., Chairman of Wistron InfoComm Computer (Chengdu) Co., Ltd., Chairman of SMS (Kunshan) Co., Ltd., Chairman of Wistron InfoComm (Taizhou) 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 (Chongqing) Co., Ltd., Chairman of SMS Infocomm Global Service (CQ), Chairman of Wistron Service (Kunshan) Corp., Chairman of XTRONICS (Kunshan) Electronics Technology Co., Ltd., Director of All Holding Corp., Director of ICT Service Management Solutions (India) Private Limited, Director of Win Smart Co., Ltd., Director of Wistron Green Tech (Texas) Corp., Director of Wistron K.K., Director of Wistron Technology (Malaysia) Sdn. Bhd., Director of Zhongshan Global Lighting Technology Limited Co., Director of WiseCap (Hong Kong) Limited, Director of Wistron Hong Kong Limited, Director of Wistron Hong Kong Holding Limited, Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd., Chairman of Wistron Advanced Materials (Kunshan) Co., Ltd.

Note 2: Chairman of Wistron InfoComm Technology Service (Kunshan) Corp., Chairman of Wistron Green Recycling Technology (Kunshan) Co., Ltd., Chairman of Wistron InfoComm Technology (Zhongshan) Co., Ltd., Director of XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd., Chairman of Kaohsiung Opto Electronics (Kunshan) Co., Ltd., Chairman of Kaohsiung Opto Electronics (Kunshan) Co., Ltd., Director of Wistron Optronics (Shanghai) Co., Ltd., Director of All Holding Corp., Director of Heracles Enterprises Limited, 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 Automotive Electronics (India) Private Limited

Note 3: Director of All Holding Corp., 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 WIS Precision (Taizhou) Co., Ltd., Supervisor of Wistron InfoComm (Shanghai) Corp.

Note 4: Retirement on October 1, 2022

Note 5: Excluding 3,000,000 shares that under trust with discretion reserved

Note 6: Excluding 2,327,359 shares that under trust with discretion reserved

Note 7: Excluding 3,000,000 shares that under trust with discretion reserved

Note 8: Excluding 2,500,000 shares that under trust with discretion reserved

Note 9: Excluding 3,500,000 shares that under trust with discretion reserved

Note 10: Excluding 2,500,000 shares that under trust with discretion reserved



**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				
NT\$3,500,000 ~ NT\$5,000,000				
NT\$5,000,000 ~ NT\$10,000,000	5 , Note 2	5 , Note 2	5 , Note 2	5 , Note 2
NT\$10,000,000 ~ NT\$15,000,000	3 , Note 3	3 , Note 3	2 , Note 5	1 , Note 7
NT\$15,000,000 ~ NT\$30,000,000	1 , Note 4	1 , Note 4		2 , Note 8
NT\$30,000,000 ~ NT\$50,000,000			1 , Note 6	1 , Note 6
NT\$50,000,000 ~ NT\$100,000,000				
Over NT\$100,000,000			1 , Note 4	1 , Note 4
Total	10	10	10	10

Note 1: Representative: Haydn Hsieh

Note 2: Jack Chen, S. J. Paul Chien, Christopher Chang, Sam Lee and Peipei Yu

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

Note 4: Simon Lin

Note 5: Wistron NeWeb Corp., Philip Peng

Note 6: Robert Hwang

Note 7: Wistron NeWeb Corp.

Note 8: 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, 2022)

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay and Penions(B)			Bonuses and Allowances (C)		Employee Compensation (D)				Total compensation (A+B+C+D)and the ratio of it 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	Robert Hwang														
President & CEO	Jeff Lin														
Executive Vice President & Chief Infrastructure Officer	David Shen														
Chief of Staff	Frank F.C. Lin														
President of Advanced Technology Lab	Donald Hwang														
Chief Digital Officer & Chief Information Security Officer	Kenny Wang														
Chief Financial Officer	Stone Shih	52,813	52,813	21,301	21,301		215,551	215,551	167,400	0	167,400	0	457,065 4.09%	457,065 4.09%	230
President of Enterprise & Networking Business Group	William Lin														
Technical Vice President	Kelvin Chang														
Strategy Planning Office Vice President	KY Wang														
President of Client Products Business Group	Robert CL Lin														
Vice President of New Technology Strategy	Vincent Cho														
President of Global Manufacturing	Jackie Lai														
Wistron Smart Devices President of Global Manufacturing & Digital Operations	James Chou (Note)														

Note: Retirement on October 1, 2022.

## 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		
NT\$5,000,000 ~ NT\$9,999,999	2 , Note 1	2 , Note 1
NT\$10,000,000 ~ NT\$14,999,999	1 , Note 2	1 , Note 2
NT\$15,000,000 ~ NT\$29,999,999	8 , Note 3	8 , Note 3
NT\$30,000,000 ~ NT\$49,999,999	2 , Note 4	2 , Note 4
NT\$50,000,000 ~ NT\$99,999,999	1 , Note 5	1 , Note 5
Over NT\$100,000,000	1 , Note 6	1 , Note 6
Total	15	15

Note 1: KY Wang, Kelvin Chang

Note 2: James Chou

Note 3: Donald Hwang, David Shen, Kenny Wang, Stone Shih, William Lin, Robert CL Lin, Jackie Lai, Vincent Cho

Note 4: Robert Hwang, Frank F.C. Lin

Note 5: Jeff Lin

Note 6: Simon Lin

## B. Names of managers entitled to employee Compensation (December 31, 2022)

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	185,000	185,000	1.66
	Vice Chairman	Robert Hwang				
	President & CEO	Jeff Lin				
	Executive Vice President & Chief Infrastructure Officer	David Shen				
	Chief of Staff	Frank F.C. Lin				
	President of Advanced Technology Lab	Donald Hwang				
	Chief Digital Officer & Chief Information Security Officer	Kenny Wang				
	Chief Financial Officer	Stone Shih				
	President of Enterprise & Networking Business Group	William Lin				
	Technical Vice President	Kelvin Chang				
	Strategy Planning Office Vice President	KY Wang				
	President of Client Products Business Group	Robert CL Lin				
	Vice President of New Technology Strategy	Vincent Cho				
	President of Global Manufacturing	Jackie Lai				
	Vice President of Client Products Business Group	Felix Lai				
	Vice President of Service & Recycling Business Group	Peter Tung				
	Vice President of Industrial & Automotive Business Group	Christine Hsu				
	Vice President of Enterprise & Networking Business Group	Christopher Huang				
	Vice President of Global Supply Chain Management	Benny Hu				
	President of Global Manufacturing	Alec Lai				
Vice President of Industrial & Automotive Business Group	Howard Liu					
Vice President of Global Manufacturing	Mark HH Huang					
Wistron Smart Devices President of Global Manufacturing & Digital Operations	James Chou (Note)					

Note: Retirement on October 1, 2022.



### 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 (%)			
	2022		2021	
	The Company	Consolidated	The Company	Consolidated
Compensation to Directors	0.9	0.9	0.77	0.77
Compensation to the President and Vice Presidents	4.09	4.09	4.49	4.49

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

- 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.
- 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:
  - Financial metrics (60%): revenue, profit and growth rate, return on equity, etc.
  - 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 Compensation Committee and the Board of Directors. 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 2022.

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	Christopher Chang	6	0	100	
Independent Director	Sam Lee	4	2	67	
Independent Director	Peipei Yu	5	1	83	

Note: According to Article 38 of the "Corporate Governance Best Practice Principles", the minimum of attendance for all board members required is 80%. 6 meetings of the Board of Directors were held in 2022 and the average board meeting attendance was 94%.

Other noteworthy items:

Independent directors' attendance in 2022 board meetings

● : Attendance in person ; ○ : Attendance by proxy

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Jack Chen	●	●	●	●	●	●
S. J. Paul Chien	●	●	●	●	●	●
Christopher Chang	●	●	●	●	●	●
Sam Lee	○	○	●	●	●	●
Peipei Yu	●	●	●	●	○	●

- 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:
  - Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has already established an Audit Committee.
  - 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
2022.03.16	1st Board Meeting of 2022	Robert Hwang	1. Approval of the proposal of 2021 employees' compensation payout ratio and amount to the managers (excluding CSO). 2. Approval of the salary adjustment to the managers (excluding CSO) in 2022. 3. Approval of the performance bonus budget to the managers (excluding CSO) in 2022.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approval of the proposal of 2021 employees' compensation payout ratio and amount to CSO. 2. Approval of the salary adjustment to CSO in 2022. 3. Approval of the performance bonus budget to CSO in 2022.	The interested director left the room during discussion and voting.
2022.08.05	4th Board Meeting of 2022	Robert Hwang	Approval of the performance bonus to managers (excluding CSO) in 2022 first half of the year.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	Approval of the performance bonus to CSO in 2022 first half of the year.	The interested director left the room during discussion and voting.
2022.12.22	6th Board Meeting of 2022	Robert Hwang	1. Approval of the performance bonus to managers (excluding CSO) in 2022 second half of the year. 2. Approval of the fulfillment of the first vested conditions and the number of shares that can be received by managers who are allocated New Restricted Employee Shares issued in 2021. 3. Approval of 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	Approval of the performance bonus to CSO in 2022 second half of the year.	The interested director left the room during discussion and voting.
2023.03.14	1st Board Meeting of 2023	Robert Hwang	1. Approval of the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO). 2. Approval of the salary adjustment to the managers (excluding CSO) in 2023. 3. Approval of the performance bonus budget to the managers (excluding CSO) in 2023.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approval of the proposal of 2022 employees' compensation payout ratio and amount to CSO. 2. Approval of the salary adjustment to CSO in 2023. 3. Approval of the performance bonus budget to CSO in 2023.	The interested 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 for the implementation of the board's evaluation.

	Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methodology	Evaluation Content
Board of Directors	Once a year	2022.01.01 - 2022.12.31	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
Board of Directors	Once a year	2022.01.01 - 2022.12.31	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	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	2022.01.01 - 2022.12.31	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	2022.01.01 - 2022.12.31	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	2022.01.01 - 2022.12.31	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	2022.01.01 - 2022.12.31	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:

- (1) In 2022, Wistron commissioned an external professional institution, the Tawan Corporate Governance Association, to implement the 2022 board performance evaluation. The evaluation period was from October 1, 2021 to September 30, 2022. The evaluation dimensions included the composition, guidance, authorization, supervision and communication of the board of directors, internal control and risk management, self-discipline of the board of directors. The evaluation results positively affirmed the composition of the company's board of directors, the atmosphere of discussion and operation, training arrangements, and various ESG developments. The company has reported the evaluation results, recommendations and expected measures to be taken by the company on December 22, 2022 to the board of directors.
- (2) Wistron had completed the performance evaluation of Board of Directors and functional committees in 2022, and reported the results of the performance evaluation to the Audit Committee, Compensation Committee, Nominating Committee, ESG Committee and the Board of Directors.

### 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 review items in 2022 included:

- Reviewing quarterly and annually financial statements: the quarterly and annually financial reports in 2022 have been approved by the Audit Committee.
- Modifying internal control systems including related policies and procedures.
- Reviewing assessment of the effectiveness of the internal control system.
- Reviewing material investment.
- Reviewing loans of funds, endorsements, or provision of guarantees.
- Reviewing the offering, issuance, or private placement of equity-type securities.
- Reviewing the appointment and independence of CPA and their compensation.

The Audit Committee held 6 meetings in 2022 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	Christopher Chang	6	0	100	
Member	Sam Lee	4	2	67	
Member	Peipei Yu	6	0	100	

Other noteworthy items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee, all independent directors' opinions 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.134-139)
  - (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.

Meeting Dates	Communications between the Independent Directors and the Internal Auditors	Communications between the Independent Directors and the CPAs
2022.03.16	1. Audit reporting of 2021Q4 2. Report the Sale and receipt cycle of subsidiaries.	1. The accountant declared their independence and the responsibility in auditing the financial report for 2021, and explained the audit scope, key audit matters and audit findings. 2. The accountant explained the main impacts of Auditing Standards Bulletin No. 75 and the revisions to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". They also explain the content of the proposed revisions to Article 43-1, Paragraph 1 of the Securities Exchange Act. 3. The accountant explained the issues raised by the members of Audit Committee.
2022.05.06	1. Audit reporting of 2022Q1 2. Report the inspection results of labor and wage cycle of subsidiaries. 3. Invite subsidiaries manager to explain the implementation of the Sale and Purchase cycle to independent directors.	1. The accountant declared their independence and responsibility for reviewing the interim financial report, and explain the scope and findings of the review of the financial report for 2022Q1. 2. The accountant explained the main impacts of Auditing Standards Bulletin No. 75 and the timetable of Sustainable Development Roadmap. 3. The accountant explained the issues raised by the members of Audit Committee.
2022.08.05	1. Audit reporting of 2022Q2 2. Report the inspection results of production cycle. 3. Invite subsidiaries manager to explain the implementation of the labor and wage cycle to independent directors.	1. The accountant declared their independence and responsibility for reviewing the interim financial report, and explain the scope and findings of the review of the financial report for 2022Q2. 2. The accountant explained the IESBA revised norms and the requirements disclosed in Audit Quality Indicators (AQIs). 3. The accountant explained the issues raised by the members of Audit Committee.
2022.11.04	1. Audit reporting of 2022Q3 2. Report the inspection results of production cycle, R&D cycle, labor and wage cycle and computerized information processing system.	1. The accountant declared their independence and responsibility for reviewing the interim financial report, and explain the scope and findings of the review of the financial report for 2022Q3. 2. The accountant reported the review plan of 2022 annual financial statement and communicated the coping strategies for unable to in-person review. 3. The accountant explained that in response to the revision of IESBA, the company plans to set " Non-Assurance Services Pre-approval Policy" and a supervision mechanism that is expected to be promoted by the competent authorities in response to ROO HSING cases. 4. The accountant explained the issues raised by the members of Audit Committee.
2022.12.22	Discuss the proposal of 2023 annual audit plan.	None
Result: independent directors raised no objection with all of the above matters.		

### 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 14, 2023, 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. Wistron’s board of directors approved the amendment of “Corporate Governance Best Practice Principles” on December 23, 2021 and the amendment of “Regulations on Insider Trading” on December 22, 2022 to ask insiders shall not trade the shares in closed period during the 30 days before the announcement of the annual financial report and the 15 days before the announcement of the quarterly financial report. Wistron did ask insiders to comply with the regulations before the 2022 closed period started.	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?	✓			(1) Wistron has set up the diversity policy of the board of directors in the Article 20 of “Corporate Governance Best Practice Principles”. For specific management objectives and implementation, please refer to the chapter “Diversity and Independence of the Board of Directors”	No discrepancy

Items of Evaluation	Implementation Status			Summaries	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
(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?	✓			(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, strategy and goals of sustainability development and track the implementation status and effectiveness of corporate sustainable development.	No discrepancy
(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 has set up "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. Besides, Wistron shall conduct board performance evaluation by an external independent professional institution or a panel of external experts and scholars at least once every three years. In 2022, Wistron commissioned an external professional institution, the Tawan Corporate Governance Association, to implement the board performance evaluation. The company has reported the evaluation results on December 22, 2022 to the board of directors. Wistron had completed the internal performance evaluation of Board of Directors and functional committee for the period from January 1, 2022 to December 31, 2022. If the score is over 90 (inclusive), it shall be "exceed the standard". If the score is over 80 (inclusive) or less than 90, it shall be "compliant with the standard". When the score is less than 80, it is "needs improvement". Upon completion of the above procedures, the scores of evaluation of Board of Directors, Audit Committee, Compensation Committee, Nominating Committee and ESG Committee were 99.94, 99.80, 99.67, 100 and 98.57, the evaluation results were "exceed the standard".	



Items of Evaluation	Implementation Status		Summaries	Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”and Reasons																																
	Yes	No																																		
(4) Does the Company regularly evaluate its external auditors' independence?	✓		<p>(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 Audit Quality Indicators (AQIs) provided by KPMG, Certified Public Accountant Act and "Integrity, Objectivity and Independence", No.10 of "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China". Wistron also obtained the statement of independence signed by the accountant, the results of the assessment did not find any violation of independence, and the rotation of certified accountants also complied with the relevant regulations.</p> <table border="1"> <thead> <tr> <th>Evaluation items</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Do the accountants have direct or indirect financial interest with the Company?</td> <td>No</td> </tr> <tr> <td>Do the accountants and the Company have inappropriate interests?</td> <td>No</td> </tr> <tr> <td>Do the accountants serve the Company within two years before the practice?</td> <td>No</td> </tr> <tr> <td>Do the accountants permit others to practice under their name?</td> <td>No</td> </tr> <tr> <td>Do the accountants and the members of audit team have shares of the Company?</td> <td>No</td> </tr> <tr> <td>Do the accountants have no fund lending with the Company?</td> <td>No</td> </tr> <tr> <td>Do the accountants have relationship of collective investment or profit sharing with the Company?</td> <td>No</td> </tr> <tr> <td>Do the accountants have currently employed by the Company to perform routine work for which receives a fixed salary, or currently serves as a director?</td> <td>No</td> </tr> <tr> <td>Do the accountants have management functions related to decision-making of the Company?</td> <td>No</td> </tr> <tr> <td>Whether the accountants receive any commission about business?</td> <td>No</td> </tr> <tr> <td>Do the accountants are spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company?</td> <td>No</td> </tr> <tr> <td>Whether the accountants have being the audit accountants of the Company over 7 consecutive years?</td> <td>No</td> </tr> <tr> <td>Whether the senior inspectors have sufficient audit experience to carry out the audit work?</td> <td>Yes</td> </tr> <tr> <td>Whether the firm is equipped with sufficient resources to support audit teams?</td> <td>Yes</td> </tr> <tr> <td>Whether the proportion of NAS affects the firm's independence?</td> <td>No</td> </tr> </tbody> </table>	Evaluation items	Result	Do the accountants have direct or indirect financial interest with the Company?	No	Do the accountants and the Company have inappropriate interests?	No	Do the accountants serve the Company within two years before the practice?	No	Do the accountants permit others to practice under their name?	No	Do the accountants and the members of audit team have shares of the Company?	No	Do the accountants have no fund lending with the Company?	No	Do the accountants have relationship of collective investment or profit sharing with the Company?	No	Do the accountants have currently employed by the Company to perform routine work for which receives a fixed salary, or currently serves as a director?	No	Do the accountants have management functions related to decision-making of the Company?	No	Whether the accountants receive any commission about business?	No	Do the accountants are spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company?	No	Whether the accountants have being the audit accountants of the Company over 7 consecutive years?	No	Whether the senior inspectors have sufficient audit experience to carry out the audit work?	Yes	Whether the firm is equipped with sufficient resources to support audit teams?	Yes	Whether the proportion of NAS affects the firm's independence?	No	No discrepancy
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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>	No discrepancy																																

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>B. Producing minutes of board meetings and shareholders meetings.  C. Assisting in onboarding and continuous education of directors.  D. Furnishing information required for business execution by directors.  E. Assisting directors with legal compliance.  F. Reporting to the board of directors the results of their review of whether the qualifications of the independent directors comply with relevant laws, regulations, rules, and bylaws at the time of their nomination, election, and during their term of office.  G. Handling of matters relating to changes in directors.  H. Other matters set out in the articles or corporation or contracts.</p> <p>The 2022 implement of corporate governance affairs were as bellows:  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 2022, Wistron convened 6 times of board meetings, 6 times of Audit Committee meetings, 4 times of Compensation Committee meetings, 2 times of Nominating Committee meetings, and 4 times of ESG Committee meetings. Please see the Company website for details regarding the convention of the afore mentioned meetings.  B. Convened shareholders' meeting on June 17, 2022 as required by law and assisted with the convening of shareholders' meetings.  C. Responsible for material announcements and matters related to the resolutions of board meetings and shareholders' meetings and announced material information pursuant to law.  D. Arranged 6 hours of a continuing education courses for all Directors, President, chief corporate governance officer and CFO of Wistron. The courses are "Key Reminders for Companies on Legal PR" and "2030/2050 Green Industrial Revolution".  E. Arranged to have independent directors communicate to the head of Audit Division and the CPA at an Audit Committee meeting.  F. Arrange the MIS to present the information security implementation to the Board of Directors on December 22, 2022.</p>	No discrepancy

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>G. Arranged legal department to present intellectual property rights management to the Board of Directors on December 22, 2022.</p> <p>H. Arranged HR department to present the 2022 actions for ethical corporation management to the Board of Directors on December 22, 2022.</p> <p>I. Arranged the convener of risk management team to present the implement of risk management and the risk map to the Board of Directors on December 22, 2022.</p> <p>J. Arranged the Sustainability Office to present the implementation of Sustainable Development Best Practice Principles, the operation of risk management and the communication with stakeholders.</p> <p>K. Wistron commissioned an external professional institution, the Tawan Corporate Governance Association, to implement the 2022 board performance evaluation.</p> <p>L. Performed the 2022 performance assessments of Board of Directors and functional committees, and reported the results of the performance evaluation to the Board of Directors on March 14, 2023.</p>	No discrepancy
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.	✓			<p>Wistron 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 disclosures in the Sustainability Report.</p> <p>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 (dependency, responsibility, influence, diverse perspectives, and tension), we have identified seven stakeholder categories including customers, employees, shareholders/investors, suppliers, government/ authorities, and media.</p> <p>We have also designated a stakeholder section on the corporate ESG website to address our corporate sustainability and social responsibility activities and relevant issues.</p>	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



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	Yes	No			
<p>7. Information Disclosure</p> <p>(1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?</p> <p>(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.)?</p> <p>(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?</p>	✓			<p>(1) Wistron has set up a website containing the information regarding financials, business and corporate governance status.</p> <p>(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.</p> <p>(3) Wistron has not announced and declared the annual financial report within two months after the end of the fiscal year, but the Company announced the self-assessed consolidated financial results for 2022Q4 on January 17, 2023 and announced the quarterly financial reports 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.</p>	No discrepancy
<p>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>	✓			<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>	No discrepancy

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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			
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>Wistron implements the enterprise risk management (ERM) mechanism in accordance with the regulation of “Risk Management Policies and Procedures”, which confirms the board of directors as the unit with the highest risk responsibility, and establishes a risk management team under the ESG Committee. Wistron conducts risk assessments on a regular basis, identifies and measures risks in accordance with industry practices and international standards, and issues risk management reports to the board of directors every year. Wistron actively promotes the implementation of risk management mechanisms, and reports to the Board of Directors twice a year. The main results of conducting risk management policy in 2022 are as follows:</p> <p>A. Following the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate risks and opportunities, based on the framework of “Governance”, “Strategy”, “Risk Management”, “Metrics and Targets”. And establish measurement indicators and target management mechanism.</p> <p>B. Convened a risk management meeting to conduct sensitivity analysis and stress tests on financial risks, climate change risks, water resources risks, information security risks, geopolitical risks, new technology risks and intellectual property rights of Wistron and its important subsidiaries. To strengthen the risk awareness of and quantitatively analyze the risk tolerance levels.</p> <p>C. Conduct comprehensive identification of enterprise and operational-level risks, including but not limited to operational risks, market risks, compliance risks, information security risks, environmental risks, climate change risks, operational risks, and other operational-related risks. Through “bottom-up” and “top-down” analysis and discussion,” comprehensively identify potential risk events that may lead to the goals not being achieved, causing losses or negative impacts of Wistron. Besides, based on the company’s strategic objectives, internal and external stakeholders’ perspectives, risk tolerance, and available resources, we select risk response measures and implement risk mitigation plans. The risk management team members, together with each operating units, continues to monitor and report to the risk management team in a timely manner, and make relevant records.</p>	No discrepancy

Items of Evaluation	Implementation Status			Summaries	Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No			
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>D. The general manager urges all units and subsidiaries within the company to conduct self-assessment of internal control twice a year, and the audit unit reviews the self-assessment reports of all units and subsidiaries, and together with the report of improvement of internal control deficiencies and abnormal matters found, annually issue a statement of internal control system.</p> <p>E. Risk management team reports the execution status of the risk management plan and provide the risk management report to the ESG Committee, which includes the results of risk assessments from various perspectives, and explains control and monitoring procedures for higher risks aspects. The ESG Committee then report the results of risk management execution to the Board of Directors.</p> <p>F. Revise the Wistron's risk management policies and procedures, and set up a risk management office under risk management team.</p> <p>(7) The implementation of customer relations policies Wistron always strictly abides by customer confidentiality. If there are competitors among customers, different teams will be set up to serve customers, or even different factories to produce and build firewalls. It is strictly forbidden to talk about customer confidentiality in public in order to achieve the goal of protecting customers.</p> <p>(8) Purchasing insurance for directors Wistron has purchased liability insurance for directors and managers, and had report the insured amount, coverage, premium rate, and other major contents of the liability insurance to Board of Directors on November 4, 2022.</p>	No discrepancy
9. Succession plan of board members and management team	✓			The selection of directors of Wistron adopts the candidate nomination system and is handled in accordance with the "The Election Regulations of Directors". Wistron 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.	No discrepancy



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	✓			To drive business strategy execution, Wistron establishes competency-based talent development programs for leaders at all levels. For executive successors, Wistron provides various development programs and assessment tools, including internal online and offline courses, project assignments, strategic rotations, team-based action learning, and cross-business/functional coaching from executives, as well as external learning resources such as industry trends forums, entrepreneurship programs etc., to enable talents to acquire knowledge from different industries and fields, and facilitate their development and growth as planned effectively. Wistron dedicates these resources to develop our bench strength and talent pool, and to build a strong management team to achieve the goal of sustainability.	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) In 2022, we commissioned an external professional institution, the Tawan Corporate Governance Association, to implement the 2022 board performance evaluation and reported the evaluation results to the board of directors.</p> <p>(2) Wistron will continue to cooperate with the competent authorities with regard to implementation and improvement of the corporate governance assessment in the future.</p>					



### 3.4.4 Composition, Responsibilities and Operations of the Compensation Committee and Nominating Committee

#### A. Compensation Committee

##### a. The Composition

Title	Name	Criteria	Professional Qualification and Experience	Independence Status	Number of other public companies in which the individual is concurrently serving as a compensation committee member
Independent Director (Convener)	S. J. Paul Chien	Please refer to “Professional qualifications and independence analysis of directors”(p.19-20)	Please refer to “Professional qualifications and independence analysis of directors”(p.19-20)	Please refer to “Professional qualifications and independence analysis of directors”(p.19-20)	1
Independent director	Sam Lee				0
Independent director	Peipei Yu				1

##### 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 of 3 members.
- (2) Tenure of the 4th Compensation Committee: July 28, 2021 to July 19, 2024. The committee convened 4 times in 2022.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Convener	S. J. Paul Chien	4	0	100	
Member	Sam Lee	3	1	75	
Member	Peipei Yu	4	0	100	

##### (3) Other noteworthy items:

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: Please refer to the Major Resolutions of Board Meetings (P.134-139)

#### B. Nominating Committee

##### a. Members and Responsibilities of the Nominating Committee

The Committee shall be composed of at least three directors selected by the board of directors from among themselves; a majority of the Committee members shall be independent directors. The term of the Committee members is the same with the expiration of the Board of Directors. The authority of the Committee Members are as following:

- (1) To constitute and to review the composition, qualification and succession plans of the directors and the executives.
- (2) To search and to review the candidates of the directors and the executives and the independence of independent directors, and to submit the proposed list to the board of directors.
- (3) To construct and to review the setup, duties and operation of the sub-committees under the board of directors, to review the qualification of the member of sub-committees and any potential conflict of interests.
- (4) To plan and to execute the director training program.
- (5) Other matters to be performed by the Committee pursuant to the resolution of the board of directors.

##### b. Attendance of Members at Nominating Committee Meetings

- (1) The Nominating Committee consists of 4 members.

(2) Tenure of the 2nd Nominating Committee: July 20, 2021 to July 19, 2024. The committee convened 2 times in 2022. The professional qualifications and experience of the members, attendance and discussion items are as follows:

Title	Name	Professional Qualification and Experience	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Convener	Christopher Chang	Please refer to "Professional qualifications and independence analysis of directors"(p.19-20)	2	0	100	
Member	Simon Lin		2	0	100	
Member	S. J. Paul Chien		2	0	100	
Member	Peipei Yu		2	0	100	

c. Other noteworthy items:

The dates of meetings, sessions, contents of motion, the content of the proposals or objections of the Nominating Committee members, the resolution and the Company's response to the Nominating Committee's opinion should be specified:

Meeting	Contents of motion	The resolution and the Company's response to the Nominating Committee's opinion
2022.03.16	Approval of the promotion of managers.	Resolved
2022.12.22	1. Approval of the proposal for adjustment of important positions of the Company's managers. 2. Approval of the change of Accounting Officer. 3. Approval of the promotion of managers.	Resolved

### 3.4.5 Implementation of sustainable development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to boost sustainable development, which top management team is authorized by the board of directors to handle, and supervised by the board of directors?	✓			<p>To consolidate sustainable development and to fulfill corporate social responsibilities, Wistron established the ESG Committee in 2019 to elevate sustainability and social responsibility to the level of the board of directors. As the highest-level sustainable development decision-making center within the Company, the BOD Vice Chairman and Chairman &amp; President of Wistron Digital Technology Holding Company serves as the Chairman of the Committee. The Committee consists of one independent director, a President &amp; CEO, an Executive Vice President &amp; Chief Infrastructure Officer, a Chief of Staff, a President of Advanced Technology Lab, and a Chief Digital Officer and Chief Information Security Officer. The Committee is responsible for Company’s overall sustainable development strategies, coordinating sustainable development directions and setting medium-term and long-term plans.</p> <p>In 2021, Wistron established a Sustainability Office under the ESG Committee. Headed by the Vice President of Sustainability, the Sustainability Office is responsible for the implementation of the Company's corporate sustainability affairs. Through quarterly meetings and task groups based on sustainable topics related to company operations and stakeholders, the Committee formulates corresponding strategies and initiatives, while compiling budgets related to sustainable development plan. At the same time, the Committee tracks the implementation results to ensure that the sustainable development strategy is fully implemented in the company's daily operations.</p> <p>The ESG Committee reports to the board of directors at least twice a year on the implementation results of sustainable development and future work plans. Four meetings were held in 2022, and the content of the proposals included (1) communication with stakeholders on sustainable issues of concern; (2) reviewing the implementation of sustainable development goals and setting annual goals; (3) formulating enterprise risk maps and developing corresponding action plans; (4) Develop procedures for the preparation and verification management of the sustainability report; (5) Revise the code of conduct, the risk management policy and procedure, and the organizational regulations for the ESG Committee; (6) Commit to joining the Science Based Targets initiative (SBTi); (7) Sign green energy procurement agreements.</p>	No discrepancy

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to boost sustainable development, which top management team is authorized by the board of directors to handle, and supervised by the board of directors?	✓			The company’s board of directors listens to reports from the management team (including ESG reports) on a quarterly basis. The management team must propose corporate strategies to the board of directors. The board of directors must evaluate the success of these strategies and urge the management team to make adjustment as needed.	No discrepancy
2. 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>1. The scope of the information disclosed in this section covers the company’s sustainability performance in 2022. The organizational boundary of the risk assessment encompasses Wistron’s major operations in Taiwan and global manufacturing plants, and the coverage is identical to the boundary of the current year’s sustainability report. Compared to the previous year, the new additions are as follows:</p> <ul style="list-style-type: none"> <li>• Wistron Corporation — Hukou plant 1 (WIHK1) · Hukou plant 2 (WIHK2)</li> <li>• Wistron Technology (Malaysia) Sdn. Bhd</li> </ul> <p>2. Our company adopts the double materiality principle, which takes into account the impact of operational activities on the external economy, society, and environment, as well as the impact of external ESG risks on corporate finances, to establish a significant analysis process for sustainable development. We identified significant ESGI issues in various dimensions and assessed their occurrence within the boundaries of the value chain based on their activities, products, services, and related impacts.</p> <p>3. To comprehensively assess the materiality of the issues, our company also aligns with the values of ISO 31000 to carry out the systematic “Risk Management Policy and Procedures”, including risk identification, analysis, monitoring and treatment, reporting, and disclosure, and reports to the Board of Directors on a periodic basis. The ESG Committee holds annual meetings and sends out the invitation to responsible members and working groups in the environmental, social, corporate governance, and technological innovation dimension. With inputs from all four dimensions, the committee evaluates and discusses the company's potential and emerging risks based on the frequency of occurrence, impact, and control level. In 2022, a total of 23 major medium-to-high risk items was identified. Risk units developed corresponding risk response action plans based on the risk level and the plans were reviewed and confirmed by unit supervisors before being included in the regular definition and review by the ESG Committee.</p>	No discrepancy

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
3. Environmental Issues (1) Has the Company set an Environmental management system designed to industry characteristics?	✓			<p>1. In addition to continuously following international issues and trends, Wistron has adopted the ISO 14001 Environmental Management System in all global operations. We seek to satisfy the requirements in environmental protection regulations of local governments. Wistron will continue to monitor the changes in environmental laws and regulations in each country. To ensure compliance with regulatory requirements and to meet the stakeholders' expectations, we will regularly update and implement internal operating procedures and regulations. In addition, we will organize periodic legal compliance training and incorporate it into the annual internal training plan.</p> <p>2. The coverage of ISO 14001/14064 and other relevant international standards is identical to the boundary defined in the current year's Sustainability Report, and it has gone through independent third-party assessment and verification.</p>	No discrepancy
(2) Is the company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓			<p><b>Energy Efficiency</b> Electricity is the main form of energy consumption for Wistron. The remaining energy consumption consists of low amounts of fossil fuel usage (gasoline, diesel, etc.). Therefore, the enhancement in energy efficiency and renewable energy ratio is Wistron's energy management strategy. Wistron introduced the ISO 50001 Energy Management System to implement systematic management of energy. Through the effective operation of the management system and the real-time energy dashboard, the Company identifies areas with high energy consumption for future analysis and the analysis results in turn propel the development of energy projects. The Company regularly convenes energy project meetings and follows up on the implementation progress and results. We continue to improve energy efficiency through the exchange of information between the manufacturing sites.</p> <p><b>Recycled input materials</b> Wistron established the Green Resource Business in 2010 and officially launched operations in 2013. The Green Resource Business provides a closed-loop recycling green solution based on the cradle-to-cradle principle as it aims to maximize the customers' benefits in the circular economy. The Company shipped 21,577 tons of post-consumer recycled (PCR) green materials in 2022 and has obtained 20 UL Yellow Cards for Plastics and reduced the use of new plastics by approximately 11,047 tons in 2022. Calculations based on the estimated carbon footprint of 3kg/kg CO<sub>2</sub>e for recycled plastics, approximately 47,698 tons of carbon dioxide equivalent (CO<sub>2</sub>e) was reduced.</p>	No discrepancy

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
(2) Is the company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓			The customers of the Closed-Loop Gold and the Closed-Loop Plastic are in the IT industry, the healthcare industry, and the aviation industry. The Company has also expanded its business to services related to “secured product destruction and recycling” per request of our OEM customers. Product lines that use recycled plastic materials have expanded from displays, desktop computers, and televisions to areas such as routers, servers, mice, keyboards, fans, and more.	No discrepancy
(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 related issues?	✓			<p>The identification and response to climate-related risks and opportunities have been integrated into Wistron’s overall Enterprise Risk Management (ERM) procedures. Following the company’s 《Risk Management Policy and Procedure》, the “Risk Management Team” conducts risk management processes (risk identification, analysis, assessment, response and monitoring, risk reporting and disclosure) every year, and reports on the implementation and results of risk management to the Board of Directors through the ESG Committee on a regular basis. The committee oversees the operation of the risk management mechanism and its overall implementation.</p> <p>Under the ERM mechanism, the Risk Management Team compiles an annual list of key risks, which includes information on risk scenarios, existing control measures, action plans, responsible units, and expected completion dates. For various key risks, including climate change risks, key risk indicators (KRI) are established to achieve real-time monitoring and management.</p> <p>In addition to the ERM, since 2021, Wistron has officially joined TCFD as a supporter, and uses TCFD’s framework of governance, strategy, risk management, metrics and targets to conduct systematic analysis of climate risks and opportunities. Information disclosure is carried out annually to enable external stakeholders to assess the impact of risks and opportunities, as well as Wistron’s response strategies, action plans and progress towards meeting performance objectives ranging from short-term to long-term.</p> <p>Every year, Wistron assesses risks through the CDP climate change questionnaire and water security questionnaire. Each global plant evaluates the transition and physical risks of specific plant sites based on the location of its operational base. The headquarters assesses the global impact scale and scope, formulates relevant strategies, and takes corresponding actions.</p>	No discrepancy



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(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 related issues?	✓		<p>The results of risk and opportunity analysis are evaluated based on the matrix chart drawn from the “probability, severity and control effectiveness. The corresponding response measures are taken as follows: Climate Change Financial Impact Analysis (Risks)</p> <table border="1"> <thead> <tr> <th>Climate Change Risks</th> <th>Financial Impacts</th> <th>Response Measures</th> </tr> </thead> <tbody> <tr> <td>The development of regulations on climate risks and the demand for renewable energy.</td> <td>Increased operating costs (such as higher regulatory compliance costs, expenditures related to renewable energy, or increased management fees) The 100% renewable energy target is expected to be achieved by 2030. The fee for the green electricity certificate will increase the annual cost by NT\$300-600 million. The annual carbon fee cost due to regulation is: 1. About USD 40-50 million in 2030(IEA 2°C scenario) 2. About USD 50-60 million in 2030(IEA below 2°C scenario) 3. About USD 240-310 million in 2050(IEA NZE scenario)</td> <td>To evaluate in the global market, and obtain renewable energy through diversified approaches to achieve the vision of energy transformation and green manufacturing. In 2022, over 260 million kWh of RECs were purchased, and an annual increase in the ratio of renewable energy usage to 100% was established.</td> </tr> <tr> <td>Demand for low-carbon products and services is growing</td> <td>Increased product R&amp;D expenses and procurement costs</td> <td>1. Help customers obtain various environmental protection labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labelling. In 2022, the revenue from products with environmental protection labels account for 85.07% of hardware revenue. All product lines meet 100% of customer requirements and comply with local environmental regulations, energy efficiency labels, and safety certification requirements. 2. Establish a sustainable supply chain management to ensure the transparency of the carbon footprint of products or services and implement reduction measures.</td> </tr> <tr> <td>mandatory carbon reporting</td> <td>Increased operating costs</td> <td>The Company established a comprehensive greenhouse gas inventory for all manufacturing sites across the world. We implement greenhouse gas inventory every year and obtain third-party verification from an impartial third party.</td> </tr> <tr> <td>Demand for low-carbon new technologies</td> <td>Increased operating costs (such as higher R&amp;D expenses or increased patent fees)</td> <td>1. Foster an innovative culture within the organization and continuously optimize patent and technology layout to enhance competitiveness. 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Demand for low-carbon new technologies	Increased operating costs (such as higher R&D expenses or increased patent fees)	2. Since 2022, Wistron has been recognized for two consecutive years as one of the Top 100 Global Innovators™ by Clarivate.																					
Drought	Manufacturing is impacted, causing operating revenue loss. For the production capacity that has not been transferred, the operating losses due production stoppages caused by severe droughts were 180 million to 3 billion NTD (RCP 8.5)	The rainwater recycling system and water monitoring system are improved for new plants. The existing plants work with local water suppliers to implement special water supply mechanisms during droughts, in order to maintain plant operations. Continue to increase the water recycling rate and stipulate short-, mid-, and long-term targets for the annual performance evaluations, in order to improve overall operating resilience.																					
Typhoons	Impact on production and loss of operating revenue	In the event of a typhoon, the Company monitors alerts and related information on whether employees should work or suspend work. If work is not suspended, the Company provides vehicles, transportation subsidies, or other necessary assistance will be provided to ensure the safety of employees.																					
Floods	Impact on production and loss of operating revenue	The foundation heights have been increased and drainage facilities have been improved for existing plants during construction, in order to prevent losses caused by disasters. Include "natural disaster assessment" items in the location selection process for new sites. Plan related flood prevention facilities to improve the disaster resilience of operating locations.																					
Uncertainty of climate-related physical risks	Increase operating costs and impact operating revenue	1. In response to the Paris Agreement to address global warming challenges, for many years, Wistron has followed the SBT 1.5°C decarbonization methodology and has set annual absolute greenhouse gas reduction targets since 2020 to move towards the long-term goal of carbon neutrality. 2. In 2022, total greenhouse gas (Scope 1+2) emissions decreased by 22% compared to the previous year (market-based).																					

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(4) Has the company counted greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption or other waste management?	✓			<b>1. Statistics, intensity and coverage of data for the last two years:</b> <b>(1) GHG Emissions</b> A total of 16 sites and office areas, including Taiwan and overseas sites, have completed ISO 14064-1: 2018 scope 1, 2, and 3 inventory accounting with third-party verification in 2022. The greenhouse gas emissions in the last 2 years are as follows.	No discrepancy														

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(4) Has the company counted greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption or other waste management?	✓			<p><b>2. Management policies:</b></p> <p>(1) GHG Emissions Reduction Wistron uses energy efficiency improvements and energy transformations to implement reduction actions. To ensure the implementation of energy management and energy conservation projects, Wistron has set up Energy Project Teams in all plants composed of units respectively responsible for plant engineering affairs or related matters. They convene regular energy management meetings and review the current state of energy and project implementation progress in the plants. The plants also share information on the effectiveness and the experience in each project with each other. Wistron’s energy conservation efforts encompass six major categories including the air conditioning system, the air compressor system, the green lighting, management, production, and others. As of the end of 2022, the Company saved a total of 14,428,530 kWh of electricity, which reduced carbon emissions by 10,635.76 tons. If we use the carbon dioxide absorption volume of the Daan Forest Park in Taipei of 389 tons per year (calculation based on data from the Bureau of Energy, Ministry of Economic Affairs), the carbon reduction was equivalent to the annual CO2 absorption volume of 27 Daan Forest Parks, which represented a significant increase compared to the carbon reductions in the previous year.</p> <p>(2) Water Management Wistron’s management of water resources can be divided into a. implementation of water resource management and day-to-day water conservation and b. implementation of water recycling and wastewater management. We conducted an inventory of high-risk areas for water resources based on an evaluation of the water stress indicators of our global operations. We then implement preventive measures based on the water resource management strategy. Dedicated units in different plants are responsible for water resource management, which includes plan formulation and implementation, regular monitoring, resolution of irregularities, data analysis, and continuous improvements. Wistron pledges to strictly comply with the national regulations on water resources, to make reasonable use of water resources, to prioritize the selection of water-saving equipment, and to monitor water resource consumption through energy-saving dashboards to improve water resource utilization efficiency. The water target for Wistron in 2022: Reduce water consumption intensity by 10% compared to 2016 and set more ambitious goals for 2023, 2025, and 2030 to continuously track and disclose the annual water-saving performance.</p>	No discrepancy



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(4) Has the company counted greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption or other waste management?	✓			<p>(3) Waste Management</p> <p>Waste management at Wistron is conducted through the continuous implementation of waste classification and waste reduction, as well as the enhancement of waste recycling and reuse.</p> <p>With an effective waste and hazardous substance management system, we conduct comprehensive assessments and audits regarding the generation and the flow of waste and toxic substances, with the aim of minimizing waste generation and maximizing recycling and reuse. This not only reduces environmental impact and burden, but also enhances our operational efficiency and cost-effectiveness by increasing material utilization. In addition, this supports the Company’s commitment to sustainable business practices.</p> <p>3. The information coverage is the same as the boundary defined in the current year’s Sustainability Report, and it has gone through independent third-party assessment and verification.</p>	No discrepancy
<p>4. Social Issues</p> <p>(1) Does the company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	✓			<p>Wistron’s human rights policy declares its support for relevant international norms, such as the UN Universal Declaration of Human Rights, and through the effective implementation of the human rights due diligence procedure to ensure that human rights policies are well implemented at global operating locations. The results are summarized as follows:</p> <ol style="list-style-type: none"> <li>1. Conduct a human rights risk assessment and focus on human rights issues such as working hours, wages and benefits, and underage workers to manage/implement risk mitigation measures.</li> <li>2. Arrange training courses on topics related to human rights and labor at global operating locations.</li> <li>3. Conduct annual audits in accordance with RBA’s management framework.</li> <li>4. In 2022, there were no major human rights issues at the global operating locations.</li> <li>5. Prioritize labor care and welfare as the Company's sustainability focus and aim to create a high-satisfaction working environment.</li> </ol>	No discrepancy

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(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?	✓			<p>Wistron aims to create a work environment of hope and vitality and to provide employee benefits beyond the legal requirements. This includes, for instance, the establishment of the employee share stock trust (ESOT), the shuttle bus service, the extra 7-day absence leave, the company trip allowance, and the childbirth incentives. In addition, we highly value work-life balance and we hold a variety of workshops and events in which families can participate on a regular basis. With the goal of creating a workplace that promotes gender equality and harmony, we arrange annual exclusive health examinations for female employees, and women employees have the same opportunities and rights as male employees. In 2022, the percentage of female employees was 36.67%, while the percentage of female in top management positions was 13.71%. Additionally, the Company has a clearly defined compensation policy that aims to achieve equal pay for equal work. Employee compensation is appropriately reflective of the company's operating results and the team/individual work performance.</p>	No discrepancy
(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	✓			<p><b><u>Safety and health-related measures, and educational training</u></b></p> <p>Wistron shall comply with applicable OH&amp;S legal requirements and other subscribed requirements with the intent that all persons (including employees, temporary staff, contractors, and visitors) working under the control of the Company are aware of their individual OH&amp;S obligations and establish a sound management system to reduce OH&amp;S risks.</p> <p>Implement and maintain the effectiveness and necessary resources of safety and health-related measures: Employee health management and care platforms, fertility care and caring resources, epidemic prevention publicity and COVID-19 management, and education/training.</p> <p>All new employees are required to receive occupational safety training, while emergency care and professional drills are arranged for employees in specific positions.</p> <p>The OH&amp;S of each site is supervised by specific departments in charge of managing OH&amp;S activities. Meanwhile, each site sets its own performance goal according to the Company's OH&amp;S policies. Wistron has an overall goal of zero serious occupational injuries (fatalities are defined as major occupational accidents).</p>	No discrepancy

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(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	✓			<p><b>Related Verification Scenarios</b> All major sites implement ISO 45001 OH&amp;SMS and commit to maintaining sustainable operations for the employees’ working environment.</p> <p><b>Employee Occupational Disaster Situation and Improvement Measures</b> No major occupational accident has occurred in 2022, however, we still have remedial measures for main occupational accidents:</p> <p>(1) Sites in Taiwan: mainly injured during falling or operation of equipment or items, a total of 24 cases. The person/incident rate per 1,000 employees was 2.12. Injuries were reduced by implementing publicity, education training and inspections of environment.</p> <p>(2) Sites in China: main injuries during the operation of equipment or items, a total of 23 cases. The person/incident rate per 1,000 employees was 0.56. The sites focused on reviewing the operation SOP and the education training to reduce the number of injuries.</p> <p>(3) Sites in the European and American regions: mainly injured during operation of equipment or items, a total of 8 cases. The person/incident rate per 1,000 employees was 2.13. Injuries were reduced by implementing publicity and education training.</p>	No discrepancy
(4) Has the company established effective career development training plans?	✓			<p>In response to the changing internal and external environments, “sustainability” has become a critical issue for the development of global businesses. To drive this key strategy, in 2022, Wistron revised its vision as “Innovation through Sustainability” with a mission to be “Trusted Innovation Partner for Technology, Sustainability and Better Lives.”. Guided by the core values of “Customer Focus”, “Integrity”, “Innovation”, and “Sustainability”, Wistron is committed to fulfilling its corporate social responsibility and moving towards sustainability.</p> <p>Based on the strategic needs of digital transformation, global expansion, and sustainable development, as well as external challenges, Wistron carries on its successful management experience from the past and continues to cultivate high-potential successors and leadership talents. With the new generation leadership needed as a response to transformation and upgrading, Wistron re-defined the management competency model in early 2022, aligned it with the Company’s key strategies, and initiated the design of a managerial training roadmap. In the future, the management competency model will be closely integrated with the human resources management policies to develop a competency-based human resources management and development system that will facilitate innovation and change, and ultimately accelerate the pace of transformation.</p>	No discrepancy

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(4) Has the company established effective career development training plans?	✓			<p>In terms of the cultivation of leadership talents, we developed a competency-based training roadmap for each level of managers. In the succession planning for key executive positions, we regularly assess the readiness of our talents and provide individual development plans according to their strengths and their area of development. The development plans and resources include online and offline courses, project assignments, strategic rotations, team-based action learning, and one on one coaching from internal and external executive coaches. As a matter of fact, these measures are designed to enhance the depth of our succession bench and the quality of our talent pool. Furthermore, we provide external resources such as industry trends forums, entrepreneurship programs, etc. Through the exposure to different industries and fields, we ensure that our executive successors have comprehensive development opportunities and practical experience, and that they can fully demonstrate their professional abilities and leadership presence in different challenging situations.</p> <p>In line with the company's digital transformation strategy, Wistron Digital Academy continues to promote digital literacy trainings for all employees, and to establish a common language within the company. Since 2019, we have defined nine critical roles and systematically trained digital project development teams. After the training, the talents combined digital theoretical knowledge with expertise in various business domains and participated in project developments in R&amp;D, manufacturing, business development, supply chain, and other professional fields. In addition, to increase the depth and breadth of digital technology applications, we have provided trainings of digital technology and tool application such as robotic process automation, data visualization, and artificial intelligence and machine learning according to the needs in each domain. It is to enable the key talents to stay ahead of digital technology development trends and to strengthen their anticipatory abilities.</p> <p>Human capital is the key differentiating factor to the competitive advantage of the organization, and it is also the foundation of the enterprise's sustainable operation. Wistron uses “competency” as core to develop training roadmaps for different functions and develops various talent development programs in accordance with our strategies to consolidate human capital and to enhance sustainable business development ability.</p>	No discrepancy

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(5) Does the company comply with relevant laws, regulations and international standards on issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer or customer protection policies and complaint procedures?	✓			<p>The Company follows the regulations and international standards in the marketing and labelling of its products and services to protect customer’s privacy, safety and health. The Company obtains relevant international management system verification and implements it into daily management systems. The Company provides customers with high-quality and non-hazardous products, and protects customers’ privacy and rights.</p> <p>To implement Design for Environment, Wistron established effective management and monitoring mechanisms in accordance with IECQ QC 080000 standards, customers' special requirements, and the latest international regulations and trends. We established effective management and monitoring mechanisms, and conducted regular reviews to prevent any hazardous substances and to protect the health and safety of consumers.</p> <p>Wistron is committed to ensuring the confidentiality of customer information and upholding the principle of good faith to protect customer privacy rights. Adhering to the local regulations of the operation site and the relevant requirements of the EU General Data Protection Regulation (GDPR), Wistron has established a privacy policy as the highest management principle for privacy protection. The policy contains clear regulations and requirements for personal data collection, usage, and protection. We require all members (including subsidiaries) and partners to comply with the policies. Simultaneously, we provide a privacy protection mechanism and a hotline to protect the privacy rights of customers.</p> <p>To protect the customer confidential information and the product information security, Wistron has introduced and implemented comprehensive information security management mechanisms (ISO/IEC 27001) to ensure the security of customer and product information.</p> <p>All product lines are 100% compliant with customer requirements, local energy regulations, energy label requirements, and WEEE regulations. There was no violation with regard to product information labeling regulations and voluntary compliance.</p>	No discrepancy

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
(5) Does the company comply with relevant laws, regulations and international standards on issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer or customer protection policies and complaint procedures?	✓			The Company is an ODM (original design manufacturer) supplier, which means that it does not offer products/services to end users directly. Instead, end-user transactions are handled by the brand customers. In addition to regular quarterly business reviews (QBR), we also conduct satisfaction surveys for all brand customers and establish a flexible and efficient customer complaint handling process. This allows us to understand customer feedback on aspects such as quality, cost, delivery, service, and technology, and in turn, to actively respond to customer needs by bringing more benefits to customers and providing them with better service quality.	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?	✓			<p><b>Wistron Supplier Management Strategy</b></p> <p>Wistron places great value on the partnerships with our suppliers as well as the growth potential. With sustainable procurement at our core foundation, we have responded to customer demands and established our Sustainable Supply Chain Strategy, which includes quality performance and implementation, technical manufacturing capabilities, cost/operation management, local supply chain prioritization, and sustainability. We hope to solidify our partnerships to create new opportunities.</p> <p>According to the Company’s Articles of Incorporation, Wistron Supplier Management Procedures are formulated to establish the screening conditions for suppliers regarding the environment, human rights, safety, health and sustainable development. Those procedures define the explicit requirements for suppliers regarding environmental protection, occupational safety and health, labor management (e.g. no harm to labor rights and prohibition of child labor), codes of conduct, and integrity management.</p> <p>Wistron has a dedicated department to implement the supplier management policy, control the supplier selection process, implement audit guidance, and conduct performance evaluations, training, and supplier conferences. Based on cooperation and symbiosis, the sustainable requirements are implemented in the daily management of the supply chain. In Wistron, 100% of our Company’s 2022 cooperative suppliers meet the following conditions.</p> <p><b>Supplier Assessment</b></p> <p>According to the supplier performance evaluation standards, QCDS and RBA/CDP-ESG are used to score the existing transactions with suppliers as the standard for future selection of suppliers. Wistron distributed the Self-Assessment Questionnaire (SAQ) to all our tier 1 suppliers and non-tier 1 suppliers. Risk identification focuses on five aspects to identify potential high-risk suppliers:</p>	No discrepancy



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(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?	✓			<p>A. Sustainability and operation risk management            B. Supply chain and sustainability operation            C. Environmental management            D. Human rights and labor protection            E. Occupational safety and health</p> <p><b>Supplier Auditing</b>            In addition to the annual system and process audit of suppliers, the company also conducts sustainability audit for high-risk suppliers identified by the SAQ results and critical suppliers. The audit results suggest deficiencies and drive suppliers to improve, track, and confirm their improvement.</p> <p><b>Supplier Training</b>            The company offers online and offline training and guidance in a variety of formats, such as a virtual platform for suppliers to communicate labor, health, safety and environmental standards. Moreover, the code of conduct for ethical business practices outlines the elements required for a proper management system that enforces the Supplier Code of Conduct.</p> <p><b>Annual Supplier Conference and Suppliers Sustainability &amp; Greenhouse Gas Inventory Workshop</b>            The company holds the Wistron Group Partner Conference and Wistron Suppliers Sustainability &amp; Greenhouse Gas Inventory Workshop every year. In addition to conveying the Company's sustainable philosophy and goals, the conference also has demonstrated special recognitions to suppliers who have made outstanding contributions to sustainability and greenhouse gas inventory report.</p>	No discrepancy
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 2022 sustainability report followed the guidance of GRI standards. The contents of this report have been verified by Bureau Veritas Certification (Taiwan) in accordance with AA1000 Assurance Standard (AA1000AS v3) and attached in the report.	No discrepancy
<p>6. If the company has established its sustainable development code of practice according to “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operational status and differences.</p> <p>In March 2010, the board of directors of the Company approved the Corporate Social Responsibility Best Practice Principles.</p> <p>To strengthen the implementation of sustainable development, the board of directors approved the amendment of some provisions in August 2016, December 2019, December 2020, and December 2021, and renamed the principles as "Sustainable Development Best Practice Principles" in December 2021.</p> <p>The Company regularly reviews the implementation of these principles and makes improvements accordingly. So far, there is no discrepancy in the implementation.</p>					

Items of Execution	Implementation Status		Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
<p>7. Other important information to facilitate better understanding of the company’s implementation of sustainable development:</p> <p>The Company integrated the five corresponding management sub-systems related to quality, green products, environmental and energy, occupational health and safety, and social accountability, through the Corporate Sustainability and Social Responsibility Management to establish global policies and a management system. The Company also evaluates 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 a sustainability report to closely engage with stakeholders in response to increasing awareness regarding environment, society and governance (ESG).</p>				

**Climate-related information**

1. Status on Execution of Climate-related information

Item	Status on Execution
<p>1. The Board of Directors and the management’s supervisory and governance of climate-related risks and opportunities are clearly described.</p>	<p>In terms of methodology, as a formal supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), Wistron employs its framework and guidelines to address climate governance, identify climate risks and opportunities, establish measurement indicators and goal management, and publicly disclose information on a regular basis each year. In accordance with the company’s Risk Management Policy and Procedures, Wistron identifies and manages climate-related risks and opportunities, and incorporates them into the overall Enterprise Risk Management (ERM) mechanism to conduct systematic management. To deepen climate governance, the board of directors serves as the highest supervisory unit for climate issues, oversees the overall climate strategy, and supervises senior management’s execution of climate-related risk management and key performance indicators. As a functional committee directly under the board of directors, the ESG Committee has a risk management subgroup, chaired by the CFO and composed of representatives from various departments and business units, to conduct comprehensive assessments of various risks including climate risks, develop response and adaptation strategies, and produce enterprise risk management reports to report to the ESG Committee, ensuring that climate issues are included in the vision of senior management and managed prudently. The ESG Committee regularly reviews the company’s risk assessment and response strategies in various aspects including environment, society, and corporate governance, including but not limited to the status of climate change-related issues. At least twice a year, the ESG Committee reports to the board of directors on the execution results and future plans of sustainable development, including climate change-related issues.</p>

Item		Status on Execution																		
<p>2. The way that business, strategy and finance (short, medium and long term) of enterprises impacted by the identified climate risks and opportunities are clearly described.</p>		<p>Wistron follows the ISO 31000 and the ERM framework for our risk management process. We use a Risk Map to analyze the likelihood of potential and emerging risks and the extent of losses that may occur once a risk has materialized. Using factors such as asset life, potential climate risks, and the industry sector and region in which we operate, we evaluate short, medium, and long-term risks (short-term: 1-3 years, medium-term: 3-5 years, long-term: 5-10 years) and opportunities that may threaten our future operations. We assess and prioritize risks and opportunities by defining their likelihood and impact levels and present them on a Risk and Opportunity Matrix, which is disclosed publicly in our annual sustainability report. The results of our risk and opportunity analysis are based on a matrix chart drawn from the “probability, severity and control effectiveness. The impact level is categorized into five levels of financial loss (negligible, minor, moderate, major, catastrophic) for consideration. High or medium risks are classified as primary risks and require preventive measures and improvement plans.</p> <p><b>Climate Change Financial Impact Analysis (Risks)</b></p> <table border="1" data-bbox="1635 663 2813 1961"> <thead> <tr> <th data-bbox="1635 663 1828 726">Climate Change Risks</th> <th data-bbox="1828 663 2199 726">Financial Impacts</th> <th data-bbox="2199 663 2813 726">Response Measures</th> </tr> </thead> <tbody> <tr> <td data-bbox="1635 726 1828 1199">The development of regulations on climate risks and the demand for renewable energy.</td> <td data-bbox="1828 726 2199 1199">Increased operating costs (such as higher regulatory compliance costs, expenditures related to renewable energy, or increased management fees) The 100% renewable energy target is expected to be achieved by 2030. The fee for the green electricity certificate will increase the annual cost by NT\$300-600 million. The annual carbon fee cost due to regulation is: 1. 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	Drought	capacity that has not been transferred, the operating losses due production stoppages caused by severe droughts were 180 million to 3 billion NTD (RCP 8.5)	improve overall operating resilience.
	Typhoons	Impact on production and loss of operating revenue	In the event of a typhoon, the Company monitors alerts and related information on whether employees should work or suspend work. If work is not suspended, the Company provides vehicles, transportation subsidies, or other necessary assistance will be provided to ensure the safety of employees.
	Floods	Impact on production and loss of operating revenue	The foundation heights have been increased and drainage facilities have been improved for existing plants during construction, in order to prevent losses caused by disasters. Include "natural disaster assessment" items in the location selection process for new sites. Plan related flood prevention facilities to improve the disaster resilience of operating locations.
	Uncertainty of climate-related physical risks	Increase operating costs and impact operating revenue	1. In response to the Paris Agreement to address global warming challenges, for many years, Wistron has followed the SBT 1.5°C decarbonization methodology and has set annual absolute greenhouse gas reduction targets since 2020 to move towards the long-term goal of carbon neutrality. 2. In 2022, total greenhouse gas (Scope 1+2) emissions decreased by 22% compared to the previous year (market-based).
	Rise in average temperature	Increase operating costs (e.g., increase in water and electricity charges)	Wistron's energy-saving project is divided into six categories, including air conditioning systems, compressed air systems, green lighting, management, production, and others. In 2022, the total energy-saving amount was approximately 14,428,530 kWh, which can reduce about 10,635.76 metric tons of carbon emissions. While reducing operating costs, Wistron actively invests resources in reducing the carbon footprint of its operations.
	<b>Climate Change Financial Impact Analysis (Opportunities)</b>		
	<b>Climate Change Opportunities</b>	<b>Financial Impacts</b>	<b>Response Measures</b>
	New business opportunities in the low-carbon economy	Expand the revenue of green products	1. Products are developed with green design thinking to avoid the use of harmful substances and reduce energy consumption during the manufacturing and usage stages. In 2022, all product lines were 100% compliant with the Waste Electrical and Electronic Equipment Directive (WEEE). The company also assisted brand customers in obtaining various environmental certifications for their products, and such products accounted for 85.07% of hardware revenue. In 2022, Wistron's products that meet the Energy Star standard saved 580,048,154 (kwh) and reduced 295,244,510 (kgCO <sub>2</sub> e) annually. Product age is considered, and the energy saving benefit of the product is 3,590,806,033 (kwh) with a reduction of 1,827,720,271 (KgCO <sub>2</sub> e).

Item	Status on Execution		
<p>2. The way that business, strategy and finance (short, medium and long term) of enterprises impacted by the identified climate risks and opportunities are clearly described.</p>	Climate Change Opportunities	Financial Impacts	Response Measures
	New business opportunities in the low-carbon economy	Expand the revenue of green products	2. Wistron are developing green resource businesses, focusing on electronic product recycling and the refining of recycled plastics. We are actively building a viable circular economy model. In 2022, we shipped products that used post-consumer recycled plastics (PCR), accounting for 80.3% of our hardware product revenue, an increase of 1.2% compared to the previous year.
	Energy conservation and carbon reduction plan	Reduce operating costs	1. Global factories are implementing various types of energy-saving and carbon reduction projects according to local conditions to reduce operating costs. 2. For example, Wistron's Zhongshan factory uses a centralized nitrogen supply system to improve efficiency, and it is estimated that it will save 2.47 million kWh of electricity per year, resulting in a savings of approximately 1.62 million RMB in electricity costs.
	Low-carbon manufacturing	Continuously increasing the proportion of renewable energy use to avoid carbon taxes and meet customer demand	In 2022, we purchased over 260 million renewable energy certificates, and actively expanded our solar power generation capacity in our factories. As a result, renewable energy accounted for 57% of our total energy consumption and renewable electricity accounted for 63.02% of our total renewable energy, and we aim to increase this percentage to 100% gradually.
		Increase revenue	We continue to increase the proportion of renewable energy production lines to 100% in our global operating sites by purchasing green energy certificates, directly purchasing green energy, and other measures to meet the market's demand for low-carbon manufacturing.
<p>3. The impact on finance from extreme climate events and transformational actions is clearly described.</p>		<p>Regarding the potential financial impacts of extreme weather and transformational actions on our company, we conduct assessments through multiple scenario analyses. For droughts, typhoons, and floods, we simulate possible financial impacts based on existing information, and ask each responsible unit to propose response strategies and action plans under the ERM management framework. As for transformational actions, Wistron actively implements energy-saving and carbon-reducing projects and adopts green electricity to achieve its low-carbon transformation goals globally. The financial impacts mainly reflect expenditures such as equipment replacement or operating expenses, but at the same time, there are positive effects such as cost savings and market expansion due to improved operational efficiency and customer satisfaction. Please refer to the climate change financial impact analysis (risk) and climate change financial impact analysis (opportunity) tables in the previous section for the potential financial impacts of extreme weather and transformational actions on our company.</p>	



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<p>4. The way to integrate the identification, assessment and management process of climate risk into the overall risk management system is clearly described.</p>		<p>Following Wistron's 《Risk Management Policy and Procedures》 and other regulations, Wistron incorporates the identification and management of climate-related risks and opportunities into the mechanism of the company's overall Enterprise Risk Management (ERM) to conduct systematic management. The board of directors is the highest responsible unit for risk management, and the ESG Committee reports the execution and results of risk management to the board of directors regularly each year to supervise the operation of the risk management mechanism and overall implementation. The ESG Committee is a functional committee directly under the board of directors, which assists the board of directors in reviewing the execution of risk management. The committee members include the Vice Chairman (Chairman), President &amp; CEO, Chief of Staff, CTO, Chief Digital Officer &amp; Chief Information Security Officer, and one independent director. The committee has a risk management team under it. In order to deepen climate governance, Wistron regards the board of directors as the highest supervisory unit on climate issues, overseeing the overall climate strategy and monitoring the execution of climate-related risk management and key performance by senior management. As a functional committee directly under the board of directors, the ESG Committee has a risk management team composed of departmental and business unit managers and representatives, with the Chief Financial Officer as the convener. The risk management team conducts comprehensive evaluation and analysis of various risk scenarios, including climate-related risks, and formulates response and adaptation strategies. The team produces an Enterprise Risk Management Report to report to the ESG Committee each year to ensure that climate issues are included in the vision of senior management and prudently managed.</p>																											
<p>5. The scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be described if scenario analysis is used to assess resilience to the risks of climate change.</p>		<p>Our company uses multiple scenario analysis, and the scenarios, parameters, assumptions, and analysis factors used are explained below. For information on the main financial impacts, please refer to the table explanation in the second point of the previous section.</p> <table border="1" data-bbox="1656 1182 2819 1822"> <thead> <tr> <th data-bbox="1668 1190 1792 1276">Climate Scenario Type</th> <th data-bbox="1792 1190 2009 1276">Scenario Name</th> <th data-bbox="2009 1190 2237 1276">Timeline</th> <th data-bbox="2237 1190 2807 1276">Assumed Parameters</th> </tr> </thead> <tbody> <tr> <td data-bbox="1668 1276 1792 1499" rowspan="4">Transition</td> <td data-bbox="1792 1276 2009 1350">SBTi 1.5°C</td> <td data-bbox="2009 1276 2237 1350">2021-2030</td> <td data-bbox="2237 1276 2807 1350">Annual carbon reductions reached 4.2% (Scopes 1+2). Wistron will achieve 100% green energy by 2030.</td> </tr> <tr> <td data-bbox="1792 1350 2009 1388">IEA 2°C</td> <td data-bbox="2009 1350 2237 1388">2021-2030</td> <td data-bbox="2237 1350 2807 1388">Carbon price: 80-100 USD/ton CO<sub>2</sub>e</td> </tr> <tr> <td data-bbox="1792 1388 2009 1428">IEA below 2°C</td> <td data-bbox="2009 1388 2237 1428">2021-2030</td> <td data-bbox="2237 1388 2807 1428">Carbon price: 90-120 USD/ton CO<sub>2</sub>e</td> </tr> <tr> <td data-bbox="1792 1428 2009 1499">IEA Net Zero Emissions by 2050</td> <td data-bbox="2009 1428 2237 1499">2040-2050</td> <td data-bbox="2237 1428 2807 1499">Carbon price: 160-200 USD/ton CO<sub>2</sub>e</td> </tr> <tr> <td data-bbox="1668 1499 1792 1822" rowspan="3">Physical</td> <td data-bbox="1792 1499 2009 1539">RCP 6.0</td> <td data-bbox="2009 1499 2237 1539">2075~2099</td> <td data-bbox="2237 1499 2807 1539">Average annual temperature change is +0.95 ~ +3.45°C</td> </tr> <tr> <td data-bbox="1792 1539 2009 1667">RCP 2.6/ RCP 8.5</td> <td data-bbox="2009 1539 2237 1667">Middle of the century (2046 to 2065) and end of the century (2081 to 2100)</td> <td data-bbox="2237 1539 2807 1667">Longest consecutive rainless days in a year: The base period of Taipei City is (1986 to 2005) 28 days. The base period of Hsinchu County is (1986 -2005) 39.5 days</td> </tr> <tr> <td data-bbox="1792 1667 2009 1822">RCP 8.5</td> <td data-bbox="2009 1667 2237 1822">Middle of the century (2039 to 2065)</td> <td data-bbox="2237 1667 2807 1822">For the 95th percentile of highest accumulated rainfall during extreme rains (region average), the level during the regional base period (1979 to 2008) in the Hsinchu Plant is 385mm. It is expected to rise to 444mm by the middle of the century</td> </tr> </tbody> </table>	Climate Scenario Type	Scenario Name	Timeline	Assumed Parameters	Transition	SBTi 1.5°C	2021-2030	Annual carbon reductions reached 4.2% (Scopes 1+2). Wistron will achieve 100% green energy by 2030.	IEA 2°C	2021-2030	Carbon price: 80-100 USD/ton CO <sub>2</sub> e	IEA below 2°C	2021-2030	Carbon price: 90-120 USD/ton CO <sub>2</sub> e	IEA Net Zero Emissions by 2050	2040-2050	Carbon price: 160-200 USD/ton CO <sub>2</sub> e	Physical	RCP 6.0	2075~2099	Average annual temperature change is +0.95 ~ +3.45°C	RCP 2.6/ RCP 8.5	Middle of the century (2046 to 2065) and end of the century (2081 to 2100)	Longest consecutive rainless days in a year: The base period of Taipei City is (1986 to 2005) 28 days. The base period of Hsinchu County is (1986 -2005) 39.5 days	RCP 8.5	Middle of the century (2039 to 2065)	For the 95th percentile of highest accumulated rainfall during extreme rains (region average), the level during the regional base period (1979 to 2008) in the Hsinchu Plant is 385mm. It is expected to rise to 444mm by the middle of the century
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	IEA Net Zero Emissions by 2050	2040-2050	Carbon price: 160-200 USD/ton CO <sub>2</sub> e																										
Physical	RCP 6.0	2075~2099	Average annual temperature change is +0.95 ~ +3.45°C																										
	RCP 2.6/ RCP 8.5	Middle of the century (2046 to 2065) and end of the century (2081 to 2100)	Longest consecutive rainless days in a year: The base period of Taipei City is (1986 to 2005) 28 days. The base period of Hsinchu County is (1986 -2005) 39.5 days																										
	RCP 8.5	Middle of the century (2039 to 2065)	For the 95th percentile of highest accumulated rainfall during extreme rains (region average), the level during the regional base period (1979 to 2008) in the Hsinchu Plant is 385mm. It is expected to rise to 444mm by the middle of the century																										



Item		Status on Execution																																
<p>6. The content of the plan, and the indicators and objectives used to identify and manage physical risks and transition risks shall be described if there is a transition plan to manage the risks of climate-related.</p>		<p>Our company follows the TCFD framework and has established climate targets and performance indicators that are publicly disclosed annually. In response to the IPCC Special Report on Global Warming of 1.5°C, since 2020, we have adopted the Science-Based Targets initiative (SBTi) and set short-term, medium-term, and long-term goals based on a 2016 baseline year. The short-term goal is to achieve an absolute greenhouse gas reduction of 21% by 2021, the medium-term goal is to achieve a reduction of 37.8% by 2025, and the long-term goal is to achieve carbon neutrality by 2030, demonstrating our commitment to mitigating and adapting to climate change. Additionally taking into account the recommendation of scientifically-based carbon reduction goals, we have established short-term, medium-term, and long-term goals for electricity consumption of renewable energy, with targets of 57.5%, 80%, and 100% for 2022, 2025, and 2030, respectively, in response to the global trend of energy transition and low-carbon manufacturing, we actively assist our supply chain partners in setting scientifically-based carbon reduction goals to drive the entire value chain towards net-zero. Our progress towards these goals has been on track and steadily developing. Our climate performance indicators are publicly disclosed annually for external review. We have also launched the ESG 6 Pillar Transition Plan, in which the decarbonization, green products, recycling, and sustainable supply base pillars are directly targeted at low-carbon economic transformation and green manufacturing. Each pillar's performance indicators and short-term, medium-term, and long-term goals are publicly disclosed in our sustainability report and ESG website.</p>																																
<p>7. The bases used for setting prices shall be described if internal carbon pricing is used as a planning tool.</p>		<p>We plan to introduce an internal carbon pricing system with internal carbon fees as the pricing mechanism to drive carbon reduction. The selection and evaluation of advisory consultants are currently underway. Once the consultant team is confirmed, 1-2 manufacturing sites will be selected for trial implementation before gradually expanding to all sites.</p>																																
<p>8. Information on the activities covered, the scope and planned schedule of greenhouse gas emissions, and annual progress achieved shall be described if climate-related targets are set. The source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) to be offset shall be described if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals.</p>		<p>Climate-related targets:</p> <table border="1" data-bbox="1626 1228 2834 1726"> <thead> <tr> <th data-bbox="1626 1228 1967 1297">Item</th> <th data-bbox="1967 1228 2392 1297">Caption</th> <th data-bbox="2392 1228 2834 1297">Absolute reduction of greenhouse gas</th> <th data-bbox="2834 1228 2834 1297">Renewable energy consumption ratio</th> </tr> </thead> <tbody> <tr> <td data-bbox="1626 1297 1967 1396">Target: Climate Change and Energy Management</td> <td data-bbox="1967 1297 2392 1396">Absolute reduction of greenhouse gas compared to 2016 : -25.2%</td> <td data-bbox="2392 1297 2834 1396">Renewable energy consumption ratio: 57.5%</td> <td data-bbox="2834 1297 2834 1396"></td> </tr> <tr> <td data-bbox="1626 1396 1967 1465">Activity covered</td> <td colspan="3" data-bbox="1967 1396 2834 1465">Same as the current year's sustainability report, and it is evaluated and verified by an independent and impartial third party.</td> </tr> <tr> <td data-bbox="1626 1465 1967 1507">The scope of GHG Emissions</td> <td colspan="3" data-bbox="1967 1465 2834 1507">Scope 1+2</td> </tr> <tr> <td data-bbox="1626 1507 1967 1606">Short, medium, and long-term Goals</td> <td data-bbox="1967 1507 2392 1606">1. Y22: -25.2% 2. Y25: -37.8% 3. Y2030: carbon neutral</td> <td data-bbox="2392 1507 2834 1606">1. Y22: 57.5% 2. Y25: 80% 3. Y2030: 100%</td> <td data-bbox="2834 1507 2834 1606"></td> </tr> <tr> <td data-bbox="1626 1606 1967 1648">Y22 achievement progress</td> <td data-bbox="1967 1606 2392 1648">-66.72%</td> <td data-bbox="2392 1606 2834 1648">63.02%</td> <td data-bbox="2834 1606 2834 1648"></td> </tr> <tr> <td data-bbox="1626 1648 1967 1690">Solar energy generation (kWh)</td> <td data-bbox="1967 1648 2392 1690">NA</td> <td data-bbox="2392 1648 2834 1690">9,283,177</td> <td data-bbox="2834 1648 2834 1690"></td> </tr> <tr> <td data-bbox="1626 1690 1967 1726">I-RECs (kWh)</td> <td data-bbox="1967 1690 2392 1726">NA</td> <td data-bbox="2392 1690 2834 1726">267,372,000</td> <td data-bbox="2834 1690 2834 1726"></td> </tr> </tbody> </table>	Item	Caption	Absolute reduction of greenhouse gas	Renewable energy consumption ratio	Target: Climate Change and Energy Management	Absolute reduction of greenhouse gas compared to 2016 : -25.2%	Renewable energy consumption ratio: 57.5%		Activity covered	Same as the current year's sustainability report, and it is evaluated and verified by an independent and impartial third party.			The scope of GHG Emissions	Scope 1+2			Short, medium, and long-term Goals	1. Y22: -25.2% 2. Y25: -37.8% 3. Y2030: carbon neutral	1. Y22: 57.5% 2. Y25: 80% 3. Y2030: 100%		Y22 achievement progress	-66.72%	63.02%		Solar energy generation (kWh)	NA	9,283,177		I-RECs (kWh)	NA	267,372,000	
Item	Caption	Absolute reduction of greenhouse gas	Renewable energy consumption ratio																															
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## 1-1 Status on greenhouse gas inventory and assurance

Basic information of the Company	In accordance with the provisions of the Sustainable Development Roadmap of listed companies should at least be disclosed
<ul style="list-style-type: none"> <li>■ Companies with capital of more than \$10 billion, the steel industry, and the cement industry</li> <li>□ Companies with capital of more than \$5 billion but less than \$10 billion</li> <li>□ Companies with capital of less than \$5 billion</li> </ul>	<ul style="list-style-type: none"> <li>■ Inventory of parent company only</li> <li>□ Inventory of subsidiaries included in consolidated financial statements</li> <li>■ Assurance on parent company only</li> <li>□ Assurance on subsidiaries included in consolidated financial statements</li> </ul>

Scope 1	Total emissions (tonne CO <sub>2</sub> e)	Intensity (tonne CO <sub>2</sub> e/ NT\$ million)	Assurance Institution	Description of assurance status
Wistron Corporation (parent company)	852.718	0.020	Bureau Veritas Certification (Taiwan) Co., Ltd	Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018. It is our opinion that WISTRON CORPORATION, WISTRON CORPORATION HSINCHU SITE, WISTRON CORPORATION HUKOU FACTORY#1 SITE and WISTRON CORPORATION HUKOU FACTORY#2 SITE have established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.
Total	852.718	0.020		
Scope 2	Total emissions (tonne CO <sub>2</sub> e)	Intensity (tonne CO <sub>2</sub> e/ NT\$ million)	Assurance Institution	Description of assurance status
Wistron Corporation (parent company)	34,070.349	0.809	Bureau Veritas Certification (Taiwan) Co., Ltd	Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018. It is our opinion that WISTRON CORPORATION, WISTRON CORPORATION HSINCHU SITE, WISTRON CORPORATION HUKOU FACTORY#1 SITE and WISTRON CORPORATION HUKOU FACTORY#2 SITE have established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.
Total	34,070.349	0.809		
<b>Scope 3</b>	<b>2,865,344.568 (tonne CO<sub>2</sub>e)</b>			



BUREAU  
VERITAS

**VERIFICATION OPINION  
GREENHOUSE GAS EMISSIONS**

This is to verify that

## WISTRON CORPORATION

21F., NO. 88, SEC. 1, HSINTAI 5TH RD., HSICHIH DIST., NEW TAIPEI CITY 221, TAIWAN (R.O.C.)

Holds Statement No: TWN17664517GT-1/E Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WISTRON CORPORATION for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WISTRON CORPORATION. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

**Boundaries of the reporting company GHG emissions covered by the verification:**

- WISTRON CORPORATION at 21F, 88, SEC. 1, HSINTAI 5TH RD., HSICHIH and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2022 to December 31, 2022

**Emissions data verified:**

- Category 1 - Direct GHG emissions and removals: 219.232 tCO<sub>2</sub>e
- Category 2 - Indirect GHG emissions from imported energy: 12,908.545 tCO<sub>2</sub>e
- Category 3 - Indirect GHG emissions from transportation: 8,728.077 tCO<sub>2</sub>e
- Category 4 - Indirect GHG emissions from products used by organization: 67,391.957 tCO<sub>2</sub>e
- Category 5 - Indirect GHG emissions associated with the use of products from the organization: 2,147,023.016 tCO<sub>2</sub>e

**Level of Assurance and Qualifications:**

- Reasonable assurance
- This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above indicators

**Assurance Opinion:**

Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018.

It is our opinion that WISTRON CORPORATION has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Lily Chuang, Technical Reviewer  
Originally Issue: 28/4/2023

Andrew Lee, CER Manager  
Latest Issue: 28/4/2023



Validation and Verification  
VB005

Bureau Veritas Certification (Taiwan) Co., Ltd.  
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Taipei 10553, Taiwan R.O.C.  
+886-2-2570 7655

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BUREAU  
VERITAS

**VERIFICATION OPINION  
GREENHOUSE GAS EMISSIONS**

This is to verify that

**WISTRON CORPORATION HSINCHU SITE**

No. 5, Hsin-Ann Rd., Hsinchu Science Park

Holds Statement No: TWN17664517GT-2/E Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WISTRON CORPORATION HSINCHU SITE for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WISTRON CORPORATION HSINCHU SITE. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

**Boundaries of the reporting company GHG emissions covered by the verification:**

- WISTRON CORPORATION HSINCHU SITE at No. 5, Hsin-Ann Rd., Hsinchu Science Park and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2022 to December 31, 2022

**Emissions data verified:**

- Category 1 - Direct GHG emissions and removals: 437.713 tCO<sub>2</sub>e
- Category 2 - Indirect GHG emissions from imported energy: 9,096.752 tCO<sub>2</sub>e
- Category 3 - Indirect GHG emissions from transportation: 5,952.913 tCO<sub>2</sub>e
- Category 4 - Indirect GHG emissions from products used by organization: 168,314.970 tCO<sub>2</sub>e
- Category 5 - Indirect GHG emissions associated with the use of products from the organization: 278.858 tCO<sub>2</sub>e

**Level of Assurance and Qualifications:**

- Reasonable assurance
- This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above indicators

**Assurance Opinion:**

Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018.

It is our opinion that WISTRON CORPORATION HSINCHU SITE has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Andrew Lee, CER Manager  
Latest Issue: 28/4/2023



Validation and Verification  
VB005

Bureau Veritas Certification (Taiwan) Co., Ltd.  
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+886-2-2570 7655

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Ver.20230501



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**VERIFICATION OPINION  
GREENHOUSE GAS EMISSIONS**

This is to verify that

**WISTRON CORPORATION HUKOU FACTORY#1 SITE**

NO. 85, GUANGFU N. RD., HUKOU TOWNSHIP, HSINCHU COUNTY 303, TAIWAN (R.O.C.)

Holds Statement No: TWN17664517GT-3/E Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WISTRON CORPORATION HUKOU FACTORY#1 SITE for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WISTRON CORPORATION HUKOU FACTORY#1 SITE. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

**Boundaries of the reporting company GHG emissions covered by the verification:**

- WISTRON CORPORATION HUKOU FACTORY#1 SITE at NO. 85, GUANGFU N. RD., HUKOU TOWNSHIP, HSINCHU COUNTY 303, TAIWAN (R.O.C.) and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2022 to December 31, 2022

**Emissions data verified:**

- Category 1 - Direct GHG emissions and removals: 79.474 tCO<sub>2</sub>e
- Category 2 - Indirect GHG emissions from imported energy: 4,292.384 tCO<sub>2</sub>e
- Category 3 - Indirect GHG emissions from transportation: 1,669.824 tCO<sub>2</sub>e
- Category 4 - Indirect GHG emissions from products used by organization: 63,707.963 tCO<sub>2</sub>e

**Level of Assurance and Qualifications:**

- Reasonable assurance
- This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above indicators

**Assurance Opinion:**

Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018.

It is our opinion that WISTRON CORPORATION HUKOU FACTORY#1 SITE has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Lily Chuang, Technical Reviewer  
Originally Issue: 28/4/2023

Andrew Lee, CER Manager  
Latest Issue: 28/4/2023



Validation and Verification  
VB005

Bureau Veritas Certification (Taiwan) Co., Ltd.  
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+886-2-2570 7655

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Ver.20230501



**VERIFICATION OPINION  
GREENHOUSE GAS EMISSIONS**

This is to verify that

**WISTRON CORPORATION HUKOU FACTORY#2 SITE**

NO. 50, GUANGFU N. RD., HUKOU TOWNSHIP, HSINCHU COUNTY 303, TAIWAN (R.O.C.)

Holds Statement No: TWN17664517GT-4/E Rev.1

Bureau Veritas Certification (Taiwan) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by WISTRON CORPORATION HUKOU FACTORY#2 SITE for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of WISTRON CORPORATION HUKOU FACTORY#2 SITE. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information.

**Boundaries of the reporting company GHG emissions covered by the verification:**

- WISTRON CORPORATION HUKOU FACTORY#2 SITE at NO. 50, GUANGFU N. RD., HUKOU TOWNSHIP, HSINCHU COUNTY 303, TAIWAN (R.O.C.) and sites under operational control; detail is as following page.
- Period covered by GHG emissions verification: January 1, 2022 to December 31, 2022

**Emissions data verified:**

- Category 1 - Direct GHG emissions and removals: 116.299 tCO<sub>2</sub>e
- Category 2 - Indirect GHG emissions from imported energy: 7,772.668 tCO<sub>2</sub>e
- Category 3 - Indirect GHG emissions from transportation: 1,948.733 tCO<sub>2</sub>e
- Category 4 - Indirect GHG emissions from products used by organization: 400,328.256 tCO<sub>2</sub>e

**Level of Assurance and Qualifications:**

- Reasonable assurance
- This verification used a materiality threshold of 5% for aggregate errors in sampled data for each of the above indicators

**Assurance Opinion:**

Based on the process and procedures conducted, we conclude that the GHG statement is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018.

It is our opinion that WISTRON CORPORATION HUKOU FACTORY#2 SITE has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Andrew Lee, CER Manager  
Latest Issue: 28/4/2023

Lily Chuang, Technical Reviewer  
Originally Issue: 28/4/2023



Validation and Verification  
VB005

**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		Summaries	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>✓</p> <p>✓</p> <p>✓</p>		<p>(1) To enhance corporate conduct and ethics policy, the Company established “Ethical Corporate Management Best Practice Principles”, “Code of Ethical Conduct”, “Corporate Governance Best Practice Principles” and “Code of Conduct” 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



Item	Implementation Status			Summaries	Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
2. Ethic Management Practice					
(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?	✓			(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. 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.	No discrepancy
(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?	✓			(2) Global Human Resources & Administration is responsible for the establishment of company's integrity policy, the supervision of enforcement. Global Human Resources & Administration reports ethical management policies and plans to the board annually in board meeting. So far, no incidents of unethical conduct have been reported.	
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓			(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.	
(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?	✓			(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.	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓			(5) The new employees on the first day of employment and the new supervisor are required to take ethic/integrity e-learning courses. All employees are required to conduct regular e-learning courses and results tests.	



Item	Implementation Status			Summaries	Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No			
<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>(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?</p> <p>(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</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> <p>(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.</p> <p>(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".</p>	No discrepancy
<p>4. Information Disclosure</p> <p>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”)?</p>	✓			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 Sustainability Report.	No discrepancy
<p>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.</p> <p>No discrepancy.</p>					

Item	Implementation Status		Summaries	Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
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 a letter of Integrity Policy, and at the same time fully communicates Wistron's anti-corruption policy to suppliers through Wistron Global Learning Platform and has a reporting hotline. The company will also publicize the company's integrity management policy and beliefs to suppliers at the annual supplier conference and review the implementation status of suppliers 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 14, 2023

Based on the findings of a self-assessment, Wistron Corporation (Wistron) states the following with regard to its internal control system during the year 2022 :

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, 2022, 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 2022 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 14, 2023, 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 & CEO: Jeff Lin




**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 2022, 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**

Wistron held its 2022 shareholders' meeting on June 17, 2022. The resolutions and implementation status are listed below:

Important resolution	Implementation Status
Ratification of 2021 Business Report and Financial Statements as proposed.	To implement in accordance with the resolutions.
Ratification of the proposal for distribution of 2021 profits as proposed.	Since part of the New Restricted Employee Shares were cancelled, the total numbers of shares outstanding were changed and the payout ratio of cash dividends were changed to NT\$ 2.20011602. The Company had set the ex-dividend record date on July 12, 2022. The cash dividends were allocated on July 29, 2022.
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.
Approval of amendments to the "Articles of Incorporation" as proposed.	The amended "Articles of Incorporation" were completed the registration on June 24, 2022.
Approval of amendments to the "Rules and Procedures of Shareholders' Meeting" as proposed.	The amended "Rules and Procedures of Shareholders' Meeting" were implemented accordingly.
Approval of amendments to the "Procedures of Asset Acquisition and Disposal" as proposed.	The amended "Rules and Procedures of Shareholders' Meeting" were implemented accordingly.

## 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 2022	2022 · 03 · 16	1. Approval of the compensation for employees and directors of 2021.	V	Resolved		
		2. Approval of the proposal of 2021 employees' compensation payout ratio and amount to the managers (excluding CSO).	V	Resolved		
		3. Approval of the salary adjustment to the managers (excluding CSO) in 2022.	V	Resolved		
		4. Approval of the performance bonus budget to the managers (excluding CSO) in 2022.	V	Resolved		
		5. Approval of the proposal of 2021 employees' compensation payout ratio and amount to CSO.	V	Resolved		
		6. Approval of the salary adjustment to CSO in 2022.	V	Resolved		
		7. Approval of the performance bonus budget to CSO in 2022.	V	Resolved		
		8. Approval of the business plan of 2022.				
		9. Approval of the business report of 2021.			V	Resolved
		10. Approval of the parent-company-only and consolidated financial statements of 2021.			V	Resolved
		11. Approval of the proposal for 2021 earnings distribution.			V	Resolved
		12. Approval of acquisition machinery equipment within NT\$522 million for business development and strategic planning needs.			V	Resolved
		13. 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
		14. Approval of the amendments to the "Articles of Incorporation".				
		15. Approval of the amendments to the "Procedures of Asset Acquisition and Disposal".			V	Resolved
		16. Approval of the time, venue, method and agenda of 2022 general shareholders' meeting.				

	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 2022	2022 · 03 · 16	17. Approval of the amendments to the "Authorized limit for engaging in derivative transactions".			V	Resolved
		18. Approval of the amendments to the "Code of Conduct".				
		19. Approval of committing to join Science Based Targets Initiative (SBTi).				
		20. Approval of the promotion of managers.				
		21. Approved KPMG as audit accountants in 2022.			V	Resolved
		22. Approval of Internal Control System Statement of 2021.			V	Resolved
		23. Approval of acquiring or disposing of equipment held for business use with subsidiaries.				
2nd Board Meeting of 2022	2022 · 03 · 18	24. Approval of the application of AR factoring from Chang Hwa Commercial Bank, Ltd.				
		25. Approval of opening a bank account and related international trade financing business in Bank of Communications, Suzhou Branch.				
		26. Approve of the application for bank facility.				
		27. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
3rd Board Meeting of 2022	2022 · 05 · 06	Approval of disposing maximum 8 million common shares of Wiwynn through block trade.			V	Resolved
		1. Approval of consolidated financial statements of 2022Q1.			V	Resolved
3rd Board Meeting of 2022	2022 · 05 · 06	2. Approval of increase the capital expenditure budget of constructing a factory and building in the International AI Park from Hsinchu County Government.				
		3. Approval of the amendments to the "Rules and Procedures of Shareholders' Meeting".				
		4. Approval of the amendments to the "ESG Committee Charter".				
		5. Approval of setting Wistron's "Stock Ownership Guidelines".	V	Resolved		
		6. Approval of the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		7. Approval of the proposal on the allocation ratio of the operating fund for "Wistron Foundation".				

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
3rd Board Meeting of 2022	2022.05.06	8. Approval of acquiring or disposing of equipment held for business use with subsidiaries. 9. Approval of the application sustainability-linked loan for AR factoring from ING Bank N.V., Taipei Branch. 10. Approval of opening a bank account and related international trade financing business in Bank of Communications, Sichuan Branch. 11. Approve of the application for bank facility. 12. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
4th Board Meeting of 2022	2022.08.05	1. Approval of the performance bonus to managers (excluding CSO) in 2022 first half of the year.	V	Resolved		
		2. Approval of the performance bonus to CSO in 2022 first half of the year.	V	Resolved		
		3. Approval of the non-independent directors' compensation of 2021.	V	Resolved		
		4. Approval of consolidated financial statements of 2022Q2.			V	Resolved
		5. Approval of signing the letter of intent for office leasing with the subsidiary and approved the interior construction budget.			V	Resolved
		6. Approval of acquiring of real property right-of-use assets from AmTRAN Technology Co., Ltd.			V	Resolved
		7. Approval of signing the 20-year power purchasing agreements of renewable energy.				
		8. Approval of the amendments to the "Internal Control Systems of Shareholder Services Units".			V	Resolved
		9. Approval of the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		10. Approval of acquiring or disposing of equipment held for business use with subsidiaries.				
		11. Approval of the application of AR factoring from MUFG Bank, Ltd., Taipei Branch.				
		12. Approval of the application of AR factoring from Standard Chartered Bank.				
		13. Approval of opening a bank account and related international trade financing business at the Chengdu Shuangliu Sub-branch of Agricultural Bank of China.				

	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 2022	2022.08.05	14. Approval of opening a bank account and related international trade financing business at the High-tech Zone Sub-branch of China Construction Bank Co., Ltd. Kunshan 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 2022	2022.11.04	1. Approval of consolidated financial statements of 2022Q3.			V	Resolved
		2. Approval of the investment of NT\$1,000 million in WiSuccess Asset Management Corporation.			V	Resolved
		3. Approval of making a loan to Kaohsiung Opto-Electronics Inc.			V	Resolved
		4. Approval of the amendments to the "Rules and Procedures of Board of Directors Meeting".				
		5. Approval of setting Wistron's "Non-Assurance Services Pre-approval Policy".			V	Resolved
		6. Approval of the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		7. Approval of acquiring or disposing of equipment held for business use with subsidiaries.				
		8. Approval of the application sustainability-linked loan for AR factoring from Sumitomo Mitsui Banking Corporation, Taipei Branch.				
		9. Approve of the application for bank facility.				
		10. Approval of increase or decrease amount of endorsements and guarantees.			V	Resolved
6th Board Meeting of 2022	2022.12.22	1. Approval of the performance bonus to managers (excluding CSO) in 2022 second half of the year.	V	Resolved		
		2. Approval of the performance bonus to CSO in 2022 second half of the year.	V	Resolved		
		3. Approval of the fulfillment of the first vested conditions and the number of shares that can be received by managers who are allocated New Restricted Employee Shares issued in 2021.	V	Resolved		
		4. Approval of the proposal for adjustment of important positions of the Company's managers.				



	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 2022	2022 12 22	5. Approval of the change of Accounting Officer.			V	Resolved
		6. Approval of the promotion of managers. 7. Approval of 2023 Annual Audit Plans. 8. Approval of the amendments to the "Internal Control Systems" and Internal Control Operation Cycles and other control operation. 9. Approval of setting "Procedure for preparation and validation of the Sustainability report". 10. Approval of the amendments to the "Risk Management Policy and Procedure". 11. Approval of setting "Procedure for handling material inside information". 12. Approval of the amendments to the "Procedures for Preventing Insider Trading". 13. Approval of the amendments to the "Procedures of the receipt and use of negotiable instruments". 14. Approval of the amendments to the "Procedures of budget management". 15. Approval of the amendments to the "Procedures of supervision and management of subsidiaries". 16. Approval of setting "Procedures of tax policy and management" to replace the original "Tax Policy". 17. Approval of signing a joint credit contract with a joint credit bank consortium organized. 18. Approval of opening a FTN and NRA bank account with Shanghai branch and Suzhou Branch of ZheShang Bank Co., Ltd. 19. Approval of opening a FTN and NRA bank account with Haikou Branch and Chongqing Branch of China Merchants Bank Co.,Ltd. 20. Approve of the application for bank facility. 21. Approval of increase or decrease amount of endorsements and guarantees.			V V	Resolved Resolved
1st Board Meeting of 2023	2023 03 14	1. Approval of the compensation for employees and directors of 2022. 2. Approval of the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO).	V V	Resolved 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 2023	2023 03 14	3. Approval of the salary adjustment to the managers (excluding CSO) in 2023.	V	Resolved		
		4. Approval of the performance bonus budget to the managers (excluding CSO) in 2023.	V	Resolved		
		5. Approval of the proposal of 2022 employees' compensation payout ratio and amount to CSO.	V	Resolved		
		6. Approval of the salary adjustment to CSO in 2023.	V	Resolved		
		7. Approval of the performance bonus budget to CSO in 2023.	V	Resolved		
		8. Approval of the business plan of 2023.			V	Resolved
		9. Approval of the business report of 2022.			V	Resolved
		10. Approval of the parent-company-only and consolidated financial statements of 2022.				
		11. Approval of the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		12. Approval of the proposal for 2022 earnings distribution.			V	Resolved
		13. 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
		14. Approval of the amendments to the "Codes of Ethical Conduct".				
		15. Approval of the amendments to the "Ethical Corporate Management Best Practice Principles".				
		16. Approval of convening 2023 general shareholders' meeting.				
		17. Approve of assigning KPMG as audit accountants in 2023.			V	Resolved
		18. Approval of Internal Control System Statement of 2022.			V	Resolved
		19. Approval of the amendments to the "Corporate Governance Best Practice Principles".				
		20. Approval of acquiring or disposing of equipment held for business use with subsidiaries.				
		21. Approve of the application for bank facility.				
		22. 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	David Shen	2020.08.12	2023.01.01	Position adjustment
Controller	Stone Shih	2003.08.27	2023.01.01	Position adjustment

### 3.5 Information Regarding the Company's Audit Fee and Independence

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee(Note)	Total	Remarks
KPMG	Ya-Ling, Chen Chia-Chien, Tang	2022/01~2022/12	7,263	3,041	10,304	-

Note: Including the review on the information on salaries of full-time employees in non-management positions, the certification of income tax return and stock counting, tax consulting service and the review for financial asset evaluation reports.

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

### 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	2022		As of Apr. 17, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CSO	Simon Lin	2,000,000	0	0	0
Vice Chairman	Robert Hwang	600,000	0	560,000	0
Director	Wistron NeWeb Corp.	0	0	0	0
	Representative: Haydn Hsieh	0	0	0	0
Director	Philip Peng	300,000	0	0	0
Independent Director	Jack Chen	0	0	0	0
Independent Director	S. J. Paul Chien	0	0	0	0
Independent Director	Christopher Chang	0	0	0	0
Independent Director	Sam Lee	0	0	0	0
Independent Director	Peipei Yu	0	0	0	0
President & CEO	Jeff Lin	0	0	2,669,000	0
Executive Vice President & Chief Infrastructure Officer	David Shen	1,206,000	0	300,000	0
Chief of Staff	Frank F.C. Lin	300,000	0	700,000	0
President of Advanced Technology Lab	Donald Hwang		0	600,000	0
Chief Digital Officer & Chief Information Security Officer	Kenny Wang	(1,500,000)	0	870,000	0
Chief Financial Officer	Stone Shih	0	0	600,000	0
President of Enterprise & Networking Business Group	William Lin	0	0	407,000	0
Technical Vice President	Kelvin Chang	(2,411,000)	0	100,000	0
Strategy Planning Office Vice President	K.Y. Wang	0	0	100,000	0
President of Client Products Business Group	Robert C.L. Lin	0	0	600,000	0
Vice President of New Technology Strategy	Vincent Cho	50,785	0	300,000	0
President of Global Manufacturing	Jackie Lai	0	0	400,000	0
Vice President of Client Products Business Group	Felix Lai	0	0	400,000	0
Vice President of Service & Recycling Business Group	Peter Tung	0	0	500,000	0
Vice President of Industrial & Automotive Business Group	Christine Hsu	0	0	360,000	0
Vice President of Enterprise & Networking Business Group	Christopher Huang	0	0	300,000	0
Vice President of Global Supply Chain Management	Benny Hu	0	0	170,000	0

Title	Name	2022		As of Apr. 17, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
President of Global Manufacturing	Alec Lai	0	0	300,000	0
Vice President of Industrial & Automotive Business Group	Howard Liu (Note 1)	-	-	250,000	0
Vice President of Global Manufacturing	Mark HH Huang (Note 1)	-	-	30,000	0
Vice President of Information	Kevin Fong (Note 2)	-	-	-	-
Vice President of Global Manufacturing	Benjamin Chang (Note 2)	-	-	-	-
Controller	Fred Chiu (Note 2)	-	-	-	-
Wistron Smart Devices President of Global Manufacturing & Digital Operations	James Chou (Note 3)	-	-	-	-

Note 1 : Appointed on March 16, 2022.

Note 2 : Appointed on January 1, 2023.

Note 3 : Retirement on October 1, 2022.

**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 17, 2023)

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	135,827,952	4.68	0	0	0	0	None	None	
Labor Pension Fund	71,565,852	2.47	0	0	0	0	None	None	
Acer Incorporated Representative: Jason Chen	54,815,995	1.89	0	0	0	0	None	None	
J.P. Morgan Securities PLC	47,281,386	1.63	0	0	0	0	None	None	
Fubon Taiwan high dividend 30 ETF	47,082,000	1.62	0	0	0	0	None	None	
Taipei Fubon Bank Trust Account (employee share ownership trust)	43,329,252	1.49	0	0	0	0	None	None	
BNP Paribas Arbitrage S.N.C.	43,229,642	1.49	0	0	0	0	None	None	
Lin, Hsien-Ming	42,599,252	1.47	1,544	0	0	0	None	None	
Taipei Fubon Bank Trust Account (employee restricted stock awards)	40,151,000	1.38	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd. Representative: Richard M. Tsai	40,000,000	1.38	0	0	0	0	None	None	
	-	-	-	-	-	-	None	None	

### 3.10 Ownership of Shares in Affiliated Enterprises

(As of December 31, 2022) 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	213,893,915	100.00	0	0.00	213,893,915	100.00
Win Smart Co., LTD	44,565,492	100.00	0	0.00	44,565,492	100.00
Wise Cap Limited Company	(Note 2)	100.00	0	0.00	(Note 2)	100.00
Wistron NeWeb Corporation	89,674,679	22.66	9,169,458	0.08	98,844,137	22.74
INTERNATIONAL STANDARDS LABORATORY CORP.	2,434,462	100.00	0	0.00	2,434,462	100.00
WiAdvance Technology Corporation	977	0.01	14,530,000	78.62	14,530,977	78.63
SMS Infocomm Corporation	4,832,686	100.00	0	0.00	4,832,686	100.00
Wistron Mexico, S.A. de C.V.	16,004,371,488	100.00	0	0.00	16,004,371,488	100.00
All Holding Corp.	437,485,702	100.00	0	0.00	437,485,702	100.00
Wistron InfoComm (Philippines) Corporation	139,567,270	100.00	0	0.00	139,567,270	100.00
SMS InfoComm (Singapore) Pte. Ltd.	157,489,410	100.00	0	0.00	157,489,410	100.00
Wistron LLC	8,936,000	100.00	0	0.00	8,936,000	100.00
WisVision Corporation	9,150,000	100.00	0	0.00	9,150,000	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	0	0.00	13,005	100.00
Wistron Advanced Materials(Hong Kong)Limited	33,500,000	100.00	0	0.00	33,500,000	100.00
WiseCap (Hong Kong) Limited	58,445,950	100.00	0	0.00	58,445,950	100.00
WISTRON TECHNOLOGY (MALAYSIA) SDN.BHD.	267,425,000	100.00	0	0.00	267,425,000	100.00
Service Management Solutions Mexico SA DE CV	36,429,340	100.00	0	0.00	36,429,340	100.00
Wistron Mobile Solutions Corporation	20,000	100.00	0	0.00	20,000	100.00
Wiwynn Corporation	65,895,129	37.69	16,530,580	5.79	82,425,709	43.48
Anwith Technology Corporation	1,000,000	100.00	0	0.00	1,000,000	100.00
Wistron InfoComm(Czech), s.r.o.	(Note 2)	100.00	0	0.00	(Note 2)	100.00
WiEdu Hong Kong Limited	16,426,000	100.00	0	0.00	16,426,000	100.00
Wistron Medical Tech Holding Company	280,000,000	100.00	0	0.00	280,000,000	100.00
Wistron Digital Technology Holding Company	205,056,000	100.00	0	0.00	205,056,000	100.00
Wistron Technology Service (America) Corporation	35,000	100.00	0	0.00	35,000	100.00
WISTRON INFOCOMM MEXICO SA de CV	13,340,990,012	100.00	0	0.00	13,340,990,012	100.00
Wistron InfoComm (Vietnam) Co., Ltd	(Note 2)	100.00	0	0.00	(Note 2)	100.00
SMS InfoComm (Czech) s.r.o.	(Note 2)	100.00	0	0.00	(Note 2)	100.00
WiSuccess Asset Management Corporation	170,000,000	100.00	0	0.00	170,000,000	100.00
Wistron Green Energy Holding Company	28,000,000	100.00	0	0.00	28,000,000	100.00
WIBASE INDUSTRIAL SOLUTIONS INC.	17,888,000	45.79	3,231,000	7.09	21,119,000	52.88
Information SuperGrid Technology Global Inc.	5,000	40.00	0	0.00	5,000	40.00
Information SuperGrid Technology China Limited	5,000	40.00	0	0.00	5,000	40.00
HERACLES ENTERPRISES LIMITED	330	30.00	0	0.00	330	30.00

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
Formosa Prosonic Industries Berhad	69,260,000	27.03	0	0.00	69,260,000	27.03
Join-Link International Technology Co. Ltd.	20,261,108	32.79	1,933,947	3.13	22,195,055	35.92
T-CONN PRECISION CORPORATION	4,711,018	12.82	3,114,894	8.48	7,825,912	21.30
NICE Licensing LLC	(Note 2)	20.00	0	0.00	(Note 2)	20.00
Pell Bio-Med Technology Co., Ltd.	3,000,000	6.76	7,300,000	16.45	10,300,000	23.21

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 Sustainable Development Best Practice Principles which clearly defined four major principles to serve as the highest guiding principles for sustainable development. The four principles are: exercising corporate governance, fostering a sustainable environment, preserving public welfare, and enhancing the disclosure of corporate sustainability. In addition, our ESG Committee is established under the leadership of Wistron's Vice Chairman who reports to the Board of Directors annually on the implementation and performance of the Wistron ESG program as well as the plans and goals for the coming year.

#### (1) Quality Management System

Wistron values customers and the quality of products and services. Our R&D and manufacturing processes all comply to international quality standards in order to deliver defect-free and competitive products and services to our customers in a timely manner.

#### (2) Green Product Management System

In order to reduce the environmental impacts 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.

(3) Environmental and Energy Management System

Wistron understands that its activities, products, and services will influence the environment. To minimize the effect of operations, products and services, Wistron is committed to respond to climate change advocacy, and we're dedicated to conserving energy consumption and increasing renewable energy ratio. To realize low-carbon transition, we support the procurement and improvement plan of energy-efficient equipment and use eco-friendly technologies to reduce pollutant emissions. Environmental programs are implemented at global operations including water recycling, waste reducing and recycling, transportation and logistics management. Through our green product and service, we carefully select raw materials and suppliers to ensure zero usage of restricted and banned materials and substances.

(4) Occupational Health and Safety Management System

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 health and safety management system and enhance consultation and participation aims to ensure that employees are in a healthy and harm-free working environment.

(5) Social Accountability Management System

Wistron complies with international regulations and local laws related to social responsibility, continues to improve employee rights and welfare, establishes an honest, healthy and safe operating environment, and fulfills social responsibilities.

## 4. Company Shares and Fund Raising

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## 4.1 Capital and Shares (April 17, 2023)

### 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	2,900,166,050	0	1,099,833,950	4,000,000,000	Stock option 200,000,000 shares

Note: Including 52,635,000 shares of treasury stock and 200,000 shares of expired restricted stock awards yet to be cancelled.

#### B. Issued Shares

As of 04/17/2023

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	

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
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	
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	



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
2013.08	10	3,000,000	30,000,000	2,315,140	23,151,403	New issuance of Shares and cancellation of treasury stocks.	None	
2013.09	10	3,000,000	30,000,000	2,377,935	23,779,353	Issuance of Restricted Stock Awards	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 t	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	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	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	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	None	
2021.08	10	4,000,000	40,000,000	2,903,372	29,033,721	Cancellation of Restricted Stock Awards	None	
2021.11	10	4,000,000	40,000,000	2,903,252	29,032,521	Cancellation of Restricted Stock Awards	None	
2022.05	10	4,000,000	40,000,000	2,903,102	29,031,021	Cancellation of Restricted Stock Awards	None	
2022.08	10	4,000,000	40,000,000	2,902,922	29,029,221	Cancellation of Restricted Stock Awards	None	
2022.11	10	4,000,000	40,000,000	2,901,602	29,016,021	Cancellation of Restricted Stock Awards	None	
2023.03	10	4,000,000	40,000,000	2,902,922	29,001,661	Cancellation of Restricted Stock Awards	None	

#### 4.1.2 Shareholding Structure

Date : April 17, 2023

Category/ Number	Government Institution	Financial Institution	Other Institution	FINI	Individual	Treasury Stock and Other (Note)	Total
Number of Shareholders	7	11	413	899	189,175	1	190,506
Shareholding (shares)	96,085,511	41,126,000	536,938,074	1,112,285,993	1,060,895,472	52,835,000	2,900,166,050
Percentage (%)	3.31	1.42	18.51	38.36	36.58	1.82	100.00

Note: Including 52,635,000 shares of treasury stock and 200,000 shares of expired restricted stock awards yet to be cancelled.

#### 4.1.3 The Distribution of Shareholdings

Date : April 17, 2023

Category by shareholdings	No. of Shareholders	Number of Shares	Percentage(%)	
1 ~ 999	999	67,888	14,465,860	0.50
1,000 ~ 5,000	91,521	190,078,742	6.56	
5,001 ~ 10,000	15,757	118,280,668	4.08	
10,001 ~ 15,000	5,283	65,322,348	2.25	
15,001 ~ 20,000	2,732	49,444,410	1.70	
20,001 ~ 30,000	2,551	63,548,602	2.19	
30,001 ~ 40,000	1,131	39,585,284	1.36	
40,001 ~ 50,000	715	32,859,598	1.13	
50,001 ~ 100,000	1,417	100,679,110	3.47	
100,001 ~ 200,000	631	88,264,068	3.04	
200,001 ~ 400,000	335	94,744,867	3.27	
400,001 ~ 600,000	147	71,904,775	2.48	
600,001 ~ 800,000	60	41,518,687	1.43	
800,001 ~ 1,000,000	55	50,911,251	1.76	
1,000,001 and above	283	1,878,557,780	64.78	
Total	190,506	2,900,166,050	100.00	



**4.1.4 The List of Major Shareholders**

Date : April 17, 2023

Name	Shares	Number	Percentage(%)
Yuanta Taiwan Dividend Plus ETF		135,827,952	4.68
Labor Pension Fund		71,565,852	2.47
Acer Incorporated		54,815,995	1.89
J.P. Morgan Securities PLC		47,281,386	1.63
Fubon Taiwan high dividend 30 ETF		47,082,000	1.62
Taipei Fubon Bank Trust Account (employee share ownership trust)		43,329,252	1.49
BNP Paribas Arbitrage S.N.C.		43,229,642	1.49
Lin, Hsien-Ming		42,599,252	1.47
Taipei Fubon Bank Trust Account (employee restricted stock awards)		40,151,000	1.38
Fubon Life Insurance Co., Ltd.		40,000,000	1.38

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

Unit : NT\$

Item	Period	2021			2022			2023(As of March 31)		
Market Price Per Share	Highest		34.80		32.30		41.95			
	Lowest		26.55		23.10		29.00			
	Average		30.02		28.10		36.11			
Net Value Per Share	Before Distribution		27.39		33.85		-			
	After Distribution		25.19		(Note)		(Note)			
Earnings Per Share	Weighted Average Share Numbers (thousand shares)		2,781,843		2,783,285		-			
	Earnings Per Share		3.76		4.01		(Note)			
Dividend Per Share	Cash Dividend (NT\$)		2.2		2.6		(Note)			
	Stock Dividend	Retained Earning (%)		0		0		(Note)		
		Capital Surplus (%)		0		0		(Note)		
	Accumulated unpaid dividends		0		0		(Note)			
Return on Investment Analysis	P/E Ratio		7.98		7.01		-			
	P/D Ratio		13.64		10.81		-			
	Cash Dividend Yield		7.33%		9.25%		-			

Note: Distribution will ratify by Shareholders meeting.

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

(A) If the Company has earnings at the end of the fiscal year, the Company shall first pay all relevant taxes, offset its losses in precious 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 2022 profit distribution at its quarterly meeting on March 14, 2023. The proposed profit distribution will take effect upon the approval of shareholders at the Annual Shareholders' Meeting on June 15, 2023.

**Proposal for Distribution of 2022 Profits**

Unit : NT\$

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

Note 1: Stock dividend: NT\$0.

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

**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 purpose of the employees' compensation is to reward employee contributions appropriately, to encourage employees to work consistently and to jointly participate in the Company's operating results. The amount and distribution of the employees' compensation are recommended by the Compensation Committee to the Board of Directors for approval. Individual rewards are based on each employee's job responsibility, contribution and performance.**

**E. The Board of Directors resolved the employees' and directors' compensation of 2022 as follows:**

(A) The Company's 5th term 8th Compensation Committee Meeting and 1st Board Meeting of 2023 resolved the employees' and directors' compensation of 2022 in accordance with the "Articles of Incorporation."

- a. The employees' compensation was NT\$ 2,009,595,168, and the appropriation rate is 15.407%, which is paid in cash.
- b. The directors' compensation was NT\$100,000,000, and the appropriation ratio is 0.767%, 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 2022 financial statements.

**F. The Bonuses to Employees and Compensation to Directors in 2021:**

	2021			
	Board Resolution	Actual Distribution(Note)		
	Amount(NT\$)	Amount(NT\$)	Equivalent Number of Shares	Dilution(%)
Employees' Compensation in Cash	1,921,749,940	1,921,749,940	-	-
Employees' Compensation in Stock	-	-	-	-
Directors' Compensation	102,493,340	102,493,340	-	-
Total	2,024,243,280	2,024,243,280	-	-

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 2021 financial statements.

#### **4.1.9 Treasury Stocks:**

(1) Repurchases already completed

Date : April 30, 2023

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	6,134,000
Accumulated number of company shares held	52,635,000
Percentage of total company shares held (%)	1.81

(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 Depositary Shares**

Date : March 31, 2023

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	42,439,863 units		
Underlying Securities	424,398,669 shares		
Common Shares Represented	424,398,669 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	2022	High	US\$ 11.5
		Low	US\$ 7.85
		Average	US\$ 9.5
	2023.01.01 - 2023.03.31	High	US\$ 13.7
		Low	US\$ 9.5
		Average	US\$ 10.82

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

As of 03/31/2023

Type of New Restricted Employee Shares	Employee restricted stock awards for the year 2020
Date of Effective Registration and Number of total New Restricted Employee Shares	December 11, 2020 /63,000,000 shares
Issue date	February 18, 2021
Number of New Restricted Employee Shares Issued	63,000,000
Number of New Restricted Employee Shares Non-Issued	0
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"> <li>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.</li> <li>The rights of shareholders' meetings, proposals, speeches, voting and the right to vote shall be carried out in accordance with the trust custody contract.</li> <li>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.</li> </ol>
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	3,646,000
Number of Released New Restricted Employee Shares	19,203,000
Number of Unreleased New Restricted Shares	40,151,000
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	1.38
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 03/31/2023

	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	Robert Hwang	31,800,000	1.10%	9,330,000	0	0	0.32%	20,400,000	0	0	0.70%
	President & CEO	Jeff Lin										
	Executive Vice President & Chief Infrastructure Officer	David Shen										
	Chief of Staff	Frank F.C. Lin										
	President of Advanced Technology Lab	Donald Hwang										
	Chief Digital Officer & Chief Information Security Officer	Kenny Wang										
	Chief Financial Officer	Stone Shih										
	President of Enterprise & Networking Business Group	William Lin										
	Technical Vice President	Kelvin Chang										
	Strategy Planning Office Vice President	KY Wang										
	President of Client Products Business Group	Robert CL Lin										
	Vice President of New Technology Strategy	Vincent Cho										
	President of Global Manufacturing	Jackie Lai										
	Vice President of Client Products Business Group	Felix Lai										
	Vice President of Service & Recycling Business Group	Peter Tung										
	Vice President of Industrial & Automotive Business Group	Christine Hsu										
	Vice President of Enterprise & Networking Business Group	Christopher Huang										
	Vice President of Global Supply Chain Management	Benny Hu										
	President of Global Manufacturing	Alec Lai										
	Vice President of Industrial & Automotive Business Group	Howard Liu										
Vice President of Global Manufacturing	Mark HH Huang											
Vice President of Information	Kevin Fong (Note 1)											
Vice President of Global Manufacturing	Benjamin Chang (Note 1)											
Controller	Fred Chiu (Note 1)											
Wistron Smart Devices President of Global Manufacturing & Digital Operations	James Chou (Note 2)											
Employees	Chief Legal Officer	Michael CM Wu	5,740,000	0.20%	1,914,000	0	0	0.07%	3,826,000	0	0	0.13%
	V.P. of R&D	York Liang										
	B.G. V.P.	Ted Chiu										
	GM	Michael Tseng										
	GM	George C Chou										
	Executive Director	Alex CZ Lee										
	GM	Pen Wei Wu										
	GM	Stanley CH Chung										
	Executive Director	Leon Lu										
D. Executive Director	Charles Liang											

Note 1: Appointed on January 1, 2023

Note 2: Retirement on October 1, 2022

**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.

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## 5. Operational Highlights

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## 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, AI computing devices 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 2022	(%) of Total Sales
3C Electronics	925,447,986	93.8
Others	59,171,170	6.2
Total	984,619,156	100

#### 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) AI computing equipment

#### D. New products and Services development

- (1) Medical devices, Medical AI and Big Data services
- (2) Electrical vehicle
- (3) Cloud technology services
- (4) AI computing equipment
- (5) Networking equipment

### 5.1.2 Industry Overview

#### A. Progress and Development of the Industry

##### (1) Personal Computers

In 2022, the PC market faced numerous challenges, experiencing its first decline since 2020. Canalis research indicates that the total shipments of personal computers in 2022 were 285 million, which is a 16% decline compared to the 341 million shipments in 2021. This decline can be primarily attributed to the significant increase in the cost of living caused by high inflation, which has negatively impacted consumers' willingness to purchase or replace their computers. Additionally, central banks in various countries have taken measures to aggressively raise interest rates to curb inflation, resulting in tightened budgets across commercial, public, and private sectors. As a result, there has been reduced demand for computer procurement, further contributing to the decline in PC market shipments.

After analyzing the current market trends, we expect a continued decline in the growth rate of the PC market in 2023, in comparison to 2022. However, we forecast that the overall shipment volume will exceed the pre-COVID-19 level of 2019. Once the corporate and consumer markets overcome the challenges of inflation and interest rate fluctuations, we anticipate deferred PC purchases to start recovering in the second half of 2023 and rebound in 2024. Furthermore, as devices purchased during the COVID-19 pandemic gradually reach their lifespan, we predict an increase in demand for upgrades, driving the overall PC market towards an upward trajectory.

##### (2) Enterprise compute, hyperscale datacenters and cloud services

In recent years, the explosive growth of mobile devices and the diverse development of cloud applications have led to an increasing demand for datacenters, cloud storage, e-commerce, and social media platforms. Major internet service providers, including Google, Amazon, Microsoft, and Meta, have developed their own datacenter specifications and directly purchase datacenters from ODMs. The growth in datacenter shipments has far exceeded that of traditional enterprise servers, and the market has been largely insulated from the impact



of economic cycles. In 2022, the global server market experienced a 6% growth, primarily driven by robust demand from major cloud datacenter operators. This steady demand was mainly triggered by the adoption of hybrid office solutions in the post-pandemic era and the gradual easing of IC and component shortages from the second half of 2022. Looking ahead, cloud customers are expected to continue building datacenter infrastructure with the transition to new CPU platforms, leading to a continuous growth of datacenter shipments. However, traditional X86 servers are more vulnerable to the impact of the global economy, and the inflation-induced interest rate hikes have reduced enterprise spending, resulting in a slight decline in the market this year.

### (3) Artificial intelligence compute

GPU accelerators and servers have recently emerged as crucial computing tools. Their unique advantage lies in their ability to process a vast number of highly similar computations simultaneously, making them particularly useful in fields such as artificial intelligence, deep learning, augmented reality, virtual reality, weather forecasting, energy exploration, medical science, and autonomous driving. As the demand for these technologies continues to grow, the market for GPU accelerators and servers is expected to expand rapidly in the coming years.

At the close of 2022, Open AI introduced its chatbot, ChatGPT, which is capable of executing various natural language processing tasks, generating text, answering questions, and summarizing content automatically based on text input. The responses generated by ChatGPT are not only fluent but also remarkably similar to human conversation. In 2023, Microsoft launched Copilot, which integrates the ChatGPT chatbot with all of its applications. By using text instructions, artificial intelligence can automatically generate content related to MS Office software, including content summaries, data analysis, and PowerPoint presentations. ChatGPT is a highly convenient and powerful tool, with its capabilities primarily derived from vast amounts of training data and deep learning algorithms, enabling highly contextual understanding and natural language generation.

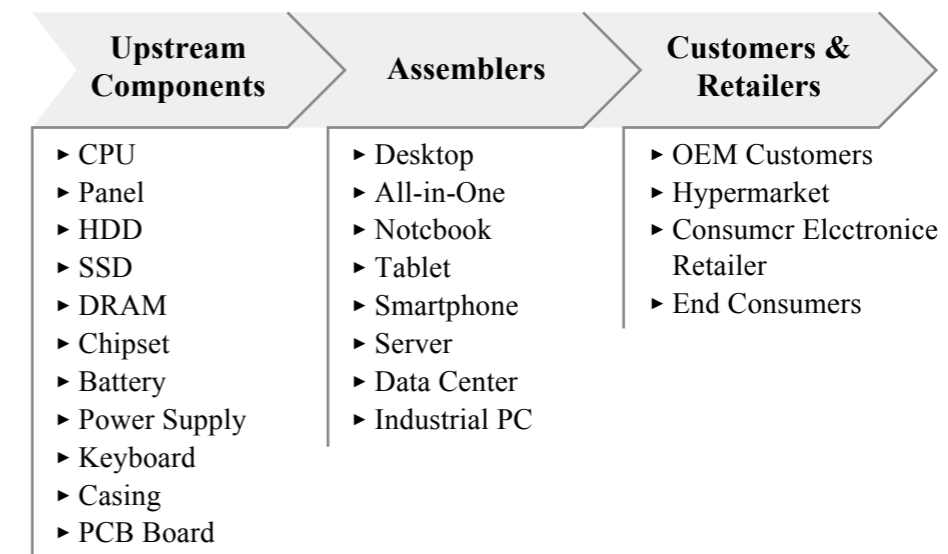
Artificial intelligence has the potential to simulate, train, analyze, and predict various models in numerous scientific fields to enhance the quality of life and safety. It is anticipated that software applications related to AI will continue to thrive in the future, resulting in a continuous increase in demand for GPU accelerators.

### (4) Automotive Compute

Intelligent vehicles have emerged as an important topic in recent technological developments, and the market for smart cockpit products is rapidly growing with enormous potential. The smart cockpit combines navigation, sensors, microphones, and other devices to collect information both inside and outside the vehicle. Through artificial intelligence computing, a diversified cockpit experience enhances driving safety, ride comfort, and human-vehicle interaction. Experts predict that the global market value of smart cockpits will surge to USD 70 billion by 2030, and the current penetration rate, which has already surpassed 50% in 2022, is expected to continue growing.

Additionally, the development and upgrading of auto entertainment systems continue to progress. The integration of large panels with advanced audio and video streaming technology has provided an immersive entertainment experience for passengers. The number of displays in vehicles is also increasing and expanding to the rear seats, allowing for separate audio and video systems for drivers and passengers. These advancements in automotive technology are driving the market trend towards electrification and increasing the value of automotive electronic systems.

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



### C. Product Trends and Competition

#### (1) Product Trends

With the exponential growth of data generated by end-users across multiple devices, major tech companies and platform enablers are now collecting these data for analytical purposes. As a result, device design (especially components such as CPUs, camera modules, and displays) is being upgraded to improve computing power and facilitate the development of imaging applications. As we look ahead, the proliferation of AI and edge computing technology is expected to drive significant demand for hardware equipment. Moreover, increased R&D investment is being directed toward industries such as automotive, intelligent healthcare, and smart factories to achieve a smarter and more efficient way of life.

The rapidly increasing demand for AI applications is driving technological innovation. For example, deep learning solutions are being used to accelerate semiconductor production processes, boost wafer yields, and reduce production time from one week to just one night. Additionally, AI compute requires a significant amount of computing power, and a few GPUs can now accomplish what previously required tens of thousands of CPUs in a datacenter. This results in cost reduction, energy savings, and progress towards carbon neutrality goals. With the release of ChatGPT and its integration with productivity software, people's imagination of AI is no longer limited to commercial applications but is entering our daily lives in a more tangible, fluent, and convenient way. Looking towards the future, the widespread application of AI will continue to drive the growth of datacenters and GPU servers.

The automotive industry is reaping the benefits of the increasingly popular 5G network, which enables more efficient data transfer. Major car brands are making aggressive efforts to develop autonomous driving technology under specific environments that could be available in the next few years with direct vehicle-to-vehicle and vehicle-to-infrastructure communications. To enable these new services, autonomous cars require more precise calculations based on reliable connectivity. Additionally, smart cockpits are rapidly evolving from simple driving to providing enhanced human-vehicle interaction, while entertainment systems are continuously being upgraded to make driving less monotonous. Consequently, there is a high anticipation that the proportion of automotive electronic components in overall vehicle design will significantly increase.

In the field of medicine, the faster data transmission enabled by 5G, along with advancements in AI-powered image recognition, VR surgery simulators, and internet-connected medical equipment, have made home healthcare, mobile healthcare, and telemedicine services a reality. Patients no longer need to visit hospitals for in-person treatment, as doctors can perform remote surgeries with the assistance of remote guidance and robotic devices. Looking ahead, there is expected to be a rising demand for edge computing devices, servers for AI interpretation, and auxiliary medical equipment in the medical process, which will provide downstream system companies with more business opportunities and gradually become a key driver of growth.

#### (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

<b>Notebook</b>	Wistron, Quanta, Compal, Inventec, Pegatron
<b>Desktop</b>	Wistron, Hon Hai, Pegatron
<b>Smart Device</b>	Wistron, Quanta, Compal, Inventec, Pegatron, Hon Hai
<b>Server</b>	Wistron, Hon Hai, Quanta, Inventec, MiTAC
<b>Monitor</b>	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

	2022	2023 (As of March 31)
R&D Expenses (NT\$ thousands)	25,007,992	-
R&D Expenses to Revenue	2.54%	-

### B. The successful development of technologies and products

#### (1) Intellectual Property

In 2022, Wistron has 110 U.S. and 140 Taiwan patents granted, which ranked the 18th and the 17th highest, respectively, among Taiwanese companies. Additionally, Wistron actively develops global patent strategy, has obtained over 164 issued patents in various other countries in 2022, and has been named among “Top 100 Global Innovators of 2022” by Clarivate. Going forward, Wistron will continue to implement an 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
2022	Enterprise business technology services <ul style="list-style-type: none"> <li>● Hardware platform for high-performance next-generation firewall (NGFW) supporting 400/200 GE fiber network connections</li> </ul>
	Industrial computers <ul style="list-style-type: none"> <li>● Trajectory correction system for autonomous robots</li> <li>● Suspension system for autonomous robots</li> <li>● High-performance, fanless, and explosion-proof industrial computers</li> </ul>
	Internet of Things <ul style="list-style-type: none"> <li>● Antenna design for medical alert device</li> <li>● 5G Open Radio Access Network (O-RAN) architecture</li> <li>● Hardware accelerator card for 5G and satellite baseband processing</li> </ul>
	Medical devices <ul style="list-style-type: none"> <li>● High-precision multi-functional replaceable pipette module</li> <li>● Multi-channel PCR precise temperature control system</li> <li>● Multi-functional medical-grade gateway</li> <li>● Intelligent assistant system for testing medical devices</li> <li>● Intelligent light source recognition and detection System</li> <li>● Millimeter-wave radar detection system suitable for home and medical applications</li> </ul>
	Enterprise storage <ul style="list-style-type: none"> <li>● Accelerator card module compliant with OCP Specifications</li> <li>● 32-port 400G data center switch</li> </ul>
	Professional display solution <ul style="list-style-type: none"> <li>● IP56 outdoor LCD display</li> <li>● IP56 outdoor LED video wall</li> </ul>
	Artificial Intelligence <ul style="list-style-type: none"> <li>● Intelligent system for energy conservation and equipment replacement detection</li> <li>● Intelligent system for service maintenance recommendation and prediction</li> </ul>

Year	R & D results
2022	<ul style="list-style-type: none"> <li>Intelligent processing method for automated maintenance and management based on 5G network</li> <li>System for intelligent detection of worker safety and behavioral recognition</li> <li>Interpretable causal AI model for small data analysis</li> <li>AI network system for detecting Sleep Apnea</li> <li>Intelligent factory AI monitoring platform</li> <li>Intelligent management system for 5G network resource arrangement</li> </ul>
	Laptop computers <ul style="list-style-type: none"> <li>Rapid assembly and disassembly design of laptop modules</li> <li>Antenna structure for wireless communication products</li> </ul>

#### 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

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

###### (2) Manufacturing Policy

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

##### (3) Product Development Goals

- Cultivate excellent R&D experts and improve their R&D capabilities.
- 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.
- 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

- Actively integrate and develop production capacity overseas to fulfill business requirements.
- 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 : KPCS ; NT\$ thousands

Sales Value	Year		2021				2022			
	Major Product		Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Computer, Communication & Consumer electronics	942	7,726,678	99,088	797,695,981	1,546	20,506,581	84,022	904,941,405		
Others	717	803,491	42,769	55,856,698	809	1,138,100	27,483	58,033,070		
Total	1,659	8,530,169	141,857	853,552,679	2,355	21,644,681	111,505	962,974,475		

Note: Company shall prepare consolidated financial reports of 2021 & 2022 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	2021	2022
United States	40.20	46.70
Japan	2.47	2.85
HK /China	18.35	12.69
ASEAN	3.65	2.92
Europe	23.60	21.93
Otherss	11.73	12.91
Total	100.00	100.00

Note: Company shall prepare consolidated financial reports of 2021 & 2022 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 2023) and market statistics, Taiwan produced 135,874K notebook computers, 41,609K desktop computers and 11,316K servers in 2022, of which about 15%, 21%, and 33% 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. In 2021, COVID-19 epidemic created serious hardware problems, which will be gradually resolved in 2022.

## 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. Starting from 2020, the global pandemic led to a significant increase in demand for PCs and servers. However, as the pandemic slowed down by 2022, the pandemic-driven surge in demand for electronic products came to an end. As the market reversed, the destocking issue arising from the distribution channels compounded with the impact of global inflation on consumer demand, resulting in deferred new orders. It is expected that the market may return to pre-pandemic normalcy by the second half of 2023.

### Global PC Shipments Growth Trend

Unit: 1 = 1000 units

Year	2021	2022	2023(e)	2024(f)	2025(f)
Number of NBs	247,255	187,114	171,811	178,512	191,900
Growth Rate	23.11%	-24.32%	-8.18%	3.9%	7.5%
Number of DTs	97,010	91,820	89,900	90,500	92,200
Growth Rate	6.48%	-5.35%	-2.09%	0.67%	1.88%
Number of PCs (NB + DT)	344,265	278,934	261,711	269,012	284,100
Growth Rate	17.9%	-18.95%	-6.21%	2.79%	5.61%

Source: DIGITIMES Research (February 2023)

Compound growth rate is around -4.69% from 2021 to 2025.

### (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	2021	2022	2023(e)	2024(f)	2025(f)
Number of Servers	12,918	14,042	14,316	15,031	15,627
Growth Rate	1.9%	8.7%	2.0%	5.0%	4.0%

Source: Gartner (March 2023)

Compound growth rate is around 4.9% from 2021 to 2025.

## 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 2023, our company has a R&D team of over 5,600 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.

**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: Printed Circuit Board Assembly)

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 (FATP: Final Assembly, Test, and Pack):

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	Supplier has been striving to expand capacity during the shortage period, and now except for a few retiring lines, most of the products have no foreseeable supply issue by far. Demand estimation for 2023 whole year is slightly softer than 2022, but still stronger than pre-Pandemic period. Forecasting shipment number to an up-tick in 2H 2023 as measures may be taken to address inflation, inventory level may gradually return to normal, educational PC need replacement, and Window 11 result in new demands. As to the server market, although enterprises are still cautious about IT and cloud expenditures, it is also expected demand to resume with AI infra competition and new Eagle Stream platform requirements. Supplier's focus in 2023 will be how to react to the supply chain redistribution under geo-political restriction, and how to achieve carbon neutrality in response to the call for sustainability.
Solid-state drive (SSD)	USA, Japan, Korea	At the beginning of 2022, the effects of inflation and war caused a significant decline in demand for PC and handheld devices. Server demand also weakened in the third quarter, resulting in an oversupplied market. SSD prices continued to decline, and manufacturers faced revenue losses as production costs fell below cash costs. In the second half of the year, Nand wafer factories began to reduce production scale to alleviate the oversupply situation, but slow customer demand meant that the SSD price decline continued into 2023. The primary applications for SSD products are in data centers and servers. SSD manufacturers are focusing on producing 128/176-layer products and developing towards 23X layers in the expectation of increasing cost efficiency and competitiveness.
DRAM	Korea, USA, Taiwan	The 2022 Russo-Ukraine war raged, and the US imposed economic sanctions on China, leading to inflation and low demand in the overall economy, PC/NB and smartphone shipments have been weak, resulting in oversupply and excess inventory in the memory market, were weak since Q1'22, and it was difficult to eliminate inventory, the mainstream memory prices dropped continuously until H1 2023. SKHYNIX and MICON reduce production to speed up inventory depletion to prevent price declines. Outlook 2023, the global demand for electronic products is not optimistic. The supply of memory will exceed the demand by about 3%~6%, and there is room for bargaining.
Power IC (PMIC)	USA, Taiwan, China	Due to the demand declined on electronic products, the impact of US inflation and Russia-Ukrainian War, the excessive inventory of the semiconductor parts market in the consumer market will still be affected and result in slow consumption. Yet, the growth momentum of 5G, AI, HPC and automotive still continues, the overall capacity utilization rate of semiconductor components in power management is still as high as 85% or more. In 2H 2023, with China ended lockdown may stimulate China market demand and expect consuming inventory in consumer and computing market. It may cause temporary supply tight, however, Power IC (PMIC) LT has improved to 12~26 weeks. Driving suppliers to build up healthy inventory level in response to market changes.
Power Supply	Taiwan, China	In 2023, due to the world wild market demand declined especially on PC market severely, the supply LT for most Power Supply has improved to 20~30wks. However, for some Power Supply using high-V MOSFET and PMIC, which IC suppliers (TI/NXP/Infineon/ONSEMI/ST/Vishay) focus on automotive market and the supply LT still stay 45~52wks.
PCB	Taiwan, China, Austria, Korea	H1 2022 PCB market continue growth, driven by the increasing demand for consumer electronics and Server, However, PCB market was also facing challenges ,such as the supply/demand un-balance in raw material and increasing of environmental concerns that make pressure on PCB supply and cost . H2 2022, consumer electronics demand dynamic uncertainty caused demand slow down ,supply and LT become stable .
LCD	Taiwan, China, Japan, Korea	The Russian-Ukrainian war and global inflation have brought more uncertainty to the global consumer electronics market, including TV and personal computer products. Brand owners and OEMs tend to be more cautious about 2023's product shipment forecasts, panel purchases and safety stocks. Because brand have more inventory in past year, and also postpones the release of new models and promotional activities in 2023; Panel makers also maintain price levels through capacity reductions. Therefore, overall maintains a stable supply and demand and price trend between panel makers adjusting production and end-product inventory in 2023.

## 5.2.4 Key Accounts in the Past Two Years

### A. Key Suppliers

Unit: NT\$ thousands

Item	2021					2022				2023(As of March 31)(Note2)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A Company	256,533,354	31.32	None		A Company	86,395,725	10.25	None	-	-	-	-
2	Others	562,475,364	68.68	None		Others	756,643,687	89.75	None	-	-	-	-
	Total	819,008,718	100.00	-		Total	843,039,412	100.00	-	-	-	-	-

Note1: Increase and decrease of the amount was due to business demand.

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

### B. Key Buyers

Unit: NT\$ thousands

Item	2021					2022				2023(As of March 31)(Note)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Buyer H	320,428,555	37	-		Buyer H	310,161,092	32	-	-	-	-	-
2	Buyer I	96,202,158	11	-		Buyer I	153,624,651	16	-	-	-	-	-
3	Buyer C	76,054,971	9	-		Buyer C	101,524,048	10	-	-	-	-	-
4	Buyer B	83,726,180	10	-		Buyer B	80,324,785	8	-	-	-	-	-
5	Others	285,670,984	33	-		Others	338,984,580	34	-	-	-	-	-
	Total	862,082,848	100	-		Total	984,619,156	100	-	-	-	-	-

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

### 5.2.5 Production Value in the Most Recent Two Years

Unit : KPCS; NT\$ thousands

Year	2021			2022		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Computer, Communication & Consumer electronics	148,002	103,066	838,159,043	140,785	88,045	933,221,797
Others	144,057	50,798	64,561,538	41,839	28,378	59,959,983
Total	292,059	153,864	902,720,581	182,624	116,423	993,181,780

Note: Company shall prepare consolidated financial reports of 2021 &amp; 2022 in accordance with IFRSs regulation.

### 5.2.6 The Sales Value in the Most Recent Two Years

Unit : KPCS ; NT\$ thousands

Year	2021				2022			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Computer, Communication & Consumer electronics	942	7,726,678	99,088	797,695,981	1,546	20,506,581	84,022	904,941,405
Others	717	803,491	42,769	55,856,698	809	1,138,100	27,483	58,033,070
Total	1,659	8,530,169	141,857	853,552,679	2,355	21,644,681	111,505	962,974,475

Note: Company shall prepare consolidated financial reports of 2021 &amp; 2022 in accordance with IFRSs regulation.

### 5.3 Taiwan Employee Data during the Past Two Years

Year	2021	2022	As of Mar. 31st, 2023	
Employee Number	Sales	1,417	1,508	1,464
	Engineers	6,081	6,331	6,231
	Administration	1,215	1,351	1,298
	Direct Labor	2,069	2,331	2,217
	Total	10,782	11,521	11,210
Average Age	36.12	36.45	36.76	
Average Seniority	5.83	5.87	6.18	
Distribution of Education	Doctor	63	73	72
	Master	3,969	4,005	3,915
	Bachelor	4,727	5,232	5,079
	Diploma	1,095	1,236	1,210
	High School	827	885	860
	High School Below	101	90	74

### 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 Star, ErP and the US EPEAT (Electronic Product Environmental Assessment Tool). Wistron use LCA(Life Cycle Assessment) method to find the hot spot of environmental impact within full product life cycle, and we have developed our own Product Carbon Footprint (PCF) system which is based on LCA method, it can help for low carbon product development. 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 and we've officially joined "Science Based Targets initiative, SBTi" that we are committed to the carbon reduction goal of controlling the increase in global temperature within 1.5°C, our goal is to reach Carbon Neutral in 2030. Moreover, because the electricity consumption is the major contribution of greenhouse gases emission, reducing power consumption is the key to decrease 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 system at our Zhongshan, Kunshan, Kunshan OPT sites and Neihu Headquarters since 2017, and keep expanding solar power system in 2022 at Zhongshan, Kunshan, Malaysia and India sites. Furthermore, Wistron has started purchasing international renewable energy certificate (I-REC) from 2020. The goal is to increase the percentage of using the renewable energy over 80% in W.W. manufacturing sites by 2025, and 100% by 2030. 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, Mexico and Vietnam. 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. More manufacturing sites located in China were included in the inventory scope in 2016 . In 2022, the inventory scope was expanded to 15 categories. For the emission hot spots, "purchased goods and services" and "transportation and distribution" are the major emission sources respectively in upstream and downstream value chain. The inventory results can help Wistron to monitor the emission contribution from the activity of our own operation or value chains. It can also provide potential opportunities for Wistron and our suppliers or customers to collaborate on low carbon electronic components development.

**(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's Product Carbon Footprint (PCF) system has officially launched in 2023, this system can automatically and efficiently calculate the product GHG emissions within the whole lifecycle, it can significantly reduce manual time.

**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 shuttle bus service, Employee Assistance Programs (EAPs), family party, fitness center, group insurance plans.

**B. Employees training and development**

In response to changing internal and external environments, "sustainability" has become a critical issue for global business development. To drive this key strategy, in 2022, Wistron revised its vision as "Innovation through Sustainability" with a mission to be "Trusted Innovation Partner for Technology, Sustainability and Better Lives". Guided by the core values of "Customer Focus", "Integrity", "Innovation", and "Sustainability", Wistron is committed to fulfilling corporate social responsibility and moving towards sustainability.

Based on the strategic needs of digital transformation, global expansion, and sustainable development, as well as external challenges, Wistron carries on success experience in the past and continues to cultivate high-potential successors and leadership talents. In response to the new generation leadership needed for transformation and upgrading, Wistron re-defined the management competency model in early 2022, in line with key strategies and initiated the design of managerial training roadmap. In the future, the management competency model will be closely integrated with human resources management policies, to develop a competency-based human resources management and development system that facilitates innovation and change, and ultimately accelerates the pace of transformation.



In terms of leadership talent cultivation, we developed competency-based training roadmap for each level of managers. In our succession planning for key executive positions, we regularly assess the readiness of talents and provide individual development plans according to their strengths and area for development. The development plans and resources include online and offline courses, project assignments, strategic rotations, team-based action learning, and one on one coaching from internal and external executive coaches. This is to strengthen the succession bench depth and the quality of our talent pool.

In addition, we provide external resources such as industry trends forums, entrepreneurship programs, etc. Through exposure to different industries and fields, we ensure that our executive successors have comprehensive development opportunities and practical experience, and can fully demonstrate their professional abilities and leadership presence in various challenging situations.

In line with the company's digital transformation strategy, Wistron Digital Academy continues to promote digital literacy trainings for all employees, and to establish a common language within the company. Since 2019, we have defined nine critical roles and systematically trained digital project development teams. After training, the talents combined digital theoretical knowledge with expertise in various business domains and participated in project application in R&D, manufacturing, business development, supply chain, and other professional fields. In addition, to increase the depth and breadth of digital technology applications, we have provided trainings of digital technology and tool application such as robotic process automation, data visualization, and artificial intelligence and machine learning according to domain practical needs. It is to enable the key talents to stay ahead of digital technology development trends and strengthen their anticipatory capabilities.

Human capital is the key factor of differentiated competitive advantage of organization. It is also a foundation of sustainable operation in the enterprise, Wistron uses "competency" as a core to develop training roadmaps for different functions. In accordance with our strategies, Wistron develops various talent development programs to enhance human capital and sustainable business development capability.

**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 has always attached great importance to employee communication and is committed to harmonious labor-management relations. It has never suffered any huge losses due to labor disputes, and it is expected that no such losses will occur 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:** None.

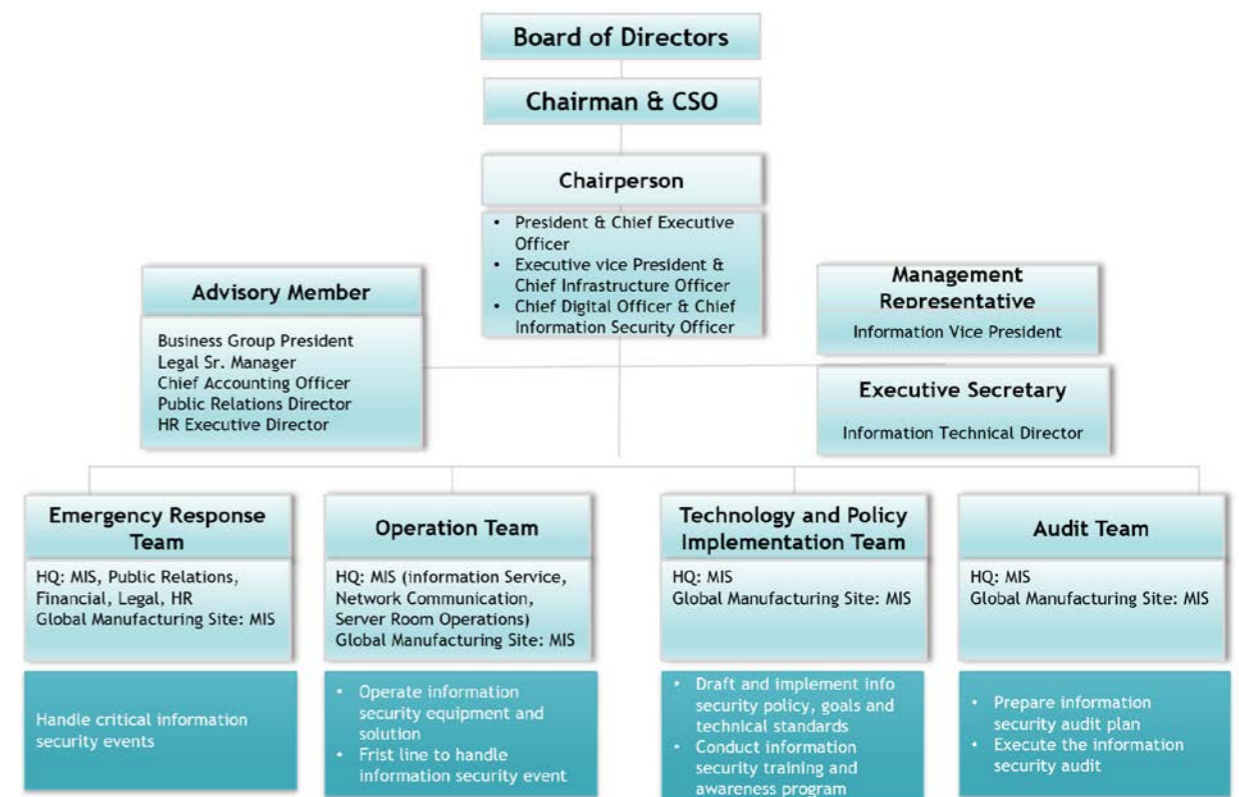
**5.6 Information Security Management**

**5.6.1 Information Security Risk Management Framework**

Wistron established the Information Security Committee in 2021 to supervise the Company's information security management system, technical standards, and maintenance operations. The President & Chief Executive Officer, the Executive vice President & Chief Infrastructure Officer and Chief Digital Officer & Chief Information Security Officer act as co-chairpersons and are responsible for fulfilling the Company's commitment to information security. The Vice President of IT acts as the management representative. The Information Security Governance Office was established and a supervisor is appointed as the executive secretary to organize information security matters. The Company established the "Information Security Policy" to protect the IT asset security of employees, customers, suppliers, and operations, ensuring corporate sustainable management.

The Information Security Committee convenes once per quarter. Extraordinary meetings may be convened when necessary and members of the teams must attend. The agenda of the meeting includes information security incident reports, the report of each team on the implementation of the team's affairs, issues that require the cooperation of different units, other related suggestions, or extemporary motions.

Wistron Information Security Committee Organization Chart :





## **5.6.2 Information Security Policy and management Strategy**

### **5.6.2.1 Information Security Policy**

In order to protect the information of Wistron Co., Ltd. (hereinafter referred to as The Company) products and services, avoid unauthorized access, modification, use and disclosure, as well as losses caused by natural disasters, and provide complete and available information in a timely manner. The Company is committed to information security management to ensure the confidentiality, integrity and availability of the company's important information property, and comply with the requirements of relevant laws and regulations, thereby gaining the trust of customers, meeting the commitments to shareholders, and ensuring the company's important business continuous operation.

### **5.6.2.2 Information Security Management Strategy**

In implementing ISO/IEC 27001 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.

After Wistron obtained ISO/IEC 27001: 2013 certification in August 2017, we implemented the "Plan-Do-Check-Act" (PDCA) cycle according to the standards and conduct at least one internal self-audit and one audit by an impartial third party every year. To ensure the Company's implementation of ISO 27001 management mechanisms, the Company executes re-certifications every three years to maintain the validity of the ISO 27001 certification. The certification scope has expanded to all manufacturing plants around the world in 2022 with a coverage of 100%.

In response to changes in the internal and external environment, Wistron has gradually established comprehensive network and computer-related information security protection measures from the people, process and technical aspects of information security governance. In addition to the company's continuous strengthening of information security measures, we joined the information security information sharing organization to obtain information security intelligence, information security threat and vulnerability information, such as: High-tech Information Security Alliance, Taiwan Computer Emergency Response Team / Coordination Center(TWCERT/CC); Combining external information security vendors and expert resources, we continue to pay attention to new information security information and technologies, and apply proper, timely defense or solution, to ensure management with a consistently effective approach to dealing with information security weaknesses and events, At the same time to improve rapid response and recovery capabilities to ensure the resilience of information services, and eliminate the business impact.

## **5.6.3 Information Security Operation Specific Measures**

- (1) Identify stakeholder groups associated with the information security management system and regularly verify the needs of stakeholder groups for the information security management system (including customers' demands for information security).
- (2) Execute social engineering drills and information security training for employees to fully increase employees' information security awareness.
- (3) Establish comprehensive and clear operating procedures to institutionalize the operations of the information security management system.
- (4) Perform regular risk assessments to identify high risk items and invest appropriate resources to reduce or transfer risks.
- (5) Use tools and technologies to achieve timely and effective identification, protection, detection, response, and recovery
- (6) Establish operating procedures for response and recovery in the event of information security anomalies with the aim of rapid isolation of information security incidents, elimination of threats, and reduction of the scope and extent of impact.
- (7) Perform regular disaster recovery exercises for key applications to ensure their effectiveness.
- (8) Perform regular annual internal and external audits each year to review the entire management system and ensure normal operation and continuous improvement.
- (9) Continuously pay attention to new information security development and technologies and update defense or management practices to effectively block new forms of information security threats and reduce risks for operations.

## **5.6.4 To Invest in information security management resources**

### **5.6.4.1 Information Security Management and Audit Mechanisms**

Wistron headquarter offices (Neihu and Xizhi Offices), and all manufacturing plants around the world have been certified with ISO/IEC 27001: 2013 information security international management standard certification in 2022. And continue to strengthen the internal control mechanism to ensure the effective implementation and continuous improvement of information security measures in each plant., we setup the mechanism of the three information security lines of defense ,including the self-inspection of the operation team, the auditing of the information security governance team and the internal auditors.

Wistron enabled Third Party Risk Management (TPRM) Program in 2022. To classify suppliers, and implement them in the entire supplier management life cycle from the perspectives of security, risk and privacy. This includes the procurement phase (tier assessment, risk score assessment, contract), ongoing third party risk management (Risk score assessment and remediation), and the eventual offboarding. A total of 224 suppliers were counted. According to the importance of the services they provide, whether they can directly access confidential information and other factors, the suppliers were classified.

Finally, 11 first-tier suppliers and 13 second-tier suppliers were counted. , and the rest are Tier 3 suppliers. Tier 1 and Tier 2 are based on individual information security standards, requiring suppliers to meet Wistron’s information security assessment standards.

**5.6.4.2 Strengthen information security awareness among employees**

To implement information security in its employees, the Company provides e-Learning resources and executes social engineering drills every six months to enhance the information security awareness and vigilance of each employee. Publish information security e-newsletter every month, including the latest information security trends and recent major information security events at home and abroad, so as to enhance colleagues’ awareness and vigilance of information security. If an employee commits a violation of the Information Security Policy, the Company imposes penalties in accordance with the “Implementation Guidelines for Employee Rewards and Penalties” and includes the results as the basis for performance management to reduce information security risks and the impact on the Company’s operations.

The email click rates for social engineering drills conducted in the last 4 years on all company employees are as follows :

Measures	Objectives	2019 Outcome	2020 Outcome	2021Outcome	2022Outcome
Execute social engineering drills every six months	Employee clicks mail on social engineering drills, click rate < 15%	H1 : 14.5% H2 : 12.9%	H1 : 10.6% H2 : 10.5%	H1 : 10.8% H2 : 10.7%	H1 : 9.3% H2 : 10.2%

Since 2021, the information security professional talent training program has been developed. Through manpower inventory, four roles of information security governance, information security engineering, information security analysis, and software development and security have been distinguished, and five levels of ability standards have been established. We conduct d ability assessments every year, and develop of talent capacity training and upgrading plans. In 2022, a total of 115 people joined the information security talent training plan , confirming that the ability of information security talents keeps pace with the times.

The training conducted for general employees through online or in-person lessons in 2022 mainly consisted of information security awareness training, information security lessons, and phishing email awareness and prevention. The Company completed 21,906 hours of employee information security training for 42,652 participants. There were 784 punishment records for violating information security regulations.

In 2022, 1,005.5 hours of information security related seminars and training were completed by 228 information security employees. The course content mainly consisted of the annual Wistron information security seminar, ISO 27001 information security management system lead auditor training, EC-Council CEH (Certificated Ethical Hacker) certification course, Trend Micro TCSE (Trend Certified Security Expert) certification course, CISA(Certified Information Systems Auditor),CISSP(Certified Information Systems Security

Professional),CISM(Certified Information Security Manager), CCSP(Certified Cloud Security Prroessional ) certification courses and information security related technologies seminars organized by Gartner, Microsoft, and information security suppliers.

**5.6.4.3 Vulnerability detection for networks and systems**

Apart from monthly internal vulnerability scans, Wistron entrusts a third party professional service to conduct network and system penetration tests each year to protect the corporate and personal information and prevent losses caused by leaks, theft, destruction, other human factors, or natural disasters. These tests reduce the impact of human factors or natural factors on the Company’s operations. The purpose of the tests is to understand and evaluate the status of the company network environment and system security and verify the current information security protection safety rating and effectiveness to resolve vulnerabilities, improve operations, and strengthen system security.

In 2021, the headquarter introduced red team drill and it expanded to the global manufacturing plants in 2022. Combined with penetration testing, the company’s services were comprehensively reviewed with the direct attack methods of external information security experts, and the Company’s network was examined for vulnerabilities. Moreover, we checked if the protection, detection, response and recovery mechanisms of the information security operation and response team were functioning smoothly.

In 2022, Wistron’s average information security assessment score by third party evaluations was 92.27, which was higher than the international industry average.

Wistron’s third-party security assessment score in 2022



**5.6.4.4 Software Development Security**

In order to control the security of the software development lifecycle (Software development lifecycle, SDLC) in advance, achieve the security of shift left (Shift Left) testing, and reduce the cost of security and maintenance of application systems, Wistron has introduced

DevSecOps (Development, Security and Operations ) mechanism, and strengthened the collaboration between the development team, the operation team and the information security team. At the same time, software composition analysis (Software Composition Analysis, SCA) technology is added to the development process to improve the security quality of software.

#### 5.6.4.5 Information security alerts and incident management

According to the information security incident management regulations, we can ensure the institutionalization and systemization of information security incident reporting, sorting, classification, handling, recording, and tracking. When an information security incident occurs, Wistron can quickly report and handle the situation. We are able to respond in the shortest possible time to ensure normal operations. Wistron has introduced Advanced Persistent Threat (APT) monitoring and Security Operation Center (SOC) operations. Together with the resources of external information security experts, the information security operations and response teams can quickly grasp the information security alerts and incidents, strengthening and accelerating detection and response mechanisms.

#### 5.6.4.6 Disaster recovery drills

In order to ensure the sustainable execution of operations and important matters, we conduct at least once every six months for Information business operation continuity plan or emergency response plan of information security accidents to prevent the loss of service of important information systems during major disasters. We aim to utilize our disaster response capabilities and disaster recovery mechanisms to quickly restore our operations to normal or acceptable levels during key moments, in order to maintain key applications and systems and prevent operation interruption of the Company. Furthermore, the backup personnel of the data center conducts recovery testing for selected backup storage mediums or recovery equipment at least once a year, in order to confirm the readability of the backup data, the usability of the storage medium, and the possibility of important asset recovery. We aim to create effective backups and recovery procedures that can be completed within the allocated time.

In 2022, the data center personnel also chose 30 backup storage mediums for 7 major functions and systems. Recovery testing was successfully completed for the backup data. And yearly disaster recovery drills revealed that the maximum tolerable data loss time during disasters (RPO: Recovery Point Objective) is 0.9 hours. After a disaster occurs, the maximum tolerable information service recovery time (RTO: Recovery Time Objective) is 18.83 hours. The results of the drills in the past four years have all achieved the goals set by the company. The details are as follows:

Measures	Objectives	2019 Outcome	2020 Outcome	2021 Outcome	2022 Outcome
Perform critical application system disasters recovery drills annually to ensure uninterrupted business operations	RPO of SC2 Services <= 4 hours RTO of SC2 Services <=24 hours	RPO=0.9 hour RTO=19.95 hours	RPO=0.5 hour RTO=21.0 hours	RPO=0.8 hour RTO=22.0 hours	RPO=0.9 hour RTO=18.83 hours

#### 5.6.5 Information Security Risk and countermeasures

Wistron has established comprehensive network and computer-related information security protection measures, and continuously reviews and evaluates information security regulations and procedures to ensure the appropriateness and effectiveness, but there is no guarantee that companies are immune to emerging risks and attacks amid the ever-changing information security threats.

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.

Since 2021, Wistron purchased global information security insurance policies as a group. Apart from mitigating risks, we also hope to further receive the help and resources of external information security experts through the international insurance market. To provide preventative solutions to strengthen existing information security measures, in order to respond to growing information security threats and achieve the goals of corporate sustainable management.

#### 5.6.6 Information security incidents in the most recent 4 years

No major information security incidents occurred between 2019 to 2022. There is also no confidential information leaks affected the personal information of customers and employees, and no fines or penalties were issued. For details, please refer to the following statistics on the number of violations of information security incidents and fines:

Number of information security violations and fines	2019	2020	2021	2022
Number of information security or network security violations	0	0	0	0
Data leak incidents (number of cases)	0	0	0	0
Number of information security violations that involve customer information	0	0	0	0
Number of customers and employees affected by the data leak (number of people)	0	0	0	0
Amount of fines for information security or network security related incidents (NTD)	0	0	0	0

**5.7 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

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## 6.1 Most Recent 5-Year Concise Financial Information

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

#### Concise Consolidated Balance Sheet

Unit : NT\$ thousands

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

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

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

## Concise Consolidated Statement of Comprehensive income

Unit : NT\$ thousands

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

Note1: The above financial information audited by CPA.

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



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

#### Concise Balance Sheet

Unit : NT\$ thousands

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

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

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

### Concise Statement of Comprehensive income

Unit : NT\$ thousands

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

Note1: The above financial information audited by CPA.

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

### 6.1.3 CPAs and Their Opinions for Most Recent 5-Year

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

## 6.2 Most Recent 5-Year Financial Analysis

### 6.2.1 Financial Analysis-For Consolidated Report

Item	Period(Note1)	Most recent 5-Year Financial Information					2023(As of March 31) (Note3)
		2018	2019	2020	2021	2022	
Financial ratio	Total liabilities to total assets (%)	78.32	75.62	80.43	81.40	72.59	-
	Long-term debts to net property, plant and equipment (%)	231.46	258.76	314.78	312.05	283.77	-
Ability to payoff debt	Current ratio (%)	114.82	116.67	115.38	115.37	119.62	-
	Quick Ratio (%)	75.88	79.61	84.18	69.99	64.13	-
	Interest protection	3.03	3.66	8.17	11.23	5.13	-
Ability to operate	A/R turnover (times)	8.35	7.02	6.51	5.97	7.53	-
	A/R turnover days	43.71	51.99	56.06	61.13	48.45	-
	Inventory turnover (times)	9.37	9.55	8.85	6.32	5.75	-
	Account payable turnover (times)	6.25	6.02	6.31	5.73	6.60	-
	Days sales outstanding	38.95	38.21	41.24	57.75	63.49	-
	Fixed assets turnover (times)	22.37	21.03	21.88	21.89	21.01	-
	Total assets turnover (times)	2.67	2.57	2.19	1.86	2.12	-
Earning ability	Return on assets (%)	3.26	3.90	3.80	3.49	5.05	-
	Return on equity attributable to shareholders of the parent (%)	7.32	9.52	11.93	14.01	12.81	-
	PBT to pay-in capital(%)	33.98	44.98	59.30	66.25	85.16	-
	Net income ratio (%)	0.82	1.11	1.53	1.71	1.93	-
	EPS (NTD)	1.76	2.40	3.10	3.76	4.01	-
Cash flow	Cash flow ratio (%)	1.73	7.78	(Note 2)	(Note 2)	18.66	-
	Cash flow adequacy ratio (%)	44.73	88.37	36.45	(Note 2)	25.07	-
	Cash reinvestment ratio (%)	0.66	9.29	(Note 2)	(Note 2)	23.98	-
Leverage	Operating leverage	2.63	2.47	2.57	2.54	2.12	-
	Financial leverage	1.79	1.57	1.19	1.13	1.28	-

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

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

A/R turnover (times): The increase is mainly caused by the increase of operating revenue and the decrease of Accounts Receivable.

A/R turnover days: The decrease is mainly caused by the increase of AR turnover.

Return on assets: The increase is mainly by the increase of interest expense.

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

Note:1 The above financial information audited by CPA.

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

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

#### 1. Financial Ratio

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

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

#### 2. Ability to Pay off Debt

(1) Current ratio = Current Assets / Current liability

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

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

#### 3. Ability to Operate

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

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

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

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

(5) Inventory turnover day = 365 / Inventory turnover

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

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

#### 4. Earning Ability

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

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

(3) Net income ratio = PAT / Net sales

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

#### 5. Cash Flow

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

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

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

#### 6. Leverage

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

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

## 6.2.2 Financial Analysis-For Parent-company-only

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

The reasons for all financial ratio changes within the most recent two years are as follows (exempt from analysis less than 20%):  
Interest protection: The decrease is mainly caused by the increase of interest expense.  
Inventory turnover (times): The increase is mainly caused by the decrease of average inventory.  
Return on assets: The increase is mainly by the increase of PAT excluding interest expense.

Note:1 The above financial information audited by CPA.

Note2: The negative ratio lacks significance of analysis .

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

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

## 1. Financial Ratio

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

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

## 2. Ability to Pay off Debt

(1) Current ratio = Current Assets / Current liability

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

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

## 3. Ability to Operate

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

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

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

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

(5) Inventory turnover day = 365 / Inventory turnover

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

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

## 4. Earning Ability

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

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

(3) Net income ratio = PAT / Net sales

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

## 5. Cash Flow

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

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

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

## 6. Leverage

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

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

### 6.3 Audit Committee's Review Report

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

Wistron Corporation

Convener of the Audit Committee :



March 14, 2023

### 6.4 Financial statements of the latest year

#### **Representation Letter**

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

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





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### Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

#### Opinion

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

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

#### Basis for Opinion

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

#### Key Audit Matters

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

#### 1. Revenue recognition

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

##### Description of the key audit matter

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



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

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

#### 2. Inventory valuation

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

##### Description of the key audit matter

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

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

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

#### Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.





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

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

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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



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

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

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

KPMG

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

#### Notes to Readers

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

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

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

## WISTRON CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 66,337,316	16	\$ 70,154,241	14
1110 Current financial assets at fair value through profit or loss (note 6(b))	8,387,194	2	12,085,449	3
1136 Current financial assets at amortized cost, net (note 6(c))	298,652	-	1,404,046	-
1170 Note and trade receivables, net (notes 6(e) and (z))	100,136,450	23	161,012,134	32
1180 Trade receivables-related parties (notes 6(e), (z) and 7)	93,877	-	153,371	-
1210 Other receivables-related parties (notes 6(f) and 7)	4,010	-	13,689	-
1220 Current tax assets	888,817	-	754,750	-
1300X Inventories (note 6(g))	156,889,151	36	161,378,122	33
1470 Other current assets (notes 6(f) and (p))	9,980,200	2	14,830,749	3
<b>Total current assets</b>	<b>342,985,667</b>	<b>79</b>	<b>421,786,551</b>	<b>85</b>
<b>Non-current assets:</b>				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	167,366	-	584,803	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(d))	6,729,413	2	6,613,497	1
1550 Equity-accounted investees (note 6(b))	8,338,899	2	7,107,549	2
1600 Property, plant and equipment (notes 6(m) and 7)	51,515,209	12	42,209,556	9
1755 Right-of-use assets (notes 6(o) and 7)	8,304,295	2	6,858,206	1
1780 Intangible assets (note 6(o))	2,149,731	-	1,730,173	-
1840 Deferred tax assets (note 6(v))	7,850,927	2	6,181,969	1
1900 Other non-current assets (notes 6(p), (u) and 8)	4,846,267	1	4,225,502	1
<b>Total non-current assets</b>	<b>89,922,107</b>	<b>21</b>	<b>75,511,255</b>	<b>15</b>
<b>Total assets</b>	<b>\$ 432,907,774</b>	<b>100</b>	<b>\$ 497,297,806</b>	<b>100</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
Short-term loans (notes 6(q) and (af))	\$ 114,279,421	26	\$ 140,899,659	29
Current financial liabilities at fair value through profit or loss (note 6(b))	161	-	28,954	-
Current contract liabilities (note 6(z))	7,958,473	2	5,656,399	1
Note and trade payables	108,075,166	25	167,293,973	34
Trade payables-related parties (note 7)	727,109	-	1,010,591	-
Other payables-related parties (note 7)	47,641	-	79,504	-
Current lease liabilities (notes 6(s), (af) and 7)	2,073,795	1	1,684,637	-
Current portion of long-term loans (notes 6(q) and (af))	5,527,440	1	1,218,360	-
Current refund liability (note 6(z))	8,832,142	2	10,918,128	2
Other current liabilities (notes 6(q) and (ab))	39,204,068	9	36,793,154	8
<b>Total current liabilities</b>	<b>286,725,416</b>	<b>66</b>	<b>365,583,359</b>	<b>74</b>
<b>Non-current liabilities:</b>				
Bonds payable (notes 6(r) and (af))	9,439,683	2	9,436,448	2
Long-term loans (notes 6(q) and (af))	10,948,835	3	23,237,238	5
Deferred tax liabilities (note 6(v))	1,715,546	-	3,053,770	-
Non-current lease liabilities (notes 6(s), (af) and 7)	3,062,540	1	1,991,385	-
Other non-current liabilities (notes 6(q), (u) and (af))	2,363,198	1	1,510,827	-
<b>Total non-current liabilities</b>	<b>27,529,802</b>	<b>7</b>	<b>39,229,668</b>	<b>7</b>
<b>Total liabilities</b>	<b>314,255,218</b>	<b>73</b>	<b>404,813,027</b>	<b>81</b>
<b>Equity attributable to owners of parent (notes 6(o), (i), (w) and (v)):</b>				
Ordinary shares	29,016,021	7	29,032,521	6
Capital surplus	35,050,440	8	28,834,524	6
Retained earnings	36,357,506	8	31,098,687	6
Other equity	(2,550,702)	(1)	(9,441,535)	(2)
Treasury shares	(1,491,116)	-	(1,607,259)	-
<b>Total equity attributable to owners of parent</b>	<b>96,382,149</b>	<b>22</b>	<b>77,916,938</b>	<b>16</b>
<b>Non-controlling interests (notes 6(i) and (w))</b>	<b>22,270,407</b>	<b>5</b>	<b>14,567,841</b>	<b>3</b>
<b>Total equity</b>	<b>118,652,556</b>	<b>27</b>	<b>92,484,779</b>	<b>19</b>
<b>Total liabilities and equity</b>	<b>\$ 432,907,774</b>	<b>100</b>	<b>\$ 497,297,806</b>	<b>100</b>

See accompanying notes to financial statements.

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

## WISTRON CORPORATION AND SUBSIDIARIES

## Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

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

See accompanying notes to financial statements.

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

	Equity attributable to owners of parent				Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings	Unappropriated earnings	Legal reserve	Capital surplus	Exchange differences on translation of foreign financial statements	Deferred compensation arising from issuance of restricted shares			
<b>Balance at January 1, 2021</b>	\$ 28,406,121	25,760,011	9,150,601	25,760,011	26,853,167	(6,525,783)	(1,607,259)	12,360,302	83,926,079
Net comprehensive income	-	-	-	-	10,468,030	(2,216,978)	-	4,259,781	14,727,811
Profit	-	-	-	-	(81,478)	(2,216,978)	-	(98,587)	(2,018,306)
Other comprehensive income	-	-	-	-	10,386,552	378,727	-	4,161,194	12,709,505
Propriation and distribution of retained earnings:									
Legal reserve	-	-	813,568	-	(813,568)	-	-	-	-
Special reserve	-	-	3,310,397	-	(3,310,397)	-	-	-	-
Cash dividends	-	-	-	-	(6,258,655)	-	-	-	(6,258,655)
Changes in equity of associates and joint ventures	-	-	-	-	-	-	-	-	-
Changes in equity of subsidiaries	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	349,390	-	-	(130)	-	-	-	349,390
Changes in ownership interests in subsidiaries	-	(13,657)	-	-	(130)	-	-	-	(13,787)
Changes in ownership interests in subsidiaries	-	3,354,164	-	-	11,335	-	-	-	3,365,503
Share-based payment transactions	626,400	(626,400)	-	-	528	-	-	-	349,383
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,225	(117,225)	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2021</b>	\$ 29,032,521	28,834,524	9,964,169	28,834,524	31,098,687	(8,731,426)	(1,607,259)	14,567,841	92,484,779
Net comprehensive income	-	-	-	-	11,162,451	(59,222)	-	7,855,096	19,017,547
Profit	-	-	-	-	245,513	(898,719)	-	896,648	7,756,858
Other comprehensive income	-	-	-	-	11,407,964	7,513,416	-	8,751,744	26,774,405
Propriation and distribution of retained earnings:									
Legal reserve	-	-	1,050,417	-	(1,050,417)	-	-	-	-
Special reserve	-	-	1,944,127	-	(1,944,127)	-	-	-	-
Cash dividends	-	-	-	-	(6,257,863)	-	-	-	(6,257,863)
Changes in equity of associates and joint ventures	-	-	-	-	-	-	-	-	-
Changes in equity of subsidiaries	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	302,059	-	-	(203)	-	-	-	301,856
Changes in ownership interests in subsidiaries	-	(2,888)	-	-	(203)	-	-	-	(3,091)
Changes in ownership interests in subsidiaries	-	(70,095)	-	-	(1,040)	-	-	-	(71,135)
Changes in ownership interests in subsidiaries	-	6,002,507	-	-	396	-	-	-	6,019,328
Share-based payment transactions	(16,500)	(43,308)	-	-	396	-	-	-	309,468
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	109,565	(109,565)	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2022</b>	\$ 29,016,021	35,050,440	11,014,586	35,050,440	36,357,506	(1,201,189)	(1,491,116)	22,270,407	118,652,556

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**WISTRON CORPORATION AND SUBSIDIARIES**

**Consolidated Statement of Cash Flows**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

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

See accompanying notes to financial statements.

**WISTRON CORPORATION AND SUBSIDIARIES**  
**Consolidated Statement of Cash Flows (continued)**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

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

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

**WISTRON CORPORATION AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended December 31, 2022 and 2021**

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

**(1) Company history**

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

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

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

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

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

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

**(3) New standards and interpretations not yet adopted:**

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

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

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

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

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

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

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

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

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

(Continued)

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

**(4) Summary of significant accounting policies**

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

- (a) Statement of compliance

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

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

- (b) Basis of consolidation

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

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

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

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

(Continued)



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

(ii) List of subsidiaries in the consolidated financial statements

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

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

(Continued)

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

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

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2022	December 31, 2021	
the Company	SMS InfoComm Corporation ("WTX", U.S.A.)	100.00	100.00	
the Company/WDH/WCL/WLB	WiAdvance Technology Corporation ("AGI", Taiwan)	78.63	-	(Note 10)
the Company/WDH/WCL	WiAdvance Technology Corporation ("AGI", Taiwan)	-	79.66	(Note 10)
the Company	Anwith Technology Corporation ("WCHQ", Taiwan)	100.00	100.00	
the Company	SMS InfoComm (Singapore) Pte. Ltd. ("WSSG", Singapore)	100.00	100.00	
the Company	Service Management Solutions Mexico SA de C.V. ("WSMX", Mexico)	100.00	100.00	
the Company	Wistron InfoComm (Philippines) Corporation ("WSPH", Philippines)	100.00	100.00	
the Company	SMS InfoComm Global Service (CQ) ("WSCQ", China)	100.00	100.00	
the Company/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	100.00	
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	
the Company	SMS InfoComm (Czech) s.r.o. ("WSCZ", Czech Republic)	100.00	100.00	

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

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

- 4) Subsidiaries engaged in recycling of electronic products:

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

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

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

(Continued)

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

6) Investment and holding companies:

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

7) Lease companies:

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Subsidiaries excluded from consolidated: None.

(Continued)

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

(c) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(d) Foreign currency

(i) Foreign currency transaction

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

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

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

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

(Continued)

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

(ii) Foreign operations

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

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

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

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

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

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

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

An entity shall classify a liability as current when:

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

(Continued)

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

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

1) Classification of financial assets

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

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

a) Financial assets measured at amortized cost

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

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

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

(Continued)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### b) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

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

#### c) Fair value through profit or loss (FVTPL)

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

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

(Continued)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Impairment of financial assets

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

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

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

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

#### 3) Derecognition of financial assets

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

#### (ii) Financial liabilities and equity instruments

##### 1) Classification of debt or equity

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

(Continued)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Equity instrument

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

#### 3) Financial liabilities

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

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

#### 4) Derecognition of financial liabilities

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

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

#### 5) Offsetting of financial assets and liabilities

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

#### (iii) Derivative financial instruments

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

#### (h) Inventories

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

(Continued)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

#### (i) Investment in associates

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

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

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

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

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

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

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

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

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

(Continued)

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

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

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

(k) Lease

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

(i) As a lessee

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

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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- (ii) As a lessor

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

- (l) Intangible assets

- (i) Recognition and measurement

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

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

- (ii) Subsequent expenditure

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

- (iii) Amortization

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

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

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

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

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

(m) Concession (Intangible assets on account)

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

(n) Impairment of non-derivative financial assets

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

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

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

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

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

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

(o) Provisions

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

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

(p) Treasury stock

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

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

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

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

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

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

(q) Revenue from contracts with customers

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

(i) Sale of goods

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

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## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

#### (ii) Service revenue

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

#### (iii) Financing components

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

#### (r) Government grants

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

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

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## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (s) Share-based payment

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

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

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

#### (t) Employee benefits

##### (i) Defined contribution plans

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

##### (ii) Defined benefit plans

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

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

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

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

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

(iii) Short-term employee benefits

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

(u) Income Taxes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(w) Earnings per share

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

(x) Operating segments

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

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

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

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

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

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

- Inventory valuation

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

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

**(6) Explanation of significant accounts**

(a) Cash and cash equivalents

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

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

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

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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## 1) Foreign currency swap contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD <u>75,000</u>	TWD Put / USD Call	2023/1/6~2023/1/11
December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD <u>145,000</u>	TWD Put / USD Call	2022/1/7~2022/1/28

## 2) Foreign currency forward contracts:

December 31, 2022		
Amount (in thousands)	Currency	Expiration
USD <u>704,000</u>	TWD Put / USD Call	2023/1/3~2023/3/6
December 31, 2021		
Amount (in thousands)	Currency	Expiration
USD <u>160,000</u>	USD Put / CNY Call	2022/1/5~2022/3/31
USD <u>495,000</u>	TWD Put / USD Call	2022/1/5~2022/2/7
USD <u>20,000</u>	CNY Put / USD Call	2022/1/7

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

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

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

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

## (c) Current financial asset at amortized cost

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

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

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

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

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

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

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

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

## (iii) The aforementioned financial assets were not pledged.

(Continued)

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

## (e) Note and trade receivables

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

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

The Group applied the simplified approach to provide for expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, note and trade receivables had been grouped basing on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

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

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

(Continued)

**WISTRON CORPORATION AND SUBSIDIARIES**  
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The movements in the loss allowance for note and trade receivables were as follows:

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

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

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

Unit: USD in thousands

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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## (f) Other receivables

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

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

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

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

## (g) Inventories

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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## (h) Equity-accounted investees

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

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

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

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

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

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

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

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

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

## (iv) Collateral

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

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

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

- (i) Business combination

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

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

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

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

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

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

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

Goodwill arising from the acquisition has been recognized as follows:

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

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

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

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

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

- (k) Loss of control over a subsidiary

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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The carrying amount of assets and liabilities of WEKS and WJC on the date of disposal was as follow:

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

(l) Material non-controlling interests of subsidiaries

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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(m) Property, plant and equipment

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

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

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

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## (n) Right-of-use assets

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

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

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## (o) Intangible assets

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

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

(ii) Impairment testing for goodwill

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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The carrying amounts of goodwill were as follows:

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

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

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

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

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Pre-tax discount rate	3.73 %	2.74 %

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

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

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

(iii) Collateral

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

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

(p) Other current assets and non-current assets

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

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

(q) Bank loans

(i) Short-term loans

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

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

## (ii) Long-term loans

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

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

## (iii) Breach of covenant

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

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

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

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

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

Total credit line: USD360,000,000

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

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

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

## (iv) Government low-interest loan

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

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

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

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

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

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

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

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

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

(r) Bonds payable

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

The details of unsecured convertible bonds were as follows:

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

(s) Lease liabilities

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

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

The amounts recognized in profit or loss were as follows:

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

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

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

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

(i) Leases of land, buildings and improvement

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

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

(ii) Other leases

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

(t) Operating leases

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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(u) Employee benefits

(i) Defined benefit plans

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

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

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

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

1) Composition of plan assets

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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2) The movements in the present value of the defined benefit obligations

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

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

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

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

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

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

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

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

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

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

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

6) Actuarial assumptions

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

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

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**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, 2022 was \$66,451.

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

7) Sensitivity analysis

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

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

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

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

(ii) Defined contribution plans

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

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

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

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## (v) Income Taxes

## (i) Income tax expense

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

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

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

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

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

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

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

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

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

## b) Unrecognized deferred tax assets and liabilities on investment

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

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

(Continued)

**WISTRON CORPORATION AND SUBSIDIARIES**  
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2) Recognized deferred tax assets and liabilities

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

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

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

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

(w) Capital and Other Equities

(i) Capital

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

(Continued)

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

(ii) Treasury Shares

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

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

(iii) Capital surplus

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

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

(Continued)

**WISTRON CORPORATION AND SUBSIDIARIES**  
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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) Retained Earning

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

1) Legal reserve

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

2) Special reserve

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

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

3) Dividends

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

(Continued)

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

4) Earnings Distribution

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

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

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements		Unrealized from financial assets measured at fair value through other comprehensive income		Deferred compensation arising from issuance of restricted shares
	Group	Associates	Group	Associates	Group
	Balance at January 1, 2022	\$ (8,400,965)	(330,461)	(25,560)	(33,662)
Foreign currency translation differences (net of tax)	7,381,518	131,898	-	-	-
Disposal of part of the equity of the subsidiary	16,821	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	(891,521)	(7,198)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	(109,565)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	368,880
Balance at December 31, 2022	<u>\$ (1,002,626)</u>	<u>(198,563)</u>	<u>(1,026,646)</u>	<u>(40,860)</u>	<u>(282,007)</u>
Balance at January 1, 2021	\$ (6,267,368)	(258,415)	(283,577)	(37,161)	(999,742)
Foreign currency translation differences (net of tax)	(2,144,932)	(72,046)	-	-	-
Disposal of part of the equity of the subsidiary	11,335	-	4	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	-	375,238	3,499	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	(117,225)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	348,855
Balance at December 31, 2021	<u>\$ (8,400,965)</u>	<u>(330,461)</u>	<u>(25,560)</u>	<u>(33,662)</u>	<u>(650,887)</u>

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

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

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

(x) Share-based payment transactions

(i) WHQ

1) Restricted shares to employees

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

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

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

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

(Unit: in thousand shares)

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

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

2) Treasury shares transfer to employees

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

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

(Unit: in thousand shares)

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

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

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

(Continued)

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

(ii) AGI-Employee stock option

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

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

1) Measurable parameter of fair value at grant date

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

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

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

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

(Continued)

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

The outstanding employee stock options were as follows:

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

(iii) WIS-Employee stock option

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

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

1) Measurable parameter of fair value at grant date

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

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

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

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

(Continued)



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

The outstanding employee stock options were as follows:

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

(iv) Compensation costs

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

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

(y) Earnings per share

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

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

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

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

(ii) Contract balances

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

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

The contract liabilities were primarily related to the advance received from customers due to the warranty service. The major change in the balance of contract liabilities was the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the years ended December 31, 2022 and 2021 that were included in the contract liability balances at the beginning of the years were \$2,494,554 and \$2,266,307, respectively.

(Continued)

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

## (aa) Non-operating income and expenses

## (i) Interest income

The details of interest income were as follows:

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

## (ii) Other income

The details of other income were as follows:

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

## (iii) Other gains and losses

The details of other gains and losses were as follows:

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

## (iv) Finance costs

The details of interest expense were as follows:

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

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

## (ab) Remunerations to employees and directors

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

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

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

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

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

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

## (ac) Financial instruments

## (i) Credit risk

## 1) Exposure to credit risk

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

(Continued)

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

2) Concentration of credit risk

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

(ii) Liquidity risk

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

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

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

(iii) Market risk

1) Currency risk

a) Exposure to currency risk

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

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

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

b) Currency risk sensitivity analysis

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

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

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

2) Interest rate analysis

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

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

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

3) Other market price risk

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

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

4) Fair value information

a) Fair value hierarchy

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

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

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

(Continued)

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

## b) Valuation techniques for financial instruments measured at fair value

## i) Non-derivative financial instruments

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

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

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

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

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

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

ii) Derivative financial instruments

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

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

c) Transfer between level 1 and level 3:

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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d) Changes between level 3

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

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

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

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

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

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

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## WISTRON CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

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

Quantified information of significant unobservable inputs was as follows:

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

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## WISTRON CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

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

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

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

The favorable and unfavorable effects represented the changes in fair value, and fair value was based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflected the effects of changes in a single input, and it did not include the interrelationships with another input.

- 5) Offsetting financial assets and financial liabilities

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

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

Unit: Foreign currency in thousands

December 31, 2022						
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (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	12,156,807	12,156,807	-	-	-
	CNY	35,104,655	35,104,655	-	-	-

December 31, 2022						
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (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	12,156,807	12,156,807	-	-	-
	CNY	35,104,655	35,104,655	-	-	-

December 31, 2021						
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (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	15,623,850	15,623,850	-	-	-
	CNY	983,280	983,280	-	-	-

December 31, 2021						
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (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	15,623,850	15,623,850	-	-	-
	CNY	983,280	983,280	-	-	-

(ad) Financial risk management

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

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

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

(ii) Risk management framework

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

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

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

(iii) Credit risk

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

1) Note and trade receivables

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

2) Investments

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

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

3) Guarantee

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

(iv) Liquidity risk

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

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

(v) Market risk

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

1) Currency risk

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

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

2) Interest risk

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

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

3) Other market price risk

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

(ae) Capital management

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

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

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

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

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

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**WISTRON CORPORATION AND SUBSIDIARIES**  
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(af) Financing activities not affecting the current cash flow

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

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

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

(7) Related-party transactions:

(a) Names and relationship with related parties

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

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

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

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

(b) Related party transactions

(i) Sales

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

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

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

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

(ii) Purchases

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

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

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

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

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

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

	<b>Rental Income</b>	
	<b>2022</b>	<b>2021</b>
Rental income		
Associate	<u>\$ 3,890</u>	<u>3,810</u>

	<b>Other receivables from related parties</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Rental receivables		
Associate	<u>\$ 339</u>	<u>334</u>

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

	<b>Acquisition price</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of assets		
Associates	<u>\$ 91,510</u>	<u>65,772</u>
Contribution		
Other related party	<u>\$ 35,616</u>	<u>29,213</u>

	<b>Other payables to related parties</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Payables resulting from acquisition of assets		
Associate	<u>\$ 4,117</u>	<u>1,100</u>

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

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

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

(vii) Advances to related parties

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

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

(viii) Advances from related parties

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

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

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

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

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

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

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

(c) Transactions with key management personnel

Key management personnel remuneration:

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

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

(9) Commitments and contingencies:

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

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

(b) Contingencies

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

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

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

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

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

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

(12) Other

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

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

(13) Other disclosures

(a) Information on significant transactions

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

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

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

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

**(14) Segment information:**

- (a) General information

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

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

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

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

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

	2022			
	<u>R&amp;D and Manufacturing</u>	<u>Others</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue:				
Revenues from external customers	\$ 925,447,986	59,171,170	-	984,619,156
Segment revenues	<u>7,316,005</u>	<u>711,018</u>	<u>(8,027,023)</u>	<u>-</u>
<b>Total revenues</b>	<b>\$ <u>932,763,991</u></b>	<b><u>59,882,188</u></b>	<b><u>(8,027,023)</u></b>	<b><u>984,619,156</u></b>
<b>Segment profit</b>	<b>\$ <u>23,098,229</u></b>	<b><u>4,373,915</u></b>	<b><u>(2,761,230)</u></b>	<b><u>24,710,914</u></b>
	2021			
	<u>R&amp;D and Manufacturing</u>	<u>Others</u>	<u>Reconciliation and eliminations</u>	<u>Total</u>
Revenue:				
Revenues from external customers	\$ 805,422,659	56,660,189	-	862,082,848
Segment revenues	<u>5,892,427</u>	<u>929,633</u>	<u>(6,822,060)</u>	<u>-</u>
<b>Total revenues</b>	<b>\$ <u>811,315,086</u></b>	<b><u>57,589,822</u></b>	<b><u>(6,822,060)</u></b>	<b><u>862,082,848</u></b>
<b>Segment profit</b>	<b>\$ <u>14,440,858</u></b>	<b><u>1,933,780</u></b>	<b><u>2,859,639</u></b>	<b><u>19,234,277</u></b>

- (c) Geographical information

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

Non-current assets:

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

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

- (d) Information about revenue from major customers

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

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

WISTRON CORPORATION AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements

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

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral Item Value	Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
0	The Company	WAMY	Other receivables	Yes	1,260,945	-	-	0.50%-2.00%	1	4,926,418	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WSPH	Other receivables	Yes	556,560	-	-	1.50%	1	338,350	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WMMI	Other receivables	Yes	1,347,210	-	-	1.50%	1	9,097,311	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	WSPH	Other receivables	Yes	483,150	-	-	1.50%	1	454,573	N/A	-	-	9,638,214	48,191,074	(Note 1, Note 3, Note 4 and Note 16)
0	The Company	ROE	Other receivables	Yes	3,500,000	1,500,000	1,500,000	2.00%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 1, Note 3, Note 4 and Note 16)
1	WAKS	WTZ	Other receivables	Yes	3,832,400	614,160	614,160	1.50%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	XTRKS	Other receivables	Yes	1,017,538	110,500	110,500	4.00%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	WGSX	Other receivables	Yes	876,528	300,142	300,142	1.50%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
1	WAKS	WQSH	Other receivables	Yes	9,849	-	-	4.00%	2	-	Operating Capital	-	-	31,110,428	31,110,428	(Note 5 and Note 16)
2	WCO	WTZ	Other receivables	Yes	2,972,600	1,228,320	1,228,320	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
2	WCO	WACQ	Other receivables	Yes	317,430	245,664	173,280	3.50%-4.00%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
2	WCO	WACZ	Other receivables	Yes	1,545,100	1,335,400	921,240	3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WQTX	Other receivables	Yes	1,932,600	1,842,480	1,842,480	1.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WAUS	Other receivables	Yes	154,510	153,540	153,540	3.50%	2	-	Operating Capital	-	-	15,616,840	15,616,840	(Note 6 and Note 16)
3	WCH	WIMX	Other receivables	Yes	96,630	-	-	1.50%	2	-	Operating Capital	-	-	14,173,732	14,173,732	(Note 7 and Note 16)
4	WCCZ	WKCZ	Other receivables	Yes	271,909	214,956	214,956	1.50%	2	-	Operating Capital	-	-	14,173,732	14,173,732	(Note 7 and Note 16)
4	WCCZ	WQWZ	Other receivables	Yes	644,200	614,160	614,160	3.50%	2	-	Operating Capital	-	-	7,532,499	7,532,499	(Note 8 and Note 16)
4	WCCZ	WQWY	Other receivables	Yes	1,449,450	1,381,860	1,381,860	1.50%	2	-	Operating Capital	-	-	7,532,499	7,532,499	(Note 8 and Note 16)
5	WSSG	WMMI	Other receivables	Yes	3,865,200	3,684,960	3,684,960	9.39%	2	-	Operating Capital	-	-	6,957,882	6,957,882	(Note 9 and Note 16)
6	WAKS	WQSH	Other receivables	Yes	360,960	132,600	132,600	4.00%	2	-	Operating Capital	-	-	6,099,098	6,099,098	(Note 10 and Note 16)
6	WAKS	WQWZ	Other receivables	Yes	134,484	132,600	44,200	4.00%	2	-	Operating Capital	-	-	6,099,098	6,099,098	(Note 10 and Note 16)
6	WAKS	XTRKS	Other receivables	Yes	451,200	331,500	331,500	4.00%	2	-	Operating Capital	-	-	6,099,098	6,099,098	(Note 10 and Note 16)
7	WYHQ	WYUS	Other receivables	Yes	2,241,680	-	-	0.75%	2	-	Operating Capital	-	-	3,878,700	19,393,503	(Note 11 and Note 16)
8	WCL	ROE	Other receivables	Yes	500,000	-	-	1.00%	2	-	Operating Capital	-	-	2,988,475	2,988,475	(Note 12 and Note 16)
9	WCHK	WSPH	Other receivables	Yes	418,730	399,204	399,204	1.50%	2	-	Operating Capital	-	-	23,855,306	23,855,306	(Note 13 and Note 16)
10	WCD	WTZ	Other receivables	Yes	2,781,180	2,763,720	2,763,720	1.50%-3.50%	2	-	Operating Capital	-	-	23,855,306	23,855,306	(Note 14 and Note 16)
11	WZS	WTZ	Other receivables	Yes	1,932,600	1,842,480	1,842,480	1.50%	2	-	Operating Capital	-	-	59,803,990	59,803,990	(Note 15 and Note 16)

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

(Note 2) Nature of financing:  
1 For entities that the Company has business with.  
2 For entities with short-term financing needs.

(Note 3) The limit on financing granted to the entities that the Company has business with:

- (1) For entities in which the Company, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of the Company.
- (2) For entities in which the Company, directly or indirectly, owned below 50% of their shares, the amount available for financing shall not exceed 40% and 5% of net worth of the Company, respectively.
- (3) For other borrowers, the amount available for financing shall not exceed 25% of net worth of the borrower and 5% of net worth of the Company.

(Note 4) For entities with short-term financing needs, the amount available for financing shall not exceed 10% of net worth of the Company.

(Note 5) Subsidiary - WAKS

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

(Note 6) Subsidiary - WCO

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

(Note 7) Subsidiary - WCH

- (1) The total amount available for financing purposes shall not exceed 40% of WCH's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCH's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCH's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCH's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 8) Subsidiary - WCCZ

- (1) The total amount available for financing purposes shall not exceed 40% of WCCZ's audited or reviewed net worth; and for the Company and those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCCZ's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCCZ's audited or reviewed net worth. However, to the Company and the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCCZ's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 9) Subsidiary - WSSG

- (1) The total amount available for financing purposes shall not exceed 40% of WSSG's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WSSG's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WSSG's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WSSG's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 10) Subsidiary - WMKS

- (1) The total amount available for financing purposes shall not exceed 50% of WMKS's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WMKS's audited or reviewed net worth. However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WMKS's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) For those subsidiaries in domestic and foreign with short-term financing needs which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing of each entity shall be subject to the limit of three times WMKS's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 11) Subsidiary - WYHQ

- (1) The total amount available for financing purposes shall not exceed 50% of WYHQ's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of WYHQ's audited or reviewed net worth. However, for those subsidiaries in domestic and foreign in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WYHQ's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) The limit on financing granted to the entities that WYHQ has business with:  
1. For entities in which WYHQ, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of WYHQ.  
2. For entities in which WYHQ, 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 5% of net worth of WYHQ, 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 WYHQ.

(Note 12) Subsidiary - WCL

- (1) The total amount for short-term financing shall not exceed 40% of WCL's audited or reviewed net worth.
- (2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCL's audited or reviewed net worth in the consolidated financial statements.

(Note 13) Subsidiary - WCHK

- (1) The total amount available for financing purposes shall not exceed 40% of WCHK's audited or reviewed net worth; and for those foreign subsidiaries in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCHK's audited or reviewed net worth disclosed in the consolidated financial statements.
- (2) For entities with short-term financing needs, the amount available for financing of each entity shall not exceed 10% of WCHK's audited or reviewed net worth. However, to the foreign subsidiaries which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall be subject to the limit of three times WCHK's audited or reviewed net worth disclosed in the consolidated financial statements.

(Note 14) Subsidiary - WCD

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

(Note 15) Subsidiary - WZS

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

(Note 16) The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

## WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 2. Guarantees and endorsements for other parties  
(December 31, 2022)

No.	Endorser / Guarantor	Party being endorsed/guaranteed		Limits on endorsements/guarantees provided to each entity (Note 2), (Note 4) and (Note 9)	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee to net asset value of the endorser/guarantor	Ceiling on total amount of endorsements/guarantees provided (Note 1), (Note 3) and (Note 9)	Endorsement/guarantees provided by parent company	Endorsement/guarantees provided by a subsidiary	Endorsement/guarantees provided to the party in Mainland China	Note
		Name	Relationship with the company (Note 10)											
0	The Company	WJP	2	28,914,644	838,050	622,890	622,890	-	0.65%	96,382,149	Y	N	N	(Note 11)
0	The Company	Covin (Note 5)	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N	(Note 11)
0	The Company	WZS shared with WAKS (Note 5)	2	28,914,644	64,420	61,416	61,416	-	0.06%	96,382,149	Y	N	Y	(Note 11)
0	The Company	WCCZ	2	28,914,644	474,476	474,476	474,476	-	0.49%	96,382,149	Y	N	N	(Note 11)
0	The Company	WBR	2	28,914,644	901,880	859,824	859,824	-	0.89%	96,382,149	Y	N	N	(Note 11)
0	The Company	WIN	2	28,914,644	2,284,700	2,072,790	1,765,710	-	2.15%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSSG	2	28,914,644	8,776,168	8,413,992	7,646,292	-	8.73%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTX	2	28,914,644	1,159,560	1,105,488	1,105,488	-	1.15%	96,382,149	Y	N	N	(Note 11)
0	The Company	WGTX	2	28,914,644	499,255	475,974	475,974	-	0.49%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTZ	2	28,914,644	3,690,330	3,673,788	2,445,668	-	3.81%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSMAY	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	N	(Note 11)
0	The Company	WGRS	2	28,914,644	791,310	184,288	-	-	1.62%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCCZ shared with WSCZ	2	28,914,644	3,301,760	1,566,108	1,566,108	-	1.62%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMKS	2	28,914,644	560,420	-	-	-	-	96,382,149	Y	N	N	(Note 11)
0	The Company	WMKS shared with WTZ and WGRS (Note 6)	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTR	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCH	2	28,914,644	40,263	38,385	38,385	-	0.04%	96,382,149	Y	N	N	(Note 11)
0	The Company	AGI	2	28,914,644	292,000	292,000	232,000	-	0.30%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSCO	2	28,914,644	2,930,321	2,502,710	1,581,470	-	2.60%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCHO	2	28,914,644	160,000	110,000	60,000	-	0.11%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSCO share with WMCQ	2	28,914,644	483,150	460,620	460,620	-	0.48%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMMI share with WIN	2	28,914,644	1,932,600	1,842,480	921,240	-	1.91%	96,382,149	Y	N	N	(Note 11)
0	The Company	WLB	2	28,914,644	400,000	200,000	200,000	-	0.21%	96,382,149	Y	N	N	(Note 11)
0	The Company	WCL	2	28,914,644	1,400,000	800,000	800,000	-	0.83%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMMI	2	28,914,644	7,233,520	6,914,856	5,435,316	-	7.17%	96,382,149	Y	N	N	(Note 11)
0	The Company	WMMY	2	28,914,644	8,961,580	8,905,320	4,831,864	-	9.24%	96,382,149	Y	N	N	(Note 11)
0	The Company	WITT	2	28,914,644	1,167,882	1,044,072	736,992	-	1.08%	96,382,149	Y	N	N	(Note 11)
0	The Company	WTFW	2	28,914,644	300,000	175,000	175,000	-	0.18%	96,382,149	Y	N	N	(Note 11)
0	The Company	WVNV	2	28,914,644	11,692,230	7,216,380	1,996,020	-	7.49%	96,382,149	Y	N	N	(Note 11)
0	The Company	WIMX	2	28,914,644	6,180,400	6,141,600	3,377,880	-	6.37%	96,382,149	Y	N	N	(Note 11)
0	The Company	WIS	2	28,914,644	144,945	138,186	138,186	-	0.14%	96,382,149	Y	N	N	(Note 11)
0	The Company	XTRKS	2	28,914,644	2,076,972	2,076,972	736,992	-	2.15%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSPH shared with WCCZ, WMX, WITX and WSSG (Note 7)	2	28,914,644	626,306	597,100	597,100	-	0.62%	96,382,149	Y	N	N	(Note 11)
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 7)	2	28,914,644	501,044	477,680	477,680	-	0.50%	96,382,149	Y	N	N	(Note 11)
0	The Company	WSPH shared with WCCZ, WMX, WITX, WSSG and WMMY (Note 8)	2	28,914,644	755,417	755,417	-	-	0.78%	96,382,149	Y	N	N	(Note 11)
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 8)	2	28,914,644	503,611	503,611	-	-	0.52%	96,382,149	Y	N	N	(Note 11)
1	WYHO	WYMX	2	11,656,101	1,458,658	1,390,639	1,390,639	-	3.59%	19,933,503	Y	N	N	(Note 11)
1	WYHO	WYUS	2	11,656,101	111,542	81,875	81,875	-	0.21%	19,933,503	Y	N	N	(Note 11)
1	WYHO	WYMY	2	11,656,101	139	139	139	-	-	19,933,503	Y	N	N	(Note 11)

(TWD : expressed in thousands)

## WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

(Note 1)  
(Note 2)  
(Note 3)  
(Note 4)  
(Note 5)  
(Note 6)  
(Note 7)  
(Note 8)  
(Note 9)

The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed the Company's audited or reviewed net worth.  
The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.  
The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's audited or reviewed net worth.  
The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.  
The credit line shared by Covin, WZS and WAKS amounted to USD3,000,000.  
The credit line shared by WMKS, WTX, WSSG, WAKS, WZS, WCD and WCCQ amounted to USD20,000,000, while the maximum credit line for each entity was USD 10,000,000.  
The credit line shared by WSPH, WCCZ, WMX, WITX, WSSG, WAKS, WZS, WCD and WCCQ amounted to USD35,000,000.  
The credit line shared by WSPH, WCCZ, WMX, WITX, WSSG, WMMY, WAKS, WZS, WCD and WCCQ amounted to USD41,000,000.  
Due to WYHO's Operation Procedure for Guarantees and Endorsements:

- The total amount for guarantees and endorsements provided by WYHO to other entities shall not exceed 50% of the WYHO's audited or reviewed net worth.
- The amount for guarantees and endorsements provided by WYHO to any individual entity shall not exceed 50% of the WYHO's audited or reviewed net worth.
- The total amount for guarantees and endorsements provided by WYHO and its subsidiaries to other entities shall not exceed 50% of the WYHO's audited or reviewed net worth.
- The amount of guarantees and endorsements provided by WYHO and its subsidiaries to any individual entity shall not exceed 30% of the WYHO's audited or reviewed net worth.

Relationship with the Company:

(Note 10)

- An entity with which the guarantor did business.
- An entity in which the guarantor directly and indirectly owned more than 50% of the voting shares.
- An entity that directly and indirectly owned more than 50% of the voting shares in the guarantor.
- The entities in which the guarantor owned, directly or indirectly, 90% or more of the voting shares.
- 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 entities in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 11)

The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2022			Highest percentage of shares during the period	Note
				Number of shares	Book value	Percentage of Ownership		
The Company	Alpha Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	19,328	545,044	3.57%	3.57%	
The Company	Gamania Digital Entertainment Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	1,126	78,739	0.64%	0.64%	
The Company	Super Dragon Technology Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	5,676	112,385	5.80%	5.80%	
The Company	Global Lighting Technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	20,914	1,150,294	16.23%	16.23%	
The Company	ARBOR Technology Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	4,679	126,556	5.00%	6.29%	
The Company	AGOpen Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	1,497	70,786	2.10%	8.04%	
The Company	FineMat Applied Materials Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,589	128,499	6.91%	6.91%	
The Company	Clentron Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	917	20,737	1.44%	1.44%	
The Company	Plexbo Corporation, LTD	Stock	Non-current financial assets at fair value through other comprehensive income	1,227	14,704	1.18%	1.18%	
The Company	Howe advanced Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,000	-	13.91%	13.91%	
The Company	ABC-KY	Stock	Non-current financial assets at fair value through other comprehensive income	2,075	64,325	2.54%	2.54%	
The Company	Like Systems, Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.51%	29.51%	
The Company	ZeeInc.	Stock	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	6.57%	
The Company	Janus Technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	4.01%	
The Company	Vmedia Research	Stock	Non-current financial assets at fair value through other comprehensive income	2,009	-	7.69%	7.69%	
The Company	Tube Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	17,009	68,936	20.73%	22.08%	
The Company	Tactus Technology Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	0.06%	
The Company	Videti Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	226	11,228	0.96%	3.17%	
The Company	Scenera, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	645	1,208	11.40%	12.89%	
The Company	Marvel Technology, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	86	98,143	0.01%	0.01%	
The Company	Master Transportation Bus Manufacturing Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	2,375	124,083	5.52%	6.11%	
The Company	A VIZ Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	3,781	37,152	6.72%	6.72%	
The Company	EV Motors Japan Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,634	57,296	2.31%	2.95%	
The Company	IP Fund Six Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	-	42,608	10.72%	10.72%	
The Company	Coresa Fund 2012 L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	17,971	20.00%	20.00%	
The Company	Jafo AT Fund V L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	181,360	6.67%	6.67%	
The Company	Kibou Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	42,667	12.78%	12.78%	
The Company	Fenox Venture Company XIV L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	99.00%	
The Company	Verex V (C.I.) Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	300,203	2.77%	3.11%	
The Company	China Renewable Energy Fund, LP	Fund	Non-current financial assets at fair value through other comprehensive income	-	496,361	9.01%	9.01%	
The Company	JAFCO Taiwan I Venture Capital L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	120,109	4.99%	4.99%	
The Company	JAFCO Taiwan II Venture Capital L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	19,672	9.21%	9.21%	
The Company	Princeton Nitenergy Inc.	SAFE	Non-current financial assets at fair value through profit or loss	-	73,392	-	-	
AIH	Advance Powered & Energy Semiconductor, Inc.	Stock	Non-current financial assets at fair value through profit or loss	23,375	-	19.26%	19.26%	
WAKS	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	13,158	1,846,513	0.19%	0.19%	
WCD	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	11,278	1,582,726	0.16%	0.16%	
WCO	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	13,158	1,846,514	0.19%	0.19%	
WZS	Luxshare Precision Industry Co., Ltd.	Stock	Current financial assets at fair value through profit or loss	18,797	2,637,876	0.27%	0.27%	
WCHK	VMWare, Inc.	Stock	Current financial assets at fair value through profit or loss	85	321,281	0.02%	0.04%	
WCHK	Dell technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	204	251,506	0.03%	0.03%	
WCL	Alpha Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	3,892	109,740	0.72%	0.72%	

(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, 2022)

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2022			Highest percentage of shares during the period	Note
				Number of shares	Book value	Percentage of Ownership		
WCL	Howe advanced Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	500	-	1.74%	1.74%	
WCL	Clentron Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	626	141,151	0.98%	0.98%	
WCL	Vmedia Research	Stock	Non-current financial assets at fair value through other comprehensive income	324	-	1.25%	-	
WCL	ARBOR Technology Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	2,005	54,238	2.14%	2.69%	
WCL	Limbo CV Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,467	-	4.06%	4.06%	
WCL	ABC-KY	Stock	Non-current financial assets at fair value through other comprehensive income	1,725	53,460	2.11%	2.11%	
WCL	Formosoft International Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	365	-	13.95%	-	
WCL	feilchebat Holdings Limited	Stock	Non-current financial assets at fair value through other comprehensive income	13	-	9.29%	-	
WCL	AGOpen Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	1,042	36,813	1.46%	1.46%	
WCL	FineMat Applied Materials Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	302	8,458	0.46%	0.46%	
WCL	Bionspara, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	4,710	7,522	15.37%	18.14%	
WCL	UnityOpno Technology co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	5,263	-	1.14%	-	
WCL	A VerMedain Information, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	495	22,919	0.53%	0.53%	
WCL	Neachips Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	5,167	243,221	5.41%	5.41%	
WCL	FunNow Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	160	31,194	3.33%	-	
WCL	Ganzin Technology, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,000	6,596	6.78%	6.78%	
WCL	SMARTIQ LLC	Stock	Non-current financial assets at fair value through other comprehensive income	23	5,941	6.25%	6.25%	
WCL	Gemini data, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	16,140	-	5.56%	-	
WCL	Akello Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	22,778	55,260	11.99%	-	
WCL	Yallvend Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	1,200	15,000	3.95%	3.95%	
WCL	H2 Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,557	62,100	4.26%	4.26%	
WCL	APPWORKS FUND II CO., LTD.	Stock	Non-current financial assets at fair value through other comprehensive income	20,124	86,432	8.15%	8.15%	
WCL	APPWORKS FUND III CO. LTD.	Stock	Non-current financial assets at fair value through other comprehensive income	-	202,193	7.00%	-	
WCL	Fund VII L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	56,959	10.80%	-	
WCL	300 Stamps V, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	200,529	3.37%	-	
WCL	Verex Israel Opportunity II Fund	Fund	Non-current financial assets at fair value through other comprehensive income	-	67,962	1.78%	-	
WCL	Verex VI Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	48,492	1.31%	-	
WCL	IT-Farm J-Tech Fund Investment Limited	Fund	Non-current financial assets at fair value through other comprehensive income	-	15,933	16.67%	-	
WCL	ACV CAPITAL III L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	119,167	1.46%	-	
WCL	Charubic Ventures Fund V, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	62,807	2.73%	-	
WCL	AVV Alpha, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	8,919	2.86%	-	
WCL	Storm Ventures Fund VII, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	12,755	2.46%	-	
WCL	APPWORKS FUND IV L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	54,000	16.90%	-	
WCL	feilchebat Holdings Limited	Bond	Non-current financial assets at fair value through other comprehensive income	-	7,018	-	-	
WCL	Mnatri Inc.	SAFE	Non-current financial assets at fair value through profit or loss	-	-	-	-	
WDH	MOBAGEL/INC	Stock	Non-current financial assets at fair value through profit or loss	-	13,572	-	-	
WDH	Infiniseal, INC	Stock	Non-current financial assets at fair value through other comprehensive income	1,121	109,207	6.74%	6.93%	
WDH	International Trust Machines Corporation	Stock	Non-current financial assets at fair value through other comprehensive income	82	1,821	8.73%	8.86%	
WDH	Meantime INCORPORATED	Stock	Non-current financial assets at fair value through other comprehensive income	1,469	4,557	11.24%	5.02%	
WDH	Ommileys Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	2,683	59,023	8.91%	11.39%	
Win Smart	KEEN HIGH TECHNOLOGIES LIMITED.	Stock	Non-current financial assets at fair value through other comprehensive income	8,716	-	15.17%	-	
WMH	Adimes Biotechnology(Cayman) Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	15,000	14,280	16.67%	16.67%	
WMH	Apollo Medical Optics Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	8,935	61,913	18.65%	20.21%	

(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, 2022)

Securities held by	Category and name of securities	Relationship	Financial statement account		December 31, 2022			Highest percentage of shares during the period	Note
			Number of shares	Book value	Percentage of Ownership	Fair Value			
WMH	Huku Biotechnology Corporation	-	-	-	375	3,213	9.93%	3,213	10.22%
WMH	Sjantan Bioscience Inc.	-	-	-	1,691	-	3.11%	-	3.11%
WMH	Plexbo Corporation, LTD	-	-	-	1,500	17,970	1.45%	17,970	1.45%
WMH	DIAGNOSTICS FOR THE REAL WORLD LIMITED	-	-	-	267	174,061	4.80%	174,061	4.80%
WMH	anWEAR Company Limited	-	-	-	2	1,167	7.96%	1,167	7.96%
WMH	YSENSE CO., LTD.	-	-	-	700	-	3.95%	-	3.95%
WMH	Darmiyun, Inc.	-	-	-	124	-	0.36%	-	0.36%
WMH	JelloX Biotech, Inc.	-	-	-	15,000	1,020	8.33%	1,020	8.33%
WMH	Smart Ageing Tech Co., Ltd.	-	-	-	1,800	16,976	5.38%	16,976	5.38%
WMH	Hikair Fund L.P.	-	-	-	-	55,021	12.00%	55,021	12.00%
WMH	Pacific 8 Ventures fund I, L.P.	-	-	-	-	328,852	17.82%	328,852	17.82%
WMH	Pacific 8 Ventures fund II, L.P.	-	-	-	-	29,047	10.00%	29,047	10.00%
WMH	B-Temia Inc.	-	-	-	-	62,826	-	62,826	-
WMH	B-Temia Inc.	-	-	-	-	10,558	-	10,558	-

(TWD : expressed in thousands)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS\$300 million or 20% of share capital  
(December 31, 2022)

Securities held by	Category and name of securities	Financial statement account	Counter-party	Relationship with the investor	Beginning balance		Addition		Disposal		Ending balance		Note
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	
The Company	WLLC	Equity-accounted investees	(Note 2)	subsidiary	6,936	2,596,642	2,000	553,012	-	-	8,936	3,599,681	(Note 1)
The Company	WYHQ	Equity-accounted investees	(Note 3)	subsidiary	73,895	11,567,668	-	-	8,000	7,282,067	65,895	14,618,435	(Note 1)
The Company	AIH	Equity-accounted investees	(Note 2)	subsidiary	347,486	4,951,534	90,000	2,675,880	-	-	437,486	7,789,205	(Note 1)
The Company	WCA	Equity-accounted investees	(Note 2)	subsidiary	70,000	698,369	100,000	1,000,000	-	-	170,000	1,697,225	(Note 1)
WCD	FUBON BANK (CHINA) CO., LTD.-SDRMB Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	884,000	-	886,358	-	2,291	-	-
WCD	CHINA BOHAI BANK CO., LTD - Bohai Bank Structured Deposit-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	309,400	-	310,283	-	888	-	-
WCQ	FUBON BANK (CHINA) CO., LTD.-SDRMB(CHongQing) Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	552,500	-	554,598	-	2,039	-	-
WCQ	CHINA BOHAI BANK CO., LTD - Bohai Bank Structured Deposit-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	517,140	-	518,624	-	1,442	-	-
WLLC	WTT	Equity-accounted investees	(Note 2)	subsidiary	1,951	533,943	2,000	553,012	-	-	3,951	1,210,272	(Note 1)
WMKS	China Citic Bank/ZHIXIN EXCHANGE RATE LINKED RMB STRUCTURAL DEPOSIT PRODUCTS	Current financial assets at fair value through profit or loss	-	-	-	-	574,600	-	577,911	-	3,220	-	-
WMKS	FUBON BANK (CHINA) CO., LTD.-SDRMB(Suzhou) Structured deposits-RMB Financial Product	Current financial assets at fair value through profit or loss	-	-	-	-	411,060	-	412,984	-	1,929	-	-
WTZS	Uphrow Morgan money market funds	Current financial assets at fair value through profit or loss	-	-	-	-	1,067,430	-	1,068,704	-	1,278	-	-
WYHQ	WYLS	Equity-accounted investees	(Note 2)	subsidiary	169,010	5,095,045	400,000	11,432,000	-	-	569,010	18,136,234	(Note 1)
WYHQ	WYMY	Equity-accounted investees	(Note 2)	subsidiary	35,214	232,596	301,550	2,064,385	-	-	336,764	2,304,502	(Note 1)
WYHQ	WYMX	Equity-accounted investees	(Note 2)	subsidiary	180,297	267,790	589,378	869,546	-	-	769,675	1,410,512	(Note 1)

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

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

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Note to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)		Note
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)	
The Company	WJP	Subsidiary	Sales	2,222,321	0.32%	OA90	-	-	1,044,226	0.58%	(Note)
The Company	WTX	Subsidiary	Sales	2,930,262	0.43%	OA90	-	-	1,118,158	0.62%	(Note)
The Company	WMKS	Subsidiary	Sales	843,651	0.12%	OA90	-	-	185,771	0.10%	(Note)
The Company	WZS	Subsidiary	Sales	880,522	0.13%	OA90	-	-	11,624,817	6.49%	(Note)
The Company	WITX	Subsidiary	Sales	45,060,850	6.56%	OA150	-	-	29,270,251	16.34%	(Note)
The Company	WSCZ	Subsidiary	Sales	1,786,723	0.26%	OA90	-	-	335,692	0.19%	(Note)
The Company	FPI	Associate	Sales	261,597	0.04%	OA120	-	-	45,699	0.03%	-
The Company	WSSG	Subsidiary	Sales	878,546	0.13%	OA90	-	-	286,742	0.16%	(Note)
The Company	WMT	Subsidiary	Sales	267,870	0.04%	OA90	-	-	119,722	0.07%	(Note)
The Company	WIS	Subsidiary	Sales	895,347	0.13%	OA60	-	-	132,647	0.07%	(Note)
The Company	WMMY	Subsidiary	Sales	31,130,615	4.53%	OA90	-	-	2,325,729	1.30%	(Note)
The Company	KOE	Subsidiary	Sales	124,919	0.02%	OA60	-	-	95,915	0.05%	(Note)
The Company	WYHQ	Subsidiary	Sales	68,820,275	10.02%	OA45	-	-	10,566,385	5.90%	(Note)
The Company	WYUS	Subsidiary	Sales	377,447	0.05%	OA45	-	-	42,491	0.02%	(Note)
The Company	WTX	Subsidiary	Purchase	136,799	0.02%	OA60	-	-	(34,807)	0.03%	(Note)
The Company	WZS	Subsidiary	Purchase	124,779,372	19.23%	OA90	-	-	(10,321,413)	7.66%	(Note)
The Company	WITX	Subsidiary	Purchase	685,976	0.11%	OA90	-	-	(12,600)	0.01%	(Note)
The Company	WAKS	Subsidiary	Purchase	17,536,288	2.70%	OA90	-	-	(3,299,678)	2.45%	(Note)
The Company	WSKS	Subsidiary	Purchase	4,545,634	0.70%	OA60	-	-	(591,742)	0.44%	(Note)
The Company	WCD	Subsidiary	Purchase	102,432,248	15.79%	OA90	-	-	(20,213,948)	15.00%	(Note)
The Company	WCD	Subsidiary	Purchase	213,389,287	32.89%	OA30	-	-	(28,604,028)	21.22%	(Note)
The Company	WSCZ	Subsidiary	Purchase	153,962	0.02%	OA60	-	-	(33,922)	0.03%	(Note)
The Company	WSCQ	Subsidiary	Purchase	9,195,531	1.42%	OA60	-	-	(811,402)	0.60%	(Note)
The Company	FPI	Associate	Purchase	709,183	0.11%	OA50	-	-	(42,578)	0.03%	-
The Company	WSSG	Subsidiary	Purchase	430,415	0.07%	OA60	-	-	(125,390)	0.09%	(Note)
The Company	WSPH	Subsidiary	Purchase	507,403	0.08%	OA30	-	-	(74,853)	0.06%	(Note)
The Company	WMMY	Subsidiary	Purchase	15,272,965	2.35%	OA90	-	-	(5,030,499)	3.73%	(Note)
The Company	WMMI	Subsidiary	Purchase	57,553,720	8.87%	OA45	-	-	(17,517,175)	12.99%	(Note)
The Company	WQOK	Subsidiary	Purchase	14,355,700	2.21%	OA90	-	-	(3,246,137)	2.41%	(Note)
The Company	WCCD	Subsidiary	Purchase	584,458	0.09%	OA90	-	-	(168,943)	0.13%	(Note)
The Company	WYHO	Subsidiary	Purchase	1,174,903	0.18%	OA90	-	-	(789,884)	0.59%	(Note)
The Company	WYUS	Subsidiary	Purchase	2,873,616	0.44%	OA90	-	-	(1,188,922)	0.88%	(Note)
AGI	The Company	Subsidiary	Sales	252,747	-	OA90	-	-	41,580	12.06%	(Note)



## WISTRON CORPORATION AND SUBSIDIARIES

### Note to the Consolidated Financial Statements

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

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

(TWD : expressed in thousands)

## WISTRON CORPORATION AND SUBSIDIARIES

### Note to the Consolidated Financial Statements

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

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions		Note and trade receivables (payables)		Note	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance		Percentage of total note and trade receivables (payables)
WIS	The Company	Subsidiary	Purchase	895,347	95.71%	OA60	-	-	(132,647)	82.68%	(Note)
WIT	WITX	Affiliate	Sales	338,680	100.00%	OA30	-	-	49,235	97.30%	(Note)
WIT	WZS	Affiliate	Purchase	206,558	26.78%	OA90	-	-	-	-	(Note)
WITX	The Company	Subsidiary	Sales	685,976	1.33%	OA90	-	-	-	-	(Note)
WITX	WYUS	Affiliate	Sales	4,288,851	8.23%	OA45	-	-	12,600	0.08%	(Note)
WITX	The Company	Subsidiary	Purchase	45,060,850	80.66%	OA150	-	-	1,472,759	9.85%	(Note)
WIP	WYHQ	Affiliate	Purchase	214,313	0.38%	OA90	-	-	(29,270,251)	91.67%	(Note)
WMMK	The Company	Subsidiary	Purchase	2,222,321	100.00%	OA90	-	-	(65,285)	0.11%	(Note)
WMMI	The Company	Subsidiary	Sales	843,651	46.13%	OA90	-	-	(1,044,226)	98.55%	(Note)
WMMY	WZS	Affiliate	Sales	57,533,720	97.40%	OA45	-	-	(185,771)	39.14%	(Note)
WMMY	WAKS	Affiliate	Sales	470,022	0.50%	OA90	-	-	17,517,175	96.23%	(Note)
WMMY	The Company	Subsidiary	Sales	15,272,965	0.25%	OA90	-	-	62,044	0.38%	(Note)
WMMY	WCO	Affiliate	Sales	6,949,330	16.12%	OA90	-	-	5,030,499	0.20%	(Note)
WMMY	WZS	Affiliate	Sales	1,880,950	1.98%	OA90	-	-	3,046,936	18.81%	(Note)
WMMY	WZS	Affiliate	Sales	385,285	0.41%	OA90	-	-	683,906	4.22%	(Note)
WMMY	WAKS	Affiliate	Purchase	30,641,696	33.58%	OA90	-	-	(9,566,753)	55.47%	(Note)
WMMY	The Company	Subsidiary	Purchase	632,449	0.69%	OA90	-	-	(268,135)	1.56%	(Note)
WMMY	WCD	Affiliate	Purchase	31,130,615	34.13%	OA90	-	-	(2,325,729)	13.49%	(Note)
WMMY	WCO	Affiliate	Purchase	3,651,435	4.00%	OA90	-	-	(1,007,826)	5.84%	(Note)
WMMY	WCO	Affiliate	Purchase	2,296,668	2.52%	OA90	-	-	(1,132,948)	6.57%	(Note)
WMT	The Company	Subsidiary	Purchase	2,678,700	81.54%	OA90	-	-	(119,722)	87.14%	(Note)
WMX	WIT	Affiliate	Sales	2,619,431	82.98%	OA60	-	-	395,122	86.97%	(Note)
WMX	WYUS	Affiliate	Sales	511,774	16.21%	OA90	-	-	58,788	12.94%	(Note)
WOOO	The Company	Subsidiary	Sales	14,355,700	98.15%	OA90	-	-	3,246,137	99.97%	(Note)
WOOO	WZS	Affiliate	Sales	196,551	1.34%	OA90	-	-	44,876	1.38%	(Note)
WOOO	WZS	Affiliate	Purchase	151,218	1.16%	OA90	-	-	(66,271)	3.88%	(Note)
WSCO	WSKS	Subsidiary	Sales	9,195,531	97.28%	OA60	-	-	811,402	96.97%	(Note)
WSCO	WCO	Affiliate	Purchase	1,508,651	15.22%	OA90	-	-	(547,519)	31.53%	(Note)
WSCO	WCD	Affiliate	Purchase	129,306	1.30%	OA90	-	-	-	-	(Note)
WSCZ	The Company	Subsidiary	Sales	153,962	3.48%	OA60	-	-	33,922	3.75%	(Note)
WSCZ	The Company	Subsidiary	Purchase	1,786,723	45.43%	OA90	-	-	(335,692)	48.42%	(Note)

(TWD : expressed in thousands)

## WISTRON CORPORATION AND SUBSIDIARIES

### Note to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Note to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

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

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
					Amount	Action taken			
WMMI	The Company	Subsidiary	17,517,175	443.89%	-	-	16,860,665	-	(Note)
WMMY	The Company	Subsidiary	5,030,499	475.72%	-	-	1,647,150	-	(Note)
WMMY	WCD	Affiliate	3,046,936	290.64%	-	-	767,774	-	(Note)
WMMY	WCQ	Affiliate	683,906	258.19%	-	-	1,014	-	(Note)
WMX	WITX	Affiliate	395,122	1018.18%	-	-	-	-	(Note)
WOOK	The Company	Subsidiary	3,246,137	513.92%	-	-	1,717,667	-	(Note)
WSCQ	The Company	Subsidiary	811,402	858.56%	-	-	794,046	-	(Note)
WKS	The Company	Subsidiary	591,742	539.73%	-	-	-	-	(Note)
WSSG	The Company	Subsidiary	125,390	425.29%	-	-	-	-	(Note)
WTZS	WZS	Affiliate	258,470	285.62%	-	-	-	-	(Note)
WTZS	The Company	Subsidiary	272,108	357.12%	69,453	Collecting	-	-	(Note)
WVN	WMMY	Affiliate	245,269	250.38%	-	-	-	-	(Note)
WYHQ	WIN	Affiliate	107,148	251.80%	-	-	115,275	-	(Note)
WYHQ	WBR	Affiliate	468,216	282.43%	-	-	14,105	-	(Note)
WYHQ	WYUS	Subsidiary	18,506,683	259.59%	10,397	Collecting	28,644	-	(Note)
WYHQ	WYJP	Subsidiary	738,647	524.27%	-	-	-	-	(Note)
WYHQ	WYHK	Subsidiary	307,258	663.50%	-	-	-	-	(Note)
WYHQ	WYKS	Subsidiary	145,474	216.51%	-	-	-	-	(Note)
WYMX	WYUS	Affiliate	260,832	1059.16%	-	-	260,832	-	(Note)
WYUS	WBR	Affiliate	499,328	397.74%	-	-	48,726	-	(Note)
WYUS	WYHQ	Subsidiary	422,290	830.01%	-	-	-	-	(Note)
WZS	The Company	Subsidiary	10,321,413	620.60%	810,723	Collecting	630,973	-	(Note)
WZS	WTZS	Affiliate	751,397	144.52%	505,049	Collecting	274,900	-	(Note)
WZS	WMMY	Affiliate	9,566,753	330.31%	3,206,270	Collecting	2,220,927	-	(Note)
Other receivables									
The Company	KOE	Subsidiary	1,503,354	-	-	-	87	-	(Note)
The Company	WITX	Subsidiary	533,934	-	106,132	Collecting	-	-	(Note)
The Company	WMMI	Subsidiary	163,921	-	-	-	-	-	(Note)
WAKS	WMMY	Affiliate	700,464	-	-	-	135	-	(Note)
WAKS	WMMY	Affiliate	133,562	-	-	-	4,778	-	(Note)
WAKS	WTZ	Affiliate	623,551	-	-	-	9,340	-	(Note)

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
					Amount	Action taken			
WAKS	XTRKS	Subsidiary	133,334	-	-	-	6,634	-	(Note)
WCCZ	WSCZ	Affiliate	611,491	-	-	-	-	-	(Note)
WCCZ	WVN	Affiliate	1,375,856	-	-	-	-	-	(Note)
WCD	The Company	Subsidiary	925,806	-	-	-	-	-	(Note)
WCD	WTZ	Affiliate	2,765,379	-	-	-	-	-	(Note)
WCD	WVN	Affiliate	115,222	-	-	-	-	-	(Note)
WCH	WGTX	Affiliate	153,540	-	-	-	-	-	(Note)
WCH	WIMX	Affiliate	214,956	-	-	-	-	-	(Note)
WCHK	WSPH	Affiliate	403,299	-	-	-	-	-	(Note)
WCQ	WMCQ	Affiliate	175,748	-	-	-	-	-	(Note)
WCQ	WSCQ	Affiliate	922,139	-	-	-	-	-	(Note)
WCQ	WTZ	Affiliate	1,228,625	-	-	-	-	-	(Note)
WCQ	WVN	Affiliate	1,859,290	-	-	-	-	-	(Note)
WITT	WITX	Affiliate	223,531	-	-	-	-	-	(Note)
WMKS	WOSH	Affiliate	132,629	-	-	-	-	-	(Note)
WMKS	XTRKS	Affiliate	331,574	-	-	-	-	-	(Note)
WMMY	The Company	Subsidiary	280,758	-	-	-	-	-	(Note)
WSSG	WMMI	Subsidiary	3,719,576	-	-	-	-	-	(Note)
WTZ	WOOK	Affiliate	162,073	-	-	-	63,035	-	(Note)
WYHQ	WYJP	Subsidiary	163,841	-	-	-	-	-	(Note)
WYHQ	WYUS	Subsidiary	1,348,896	-	-	-	-	-	(Note)
WYUS	The Company	Subsidiary	1,188,545	-	2,163	Collecting	52,478	-	(Note)
WYUS	WYHQ	Subsidiary	366,774	-	1,687	Collecting	-	-	(Note)
WZS	WTZ	Affiliate	1,843,245	-	-	-	-	-	(Note)

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

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(TWD : expressed in thousands)

No.	Company Name	Related Party	Relationship (Note 1)	Transaction			Credit term	Percentage of consolidated sales revenue and total assets (Note 2)
				Financial statement account	Amount	Transaction		
0	The Company	WYHQ	I	Sales	68,820,275	OA45	6.99%	
0	The Company	WITX	I	Sales	45,060,850	OA150	4.58%	
0	The Company	WMMY	I	Sales	31,130,615	OA90	3.16%	
0	The Company	WTX	I	Sales	2,930,262	OA90	0.30%	
0	The Company	WJP	I	Sales	2,222,321	OA90	0.23%	
0	The Company	WSCZ	I	Sales	1,786,723	OA90	0.18%	
0	The Company	WIS	I	Sales	895,347	OA60	0.09%	
0	The Company	WZS	I	Sales	880,522	OA90	0.09%	
0	The Company	WSSG	I	Sales	878,546	OA90	0.09%	
0	The Company	WMKS	I	Sales	843,651	OA90	0.09%	
0	The Company	WYUS	I	Sales	377,447	OA45	0.04%	
0	The Company	WMT	I	Sales	267,870	OA90	0.03%	
0	The Company	KOE	I	Sales	124,919	OA60	0.01%	
0	The Company	WMMI	I	Trade Receivables	30,193,715	OA180	6.97%	
0	The Company	WITX	I	Trade Receivables	29,270,251	OA150	6.76%	
0	The Company	WCD	I	Trade Receivables	19,974,230	OA60	4.61%	
0	The Company	WCQ	I	Trade Receivables	18,182,374	OA90	4.20%	
0	The Company	WZS	I	Trade Receivables	11,624,817	OA90	2.69%	
0	The Company	WYHQ	I	Trade Receivables	10,566,385	OA45	2.44%	
0	The Company	WMMY	I	Trade Receivables	2,325,729	OA90	0.54%	
0	The Company	WOOK	I	Trade Receivables	1,386,563	OA90	0.32%	
0	The Company	WITX	I	Trade Receivables	1,118,158	OA90	0.26%	
0	The Company	WJP	I	Trade Receivables	1,044,226	OA90	0.24%	
0	The Company	WTZ	I	Trade Receivables	400,437	OA90	0.09%	
0	The Company	WSCZ	I	Trade Receivables	335,692	OA90	0.08%	
0	The Company	WSSG	I	Trade Receivables	286,742	OA90	0.07%	
0	The Company	WMKS	I	Trade Receivables	185,771	OA90	0.04%	
0	The Company	WAKS	I	Trade Receivables	161,014	OA120	0.04%	
0	The Company	WIS	I	Trade Receivables	132,647	OA60	0.03%	
0	The Company	WMT	I	Trade Receivables	119,722	OA90	0.03%	

## WISTRON CORPORATION AND SUBSIDIARIES

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(TWD : expressed in thousands)

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

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				Financial statement account	Amount	Financial statement account		
6	WCQ	WSCQ	3	Trade Receivables	547,519	Trade Receivables	OA90	0.13%
7	WIMX	WYMX	3	Sales	189,717	Sales	OA15	0.02%
7	WIMX	WMX	3	Sales	159,114	Sales	OA15	0.02%
8	WITT	WITX	3	Sales	358,680	Sales	OA30	0.04%
9	WITX	WYUS	3	Sales	4,288,851	Sales	OA45	0.44%
9	WITX	The Company	2	Sales	685,976	Sales	OA90	0.07%
9	WITX	WYUS	3	Trade Receivables	1,472,759	Trade Receivables	OA45	0.34%
10	WMMI	The Company	2	Sales	57,553,720	Sales	OA45	5.85%
10	WMMI	The Company	2	Trade Receivables	17,517,175	Trade Receivables	OA45	4.05%
11	WMMY	The Company	2	Sales	13,272,965	Sales	OA90	1.55%
11	WMMY	WCD	3	Sales	6,949,330	Sales	OA90	0.71%
11	WMMY	WCQ	3	Sales	1,880,950	Sales	OA90	0.19%
11	WMMY	WZS	3	Sales	470,022	Sales	OA90	0.05%
11	WMMY	WITZS	3	Sales	385,285	Sales	OA90	0.04%
11	WMMY	WAKS	3	Sales	241,520	Sales	OA90	0.02%
11	WMMY	The Company	2	Trade Receivables	5,030,499	Trade Receivables	OA90	1.16%
11	WMMY	WCD	3	Trade Receivables	3,046,936	Trade Receivables	OA90	0.70%
11	WMMY	WCQ	3	Trade Receivables	683,906	Trade Receivables	OA90	0.16%
12	WMX	WITT	3	Sales	2,619,431	Sales	OA60	0.27%
12	WMX	WYUS	3	Sales	511,774	Sales	OA60	0.05%
12	WMX	WITT	3	Trade Receivables	395,122	Trade Receivables	OA60	0.09%
13	WOOK	The Company	2	Sales	14,355,700	Sales	OA90	1.46%
13	WOOK	WZS	3	Sales	196,551	Sales	OA90	0.02%
13	WOOK	The Company	2	Trade Receivables	3,246,137	Trade Receivables	OA90	0.75%
14	WSCQ	The Company	2	Sales	9,195,531	Sales	OA60	0.93%
14	WSCQ	WSKS	3	Sales	114,826	Sales	OA60	0.01%
14	WSCQ	The Company	2	Trade Receivables	811,402	Trade Receivables	OA60	0.19%
15	WSCZ	The Company	2	Sales	153,962	Sales	OA60	0.02%
16	WSKS	The Company	2	Sales	4,545,634	Sales	OA60	0.46%
16	WSKS	The Company	2	Trade Receivables	591,742	Trade Receivables	OA60	0.14%

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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	
17	WSPH	The Company	2	Sales	507,403	OA30	0.05%
18	WSSG	The Company	2	Sales	430,415	OA60	0.04%
18	WSSG	WZS	3	Sales	263,866	OA90	0.03%
18	WSSG	WYHQ	3	Sales	242,263	OA60	0.02%
18	WSSG	The Company	2	Trade Receivables	125,390	OA60	0.03%
19	WTS	The Company	2	Sales	107,465	OA15	0.01%
20	WTX	The Company	2	Sales	136,799	OA60	0.01%
20	WTX	WSMX	3	Sales	123,148	OA60	0.01%
21	WTZ	WOOK	3	Sales	151,218	OA90	0.02%
22	WTZS	WZS	3	Sales	1,013,084	OA90	0.10%
22	WTZS	The Company	2	Sales	828,545	OA90	0.08%
22	WTZS	The Company	2	Trade Receivables	272,108	OA90	0.06%
22	WTZS	WZS	3	Trade Receivables	258,470	OA90	0.06%
23	WVN	WMMY	3	Sales	565,903	OA90	0.06%
23	WVN	WMMY	3	Trade Receivables	245,269	OA90	0.06%
24	WYHQ	WYUS	1	Sales	43,730,667	OA150	4.44%
24	WYHQ	WYJP	1	Sales	3,078,534	OA90	0.31%
24	WYHQ	WYKR	1	Sales	1,408,518	OA90	0.14%
24	WYHQ	WYHK	1	Sales	1,020,728	OA90	0.10%
24	WYHQ	WBR	3	Sales	856,557	OA90	0.09%
24	WYHQ	WYKS	1	Sales	452,776	OA90	0.05%
24	WYHQ	WIN	3	Sales	433,505	OA90	0.04%
24	WYHQ	WYUS	1	Trade Receivables	18,506,683	OA150	4.27%
24	WYHQ	WYJP	1	Trade Receivables	738,647	OA90	0.17%
24	WYHQ	WBR	3	Trade Receivables	468,216	OA90	0.11%
24	WYHQ	WYHK	1	Trade Receivables	307,258	OA90	0.07%
24	WYHQ	WYKS	1	Trade Receivables	145,474	OA90	0.03%
24	WYHQ	WIN	3	Trade Receivables	107,148	OA90	0.02%
25	WYMX	WYUS	3	Sales	2,244,616	OA60	0.23%
25	WYMX	WYUS	3	Trade Receivables	260,832	OA60	0.06%

## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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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	WYUS	WYHQ	2	Sales	1,462,484	OA90	0.15%
26	WYUS	WBR	3	Sales	1,020,882	OA90	0.10%
26	WYUS	WBR	3	Trade Receivables	499,328	OA90	0.12%
26	WYUS	WYHQ	2	Trade Receivables	422,290	OA90	0.10%
27	WZS	The Company	2	Sales	124,779,372	OA90	12.67%
27	WZS	WMMY	3	Sales	30,641,696	OA90	3.11%
27	WZS	WTZS	3	Sales	1,637,603	OA90	0.17%
27	WZS	WITT	3	Sales	206,558	OA90	0.02%
27	WZS	WCD	3	Sales	122,876	OA90	0.01%
27	WZS	The Company	2	Trade Receivables	10,321,413	OA90	2.38%
27	WZS	WMMY	3	Trade Receivables	9,566,753	OA90	2.21%
27	WZS	WTZS	3	Trade Receivables	751,397	OA90	0.17%

(Note 1): Relationship of the counterparties:

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

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

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



## WISTRON CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Notes
				Ending balance	Beginning balance	Shares	Shareholding			
The Company	WMX	Mexico	Server and consumer electronics product manufacturing	1,354,618	1,354,618	16,004,371	100.00%	2,245,535	1,026,825	(Note)
The Company	WTF	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	2,008,309	37,391	(Note)
The Company	AHH	B.V.I.	Investment and holding	8,717,358	6,041,478	437,486	100.00%	7,789,205	(400,417)	(Note)
The Company	COWIN	B.V.I.	Investment and holding	6,759,300	6,802,868	213,894	100.00%	16,597,541	(1,166,089)	(Note)
The Company	Win Smart	B.V.I.	Investment and holding	2,611,286	4,274,611	44,565	100.00%	21,168,469	(1,952,949)	(Note)
The Company	WCL	Taiwan	Investment consultant and business management consultant	4,312,000	4,312,000	-	100.00%	7,918,359	1,433,246	(Note)
The Company	WSL	Taiwan	Safety and EMI testing	14,603	14,603	2,434	100.00%	124,813	33,684	(Note)
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	2,853,068	139,567	100.00%	26,652	(4,631)	(Note)
The Company	WLLC	U.S.A.	Investment and holding	2,671,826	2,118,814	8,936	100.00%	3,599,681	102,863	(Note)
The Company	WYS	B.V.I.	Investment and holding	314,273	398,221	9,150	100.00%	884,700	109,728	(Note)
The Company	WBR	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	606,721	214,021	(Note)
The Company	WTR	Turkey	Sales and maintenance service center	46,650	46,650	22	99.90%	80,171	25,724	(Note)
The Company	WGTX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	115,389	(43,566)	(Note)
The Company	WGHK	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	100.00%	22,692	(27,160)	(Note)
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	2,095,629	267,425	100.00%	5,653,518	(707,156)	(Note)
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	89,134	36,429	100.00%	(172,850)	9,691	(Note)
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,350	1,680,258	65,895	37.69%	14,618,435	5,482,636	(Note)
The Company	WCHK	Hong Kong	Investment and holding	225,494	225,494	58,446	100.00%	996,159	43,507	(Note)
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	25,201	2,115	(Note)
The Company	WCZZ	Czech Rep.	Electronic product manufacturing	121,527	121,527	-	100.00%	2,510,833	23,164	(Note)
The Company	WEHK	Hong Kong	Investment and holding	397,542	397,542	16,426	100.00%	(1,566)	(2,352)	(Note)
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	2,570	1	0.01%	12	(5)	(Note)
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	4,797,805	157,489	100.00%	2,319,294	215,120	(Note)
The Company	WDH	Taiwan	Investment and holding	1,800,000	1,800,000	205,056	100.00%	2,151,214	(35,661)	(Note)
The Company	WMH	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	1,899,963	(57,919)	(Note)
The Company	WTS	U.S.A.	Sales development and customer service	10,348	10,348	35	100.00%	18,770	1,444	(Note)
The Company	WCH	U.S.A.	Investment and rental	589,520	589,520	20	100.00%	472,458	(8,357)	(Note)
The Company	WIMX	Mexico	Real property rental and management	910,394	910,394	13,340,990	100.00%	1,134,354	(72,783)	(Note)
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	1,346,288	-	100.00%	1,340,224	(8,270)	(Note)
The Company	WSCZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	-	100.00%	671,371	86,265	(Note)
The Company	WIS	Taiwan	Research and development, sales and service of network communication products	214,656	214,656	17,888	48.79%	258,594	22,984	(Note)
The Company	WCA	Taiwan	Real property rental and management	1,700,000	700,000	170,000	100.00%	1,697,225	(1,144)	(Note)
The Company	WGH	Taiwan	Investment and holding	280,000	-	28,000	100.00%	279,563	92	(Note)
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	585,487	585,487	89,675	22.66%	4,598,489	3,121,720	(Note)
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	26,088	4,711	12.82%	104,576	152,255	(Note)

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Table 9 Information on investees (excluding investees in Mainland China)  
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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Notes
				Ending balance	Beginning balance	Shares	Shareholding			
The Company	HCL	B.V.I.	Investment and holding	96,045	96,045	-	30.00%	69,848	(722)	(217)
The Company	Formosa Prosonic Industries Berhad	Malaysia	Manufacturing of audio and hooter	513,565	513,565	69,260	27.03%	769,488	663,692	232,080
The Company	JLH	Taiwan	Sales of audio system of vehicles and components	578,889	578,889	20,261	32.79%	34,129	3,095	1,035
The Company	NICE Licensing LLC	Japan	Promote NICE Standard	8,362	4,191	-	20.00%	3,992	(10,590)	(2,118)
The Company	PELL	Taiwan	Biotechnology service	225,000	-	3,000	6.76%	215,830	(220,838)	(8,262)
The Company	ISGTG	Seychelles	Research and development and sales of information technology products	160,025	160,025	5	40.00%	-	-	-
The Company	ISGTC	Hong Kong	Research and development and sales of information technology products	160,000	160,000	5	40.00%	-	-	-
AGI	Xserve(BV)Corp.	B.V.I.	Investment and holding	3,938	3,938	113	15.00%	-	-	Not required to disclose
AHH	WIP	Japan	Sales and maintenance service center	129,985	129,985	9	100.00%	291,023	33,008	Not required to disclose
AHH	WNC	Taiwan	Manufacturing and sales of wireless receiver products	1,311	5,903	0.03%	0.03%	5,903	3,121,720	Not required to disclose
AHH	HartesAsia	Singapore	Investment and holding	178,700	178,700	6,090	20.02%	231,492	(102,766)	Not required to disclose
AHH	WBR	Brazil	Sales and maintenance service center	96	96	5	0.01%	92	214,021	Not required to disclose
AHH	Hsieh Yuh	B.V.I.	Holding company and OEM	80,678	80,678	3,990	26.08%	-	37,344	Not required to disclose
AHH	Xserve(BV)Corp.	B.V.I.	Investment and holding	4,988	4,988	143	19.00%	-	-	Not required to disclose
BTA	KJP	Japan	Exoskeleton product device	45,760	16,902	4	100.00%	22,143	(8,993)	(Note)
BTA	KMY	Malaysia	Exoskeleton product device	15,087	3,165	2,220	60.00%	10,265	(7,935)	Not required to disclose
WCL	WLB	Taiwan	Investment consultant and business management consultant	234,500	234,500	89,142	100.00%	1,646,988	455,636	Not required to disclose
WCL	WYHQ	Taiwan	Research and development, sales and service of information products	501,477	507,281	4,321	2.47%	988,427	14,174,709	Not required to disclose
WCL	WAC	Taiwan	Manufacturing, wholesale and retail of electronic related products	16,000	16,000	1,600	100.00%	15,074	65	Not required to disclose
WCL	WMT	Taiwan	Manufacturing of medical instruments	40,000	40,000	4,000	8.00%	25,973	37,659	Not required to disclose
WCL	AGI	Taiwan	Cloud software solution integrator	37,000	37,000	500	2.71%	6,302	(103,283)	Not required to disclose
WCL	KOE	Taiwan	Manufacturing and sales of automotive electronics and electronic related products	2,108,639	2,108,639	8,878	100.00%	2,763,605	680,740	Not required to disclose
WCL	WITS	Taiwan	Professional information technology service provider	23,444	23,444	1,177	1.77%	54,949	554,202	Not required to disclose
WCL	WNC	Taiwan	Manufacturing and sales of wireless receiver products	2,450	2,450	100	0.03%	6,075	3,121,720	Not required to disclose
WCL	WTR	Turkey	Sales and maintenance service center	47	47	-	0.10%	47	25,724	Not required to disclose
WCL	MAYA	Taiwan	Information integration of medical service	30,447	22,800	1,028	10.35%	25,820	(29,129)	Not required to disclose
WCL	TPE	Taiwan	Wholesale and retail of electronic materials	33,985	33,985	3,115	8.48%	73,947	152,255	Not required to disclose
WCL	JLH	Taiwan	Sales of audio system of vehicles and components	55,256	55,256	1,934	3.13%	3,257	3,095	Not required to disclose
WCL	RTX	Taiwan	Intelligent networking	135,000	-	9,450	30.00%	145,353	39,323	Not required to disclose
WDH	AGI	Taiwan	Cloud software solution integrator	115,600	115,600	13,998	75.85%	176,471	(103,283)	Not required to disclose
WDH	WAUS	U.S.A.	Edge computing technical development	133,822	40,204	627	100.00%	6,632	(7,139)	Not required to disclose
WDH	WETW	Taiwan	Online and offline hybrid learning education service provider	17,106	17,106	9,220	87.81%	(84,861)	(62,134)	Not required to disclose
WDH	WITS	Taiwan	Professional information technology service provider	330,202	330,202	15,719	23.38%	663,284	554,202	Not required to disclose
WDH	CGI	Taiwan	Professional information security software provider	35,325	35,325	3,562	21.46%	75,478	82,867	Not required to disclose
WDH	IKALA GLOBAL ONLINE CORP.	Cayman Island	Investment and holding	434,895	434,895	225,503	20.31%	331,837	(1,42,578)	Not required to disclose

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements

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

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Book value	Highest percentage of shares during the period	Net income (losses) of the investee	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
WGEH	AIIS	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	65,000	-	6,500	86.67%	64,298	86.67%	(811)	Not required to disclose (Note)
WHK	WMM	India	Sales and maintenance service center	-	-	-	0.01%	-	0.01%	219,467	Not required to disclose (Note)
WHK	WMM	India	Manufacturing of information and communication products	-	-	-	0.01%	-	0.01%	(292,911)	Not required to disclose (Note)
Win Smart	WHK	Hong Kong	Sales and maintenance service center	19,301	97,729	6,000	100.00%	28,190	100.00%	2,256	Not required to disclose (Note)
Win Smart	WHK	Hong Kong	Investment and holding	2,475,485	2,475,485	82,150	100.00%	8,050,408	100.00%	(146,385)	Not required to disclose (Note)
Win Smart	MINDFORCE	B.V.I.	Investment and holding	692,634	692,634	21,693	28.88%	282,512	28.88%	(535,327)	Not required to disclose (Note)
WLB	WYHQ	Taiwan	Research and development, sales and service of information products	411,103	414,685	5,739	3.28%	1,272,990	3.31%	14,174,709	Not required to disclose (Note)
WLB	WIS	Taiwan	Research and development, sales and service of network communication products	42,538	40,858	2,768	7.08%	45,291	7.08%	22,984	Not required to disclose (Note)
WLB	WMT	Taiwan	Manufacturing of medical instruments	5,720	3,780	572	1.14%	3,714	1.14%	37,659	Not required to disclose (Note)
WLB	WETW	Taiwan	Online and offline hybrid learning education service provider	1,640	320	164	1.56%	(1,310)	1.56%	(62,134)	Not required to disclose (Note)
WLB	AGI	Taiwan	Cloud software solution integrator	195	-	12	0.06%	151	0.06%	(103,283)	Not required to disclose (Note)
WLB	PELL	Taiwan	Biotechnology service	49,134	49,134	1,253	2.82%	54,784	3.75%	(220,838)	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%	2,361,796	100.00%	100,089	Not required to disclose (Note)
WLLC	WITT	U.S.A.	Sales of electronic information products	1,138,796	585,784	3,951	100.00%	1,210,272	100.00%	3,860	Not required to disclose (Note)
WMM	WMT	Taiwan	Manufacturing of medical instruments	415,000	415,000	41,500	83.00%	2,694,470	83.00%	37,659	Not required to disclose (Note)
WMM	BTA	Singapore	Sales of medical instruments	-	157,358	-	-	-	100.00%	(43,887)	Not required to disclose (Note)
WMM	MAYA	Taiwan	Information integration of medical service	71,876	48,614	3,122	31.44%	57,727	32.31%	(29,129)	Not required to disclose (Note)
WMM	Free Bionics, Inc.	Guayman Island	Research and development, manufacturing and sales of medical instruments	270,850	270,850	10,100	40.15%	17,746	40.15%	(50,610)	Not required to disclose (Note)
WMM	PELL	Taiwan	Biotechnology service	182,366	182,366	6,047	13.63%	223,087	18.12%	(220,838)	Not required to disclose (Note)
WMM	BTI	Canada	Research and development, manufacturing and sales of medical instruments	215,780	215,780	4,212	33.61%	-	33.61%	(60,602)	Not required to disclose (Note)
WMMI	STI	India	Development of internet platform and Internet of things related products	19,435	19,435	1,878	99.99%	16,414	99.99%	59	Not required to disclose (Note)
WMMY	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	14,478	-	3,850	99.99%	14,319	99.99%	(139)	Not required to disclose (Note)
WMT	BTA	Singapore	Sales of medical instruments	118,133	-	11,200	100.00%	142,813	100.00%	(43,887)	Not required to disclose (Note)
WSSG	WIN	India	Sales and maintenance service center	1,805,085	1,805,085	14,344	99.99%	1,233,587	99.99%	219,467	Not required to disclose (Note)
WSSG	WMMI	India	Manufacturing of information and communication products	2,993,708	2,993,708	710,507	99.99%	647,255	99.99%	(292,911)	Not required to disclose (Note)
WSSG	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	-	-	-	0.01%	-	0.01%	(139)	Not required to disclose (Note)
WYHQ	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	100.00%	285,165	100.00%	101,257	Not required to disclose (Note)
WYHQ	WYLIS	U.S.A.	Sales of cloud data center equipment	16,453,581	5,021,581	569,010	100.00%	18,136,234	100.00%	196,921	Not required to disclose (Note)
WYHQ	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	100.00%	263,788	100.00%	39,555	Not required to disclose (Note)
WYHQ	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	100.00%	178,738	100.00%	38,127	Not required to disclose (Note)
WYHQ	WYMY	Malaysia	Sales of cloud data center equipment	2,300,724	236,340	336,764	100.00%	2,304,902	100.00%	(40,291)	Not required to disclose (Note)
WYHQ	WYMX	Mexico	Human resources service provision and manufacturing of cloud data center equipment	1,126,671	257,125	769,675	100.00%	1,410,512	100.00%	159,177	Not required to disclose (Note)
WYHQ	WYSMX	Mexico	Sales of cloud data center equipment	58,025	-	40,444	100.00%	61,438	100.00%	(2,113)	Not required to disclose (Note)
WYHQ	LIQUIDST ACK HOLDING B.V.	Netherlands	Research and development of liquid cooling technology	276,609	276,609	1,000	20.00%	198,890	20.00%	(339,839)	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 10 Information on investment in Mainland China  
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital		Method of investment	Accumulated amounts of minimum investment of January 1, 2022	Investment flows		Accumulated amounts of minimum investment of December 31, 2022	Net income (loss) of the investee	Height percentage of shares during the period	Direct interest amounting to the Company	Investment income (losses) recognized by the Company	Carrying amount of investment of earnings as of December 31, 2022	Accumulated amount of reinvested earnings as of December 31, 2022	Notes
		Outflow	Inflow												
Wistron InfComm (Zhongshan) Corporation	Manufacturing and sales of information technology products	7,394,068	(Note 1)	(Note 2)	7,984,179	-	7,984,179	(1,413,622)	100.00%	100.00%	(1,413,622)	(Note 3)	19,978,717	(Note 3)	
Wistron InfComm (Shanghai) Corporation	Research, development, design, testing and sales of information communication products and sales of LCD module products	31,691	-	(Note 2)	31,691	-	31,691	409	100.00%	100.00%	409	(Note 3)	47,626	(Note 3)	
Wistron InfComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	675,510	-	(Note 2)	675,510	-	675,510	111,086	100.00%	100.00%	111,086	(Note 3)	882,811	(Note 3)	
Wistron InfComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	1,085,212	(Note 2)	(Note 2)	1,085,212	-	1,085,212	(1,097,546)	100.00%	100.00%	(1,097,546)	(Note 3)	10,370,143	(Note 3)	
Wistron InfComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	806,230	-	(Note 2)	806,230	-	806,230	105,565	100.00%	100.00%	105,565	(Note 3)	2,033,063	(Note 3)	
Wistron InfComm (Tadouba) Co., Ltd.	Sales and maintenance service center in Mainland China	4,929,489	-	(Note 2)	4,929,489	-	4,929,489	(6,165)	100.00%	100.00%	(6,165)	(Note 3)	(5,555,729)	(Note 3)	
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacturing and sales of LCD monitor and touch display module	798,220	-	(Note 2)	231,014	-	231,014	(24,088)	28.88%	28.88%	(24,088)	(Note 3)	160,141	(Note 3)	
T-CONN PRECISION (ZHONGSHAN) CORPORATION	Production of electronic products and components	3,679,442	-	(Note 2)	3,672,613	-	3,672,613	(70,146)	100.00%	100.00%	(70,146)	(Note 3)	3,713,804	(Note 3)	
Wistron Optonics (Kunshan) Co., Ltd.	Sales of communication products and components	131,044	-	(Note 2)	131,044	-	131,044	3,081	100.00%	100.00%	3,081	(Note 3)	80,321	(Note 3)	
Wistron Optonics (Shanghai) Co., Ltd.	Production and management of new-type electronic components	426,655	(Note 18)	(Note 2)	79,722	-	79,722	32,841	26.08%	26.08%	32,841	(Note 3)	-	(Note 3)	
SHISEI VUELETRONICS TECHNOLOGY (ZHONGSHAN) CO., LTD.	Manufacturing of high-temperature resin insulation materials and molded insulation products, and assembly of computer, server and the peripheral equipment.	1,124,931	-	(Note 2)	332,795	-	332,795	(254,029)	28.88%	28.88%	(254,029)	(Note 3)	(424,897)	(Note 3)	
Harte Technology (Kunshan) Co., Ltd.	Production and management of intelligent terminal components	2,220,502	-	(Note 2)	643,191	-	643,191	(213,259)	28.88%	28.88%	(213,259)	(Note 3)	574,618	(Note 3)	
Wistron Advanced Materials (Kunshan) Co., Ltd.	Research and development, manufacturing and sales of electronic regeneration cross-linked plastic goods	516,917	-	(Note 2)	128,815	-	128,815	(100,953)	20.02%	20.02%	(100,953)	(Note 3)	191,111	(Note 3)	
Zongshan Global Lighting Technology Limited Co.	Manufacturing and sales of LCD monitor and related electronic components	953,939	-	(Note 2)	953,939	-	953,939	(27,098)	100.00%	100.00%	(27,098)	(Note 3)	1,182	(Note 3)	
Wistron InfComm (Chongqing) Co., Ltd.	Assembly and manufacturing of sales of Notebook high-electronic components	445,825	-	(Note 2)	72,007	-	72,007	NA	16.23%	16.23%	NA	(Note 3)	74,759	(Note 3)	
Wistron Investment (Kunshan) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	583,823	-	(Note 2)	58,382	-	58,382	(903,844)	100.00%	100.00%	(903,844)	(Note 3)	5,205,613	(Note 3)	
Wistron InfComm (Kunshan) Co., Ltd.	Research and development and design of electronic calculator and other electronic products	59,042	-	(Note 2)	2,396,524	-	2,396,524	(145,223)	100.00%	100.00%	(145,223)	(Note 3)	8,045,518	(Note 3)	
Shanghai Keen High Technologies Ltd.	Manufacturing of digital photo frame, MP3, MP4 and GPS	198,648	-	(Note 2)	311,110	-	311,110	NA	15.17%	15.17%	NA	(Note 3)	61,520	(Note 3)	
SMS InfComm (Chongqing) Co., Ltd.	Sales and distribution of computer products and components	1,268,838	-	(Note 2)	126,838	-	126,838	6,117	100.00%	100.00%	6,117	(Note 3)	418,451	(Note 3)	
Kaohsiung ChangSha Precision Die Casting Co., Ltd.	Research and development of Zn-Al alloy precision casting and production of supporting frame and electronic tool series	173,941	-	(Note 2)	-	-	-	(173,522)	14.33%	14.33%	(173,522)	(Note 3)	4,648	(Note 3)	
Wistron Technology Service (Kunshan) Co., Ltd.	Sales of cloud data center equipment	10,639	-	(Note 2)	10,639	-	10,639	(2,096)	48.08%	48.08%	(2,096)	(Note 3)	46,550	(Note 3)	
ICA Inc.	Research and development, manufacturing, sales and maintenance of intelligent terminals	91,991	-	(Note 2)	-	-	-	(1,996)	20.00%	20.00%	(1,996)	(Note 3)	4,179	(Note 3)	
Ningbo Synetics Electronics Technology Co., Ltd.	Production of medical instruments	538,537	(Note 24)	(Note 2)	-	-	-	(3,450)	33.41%	33.41%	(3,450)	(Note 3)	135,128	(Note 3)	
XTRONICS (Kunshan) Electronics Technology Co., Ltd.	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and accessories	21,707	-	(Note 2)	-	-	-	30,867	100.00%	100.00%	30,867	(Note 3)	324,677	(Note 3)	
Wistron InfComm (Kunshan) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	28,238	-	(Note 2)	-	-	-	2,159	100.00%	100.00%	2,159	(Note 3)	7,687	(Note 3)	
Kaohsiung Opto Electronics (Kunshan) Co., Ltd.	Research and development and sales of automotive electronics and electronic related products	9,003	(Note 27)	(Note 2)	9,003	-	9,003	0	100.00%	100.00%	0	(Note 3)	9,213	(Note 3)	

(TWD: expressed in thousands)

## 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, 2022 (Note 1), (Note 2), (Note 3), (Note 4), (Note 5), (Note 7), (Note 8), (Note 9), (Note 10), (Note 11), (Note 12), (Note 13), (Note 14), (Note 19), (Note 20), (Note 21), (Note 22), (Note 23), (Note 25) and (Note 27)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4), (Note 15), (Note 25) and (Note 27)	(TWD : expressed in thousands)	
			Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 16), (Note 26) and (Note 28)	
Wistron Corporation	24,440,904 (USD)788,612,530	14,040,627 (USD)456,654,523.88(CNY)4,000,000	-	
Wiwym Corporation	10,659 (USD)350,000	10,748 (USD)350,000	23,272,203	
Kaishiang Opto-Electronics Inc.	9,003 (USD)300,000	27,637 (USD)900,000	1,282,332	

(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 Brivision 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 AI 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 TW)97,793; 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 (Changsha) 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 Keen High Technologies Ltd., in which the Company indirectly invested in, had completed 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 renitted 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 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 renitted to Hong Kong Comtek Electronics Co. Ltd. and was authorized by the Investment Commission on July 15, 2013. However, according to the regulation, the remittance to Mainland China amounting to USD179,344 (approximately TWD5,371), was included in the accumulated investment amounts.

(Note 10) 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 renitted 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 11) 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 renitted to Park Orchid, which was liquidated afterwards. The capital incurred from the liquidation of Park Orchid amounting to USD2,461,084.65 was renitted 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.

### 2. Limitation on investment in Mainland China

## WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

(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 renitted 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 renitted to Taiwan and was authorized by the Investment Commission on March 6, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment was authorized by the Investment Commission on December 8, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD133,492.33 (approximately TWD4,350) was included in the accumulated investment amounts.

(Note 13) WIT Precision (Taichung) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,577.5 (approximately TWD56), which entitled the Company to a 30% ownership of the entity, had been renitted 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 USD25,684.97, which entitled the Company to a full ownership of the entity, had been renitted to FULLERTON LTD. On October 22, 2013, the Company applied for a revision of its indirect investment in Deyi amounting to USD161,314, which had been authorized by the Investment Commission on October 28, 2013. Afterwards, the cancellation of investment of the Company was authorized by the Investment Commission on November 4, 2013. However, according to the regulation, the remittance to Mainland China amounting to (approximately TWD5,121) was included in the accumulated investment amounts.

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

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

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

(Note 18) 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), whose entire shares are held by the Company.

(Note 20) Weshtek, in which the Company indirectly invested, had been liquidated in the 4th quarter of 2022, resulting in the investment capital amounting to USD71,931.41 to be renitted to WIEdu Hong Kong Limited, wherein the liquidation process was still in progress as of the reporting date. However, according to the regulation, the remittance to Mainland China amounting to TWD22,449 needs to be included in the accumulated investment amounts.

(Note 21) The indirect investment in Wistron Investment (Jiangsu) Co., Ltd. a holding company, through Win Smart Co., Ltd. with amount of USD200,000,000, was authorized by the Investment Commission on December 18, 2017. Till the second quarter of 2019, the remittance to Mainland China was only USD100,000,000 (approximately TWD3,117,440). Wistron Investment (Jiangsu) Co., Ltd. invested the amount of USD100,000,000 (approximately TWD3,055,850) in Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. acquiring 78.13% of its share in the fourth quarter of 2019. The cancellation of the original investment plan of USD100,000,000 which had not been implemented was authorized by the Investment Commission on November 13, 2020. The application that Win Smart Co., Ltd. disposed the entire shares of Wistron Investment (Jiangsu) Co., Ltd. and Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. was authorized by the Investment Commission on February 18, 2021. The investment amounting to USD380,000,000 (approximately TWD10,620,040) was renitted to Taiwan through Win Smart Co afterwards. However, according to the regulation, the remittances to Mainland China amounting to USD100,000,000 (approximately TWD3,117,440) for Wistron Investment (Jiangsu) Co., Ltd. and USD28,000,000 (approximately TWD79,420) for Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. were included in the accumulated investment amounts.

(Note 22) Wistron InfoComm (Qingdao) Co., Ltd. Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD7,123,297.09, which entitled the Company to a full ownership of the entity, had been renitted to WISTRON HONG KONG HOLDING LIMITED, and was authorized by the Investment Commission on March 14, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD6,000,000 (approximately TWD179,450), was included in the accumulated investment amounts.

(Note 23) Wiwym Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543.21, which entitled the Company to a full ownership of the entity, had been renitted to WIN SMART CO., LTD. and was authorized by the Investment Commission on May 18, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD2,899,788.94 (approximately TWD86,742) was included in the accumulated investment amounts.

(Note 24) ANWITH (Kunshan) CO.,LTD., in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD2,023,982.58, which entitled the Company to a full ownership of the entity, had been renitted 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 25) Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested, invested the amount of CNY47,118,000 (TWD209,859) in Xtronics (Nanjing) Electronics Technology Co., acquiring 31.41% of its share in the fourth quarter of 2018, with which the change of its business registration had been completed in the first quarter of 2019. Xtronics Innovation Ltd. has agreed to renitiate 2% of its shares to Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested. Wistron InfoComm (Kunshan) Co., Ltd. invested the amount of CNY3,000,000 (approximately TWD13,790) in Xtronics (Nanjing) Electronics Technology Co., acquiring 33.41% of its share in the second quarter of 2019.

(Note 26) Wiwym Technology Service Hong Kong Limited used its own Capital to invest in WYKS.

(Note 27) Wiwym Corporation's amount of upper limit on investment was the higher between sixty percent of WYHQ's net worth or the consolidated net worth.

(Note 28) Kaishiang Opto-Electronics Inc. used its own capital of USD300,000 (approximately TWD9,003) to invest in KOEKS.

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

(Note 29) Kaishiang Opto-Electronics Inc.'s amount of upper limit on investment was the higher between sixty percent of KOE's net worth or the consolidated net worth.

(Note 30) To invest in Mainland China by:

1. Direct investment in Mainland China;
2. Indirect investment in Mainland China through a foreign company;
3. Others

## WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

### 2. Limitation on investment in Mainland China

(Note 30) Recognized share of associates and joint ventures accounted for equity method :

1. The financial statements of the investee company were audited by the international accounting firms which cooperated with R.O.C. accounting firms.
2. The financial statements of the investee company were audited by the Group's auditor.
3. Others

(Note 31) 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 10.

## 6.5 Parent Company only Financial Statements



安侯建業聯合會計師事務所  
KPMG

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### Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

#### Opinion

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

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

#### Basis for Opinion

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

#### Key Audit Matters

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

#### 1. Revenue recognition

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

#### Description of the key audit matter

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



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

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

#### 2. Inventory valuation

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

#### Description of the key audit matter

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

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

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

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

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

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

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



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#### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

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

KPMG

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

### 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.

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

### WISTRON CORPORATION

#### Parent Company Only Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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



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

## Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

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

See accompanying notes to parent company only financial statements.

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

## Statements of Changes in Equity

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

	Retained earnings		Other equity		Total equity
	Share capital	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through translation of foreign financial statements	Deferred compensation arising from issuance of restricted shares	
Balance at January 1, 2021	29,032,521	11,016	(7,846,263)	(999,742)	71,565,777
Net profit	11,162,451	11,162,451	-	-	10,468,030
Other comprehensive income	-	-	(945,769)	-	(1,919,719)
Total comprehensive income	11,162,451	11,162,451	(945,769)	-	8,548,311
Appropriation and distribution of retained earnings:					
Legal reserve	-	813,568	-	-	-
Special reserve	-	3,310,397	-	-	-
Cash dividends	-	(6,258,655)	-	-	(6,258,655)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	(130)	-	-	(130)
Disposal of part the equity of the subsidiary	-	-	11,335	4	11,339
Share-based payments transactions	626,400	528	-	348,855	349,383
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	117,225	-	(117,225)	-
Others	-	(813,568)	-	-	(813,568)
Balance at December 31, 2021	29,032,521	14,287,997	(8,731,426)	(650,887)	77,916,938
Net profit	11,162,451	11,162,451	-	-	10,468,030
Other comprehensive income	-	-	7,125,045	-	7,125,045
Total comprehensive income	11,162,451	11,162,451	7,125,045	-	18,815,526
Appropriation and distribution of retained earnings:					
Legal reserve	-	1,050,417	-	-	-
Cash dividends	-	(1,944,127)	-	-	(1,944,127)
Changes in equity of associates and joint ventures accounted for using equity method	-	(6,257,863)	-	-	(6,257,863)
Treasury shares transferred to employees	-	(203)	-	-	(203)
Changes in ownership interests in subsidiaries	-	(1,040)	-	-	(1,040)
Disposal of part the equity of the subsidiary	-	-	16,821	-	16,821
Share-based payments transactions	(16,500)	396	-	368,880	369,776
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	109,565	-	(109,565)	-
Others	-	(1,050,417)	-	-	(1,050,417)
Balance at December 31, 2022	\$ 29,016,021	\$ 35,050,440	\$ 11,014,586	\$ (2,550,702)	\$ 96,382,149

See accompanying notes to parent company only financial statements.

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

Parent Company Only Statements of Cash Flows  
For the years ended December 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

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

Notes to the Parent Company Only Financial Statements  
For the years ended December 31, 2022 and 2021

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

(1) Company history

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

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

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

**(4) Summary of significant accounting policies**

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

- (a) Statement of compliance

The parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

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

- (b) Basis of preparation

- (i) Basis of measurement

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

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

- (ii) Functional and presentation currency

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

- (c) Foreign currency

- (i) Foreign currency transaction

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

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

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

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

(ii) Foreign operations

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

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

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

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

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

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

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

An entity shall classify a liability as current when:

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

1) Classification of financial assets

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

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

a) Financial assets measured at amortized cost

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

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

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

b) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

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

c) Fair value through profit or loss (FVTPL)

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

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

2) Impairment of financial assets

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

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

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

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

(Continued)

## WISTRON CORPORATION

### Notes to the Parent Company Only Financial Statements

#### 3) Derecognition of financial assets

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

#### (ii) Financial liabilities and equity instruments

##### 1) Classification of debt or equity

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

##### 2) Equity instrument

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

##### 3) Financial liabilities

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

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

##### 4) Derecognition of financial liabilities

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

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

(Continued)

## WISTRON CORPORATION

### Notes to the Parent Company Only Financial Statements

#### 5) Offsetting of financial assets and liabilities

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

#### (iii) Derivative financial instruments

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

#### (g) Inventories

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

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

#### (h) Investment in associates

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

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

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

(Continued)



**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

(j) Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently, at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value, which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of the significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount and it shall be allocated on a systematic basis over its useful life. The items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) Buildings and improvements: 20 to 50 years
- 2) Machinery and equipment: 3 to 10 years
- 3) Molding equipment: 1 year
- 4) Research and development equipment: 3 to 5 years
- 5) Furniture, fixtures and other equipment: 3 to 10 years

The Company reviews depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(iv) Reclassify to investment property

The property is reclassified to investment property as its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments or penalties for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the Group's evaluation of purchase options; or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there is any lease modification to the assets, scope and other terms of the lease.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases with less than 12 month and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

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(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as occurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- 1) Patents: 10 years
- 2) Software: 1 to 10 years
- 3) Customer relationships: 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjust if appropriate.

(n) Impairment of non-derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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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.

(o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(p) Treasury shares

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly attributable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve–Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve–Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

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(q) Revenue from contracts with customers

Revenue is measured basing on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

(i) Sale of goods

The Company manufactures and sells electronic products to international brand customers. The Company recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the related risk and rewards of ownership are transferred, and there is no continuing management involvement with the goods. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often offers volume discounts to its customers based on aggregate sales. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company provides customers with the extended warranty. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Company would sell the product and the extended warranty separately in similar circumstances and to similar customers. The Company recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Service revenue

The Company provide maintenance service. The Company will recognize the revenue when the performance obligation completed.

(iii) Financing components

The Company does not expect to have almost contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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**WISTRON CORPORATION**  
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(r) Government grants

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Company evaluates the fair value of its borrowings (from financial institutions with government assistance in the form of a guarantee) based on the market interest rates, and recognizes the difference between the fair value and the interests paid as non-operating income.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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**WISTRON CORPORATION**  
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(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The grant date of share-based payment is the date that the subscription price and shares are authorized by the Board of Directors.

(u) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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**WISTRON CORPORATION**  
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- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(v) Earnings per share

The Company discloses the Company basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as accrued employee' remuneration.

(w) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statement.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

In preparing these parent company only financial statements, the management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the parent company only financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and have been updated to reflect the impact of COVID-19 pandemic are as follows:

- Inventory valuation

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The valuation of the inventory is mainly determined basing on the demand of products in the future. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(g) for further description of the valuation of inventories.

**(6) Explanation of significant accounts**

- (a) Cash and cash equivalents

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash on hand	\$ 7,015	22,116
Demand and check deposits	9,323,948	3,255,215
Time deposits	921,240	186,645
	<b>\$ 10,252,203</b>	<b>3,463,976</b>

- (b) Current financial assets and liabilities at fair value through profit or loss

- (i) Financial assets at fair value through profit or loss-current:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ 4,688	206
Foreign currency forward contracts	147,596	8,798
	<b>\$ 152,284</b>	<b>9,004</b>

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**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

- (ii) Financial liabilities at fair value through profit or loss-current:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Held-for trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency swap contracts	\$ -	9,224
Foreign currency forward contracts	161	18,834
	<b>\$ 161</b>	<b>28,058</b>

The Company uses derivative financial instruments to hedge the certain foreign exchange risk the Company was exposed to, arising from its operating, financing and investing activities. As of December 31, 2022 and 2021, derivative financial instruments not qualified for hedge accounting were as follows:

- 1) Foreign currency swap contracts:

<b>December 31, 2022</b>		
<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Expiration</b>
<b>USD 75,000</b>	TWD Put / USD Call	2023/1/6~2023/1/11
<b>December 31, 2021</b>		
<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Expiration</b>
<b>USD 145,000</b>	TWD Put / USD Call	2022/1/7~2022/1/28

- 2) Foreign currency forward contracts:

<b>December 31, 2022</b>		
<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Expiration</b>
<b>USD 704,000</b>	TWD Put / USD Call	2023/1/3~2023/3/6
<b>December 31, 2021</b>		
<b>Amount (in thousands)</b>	<b>Currency</b>	<b>Expiration</b>
<b>USD 20,000</b>	USD Put / CNY Call	2022/1/7
<b>USD 495,000</b>	TWD Put / USD Call	2022/1/5~2022/2/7

- (iii) Non-current financial liabilities at fair value through profit or loss:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Simple Agreement for Future Equity (SAFE)	\$ 73,392	-

(Continued)



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(c) Current financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Restricted bank deposits	<u>\$ 298,652</u>	<u>1,404,046</u>

According to “Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds”, the Company had submitted an investment proposal and was approved by National Taxation Bureau, Ministry of Finance. Based on the regulation, the deposits are restricted only to the approved investment plan, and shall not be used for other purposes.

(d) Non-current financial asset at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 2,410,211	3,547,570
Unlisted companies	299,904	118,030
Unlisted fund	<u>1,220,951</u>	<u>905,230</u>
Total	<u>\$ 3,931,066</u>	<u>4,570,830</u>

(i) The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represented those investments that the Company intended to hold for long-term for strategic purposes.

The Company sold portion of its shares in Marvell Technology, Inc., Jafco AT Fund VI L.P. and AOpen Inc. with a fair value of \$225,223 during 2022, as well as disposed portion of its shares in Alpha Networks Inc., AOpen Inc. and Airdog Inc., with a fair value of \$81,996 during 2021, resulting in the Company to recognize the net gains of \$103,620 and the net losses of \$37,281, respectively, which were accounted for as under other comprehensive income; then later on, were reclassified to retained earnings.

(ii) For the disclosure of market risk, please refer to Note 6(x).

(iii) The aforementioned financial assets were not pledged.

(e) Trade receivables

	December 31, 2022	December 31, 2021
Trade receivables-measured at amortized cost	\$ 36,630,314	54,732,468
Trade receivables-measured at FVOCI	15,141,423	2,908,099
Trade receivables-related parties-measured at amortized cost	127,587,415	167,085,792
Less: loss allowance	<u>(184,415)</u>	<u>(602,369)</u>
	<u>\$ 179,174,737</u>	<u>224,123,990</u>

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**Notes to the Parent Company Only Financial Statements**

The Company had managed a portion of its trade receivables that was held within a business model whose objective was achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Company applied the simplified approach to provide for expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables and trade receivables-related parties had been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance was determined as follows:

	December 31, 2022		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 152,142,995	0.000%~0.100%	23,709
1 to 60 days past due	24,076,385	0.000%~5.000%	21,602
61 to 180 days past due	3,000,788	0.000%~5.000%	489
181 to 300 days past due	606	0.000%~17.188%	45
More than 301 days past due	<u>138,378</u>	9.17%~100.00%	<u>138,378</u>
Total	<u>\$ 179,359,152</u>		<u>184,223</u>
	December 31, 2021		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 199,798,761	0.000%~0.275%	75,332
1 to 60 days past due	17,073,183	0.000%~5.907%	20,567
61 to 180 days past due	7,347,348	0.000%~13.207%	1,668
181 to 300 days past due	274	0.000%~34.167%	26
More than 301 days past due	<u>506,793</u>	11.559%~100%	<u>504,408</u>
Total	<u>\$ 224,726,359</u>		<u>602,001</u>

The movements in the loss allowance for trade receivables were as follows:

	2022	2021
Balance on January 1	\$ 602,369	602,428
Impairment losses reversed	(79,553)	(59)
Amounts written off	<u>(338,401)</u>	-
Balance on December 31	<u>\$ 184,415</u>	<u>602,369</u>

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The Company entered into separate factoring agreements with different financial institutions to sell its trade receivables. Under the agreements, the Company does not have the responsibility to assume the default risk of the transferred trade receivables but is liable for the losses incurred on any business dispute. The Company derecognized the above trade receivables because it had transferred substantially all of the risks and rewards of their ownership, and it did not have any continuing involvement in them.

As of December 31, 2022 and 2021, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

December 31, 2022						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Range of Interest Rate	Collateral
			Paid	Unpaid		
Financial institutions	\$ 2,513,366	3,285,600	2,513,366	772,234 (Note)	4.91%-6.1%	-

December 31, 2021						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Range of Interest Rate	Collateral
			Paid	Unpaid		
Financial institutions	\$ 1,090,662	2,558,000	1,090,662	1,467,338 (Note)	0.45%-1.12%	-

(Note): The unpaid amount advanced was shared by the Company and its subsidiary.

As of December 31, 2022 and 2021, the trade receivables were not pledged.

For further credit risk information, please refer to Note 6(x).

(f) Other receivables

	December 31, 2022	December 31, 2021
Other current assets-other receivables	\$ 5,561,119	4,718,790
Other receivables-related parties	2,473,843	3,013,206
Less: loss allowance	(64,313)	(459,776)
	<u>\$ 7,970,649</u>	<u>7,272,220</u>

As of December 31, 2022 and 2021, there were no significant changes in credit quality and risk of the other receivables, and the overdue amounts were impaired.

The movements in the loss allowance for other receivables were as follows:

	2022	2021
Balance on January 1	\$ 459,776	480,898
Impairment loss recognized	-	25,215
Amounts written off	(395,463)	(46,337)
Balance on December 31	<u>\$ 64,313</u>	<u>459,776</u>

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(g) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 13,177,572	13,376,196
Work in progress	592,825	698,980
Finished goods	14,058,162	7,498,133
Inventory in transit	9,877,162	10,794,708
	<u>\$ 37,705,721</u>	<u>32,368,017</u>

For the years ended December 31, 2022 and 2021, the details of cost of sales were as follows:

	2022	2021
Cost of goods sold	\$ 652,359,650	650,011,538
Loss on valuation of inventories	2,252,840	1,224,654
Loss on supplier inventory reserve (reversed)	577,663	(234,596)
Income from sale of scraps	(25,476)	(24,867)
	<u>\$ 655,164,677</u>	<u>650,976,729</u>

As of December 31, 2022 and 2021, the inventories were not pledged.

(h) Equity-accounted investees

As of December 31, 2022 and 2021, the components of investments accounted for using the equity method were as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 97,722,647	87,618,189
Associates	5,762,804	4,558,714
	<u>\$ 103,485,451</u>	<u>92,176,903</u>

(i) Subsidiaries

- 1) Please refer to the consolidated financial statements for the year ended December 31, 2022.
- 2) Disposal of part of equity ownership of subsidiaries without losing control

In the first quarter of 2022 and the fourth quarter of 2021, the Company disposed of 4.57% and 2.59% of the shares of WYHQ, respectively, from 42.26% and 44.85% to 37.69% and 42.26%. Since it had no effect on the control of the subsidiary, the equity change was regarded as an equity transaction.

(Continued)

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The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

	<u>2022</u>	<u>2021</u>
Book value of the non-controlling interest	\$ 7,282,067	3,855,501
Consideration transferred from the non-controlling interest	(1,355,318)	(675,768)
Other equity	(16,560)	(10,812)
Capital surplus – difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$ 5,910,189</u>	<u>3,168,921</u>

## (ii) Associates

- 1) As of December 31, 2022 and 2021, the fair value of investments in associates of the Company for which there were public price quotations were as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
WNC	\$ 4,598,489	7,030,495	3,851,689	6,994,625
Formosa Prosonic Industries Berhad (FPI)	769,488	1,558,810	553,100	1,720,315
T-Conn Precision Corporation (TPE)	104,576	274,652	101,318	623,649
	<u>\$ 5,472,553</u>	<u>8,863,957</u>	<u>4,506,107</u>	<u>9,338,589</u>

- 2) For the years ended December 31, 2022 and 2021, the share of profits and other comprehensive income of associates recognized by the Company were as follows:

	<u>2022</u>	<u>2021</u>
Net profit	\$ 949,850	451,727
Other comprehensive income	132,405	(62,151)
Comprehensive income	<u>\$ 1,082,255</u>	<u>389,576</u>

- 3) The financial information on associates was as follows (before being adjusted to the Company's proportionate share):

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total assets	<u>\$ 74,977,504</u>	<u>51,356,075</u>
Total liabilities	<u>\$ 49,307,338</u>	<u>30,724,851</u>
	<u>2022</u>	<u>2021</u>
Revenue	<u>\$ 103,973,173</u>	<u>76,244,081</u>
Profit	<u>\$ 3,939,760</u>	<u>1,739,950</u>

(Continued)

**WISTRON CORPORATION**  
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## (iii) Collateral

As of December 31, 2022 and 2021, the investments in aforementioned equity-accounted investees were not pledged.

## (iv) Judgement of whether the Group has substantive control over its investees

Although the Company was the first major shareholder of some of its associates, the Company failed to obtain more than half of the total number of their directors. It also failed to reach any contractual agreement with the other investors to align and exercise other voting rights. Therefore, the Company only has significant influence, but not control, over its associates.

## (i) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows,

	<u>Land</u>	<u>Building and improvements</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Research and development equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:								
Balance at January 1, 2022	\$ 2,810,384	2,361,942	2,227,531	5,812,589	2,259,483	865,775	706,759	17,044,463
Additions	-	31,491	388,629	3,691	233,107	68,751	1,833,811	2,559,480
Reclassification (Note)	-	-	131,777	4,054	21,843	15,321	58,721	231,716
Reclassified from expenses (as expenses)	-	(20,566)	(5)	-	-	879	(247)	(19,939)
Disposals	-	-	(350,437)	(1,986,380)	(36,096)	(93,426)	(13,115)	(2,479,454)
Balance at December 31, 2022	<u>\$ 2,810,384</u>	<u>2,372,867</u>	<u>2,397,495</u>	<u>3,833,954</u>	<u>2,478,337</u>	<u>857,300</u>	<u>2,585,929</u>	<u>17,336,266</u>
Balance at January 1, 2021	\$ 2,810,384	2,345,816	1,842,998	10,192,038	2,051,321	895,496	489,207	20,627,260
Additions	-	16,656	414,200	14,862	214,011	45,585	219,357	924,671
Reclassification (Note)	-	-	169,953	36,501	35,644	36	-	242,134
Disposals	-	(530)	(199,620)	(4,430,812)	(41,493)	(75,342)	(1,805)	(4,749,602)
Balance at December 31, 2021	<u>\$ 2,810,384</u>	<u>2,361,942</u>	<u>2,227,531</u>	<u>5,812,589</u>	<u>2,259,483</u>	<u>865,775</u>	<u>706,759</u>	<u>17,044,463</u>
Accumulated depreciation:								
Balance at January 1, 2022	\$ -	928,910	806,513	5,790,255	1,836,556	751,772	435,003	10,549,009
Depreciation	-	102,101	324,284	25,956	180,109	55,097	182,979	870,526
Disposals	-	-	(202,560)	(1,986,380)	(36,096)	(93,426)	(13,115)	(2,331,577)
Balance at December 31, 2022	<u>\$ -</u>	<u>1,031,011</u>	<u>928,237</u>	<u>3,829,831</u>	<u>1,980,569</u>	<u>713,443</u>	<u>604,867</u>	<u>9,087,958</u>
Balance at January 1, 2021	\$ -	829,161	630,892	10,147,785	1,720,900	782,599	330,953	14,442,290
Depreciation	-	100,337	251,821	73,282	154,050	44,492	105,773	729,755
Reclassification	-	(58)	-	-	-	-	58	-
Disposals	-	(530)	(76,200)	(4,430,812)	(38,394)	(75,319)	(1,781)	(4,623,036)
Balance at December 31, 2021	<u>\$ -</u>	<u>928,910</u>	<u>806,513</u>	<u>5,790,255</u>	<u>1,836,556</u>	<u>751,772</u>	<u>435,003</u>	<u>10,549,009</u>
Carrying value:								
Balance at December 31, 2022	<u>\$ 2,810,384</u>	<u>1,341,856</u>	<u>1,469,258</u>	<u>4,123</u>	<u>497,768</u>	<u>143,857</u>	<u>1,981,062</u>	<u>8,248,308</u>
Balance at December 31, 2021	<u>\$ 2,810,384</u>	<u>1,433,032</u>	<u>1,421,018</u>	<u>22,334</u>	<u>422,927</u>	<u>114,003</u>	<u>271,756</u>	<u>6,495,454</u>
Balance at January 1, 2021	<u>\$ 2,810,384</u>	<u>1,516,655</u>	<u>1,212,106</u>	<u>44,253</u>	<u>330,421</u>	<u>112,897</u>	<u>158,254</u>	<u>6,184,970</u>

(Note): Reclassifications are mainly transferring from other non-current assets-advance payments for equipment.

As of December 31, 2022 and 2021, the property, plant and equipment were not pledged.

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(j) Right-of-use assets

The Company leased many assets including land, buildings and improvements, office equipment, transportation and other equipment. Information about leases for which the Company as a lessee was as below:

	Land	Building	Office equipment	Transportation equipment	Other equipment	Total
Cost:						
Balance at January 1, 2022	\$ 1,247,260	1,117,148	44,885	76,695	12,136	2,498,124
Addition	1,435	740,609	18,845	14,434	4,173	779,496
Decrease	-	(48,985)	-	(2,484)	-	(51,469)
Balance at December 31, 2022	<u>\$ 1,248,695</u>	<u>1,808,772</u>	<u>63,730</u>	<u>88,645</u>	<u>16,309</u>	<u>3,226,151</u>
Balance at January 1, 2021	\$ 113,240	759,339	27,041	50,264	5,273	955,157
Addition	1,134,020	494,603	17,844	30,657	6,863	1,683,987
Decrease	-	(136,794)	-	(4,226)	-	(141,020)
December 31, 2021	<u>\$ 1,247,260</u>	<u>1,117,148</u>	<u>44,885</u>	<u>76,695</u>	<u>12,136</u>	<u>2,498,124</u>
Accumulated depreciation:						
Balance at January 1, 2022	\$ 75,264	507,655	18,338	37,939	4,507	643,703
Depreciation	34,872	313,441	13,415	22,906	3,307	387,941
Decrease	-	(41,195)	-	(2,139)	-	(43,334)
Balance at December 31, 2022	<u>\$ 110,136</u>	<u>779,901</u>	<u>31,753</u>	<u>58,706</u>	<u>7,814</u>	<u>988,310</u>
Balance at January 1, 2021	\$ 59,864	380,429	10,326	21,047	2,259	473,925
Depreciation	15,400	253,684	8,012	18,653	2,248	297,997
Decrease	-	(126,458)	-	(1,761)	-	(128,219)
December 31, 2021	<u>\$ 75,264</u>	<u>507,655</u>	<u>18,338</u>	<u>37,939</u>	<u>4,507</u>	<u>643,703</u>
Carrying amount:						
Balance at December 31, 2022	<u>\$ 1,138,559</u>	<u>1,028,871</u>	<u>31,977</u>	<u>29,939</u>	<u>8,495</u>	<u>2,237,841</u>
Balance at December 31, 2021	<u>\$ 1,171,996</u>	<u>609,493</u>	<u>26,547</u>	<u>38,756</u>	<u>7,629</u>	<u>1,854,421</u>
Balance at January 1, 2021	<u>\$ 53,376</u>	<u>378,910</u>	<u>16,715</u>	<u>29,217</u>	<u>3,014</u>	<u>481,232</u>

(k) Intangible assets

The cost and amortization of the intangible assets for the years ended December 31, 2022 and 2021 were as follows:

	Patent	Software	Goodwill	Total
Costs:				
Balance at January 1, 2022	\$ 143,439	524,424	561,485	1,229,348
Additions	800	357,060	-	357,860
Balance at December 31, 2022	<u>\$ 144,239</u>	<u>881,484</u>	<u>561,485</u>	<u>1,587,208</u>
Balance at January 1, 2021	\$ 265,896	565,412	561,485	1,392,793
Additions	48,272	296,708	-	344,980
Disposal	(170,729)	(337,696)	-	(508,425)
Balance at December 31, 2021	<u>\$ 143,439</u>	<u>524,424</u>	<u>561,485</u>	<u>1,229,348</u>

(Continued)

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	Patent	Software	Goodwill	Total
Accumulated amortization:				
Balance at January 1, 2022	\$ 93,820	252,541	-	346,361
Amortization	17,671	317,303	-	334,974
Balance at December 31, 2022	<u>\$ 111,491</u>	<u>569,844</u>	<u>-</u>	<u>681,335</u>
Balance at January 1, 2021	\$ 242,048	337,171	-	579,219
Amortization	22,501	253,066	-	275,567
Disposal	(170,729)	(337,696)	-	(508,425)
Balance at December 31, 2021	<u>\$ 93,820</u>	<u>252,541</u>	<u>-</u>	<u>346,361</u>
Carrying amount:				
Balance at December 31, 2022	<u>\$ 32,748</u>	<u>311,640</u>	<u>561,485</u>	<u>905,873</u>
Balance at December 31, 2021	<u>\$ 49,619</u>	<u>271,883</u>	<u>561,485</u>	<u>882,987</u>
Balance at January 1, 2021	<u>\$ 23,848</u>	<u>228,241</u>	<u>561,485</u>	<u>813,574</u>

(i) Impairment testing for goodwill

For impairment testing purposes, goodwill had been allocated to the cash generating units (CGU) brought forth from the developing and manufacturing service of the Company.

The carrying amounts of goodwill were as follows:

	December 31, 2022	December 31, 2021
Developing and manufacturing services cash-generating units	<u>\$ 561,485</u>	<u>561,485</u>

The goodwill generated from the Company's acquisition of Lite-On Technology Corp.'s Digital Display Business Unit in 2008 was allocated to the CGU brought forth from the developing and manufacturing service of the Company, wherein the skills and technical talent of which is expected to bring benefits to the Company.

The key assumptions used in the estimation of the value in use (including goodwill) are set out below.

	December 31, 2022	December 31, 2021
Pre-tax discount rate	3.73 %	2.74 %

(Continued)

**WISTRON CORPORATION**  
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The discount rate was a pre-tax measure based on the rate of the 10-year government bonds issued by the Taiwan government in the same currency as the cash flows, adjusted for a risk premium to reflect both the increase in risk on investing generally in equities and the systemic risk of the specific CGU.

Cash flows in the following five years were included in the discounted cash flow model, which was based on the financial forecast for the following year approved by the management.

Budgeted EBITDA over the financial forecast period was based on expectations of future outcome, taking into account the past experience, adjusted for the anticipated revenue growth. Revenue growth is projected by taking into account the historical growth levels experienced over the past few years.

(ii) Collateral

As of December 31, 2022 and 2021, the intangible assets were not pledged.

(l) Other current assets and non-current assets

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
(i) Other current assets:		
Other receivables, net	\$ 5,496,806	4,259,014
Tax refundable	237,224	117,769
Prepaid royalties	203,489	226,496
Other prepayments	387,995	313,237
Current restricted assets	-	384,053
Others	946	10,189
	<b>\$ 6,326,460</b>	<b>5,310,758</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
(ii) Other non-current assets:		
Advance payments for equipment	\$ 82,915	30,369
Investment property	163,834	167,579
Others	662,961	381,133
	<b>\$ 909,710</b>	<b>579,081</b>

- Investment property comprised land and office buildings that were leased to the subsidiary under operating leases, including properties that are owned by the Company. The leases of investment properties contained an initial non-cancellable lease term of 9 years. The leases provided the lessees with options to extend at the end of the term.

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- 1) The cost and accumulated depreciation of investment property for the years ended December 31, 2022 and 2021, were as follows:

	<b>Owned property</b>		<b>Total</b>
	<b>Land</b>	<b>Buildings</b>	
Cost:			
Balance at December 31, 2022 (same as balance at January 1, 2022)	\$ <u>51,477</u>	<u>185,708</u>	<u>237,185</u>
Balance at December 31, 2021 (same as balance at January 1, 2021)	\$ <u>51,477</u>	<u>185,708</u>	<u>237,185</u>
Accumulated depreciation:			
Balance at January 1, 2022	\$ -	69,606	69,606
Depreciation	-	3,745	3,745
Balance at December 31, 2022	\$ -	<u>73,351</u>	<u>73,351</u>
Balance at January 1, 2021	\$ -	65,861	65,861
Depreciation	-	3,745	3,745
Balance at December 31, 2021	\$ -	<u>69,606</u>	<u>69,606</u>
Carrying amount:			
Balance at December 31, 2022	\$ <u>51,477</u>	<u>112,357</u>	<u>163,834</u>
Balance at December 31, 2021	\$ <u>51,477</u>	<u>116,102</u>	<u>167,579</u>
Balance at January 1, 2021	\$ <u>51,477</u>	<u>119,847</u>	<u>171,324</u>

- 2) Rental income and direct operating expenses arising from investment property that generate rental income were as follows:

	<b>2022</b>	<b>2021</b>
Rent income	\$ <u>6,129</u>	<u>6,129</u>
Direct operating expense arising from investment property that generated rental income	\$ <u>3,745</u>	<u>3,745</u>

- 3) The fair value of the investment property was measured as the cash flows the Company expected to receive, and which was discounted with a particular interest rate to reflect the market price. The yields applied to the net annual rentals used to determine the fair value of properties were 0.3% for the years ended December 31, 2022 and 2021.

- 4) As of December 31, 2022 and 2021, the investment property was not pledged.

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## (m) Bank loans

## (i) Short-term loans

December 31, 2022				
Currency	Interest rate collars	Expiration	Amount	
Unsecured bank loans	USD	3.98%~5.36%	2023/1/3~2023/1/22	\$ 16,159,810
Unsecured bank loans	TWD	1.52%~2.07%	2023/1/3~2023/3/28	48,880,000
Unsecured bank loans	JPY	0.5%~0.91%	2023/1/4~2023/2/16	5,734,312
Unsecured bank loans	EUR	2.02%~2.76%	2023/1/5~2023/1/30	3,263,144
Total				<u>\$ 74,037,266</u>
Unused credit line				<u>\$ 58,904,148</u>

December 31, 2021				
Currency	Interest rate collars	Expiration	Amount	
Unsecured bank loans	USD	0.57%~0.90%	2022/1/3~2022/3/18	\$ 61,181,079
Unsecured bank loans	TWD	0.75%~0.87%	2022/1/3~2022/2/22	21,580,000
Unsecured bank loans	EUR	0.63%	2022/1/13~2022/1/25	217,030
Unsecured bank loans	CNY	3.54%~3.90%	2022/1/6	106,099
Unsecured bank loans	AUD	0.80%	2022/1/14	60,134
Total				<u>\$ 83,144,342</u>
Unused credit line				<u>\$ 39,141,661</u>

## (ii) Long-term loans

December 31, 2022				
Currency	Interest rate collars	Expiration	Amount	
Unsecured bank loans	USD	5.81%~6.01%	2023/5/23~2024/3/10	\$ 12,150,619
Unsecured short loans	TWD	1.10%~2.07%	2025/3/2~2032/1/15	2,260,115
Unsecured bank loans	EUR	2.65%	2024/7/31	519,359
Subtotal				14,930,093
Less: current portion				(5,527,440)
Total				<u>\$ 9,402,653</u>
Unused credit line				<u>\$ 18,676,626</u>

December 31, 2021				
Currency	Interest rate collars	Expiration	Amount	
Unsecured bank loans	USD	0.7%~1.17%	2022/3/7~2024/3/10	\$ 24,455,598
Less: current portion				(1,218,360)
Total				<u>\$ 23,237,238</u>
Unused credit line				<u>\$ 2,396,840</u>

(Continued)

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## (iii) Breach of covenant

- 1) On May 23, 2018, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 21 other participating banks, and which was extended on December 25, 2020, with significant terms as follows:

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

As of December 31, 2022, the credit line has been reduced to USD300,000,000 in accordance with the loan agreement.

- 2) On December 31, 2020, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 8 other participating banks, with significant terms as follows:

Total credit facility: USD360,000,000

Maturity date: The date 3 years after the first drawdown date, which should be within 6 months from the date the agreement was signed.

Availability period: Since the facility is revolving, each availability period should be more than 2 months and less than 6 months.

According to the loan agreement, during the loan repayment periods, the Company must comply with certain financial covenants, such as current ratio, debt ratio, interest coverage ratio and tangible net assets, based on its audited annual consolidated financial statements and reviewed semi-annual consolidated financial statements. If a breach of contract occurs, the Company's credit facility will immediately be restricted and will no longer be available for use without the approval of the majority of banks involved.

## (iv) Government low-interest loan

In 2022, to expand its operation through constructing factories and for business purpose, the Company obtains the government low interest loans from Mega Bank, Bank of Taiwan, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, and Taipei Fubon Commercial Bank, in accordance with the "Loans for Returning Overseas Taiwanese Businesses", with significant terms as follows:

Total credit line : \$8,643,200, without revolving.

Maturity date : From January, 2029 to January, 2032.

As of December 31, 2022, the used credit line of \$1,331,730 was based on the market interest rates. The differences between the market interest rates and the actual amounts paid were recognized as the deferred income under current and non-current liabilities in accordance with the government grants.

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(v) The interest expenses for short-term and long-term loans for the years ended December 31, 2022 and 2021, were disclosed in Note 6(v).

(n) Lease liabilities

	December 31, 2022	December 31, 2021
Current	\$ <u>377,509</u>	<u>291,158</u>
Non-current	\$ <u>1,589,163</u>	<u>1,274,736</u>

For the disclosure of maturity analysis, please refer to Note 6(x).

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ <u>30,209</u>	<u>23,412</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>58,311</u>	<u>28,179</u>
Expenses relating to short term lease	\$ <u>11,415</u>	<u>11,286</u>
Expenses relating to leases of low-value assets	\$ <u>92</u>	<u>80</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>470,655</u>	<u>647,436</u>

(i) Leases of land, buildings and equipment

As of December 31, 2022, the Company leased land, buildings for its office spaces, factories, warehouses and staff dormitories. The leases of land ran for 3 to 40 years, and of buildings typically for 1 to 10 years. Furthermore, the Company leased office equipment, other equipment and transportation equipment, with lease terms typically for 1 to 5 years. Some leases contained extension options. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period were not included within lease liabilities.

As of December 31, 2022, there was not the occurrence of either a significant event or a significant change in circumstances and the reassessment of the lease required.

(ii) Other leases

In some cases, the Company also leased buildings, office equipment and transportation equipment with contract terms less than one year. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

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(o) Operating leases

The Company leased the investment property, a number of offices, factories and facilities under operating leases. The Company had classified these leases as operating leases, since which was not transferred substantially all of the risks and rewards incidental to the ownership of the assets. For the years ended December 31, 2022 and 2021, rental income recognized in profit or loss, were \$61,042 and \$41,360, respectively.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	December 31, 2022	December 31, 2021
Less than one year	\$ 8,168	7,962
Between one to five years	32,097	31,156
More than five years	18,518	26,307
Total undiscounted lease payments	\$ <u>58,783</u>	<u>65,425</u>

(p) Employee benefits

(i) Defined benefit plans

The movements in the present value of the defined benefit obligations and net defined benefit liabilities were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 1,959,524	2,215,200
Fair value of plan assets	(1,393,767)	(1,206,402)
Net defined benefit liabilities	\$ <u>565,757</u>	<u>1,008,798</u>

The Company made defined benefit plan contributions to the pension fund accounts with Bank of Taiwan and Taipei Fubon Commercial Bank that provided pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitled a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocated pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)



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The Company's labor pension reserve account balance in Bank of Taiwan and Taipei Fubon Commercial Bank amounted to \$1,393,767 and \$1,206,402 as of December 31, 2022 and 2021, respectively. The utilization of the labor pension fund assets of the domestic entities of the Company included the asset allocation and yield of the fund. Please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) The movements in the present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations were as follows:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 2,215,200	2,187,498
Current service cost and interests	21,718	21,493
Benefit paid by the Company	(47,072)	(55,446)
Benefit paid by the plan	(64,378)	(59,056)
Net remeasurements of defined benefit liabilities		
-Actuarial losses arising from changes in financial assumptions	(227,943)	-
-Experience adjustments	61,999	65,078
-Losses arising from changes in demographic assumptions	-	55,633
Balance at December 31	<u>\$ 1,959,524</u>	<u>2,215,200</u>

3) The movements in the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

	<u>2022</u>	<u>2021</u>
Fair value of plan assets at January 1	\$ 1,206,402	1,151,677
Contribution paid by the Company	162,803	95,959
Benefit paid by the plan	(64,378)	(59,056)
Expected return on plan assets	7,276	6,954
Net remeasurements of defined benefit liabilities		
-Returns on plan assets	81,664	10,868
Balance at December 31	<u>\$ 1,393,767</u>	<u>1,206,402</u>

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4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021, were as follow:

	<u>2022</u>	<u>2021</u>
Current service cost	\$ 8,279	8,204
Net interest on the net defined benefit liabilities	13,439	13,289
Net remeasurements of defined benefit liabilities		
-Returns on plan assets	81,664	10,868
Accrual returns on plan assets	(88,940)	(17,822)
	<u>\$ 14,442</u>	<u>14,539</u>

	<u>2022</u>	<u>2021</u>
Cost of sales	\$ 9,786	10,327
Selling expenses	941	1,140
Administrative expenses	1,992	2,080
Research and development expenses	1,723	992
	<u>\$ 14,442</u>	<u>14,539</u>

5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

As of December 31, 2022 and 2021, the Company's remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 1,002,401	892,558
Recognized during the year	(247,608)	109,843
Balance at December 31	<u>\$ 754,793</u>	<u>1,002,401</u>

6) Actuarial assumptions

The Company's principal actuarial assumptions at the reporting dates were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.750 %	0.625 %
Future salary increases	3.500 %	3.500 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after December 31, 2022 was \$49,269.

The weighted average lifetime of the defined benefits plans was 13.30 years.

(Continued)

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## 7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<b>Effects to the defined benefit obligation</b>	
	<b>Increase 0.25%</b>	<b>Decrease 0.25%</b>
December 31, 2022		
Discount rate	\$ (45,902)	47,511
Future salary increases	45,695	(44,408)
December 31, 2021		
Discount rate	(58,550)	60,776
Future salary increases	57,898	(56,130)

There was no change in other assumptions when performing the aforementioned sensitivity analysis. In practice, assumptions might be interactive with each other. The method used on sensitivity analysis was consistent with the calculation on the net pension liabilities.

The method and assumptions used on current sensitivity analysis was the same as those of the prior year.

## (ii) Defined contribution plans

The Company set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

The Company set aside \$535,859 and \$473,544 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021, respectively.

## (q) Income Taxes

## (i) Income tax expense

## 1) The components of income tax expense (benefit) for the years ended December 31, 2022 and 2021, were as follows:

	<b>2022</b>	<b>2021</b>
Current tax expense (benefit)		
Current period	\$ 1,655,747	(17,823)
Prior period adjustments	-	(5,652)
	<u>1,655,747</u>	<u>(23,475)</u>
Deferred tax expense (benefit)		
Origination and reversal of temporary difference	(1,884,117)	318,526
Income tax expense (benefit)	<u>\$ (228,370)</u>	<u>295,051</u>

(Continued)

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## 2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	<b>2022</b>	<b>2021</b>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ 49,471	(21,969)
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	5,332	35,561
	<u>54,803</u>	<u>13,592</u>

## 3) The reconciliation of income tax expense (benefit) and profit before tax for the years ended December 31, 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Profit before tax	<u>\$ 10,934,081</u>	<u>10,763,081</u>
Estimated income tax calculated based on financial income before tax at the Company's statutory tax rate		
	\$ 2,186,816	2,152,616
Tax-exempt income	(1,526,404)	(839,621)
Prior-period tax adjustments	-	(5,652)
Change in unrecognized temporary differences	(963,073)	(1,014,592)
Others	74,291	2,300
	<u>\$ (228,370)</u>	<u>295,051</u>

## (ii) Deferred tax assets and liabilities

## 1) Unrecognized deferred income tax assets and liabilities

## a) Deferred tax assets have not been recognized in respect of the following items.

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Deductible temporary differences	<u>\$ 1,960,808</u>	<u>2,465,464</u>

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b) Unrecognized deferred tax assets and liabilities on investments

As of December 31, 2022 and 2021, the temporary differences associated with investments in subsidiaries which not recognized as deferred tax assets and liabilities were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax assets	\$ <b>1,602,189</b>	<b>1,571,851</b>
Unrecognized deferred tax liabilities	\$ <b>7,532,885</b>	<b>7,074,468</b>

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Recognized share of loss of subsidiaries and associates accounted for equity method	Unrealized exchange loss	Current refund liability	Allowance for inventory obsolescence and accrued expenses	Unearned revenue	Others	Total
<b>Deferred tax assets:</b>							
Balance at January 1, 2022	\$ 185,387	-	2,838,803	406,239	694,936	911,606	5,036,971
Recognized in profit or loss	(185,387)	1,085,322	(1,273,069)	160,603	946,720	(257,700)	476,489
Recognized in other comprehensive income	-	-	-	-	-	(51,430)	(51,430)
Balance at December 31, 2022	\$ -	<b>1,085,322</b>	<b>1,565,734</b>	<b>566,842</b>	<b>1,641,656</b>	<b>602,476</b>	<b>5,462,030</b>
Balance at January 1, 2021	\$ 409,107	-	2,600,917	481,426	907,021	858,256	5,256,727
Recognized in profit or loss	(223,720)	-	237,886	(75,187)	(212,085)	31,300	(241,806)
Recognized in other comprehensive income	-	-	-	-	-	22,050	22,050
Balance at December 31, 2021	\$ <b>185,387</b>	-	<b>2,838,803</b>	<b>406,239</b>	<b>694,936</b>	<b>911,606</b>	<b>5,036,971</b>
	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain	Others	Total			
<b>Deferred tax liabilities:</b>							
Balance at January 1, 2022	\$ 2,052,784	-	542,539	238,062	-	-	2,833,385
Recognized in profit or loss	(938,185)	-	(542,539)	73,096	-	-	(1,407,628)
Recognized in other comprehensive income	-	-	-	3,373	-	-	3,373
Balance at December 31, 2022	\$ <b>1,114,599</b>	-	-	<b>314,531</b>	-	-	<b>1,429,130</b>
Balance at January 1, 2021	\$ 2,187,370	-	318,891	214,762	-	-	2,721,023
Recognized in profit or loss	(134,586)	-	223,648	(12,342)	-	-	76,720
Recognized in other comprehensive income	-	-	-	35,642	-	-	35,642
Balance at December 31, 2021	\$ <b>2,052,784</b>	-	<b>542,539</b>	<b>238,062</b>	-	-	<b>2,833,385</b>

(iii) The Company's tax returns for the years through 2020 were examined and approved by the Taiwan National Tax Administration.

(Continued)

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(r) Capital and Other Equities

(i) Capital

As of December 31, 2022 and 2021, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,901,602,000 and 2,903,252,000 shares, were issued and outstanding.

The Company issued 63,000,000 shares, with restricted employee rights at par value, amounting to \$630,000, with the Chairman of the board setting the base date on February 18, 2021, based on the resolution approved during the board meeting held on June 18, 2020. All relevant registration procedures have been completed as of the reporting date.

On May 6, 2022, August 5, 2022, November 4, 2022, August 5, 2021 and November 5, 2021, the Board of Directors resolved to cancel 150,000 shares, 180,000 shares, 1,320,000 shares, 240,000 shares and 120,000 shares amounting to \$1,500, \$1,800, \$13,200, \$2,400 and \$1,200, respectively. All relevant registration procedures have been completed as of the reporting date.

(ii) Treasury Shares

1) In order to motivate the employees and improve the operating performance, the Company repurchased 58,769,000 of its own common stock as treasury shares at the amount of \$1,607,259 in accordance with the requirements under section 28(2) of the Securities and Exchange Act based on a resolution approved during the board meeting held on March 24, 2020. The above shares were held by the Company as of December 31, 2022 and 2021. However, 4,245,000 shares were transferred to employees during the year ended December 31, 2022, resulting in the Company to hold 54,524,000 and 58,769,000 treasury shares as of December 31, 2022 and 2021, respectively.

2) Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The shares purchased for the purpose of transferring to employees shall be transferred within five years from the date of share repurchase. Those that were not transferred within the said limit shall be deemed as not issued by the Company and should be cancelled. Furthermore, treasury shares cannot be pledged for debts, and treasury shares do not carry any shareholder rights until they are transferred.

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## (iii) Capital surplus

Balances of capital surplus at the reporting dates were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</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	12,408,834	6,174,363
Restricted shares to employees	338,636	381,944
Employee stock options	101,960	109,898
Transaction of treasury shares	62,307	57,257
Other	114,775	87,134
	<u>\$ 35,050,440</u>	<u>28,834,524</u>

In accordance with Companies Act, realized capital surplus can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

## (iv) Retained Earning

The Company's Articles of Incorporation provide that, when allocating the net profit for each fiscal year, the Company shall first offset its losses in previous years and then set aside the legal reserve at 10% of net profit until the accumulated legal reserve equals the Company's capital; and also set aside special capital reserve in accordance with relevant regulations or as requested by the authorities. Any balance left over and the beginning balance of retaining earnings shall be distributed by way of cash or stock dividends; and the ratio for all dividends shall exceed 10% of the remaining earnings. The appropriations of earnings are approved by the Company's Board of Directors in its meeting and presented for approval by the Company's shareholders in its meeting.

## 1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

**WISTRON CORPORATION**  
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## 2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

On November 21, 2012, the other unearned remuneration for restricted employee shares was not accounted for as contra account of other shareholders' equity in accordance with Decree No.1010051600 issued by the Securities and Futures Bureau.

## 3) Dividends

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Under this approach, the distribution of stock dividend is not lower than ten percent of total distribution of dividends.

## 4) Earnings Distribution

The amounts of cash dividends of appropriations of earnings for 2021 and 2020 had been approved in the shareholders' meeting held on June 17, 2022 and July 20, 2021, respectively. These earnings were appropriated as follows:

	<u>2021</u>	<u>2020</u>
Cash dividends	<u>\$ 6,257,863</u>	<u>6,258,655</u>

## 5) Other equity (net of tax)

	<u>Exchange differences on translation of foreign financial statements</u>			<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>			<u>Deferred compensation arising from issuance of restricted shares</u>
	<u>The Company</u>	<u>Subsidiaries</u>	<u>Associates</u>	<u>The Company</u>	<u>Subsidiaries</u>	<u>Associates</u>	<u>The Company</u>
Balance at January 1, 2022	\$ (8,027,659)	(373,306)	(330,461)	372,245	(397,805)	(33,662)	(650,887)
Foreign currency translation differences (net of tax)	7,125,045	256,473	131,898	-	-	-	-
Disposal of part of the equity of the subsidiary	16,560	261	-	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(951,101)	59,580	(7,198)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	(103,620)	(5,945)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	368,880
Balance at December 31, 2022	<u>\$ (886,054)</u>	<u>(116,572)</u>	<u>(198,563)</u>	<u>(682,476)</u>	<u>(344,170)</u>	<u>(40,860)</u>	<u>(282,007)</u>

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	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	
Balance at January 1, 2021	\$ (5,943,716)	(323,652)	(258,415)	603,038	(886,615)	(37,161)	(999,742)
Foreign currency translation differences (net of tax)	(2,094,753)	(50,179)	(72,046)	-	-	-	-
Disposal of part of the equity of the subsidiary	10,810	525	-	2	2	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(268,076)	643,314	3,499	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	37,281	(154,506)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	348,855
Balance at December 31, 2021	\$ (8,027,659)	(373,306)	(330,461)	372,245	(397,805)	(33,662)	(650,887)

## (s) Share-based payment transactions

## (i) Restricted shares to employees

- 1) A resolution was approved during the shareholders' meeting on June 18, 2020, for a capital increase, wherein the Company to issued 63,000,000 new shares of restricted shares to those full-time employees who meet the Company's requirements. The above transaction had been registered with, and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. Furthermore, on December 23, 2020, the Board of Directors approved to issue all the restricted shares, with the issuance date set on February 18, 2021, wherein the fair value on the grant date amounted to \$30 per share.

Those employees who were granted the restricted share awards are entitled to purchase shares without remuneration, with the condition that these employees continue to provide services to the Company for at least 2 years, 3 years and 4 years (from the grant date), while 34%, 33% and 33% of the restricted shares are vested respectively depending on the completion of both the Company and their personal performance in each year. The restricted shares are kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act based on law and regulations. In addition, the appropriated dividends are also kept by a trust. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares without compensation and cancel the shares thereafter.

- 2) Details of the restricted shares of the Company are as follows:

(Unit: in thousand shares)

	2022	2021
Outstanding at 1 January	\$ 62,640	63,000
Vested during the year	(210)	-
Canceled during the year	(1,650)	(360)
Outstanding at 31 December	\$ 60,780	62,640

(Continued)

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- 3) The Company has recovered the cash dividends of \$396 and \$528, deriving from those employees who did not meet the vesting conditions in July 2022 and August 2021, respectively. The relevant registration procedures had been completed.
- (ii) Treasury shares transfer to employees
- 1) The Company transferred 58,769,000 shares repurchased in 2020 to employees based on the resolution approved during the board meeting held on November 12, 2020. The treasury shares were granted to the full-time employees of the subsidiary at home and aboard who meet the specific requirement.
- 2) Details of the treasury shares transfer to employees of the Company are as follows:

(Unit: in thousand shares)

	2022	2021
Outstanding at 1 January	\$ 58,769	58,769
Vested during the year	(4,245)	-
Outstanding at 31 December	\$ 54,524	58,769

- (iii) The Company used the Black Scholes model in measuring the fair values of the share-based payment at the grant dates as follows:

	Restricted shares to employees	Treasury shares transfer to employees
Fair value at grant date (in dollars)	30	1.87
Stock price at grant date (in dollars)	-	29.20
Exercise price (in dollars)	-	27.35
Expected life of the option	4 years	0.03 years
Expected volatility	28.33%~29.87%	28.224%
Risk-free interest rate	0.1130%~0.1505%	0.2907%

- (iv) Compensation costs

The compensation costs recognized by the Group in 2022 and 2021 were as follows:

	2022	2021
Restricted shares to employees	\$ 309,072	348,855

(Continued)

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## (t) Earnings per share (“EPS”)

	<u>2022</u>	<u>2021</u>
Basic earnings per share:		
Net profit belonging to ordinary shareholders	\$ <u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	2,783,285	2,781,843
Basic EPS (in dollars)	\$ <u>4.01</u>	<u>3.76</u>
Diluted EPS:		
Net profit belonging to ordinary shareholders	\$ <u>11,162,451</u>	<u>10,468,030</u>
Weighted average ordinary shares outstanding (in thousands)	2,783,285	2,781,843
Effect of potentially dilutive ordinary shares (in thousands):		
Employees’ remuneration	81,628	75,918
Restricted shares to employees	44,094	15,221
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	<u>2,909,007</u>	<u>2,872,982</u>
Diluted EPS (in dollars)	\$ <u>3.84</u>	<u>3.64</u>

## (u) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<u>2022</u>	<u>2021</u>
Primary geographical markets		
United states	\$ 217,969,323	204,605,525
China	121,581,547	100,753,547
Europe	211,126,732	197,243,179
Others	<u>136,151,092</u>	<u>167,838,329</u>
	\$ <u>686,828,694</u>	<u>670,440,580</u>
Major products		
Computer, Communication & Consumer electronics	\$ 576,681,519	568,738,872
Others	<u>110,147,175</u>	<u>101,701,708</u>
	\$ <u>686,828,694</u>	<u>670,440,580</u>

(Continued)

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## (ii) Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Trade receivables	\$ 51,771,737	57,640,567	52,172,294
Trade receivables-related parties	127,587,415	167,085,792	130,624,237
Less: loss allowance	<u>(184,415)</u>	<u>(602,369)</u>	<u>(602,428)</u>
	\$ <u>179,174,737</u>	<u>224,123,990</u>	<u>182,194,103</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Current contract liabilities-warranty	\$ <u>2,650,518</u>	<u>2,283,411</u>	<u>1,735,880</u>
Current refund liability	\$ <u>7,828,669</u>	<u>10,434,341</u>	<u>9,560,522</u>

For details on note and trade receivables and loss allowance, please refer to Note 6(e).

The contract liabilities were primarily related to the advance received from customers due to the warranty service. The major change in the balance of contract liabilities is the difference between the time frame of the performance obligation to be satisfied and the payment to be received. The amounts of revenue recognized for the years ended December 31, 2022 and 2021 that were included in the contract liability balance at the beginning of both years were \$617,252 and \$572,756, respectively.

## (v) Non-operating income and expenses

## (i) Interest income

The details of interest income for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Interest income	\$ <u>169,445</u>	<u>74,049</u>

## (ii) Other income

The details of other income for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Dividend income	\$ 127,918	183,476
Rental income	<u>61,042</u>	<u>41,360</u>
Total	\$ <u>188,960</u>	<u>224,836</u>

(Continued)

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## (iii) Other gain and loss

The details of other gain and loss were as follows:

	<u>2022</u>	<u>2021</u>
Foreign exchange gains(losses), net	\$ (467,426)	235,050
Losses on disposal of investments, net	(3,173)	(1,654)
Gains on disposal of property plant and equipment, net	5,396	16,737
Gains (losses) on financial assets or liabilities at fair value through profit or loss, net	3,810,229	(20,189)
Other investment losses, net	(130,773)	(86,540)
Others	104,540	113,910
Total	<u>\$ 3,318,793</u>	<u>257,314</u>

## (iv) Finance costs

	<u>2022</u>	<u>2021</u>
Interest Expense	<u>\$ (3,984,908)</u>	<u>(970,365)</u>

## (w) Remunerations to employees and directors

According to the Company's Article of Incorporation, if the Company incur profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall recognize the remuneration to employees and directors by the following rules. However, if the Company have accumulated deficits, it shall reserve the amount for offsetting deficits.

- (i) The Company shall allocate not less than 5% of annual profits as employees' remuneration. The Company may distribute in the ways of shares or cash to the employees, the employees of subsidiaries of the Company, which depends on certain specific requirements determined by the Board of Directors.
- (ii) The Company shall allocate not more than 1% of annual profit as the remuneration to directors in cash.

The estimated amounts of remuneration for the Company's employees and directors were as follows:

	<u>2022</u>	<u>2021</u>
Employee's remuneration	\$ 2,009,595	1,921,750
Directors' remuneration	100,000	102,493
	<u>\$ 2,109,595</u>	<u>2,024,243</u>

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The amounts were calculated by the net profit before tax excluding employees' and directors' remuneration of each year multiplied by the percentage of employees' and directors' remuneration as specified in the Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses in 2022 and 2021. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as a change in accounting estimate and recognized in next year. Shares distributed as employees' remuneration were calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

The amounts, as stated in financial statements, were the same with those of actual distributions for 2022 and 2021. The remuneration to employees in 2021 was paid in cash. Related information would be available at the Market Observation Post System website.

## (x) Financial instruments

## (i) Credit risk

## 1) Exposure to credit risk

The carrying amounts of financial assets represented the maximum amount exposed to credit risk.

## 2) Concentration of credit risk

The Company's majority customers were in high-tech industries. To reduce concentration of credit risk, the Company evaluated customers' financial positions periodically and requires its customers to provide collateral or promissory notes, if necessary. Besides, the Company periodically evaluated the recoverability of trade receivables and recognized as loss allowances for doubtful accounts. Furthermore, it bought insurance for the trade receivables. As of December 31, 2022 and 2021, 67% of the Company's trade receivables were concentrated on 5 specific customers. Therefore, the Company was exposed to credit risk.

## (ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
<b>As of December 31, 2022</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 74,037,266	74,123,702	74,123,702	-	-
Note and trade payables (including related parties)	134,801,503	134,801,503	134,801,503	-	-
Other payables (including related parties)	15,316,019	15,316,019	15,316,019	-	-
Lease liabilities	1,966,672	2,391,420	412,433	772,324	1,206,663
Long-term loans (including current portion)	<u>14,930,093</u>	<u>15,706,618</u>	<u>5,657,776</u>	<u>8,599,464</u>	<u>1,449,378</u>
Subtotal	<u>241,051,553</u>	<u>242,339,262</u>	<u>230,311,433</u>	<u>9,371,788</u>	<u>2,656,041</u>

(Continued)



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	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	161	161	161	-	-
Carrying amount	161	161	161	-	-
Subtotal	161	161	161	-	-
Total	<u>\$ 241,051,714</u>	<u>242,339,423</u>	<u>230,311,594</u>	<u>9,371,788</u>	<u>2,656,041</u>
<b>As of December 31, 2021</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 83,144,342	83,214,068	83,214,068	-	-
Note and trade payables (including related parties)	156,334,468	156,334,468	156,334,468	-	-
Other payables (including related parties)	12,884,522	12,884,522	12,884,522	-	-
Lease liabilities	1,565,894	1,990,063	318,837	448,573	1,222,653
Long-term loans (including current portion)	24,455,598	24,877,367	1,219,953	23,657,414	-
Subtotal	<u>278,384,824</u>	<u>279,300,488</u>	<u>253,971,848</u>	<u>24,105,987</u>	<u>1,222,653</u>
Derivative financial liabilities					
Foreign currency swap contacts:					
Outflow	9,224	3,608,924	3,608,924	-	-
Inflow	-	(3,599,700)	(3,599,700)	-	-
Carrying amount	9,224	9,224	9,224	-	-
Foreign currency forward contracts:					
Outflow	18,834	18,834	18,834	-	-
Carrying amount	18,834	18,834	18,834	-	-
Subtotal	28,058	28,058	28,058	-	-
Total	<u>\$ 278,412,882</u>	<u>279,328,546</u>	<u>253,999,906</u>	<u>24,105,987</u>	<u>1,222,653</u>

The Company did not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

a) Exposure to currency risk

The Company's significant exposures to foreign currency risk were as follows:

	December 31, 2022			December 31, 2021		
	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	6,235,643	USD/TWD= 30.708	191,484,125	8,318,690	USD/TWD= 27.690	230,344,526
<u>Non-monetary items</u>						
USD	2,300,156	USD/TWD= 30.708	70,633,188	2,375,609	USD/TWD= 27.690	65,780,626
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	5,954,845	USD/TWD= 30.708	182,861,380	9,410,890	USD/TWD= 27.690	260,587,540

(Continued)

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b) Currency risk sensitivity analysis

The Company's exposure to foreign currency risk arose from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), loans, trade payables (including related parties) and other payables (including related parties) that were denominated in foreign currency.

A Strengthening (weakening) 5% of appreciation (depreciation) of the TWD against the USD as of December 31, 2022 and 2021, would change the net profit after tax by \$344,910 and \$1,209,721, respectively. The analysis assumes that all other variables remain constant.

2) Interest analysis

The interest risk for financial liabilities of the Company would be explained in liquidity risk management stated in this note.

Sensitivity analysis was based on the risk exposure to interest rates on non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumed the variable rate liabilities were outstanding for the whole year on the reporting date.

If the interest rate change by 25 basis points, the Company's net profit after tax would change by \$60,017 and \$109,491 for the years ended December 31, 2022 and 2021, respectively, with all other variable factors that remained constant. This was mainly due to the Company's borrowings in floating variable rate.

3) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting dates were performed using the same basis for the profit or loss as illustrated below:

	2022	2021
<u>Price of securities at reporting date</u>	<u>After-tax other comprehensive income</u>	<u>After-tax other comprehensive income</u>
Increasing 3%	<u>\$ 110,057</u>	<u>130,444</u>
Decreasing 3%	<u>\$ (110,057)</u>	<u>(130,444)</u>

(Continued)

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## 4) Fair value information

## a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income was measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount was reasonably close to the fair value, and, disclosure of fair value information was not required:

	December 31, 2022				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Current financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 152,284	-	152,284	-	152,284
<b>Current financial assets at fair value through other comprehensive income</b>					
Trade receivables	\$ 15,141,423	-	-	-	-
<b>Non-current financial assets at fair value through profit or loss</b>					
SAFE	\$ 73,392	-	-	73,392	73,392
<b>Non-current financial assets at fair value through other comprehensive income</b>					
Equity instruments	\$ 3,931,066	2,410,211	-	1,520,855	3,931,066
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 10,252,203	-	-	-	-
Restricted deposits	300,557	-	-	-	-
Trade receivables (including related parties)	164,033,314	-	-	-	-
Other receivables (including related parties)	7,970,649	-	-	-	-
Subtotal	\$ 182,556,723	-	-	-	-
<b>Refundable deposits</b>	\$ 661,058	-	-	-	-
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	\$ 161	-	161	-	161
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 74,037,266	-	-	-	-
Note and trade payables (including related parties)	134,801,503	-	-	-	-
Other payables (including related parties)	15,316,019	-	-	-	-
Lease liabilities	1,966,672	-	-	-	-
Long-term loans (including current portion)	14,930,093	-	-	-	-
Subtotal	\$ 241,051,553	-	-	-	-

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	December 31, 2021				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Current financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 9,004	-	9,004	-	9,004
<b>Current financial assets at fair value through other comprehensive income</b>					
Trade receivables	\$ 2,908,099	-	-	-	-
<b>Non-current financial assets at fair value through other comprehensive income</b>					
Equity instruments	\$ 4,570,830	3,547,570	-	1,023,260	4,570,830
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 3,463,976	-	-	-	-
Restricted deposits	1,795,472	-	-	-	-
Trade receivables (including related parties)	221,215,891	-	-	-	-
Other receivables (including related parties)	7,272,220	-	-	-	-
Subtotal	\$ 233,747,559	-	-	-	-
<b>Refundable deposits</b>	\$ 373,761	-	-	-	-
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	\$ 28,058	-	28,058	-	28,058
<b>Financial liabilities measured at amortized cost</b>					
Short-term loans	\$ 83,144,342	-	-	-	-
Note and trade payables (including related parties)	156,334,468	-	-	-	-
Other payables (including related parties)	12,884,522	-	-	-	-
Lease liabilities	1,565,894	-	-	-	-
Long-term loans (including current portion)	24,455,598	-	-	-	-
Subtotal	\$ 278,384,824	-	-	-	-

## b) Valuation techniques for financial instruments measured at fair value

## i) Non-derivative financial instruments

The fair value of financial instruments which traded in an active market was based on the quoted market price. The quotation announced by the stock exchange center or exchange center of central government bond, might be regarded as the fair value of the listed equity securities and debt instruments which was traded in an active market.

A financial instrument was regarded as being quoted in an active market if quoted prices were readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions taking place 'regularly' was a matter of judgment and depended on the facts and circumstances of the market for the instrument.

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**WISTRON CORPORATION**  
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Quoted market prices might not be indicative of the fair value of an instrument if the activity in the market was infrequent, the market was not well-established, only small volumes were traded, or bid-ask spreads were very wide. Determining whether a market was active involves judgment.

The listed stock was traded in the active market and its fair value was based on the quoted market price accordingly.

Measurements of fair value of financial instruments without an active market were based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that could be extrapolated from either similar financial instruments or discounted cash flow method or the market transaction prices of the similar companies or other valuation techniques, including models, was calculated based on available market data at the reporting date.

The financial instrument of the Company was not traded in an active market, its fair value was determined basing on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value was discounted for its lack of liquidity in the market.

ii) Derivative financial instruments

Measurement of the fair value of derivative instruments was based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

Fair value of forward currency was usually determined by the forward currency exchange rate.

c) Transfer between Level 1 and Level 3:

The Company held investments in equity shares of Clientron Corp. and Plexbio Corporation, Ltd., which were classified as fair value through other comprehensive income. In the fourth quarter of 2021, both entities listed their equity shares in emerging stock market, and they were actively traded. In addition, the entire equity shares of Innovium Inc., which were transferred to Marvell Technology, Inc. were actively traded in the market. The fair value measurement used in calculating the above shares was transferred from level 3 to level 1 of the fair value hierarchy in October 2021.

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d) Changes between Level 3

The movements in the reconciliation of Level 3 fair values during the years ended December 31, 2022 and 2021 were as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Total
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	
January 1, 2022	\$ -	1,023,260	1,023,260
Total gains and losses recognized in profit or loss	17,922	-	17,922
in other comprehensive income	-	(15,346)	(15,346)
Purchased	55,470	533,961	589,431
Disposal and return of capital	-	(48,597)	(48,597)
Effect of tax	-	27,577	27,577
December 31, 2022	<u>\$ 73,392</u>	<u>1,520,855</u>	<u>1,594,247</u>
		Fair value through other comprehensive income	
		Unquoted equity instruments	
January 1, 2021		1,022,104	
Total gains and losses recognized in other comprehensive income		18,361	
Purchased		192,228	
Disposal and return of capital		(40,491)	
Effect of tax		7,386	
Transfers out of level 3		(176,328)	
December 31, 2021		<u>1,023,260</u>	

For the years ended December 31, 2022 and 2021, total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive income” were as follows:

	2022	2021
Total gains and losses recognized:		
in profit or loss, and presented in “other gains and losses”	\$ 17,922	-
in other comprehensive income, and presented in “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income”	(15,346)	18,361
	<u>\$ 2,576</u>	<u>18,361</u>

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- e) Quantified information on significant unobservable inputs (level 3) used in fair value measurement

The Company's financial instruments that used level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "financial assets measured at fair value through other comprehensive income – equity investments".

Most of the fair value measurements categorized within level 3 used the single and significant unobservable input. Equity investments without an active market contained multiple significant unobservable inputs. The significant unobservable inputs of the equity investments were independent from each other, as a result, there was no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – SAFE	Black Scholes Option Pricing Model	·Liquidity discount rate (as of December 31, 2022, was 25.33%)	·The estimated fair value would decrease if multiplier was higher
		·Volatility (as of December 31, 2022, was 39.52%)	·The estimated fair value would decrease if the volatility was higher
Financial assets measured at fair value through other comprehensive income – equity investments without an active market	Comparable listed companies approach - equity method	·Price – book ratio (as of December 31, 2022, were 1.21~10.30 and December 31, 2021, were 2.02~3.36)	·The estimated fair value would increase if the multiplier was higher
		·Market liquidity discount rate (as of December 31, 2022 and 2021, were 20%)	·The estimated fair value would decrease if market liquidity discount rate was higher
	Net asset value method	·Net asset value	Not applicable

- f) Fair value measurements in level 3 – sensitivity analysis of reasonably possible alternative assumptions.

The Company's measurement on the fair value of financial instruments was deemed reasonable despite different valuation models or assumptions might lead to different results. For fair value measurements in level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

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	Inputs	Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
<b>December 31, 2022</b>						
Financial assets measured at fair value through profit or loss	Volatility	\$	3,670	(3,670)	-	-
Financial assets at fair value through other comprehensive income	Liquidity	5%	3,670	(3,670)	-	-
	Price book ratio	5%	-	-	14,995	(14,995)
	Market liquidity discount rate	5%	-	-	14,995	(14,995)
	Net assets value method	5%	-	-	65,207	(65,207)
<b>December 31, 2021</b>						
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	5,901	(5,901)
	Market liquidity discount rate	5%	-	-	5,901	(5,901)
	Net assets value method	5%	-	-	45,261	(45,261)

The favorable and unfavorable effects represented the changes in fair value, and fair value was based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflected the effects of changes in a single input, and it did not include the interrelationships with another input.

- 5) Offsetting financial assets and financial liabilities

The Company had financial instrument transactions applicable to the Section 42 of International Financial Reporting Standards No. 32 approved by the FSC which required for offsetting. Financial assets and liabilities relating to those transactions were recognized in the net amount of the balance sheets.

The following tables presented the aforesaid offsetting financial assets and financial liabilities.

Unit: Foreign currency in thousand

December 31, 2022						
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD	513,410	513,410	-	-	-
	CNY	9,620,207	9,620,207	-	-	-
December 31, 2022						
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (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 amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD	513,410	513,410	-	-	-
	CNY	9,620,207	9,620,207	-	-	-

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December 31, 2021						
Financial assets that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD 1,106,480	1,106,480	-	-	-	-

December 31, 2021						
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet(d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD 1,106,480	1,106,480	-	-	-	-

## (y) Financial risk management

(i) By using financial instruments, the Company was exposed to risks as below:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

Detailed information about exposure risk arising from the aforementioned risks was listed below. The Company's objective, policies and processes for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Company's finance management department provided business services for the overall internal department. It set the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Company minimized the risk exposure through derivative financial instruments. The Shareholder's meeting regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments to which the Company was exposed to. The Company's internal auditors continued with the review of the amount of the risk exposure in accordance with the Company's policy and the risk management policies and procedures. Derivative contracts of the company with several financial institutions were intended to manage foreign currency exchange and interest rate fluctuation risks.

The chief of finance management department arranged a meeting to review the strategy and performance, then reported the results to Chief Financial Officer and Chairman periodically.

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## (iii) Credit risk

Credit risk was the risk of financial loss to the Company if a customer or counterparty to financial instruments failed to meet its contractual obligations that arose principally from the Company's trade receivables and investments.

## 1) Trade receivables

The Company's credit policy was transacting with creditworthy customers, and obtained collateral to mitigate risks arising from financial loss due to default. The Company would transact with corporations of credit ratings equivalent to investment grade and such ratings were provided by independent rating agencies. Where it was not possible to obtain such information, the Company would assess the ratings based on other publicly available financial information and transactions records with its major customers. The Company continued to monitor the exposure to credit risk and counterparty credit rating, and evaluated the customers' credit rating and credit limit via automatic finance system to manage the credit exposure.

## 2) Investments

The credit risk exposure in the bank deposits, other financial instruments and equity instruments were measured and monitored by the Company's finance department. Since the Company's transactions resulted from the external parties with good credit standing and investment grade above financial institutions, publicly-traded stocks companies and non publicly-traded stocks companies, there were no non-compliance issues and therefore no significant credit risk.

## 3) Guarantee

According to the Company's policy, the Company could only provide guarantee to which was listed under the regulation. The Company did not provide guarantees to any non-consolidated subsidiaries as of December 31, 2022 and 2021.

## (iv) Liquidity risk

The Company maintained sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervised the bank loan facilities and ensured in compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Company. As of December 31, 2022 and 2021, the Company had unused credit facilities for short-term and long-term loans of \$77,580,774 and \$41,538,501, respectively.

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(v) Market risk

Market risk was the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices would affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management was to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company was exposed to currency risk on sales, purchases and borrowings that were denominated in a currency other than the respective functional currencies of the Company's entities, the New Taiwan Dollars. The currencies used in these transactions were denominated in TWD, EUR, USD, JPY and CNY.

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate influenced the Company's future cash flow. The Company entering into forward and swap contracts were intended to manage the exchange rate risk due to the Company's current and future demands for foreign currency. The contract periods were decided in consideration of the Company's foreseeable assets and liabilities and expected cash flow. At the maturity date of the derivative contract, the Company would settle these contracts using the foreign currencies arising from the assets denominated in foreign currency.

2) Interest risk

The Company's short-term loans, long-term loans and advances from factoring of trade receivables bore floating interest rates. The changes in effective rate along with the fluctuation of the market interest rate influenced the Company's future cash flow. The Company reduced the interest risks by negotiating the loan interest rates frequently with banks.

3) Other market price risk

The Company monitored the risk arising from its security instruments, which were held for monitoring cash flow requirements and unused capital. The management of the Company monitored the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio were managed on an individual basis, and all buy-and-sell decisions were approved by the Board of Directors.

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(z) Capital management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Company managed its capital structure to ensure it had sufficient financial resources to sustain proper liquidity, to invest in capital expenditures, as well as research and development expenses, to repay debts, and to distribute dividends in accordance with its plan. The management pursued the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Company aimed to enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio regularly.

The Company controlled the capital structure through regularly reviewing debt-to-equity ratio. The debt-to-equity ratio of the Company as of December 31, 2022 and 2021, were as follow:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 265,365,510	303,495,215
Less: cash and cash equivalents	<u>(10,252,203)</u>	<u>(3,463,976)</u>
Net debt	255,113,307	300,031,239
Total equity	<u>96,382,149</u>	<u>77,916,938</u>
Adjusted equity	<u>\$ 351,495,456</u>	<u>377,948,177</u>
Debt-to-equity ratio at December 31	<u>72.58%</u>	<u>79.38%</u>

(Note): Adjusted equity included total equity and net debt.

As of December 31, 2022, the Company's capital management strategy was consistent with the prior years.

(aa) Financing activities not affecting current cash flow

For the years ended December 31, 2022 and 2021, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 83,144,342	(14,535,040)	5,427,964	-	74,037,266
Long-term loans (including current portion)	24,455,598	(11,519,333)	2,052,831	(59,003)	14,930,093
Lease liabilities	1,565,894	(370,628)	-	771,406	1,966,672
Guarantee deposits	282,046	278,630	(957)	-	559,719
Total liabilities from financing activities	<u>\$ 109,447,880</u>	<u>(26,146,371)</u>	<u>7,479,838</u>	<u>712,403</u>	<u>91,493,750</u>

	January 1, 2021	Cash flows	Non-cash changes		December 31, 2021
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 67,173,137	17,645,264	(1,674,059)	-	83,144,342
Long-term loans (including current portion)	20,332,308	4,762,505	(656,152)	16,937	24,455,598
Lease liabilities	478,680	(584,479)	-	1,671,693	1,565,894
Guarantee deposits	600,830	(315,761)	(3,023)	-	282,046
Total liabilities from financing activities	<u>\$ 88,584,955</u>	<u>21,507,529</u>	<u>(2,333,234)</u>	<u>1,688,630</u>	<u>109,447,880</u>

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**(7) Related-party transactions****(a) Names and relationship with related parties**

The followings were entities that had transactions with the Company during the periods covered in the consolidated financial statements.

Names of the related party	Relationship
Weshtek Information Technology Services Co., Ltd., Shanghai (WESH) (Note 1)	The Company's subsidiary
SMS (Kunshan) Co., Ltd. (WMKS)	The Company's subsidiary
Wistron InfoComm Technology Service (Kunshan) Co., Ltd. (WRKS)	The Company's subsidiary
Abilliant Corporation (WAC)	The Company's subsidiary
Wistron Medical Tech (Chongqing) CO., LTD. (WMCQ)	The Company's subsidiary
LE BEN Investment Ltd. (WLB)	The Company's subsidiary
International Standards Labs. (ISL)	The Company's subsidiary
Wise Cap Limited Company (WCL)	The Company's subsidiary
WIEDU CORPORATION (WETW)	The Company's subsidiary
Wistron Medical Tech Holding Company (WMH)	The Company's subsidiary
Wistron Investment (Jiangsu) Co., Ltd. (WJC) (Note 2)	The Company's subsidiary
Wistron Hong Kong Limited (WHK)	The Company's subsidiary
Wistron InfoComm (Shanghai) Corporation (WSH)	The Company's subsidiary
Wistron InfoComm (Zhongshan) Corporation (WZS)	The Company's subsidiary
Wistron InfoComm (Chengdu) Co., Ltd. (WCD)	The Company's subsidiary
Wistron InfoComm (Kunshan) Co., Ltd. (WAKS)	The Company's subsidiary
Wistron InfoComm (CHONGQING) Co., Ltd. (WCQ)	The Company's subsidiary
Wistron InfoComm (Taizhou) Co., Ltd. (WTZ)	The Company's subsidiary
Wistron Digital Technology Holding Company (WDH)	The Company's subsidiary
Wistron Medical Technology Corporation (WMT)	The Company's subsidiary
Wistron Optronics (Shanghai) Co., Ltd. (WOSH)	The Company's subsidiary
Wistron Optronics (Kunshan) Co., Ltd. (WOOK)	The Company's subsidiary
SMS InfoComm (Singapore) Pte. Ltd. (WSSG)	The Company's subsidiary
Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. (WEKS) (Note 3)	The Company's subsidiary
Wistron Advanced Materials(Kunshan) Co., Ltd. (WGKS)	The Company's subsidiary
Wiwynn Technology Service KunShan Ltd. (WYKS)	The Company's subsidiary
Wiwynn Corporation (WYHQ)	The Company's subsidiary
Wistron InfoComm Technology (Zhongshan) Co., Ltd. (WTZS)	The Company's subsidiary
ANWITH TECHNOLOGY CORPORATION (WCHQ)	The Company's subsidiary
WiAdvance Technology Corporation (AGI)	The Company's subsidiary
SMS Infocomm Global Service (CQ) (WSCQ)	The Company's subsidiary
Wistron Service (Kunshan) Corp. (WSKS)	The Company's subsidiary

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

Names of the related party	Relationship
XTRONICS (Kunshan) Electronics Technology Co., Ltd. (XTRKS)	The Company's subsidiary
Wisuccess Asset Management Corporation (WCA)	The Company's subsidiary
KAUHSIUNG OPTO-ELECTRONICS INC. (KOE)	The Company's subsidiary
Wistron Green Energy Holding Company (WGEH)	The Company's subsidiary
WIBASE INDUSTRIAL SOLUTIONS INC. (WIS)	The Company's subsidiary
AII Holding Corporation (AIIH)	The Company's subsidiary
Anwith Corporation (ANC) (Note 4)	The Company's subsidiary
B Temia Asia Pte Ltd. (BTA)	The Company's subsidiary
Cowin Worldwide Corporation (Cowin)	The Company's subsidiary
Creator Technology B.V. (WCT) (Note 5)	The Company's subsidiary
ICT Service Management Solutions (India) Private Limited (WIN)	The Company's subsidiary
Keevgo Japan K.K. (KJP)	The Company's subsidiary
Service Management Solutions Colombia S.A.S. (WSCO) (Note 6)	The Company's subsidiary
Service Management Solutions Mexico S.A. de C.V. (WSMX)	The Company's subsidiary
SMS InfoComm (Czech) s.r.o. (WSCZ)	The Company's subsidiary
Smartiplay India Private Limited (STI)	The Company's subsidiary
SMS INFOCOMM (MALAYSIA) SDN. BHD. (WSMY)	The Company's subsidiary
SMS InfoComm Chile Servicios Limitada (WSCL) (Note 7)	The Company's subsidiary
SMS InfoComm Corporation (WTX)	The Company's subsidiary
SMS InfoComm Technology Services and Management Solutions Ltd. (WBR)	The Company's subsidiary
SMS InfoComm Technology Services Limited Company (WTR)	The Company's subsidiary
WiEDU Holding Co., Ltd. (WEDH) (Note 8)	The Company's subsidiary
WiEdu Hong Kong Limited (WEHK)	The Company's subsidiary
WIEDU SDN. BHD. (WEMY)	The Company's subsidiary
Win Smart Co., Ltd. (Win Smart)	The Company's subsidiary
WiseCap (Hong Kong) Limited (WCHK)	The Company's subsidiary
Wistron Advanced Materials (Hong Kong) Limited (WGHK)	The Company's subsidiary
Wistron Europe Holding Cooperatie U.A. (WEH) (Note 9)	The Company's subsidiary
Wistron GreenTech (Texas) Corporation (WGTX)	The Company's subsidiary
Wistron Hong Kong Holding Limited (WHHK)	The Company's subsidiary
Wistron InfoComm (Czech), s.r.o. (WCCZ)	The Company's subsidiary
Wistron InfoComm (Philippines) Corporation (WSPH)	The Company's subsidiary
Wistron InfoComm Manufacturing (India) Private Limited (WMMI)	The Company's subsidiary
Wistron InfoComm Technology (America) Corporation (WITX)	The Company's subsidiary
Wistron InfoComm Technology (Texas) Corporation (WITT)	The Company's subsidiary
WISTRON INFOCOMM MEXICO SA de CU (WIMX)	The Company's subsidiary
Wistron Investment (Sichuan) Co., Ltd. (WSC)	The Company's subsidiary

(Continued)



**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

Names of the related party	Relationship
Wistron K.K. (WJP)	The Company's subsidiary
Wistron LLC (WLLC)	The Company's subsidiary
Wistron Mexico, S.A. de C.V. (WMX)	The Company's subsidiary
Wistron Mobile Solutions Corporation (WCH)	The Company's subsidiary
Wistron Technology (Malaysia) Sdn. Bhd. (WMMY)	The Company's subsidiary
Wistron Technology Service (America) Corporation (WTS)	The Company's subsidiary
WisVision Corporation (WVS)	The Company's subsidiary
Wiwynn International Corporation (WYUS)	The Company's subsidiary
Wiwynn Korea Ltd. (WYKR)	The Company's subsidiary
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
Wistron InfoComm Computer (Chengdu) Co., Ltd (WCCD)	The Company's subsidiary
KEEOGO MALAYSIA SDN. BHD (KMY)	The Company's subsidiary
T-CONN PRECISION CORPORATION (TPE)	The Company's associate
Join-Link International Technology Co. Ltd. (JLH)	The Company's associate
ICA Inc. (CQIC)	The Company's associate
Maya International Company, Ltd. (MAYA)	The Company's associate
Wistron NeWeb Corporation (WNC)	The Company's associate
NEWEB VIETNAM CO., LTD. (NVNM)	The Company's associate
Fullerton Ltd. (FLT)	The Company's associate
Wistron Information Technology and Services Corporation (WITS)	The Company's associate
Formosa Prosonic Industries Berhad (FPI)	The Company's associate
LIAN-YI (FAR EAST) LTD. (LYF)	The Company's associate
HSIEH-YUH TECHNOLOGY CO., LTD (HVBVI)	The Company's associate
Wistron Humanities Foundation	The Company's other related party

(Note 1): WESH was liquidated in the third quarter of 2022.

(Note 2): Win Smart Co. Ltd. disposed 100% of shareholdings in WJC to Luxshare Precision Industry Co. Ltd. in January 2021.

(Note 3): Win Smart Co. Ltd. disposed 100% of shareholdings in WEKS to Luxshare Precision Industry Co. Ltd. in January 2021.

(Note 4): ANC was liquidated in the third quarter of 2021.

(Note 5): WCT was liquidated in the second quarter of 2022.

(Note 6): WSCO was liquidated in the second quarter of 2021.

(Note 7): WSCL was liquidated in the second quarter of 2021.

(Note 8): WEDH was liquidated in the first quarter of 2022.

(Note 9): WEH was liquidated in the second quarter of 2022.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

(b) Related party transactions

(i) Sales

The amounts of significant sales transactions and outstanding balances between the Company and related parties were as follows:

	Sales	
	2022	2021
Subsidiaries		
WYHQ	\$ 68,820,275	54,586,920
WMMY	31,130,615	215,496,500
Others	55,941,173	81,761,588
Associates	275,429	548,172
	<b>\$ 156,167,492</b>	<b>352,393,180</b>
	Receivables from related party	
	December 31, 2022	December 31, 2021
Subsidiaries		
WMMI	\$ 30,193,715	16,101,291
WITX	29,270,251	19,308,549
WCD	19,974,230	1,459,475
WCQ	18,182,374	17,581,293
WZS	11,624,817	25,032,575
WMMY	2,325,729	69,973,762
Others	15,962,471	17,514,789
Associates	53,828	114,058
	<b>\$ 127,587,415</b>	<b>167,085,792</b>

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.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

## (ii) Purchases

The amounts of significant purchase transactions and outstanding balances between the Company and related parties were as follows:

	<b>Purchases</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
WCD	\$ 213,389,287	257,492,812
WZS	124,779,372	112,869,317
WCQ	102,432,248	54,032,532
WAKS	17,536,288	76,546,183
Others	107,705,286	69,328,230
Associates	<u>746,282</u>	<u>1,447,944</u>
	<b><u>\$ 566,588,763</u></b>	<b><u>571,717,018</u></b>
	<b>Payables to related party</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Subsidiaries		
WCD	\$ 28,604,028	46,713,940
WCQ	20,213,948	24,365,997
WMMI	17,517,175	8,278,966
WZS	10,321,413	28,082,355
Others	15,644,493	10,533,050
Associates	<u>50,645</u>	<u>118,525</u>
	<b><u>\$ 92,351,702</u></b>	<b><u>118,092,833</u></b>

Trading terms of purchase transactions with related parties were not significantly different from those with third-party vendors.

## (iii) Rental income and its outstanding balances were as follow:

	<b>Rental income</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
ISL	\$ 6,218	6,218
Others	<u>1,378</u>	<u>1,986</u>
	<b><u>\$ 7,596</u></b>	<b><u>8,204</u></b>

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

**Other receivables resulted from rental**  
**December 31, 2022      December 31, 2021**

Subsidiaries		
ISL	\$ 1,632	1,632
Others	<u>124</u>	<u>120</u>
	<b><u>\$ 1,756</u></b>	<b><u>1,752</u></b>

## (iv) Property transactions, operating expenses and their outstanding balances were as follows:

	<b>Proceeds</b>	
	<b>2022</b>	<b>2021</b>
Disposal of assets		
Subsidiaries	<b><u>\$ 147,632</u></b>	<b><u>126,120</u></b>
	<b>Acquisition price</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of assets		
Subsidiaries	<b><u>\$ 162,115</u></b>	<b><u>289,845</u></b>
	<b>Contribution expenses</b>	
	<b>2022</b>	<b>2021</b>
Contribution		
Other related party	<b><u>\$ 35,616</u></b>	<b><u>29,213</u></b>
	<b>Other receivables</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Receivables from disposal of assets		
Subsidiaries	<b><u>\$ -</u></b>	<b><u>4,210</u></b>
	<b>Other payables</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Payables resulting from acquisition of assets		
Subsidiaries	<b><u>\$ 6,588</u></b>	<b><u>15,799</u></b>

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

## (v) Financing to related parties

The loans to related parties were as follows:

		2022				
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
KOE	2022.12	\$ 3,500,000	1,500,000	2.00%	15,732	-
		2021				
	Date of maximum outstanding balance	Maximum outstanding balance	Ending balance	Interest rate	Interest income	Interest receivables
WMMI	2021.8	\$ 1,258,470	1,246,050	1.49%	29,046	6,925
WSPH	2021.2	570,620	359,970	1.50%	4,616	3,669
KOE	2021.12	2,000,000	600,000	1.00%	66	59
		<u>\$ 3,829,090</u>	<u>2,206,020</u>		<u>33,728</u>	<u>10,653</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:

		<u>Other receivables to related parties</u>	
		December 31, 2022	December 31, 2021
Subsidiaries		\$ 969,475	787,414
Associates		2,612	3,157
		<u>\$ 972,087</u>	<u>790,571</u>

## (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:

		<u>Other payables to related parties</u>	
		December 31, 2022	December 31, 2021
Subsidiaries		\$ 1,629,756	722,798
Associates		41,043	74,919
		<u>\$ 1,670,799</u>	<u>797,717</u>

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

## (viii) Receivables from related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Rental receivables	\$ 1,756	1,752
Receivables from disposal of assets	-	4,210
Financing and interest receivables	1,500,000	2,216,673
Other receivables	972,087	790,571
	<u>\$ 2,473,843</u>	<u>3,013,206</u>

## (ix) Payables to related parties resulting from the above transactions were as follows:

	December 31, 2022	December 31, 2021
Payables resulting from acquisition of assets	\$ 6,588	15,799
Other payables	1,670,799	797,717
	<u>\$ 1,677,387</u>	<u>813,516</u>

## (c) Transactions with key management personnel

Key management personnel remuneration:

	2022	2021
Short-term employee benefits	\$ 120,339	94,865
Post-employment benefits	2,892	2,293
Other long-term benefits	2,024	1,230
	<u>\$ 125,255</u>	<u>98,388</u>

## (8) Pledged assets:

The carrying values of pledged assets were as follow:

Pledged assets	Object	December 31, 2022	December 31, 2021
Other non-current assets-restricted deposits	Stand by L/C	\$ 1,905	7,373

## (9) Commitments and contingencies:

- (a) In June 2016, Alacritech filed a lawsuit against the Company to the United States District Court for the Eastern District of Texas. The accused products were servers and network interface devices. The Court ordered to stay the case in 2017 and has reopened the case in October 2022. The Company still could not access the possible impact on its financial losses.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

**(10) Losses Due to Major Disasters: None.****(11) Subsequent Events:**

- (a) The appropriation of earnings for 2022 that was approved at the Board of Directors meeting on March 14, 2023, was as follows:

	2022
Ordinary share dividends	
Cash dividends	\$ <b>7,400,801</b>

The aforesaid appropriation of earnings for 2022 is to be presented for approval in the shareholders' meeting to be held in June 2023.

**(12) Other:**

- (a) Total personnel, depreciation and amortization expenses categorized by function were as follows:

	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	2,943,788	12,805,580	15,749,368	2,291,615	11,535,471	13,827,086
Labor and health insurance	243,779	836,183	1,079,962	187,446	758,170	945,616
Pension	92,321	457,980	550,301	75,580	412,503	488,083
Remuneration of directors	-	100,590	100,590	-	103,263	103,263
Others	186,043	278,766	464,809	140,109	250,231	390,340
Depreciation (Note)	617,747	640,720	1,258,467	467,225	560,527	1,027,752
Amortization	1,625	333,349	334,974	883	274,684	275,567

(Note) : The depreciation of the investment property for the years ended December 31, 2022 and 2021, amounted to \$3,745, which was recognized under other gains and losses.

For the years ended December 31, 2022 and 2021, the information on numbers of employees and employee benefit expense of the Company was as follows:

	2022	2021
Numbers of employees	<b>11,007</b>	<b>9,839</b>
Numbers of directors (non-employee)	<b>7</b>	<b>7</b>
Average employee benefit expense	\$ <b>1,622</b>	\$ <b>1,592</b>
Average employee salary expense	\$ <b>1,432</b>	\$ <b>1,406</b>
Percentage of increase in average employee salary expense	<b>1.85 %</b>	<b>0.07 %</b>
Supervisor's remuneration	\$ -	-

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

- (i) The remunerations to directors were in accordance with No. 11 and No.16 of the Company's Articles of Incorporation wherein if the Company incurs profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall allocate not more than 1% of annual profit as the remuneration to directors by taking into consideration the Company's overall operating performance and the individual value of the services provided to the Company.
- (ii) The remuneration to the general managers and deputy general managers is divided into fixed and variable portions as follows, wherein the variable part dominates.
  - 1) Fixed remuneration: including salary, annual bonus and employee benefit by taking into account the standards of the industry.
  - 2) Variable remuneration: including performance bonus, remuneration (cash and stocks) and stock options based on the Company's operation and individual performance. The higher the performance, the greater the variable of remuneration. The indicators of evaluation are as below:
    - a) Financial indicators: Revenue, net profit and growth rate.
    - b) Non-financial indicators: market and customer service indicators, organization and internal processes, such as quality management, as well as the growth and development of each employee (e.g. employee retention and cultivation).

The proportion of each goal is determined at the beginning of the year based on the Company's performance within the domestic and international business environment, as well as projected future risks. The variable remuneration is reviewed and approved by the Salary and Remuneration Committee and the Board of Directors according to the results of goal achievement at the end of the year. The better the operating performance, the higher the proportion of variable remuneration.

**(13) Other disclosures:**

- (a) Information on significant transactions:

The following was the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2022:

- (i) Financings to other parties: Please see Table 1 attached.
- (ii) Guarantee and Endorsement for other parties: Please see Table 2 attached.
- (iii) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 3 attached.

(Continued)

**WISTRON CORPORATION**  
**Notes to the Parent Company Only Financial Statements**

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 4 attached.
- (v) Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : None.
- (vi) Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : None.
- (vii) Total purchases from or sales to related parties with amount exceeding the lower of NT\$100 million or 20% of share capital : Please see Table 5 attached.
- (viii) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital : Please see Table 6 attached.
- (ix) Derivative transactions : Please refer to Note 6(b) for related information.
- (b) Information on investees (excluded investment in Mainland China):  
Information on investees for the year ended December 31, 2022: Please see Table 7 attached.
- (c) Information on investment in Mainland China : Please see Table 8 attached.
- (d) Major shareholders: None.

**(14) Segment information:**

Please refer to the consolidated financial statements for the year ended December 31, 2022.

**Wistron Corporation**  
**Statement of Cash and Cash Equivalents**

**December 31, 2022**

**(Expressed in thousands of New Taiwan Dollars / Foreign Currencies)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand		\$ 7,015
	USD	0.033
	EUR	2
	NTD	6,960
Demand and check deposits		9,323,948
	USD	270,249
	EUR	125
	AUD	0.733
	GBP	0.832
	HKD	5
	JPY	1,418
	PLN	943
	RMB	1,580
	SGD	0.016
	CZK	879
	NTD	1,005,912
Time deposits		921,240
	USD	30,000
Total		<u>\$ 10,252,203</u>

Note 1: The ending rates of foreign currency deposits on December 31, 2022 were as follows:

USD/NTD=30.708  
 EUR/NTD=32.664  
 AUD/NTD=20.829  
 GBP/NTD=37.037  
 HKD/NTD=3.938  
 JPY/NTD=0.231  
 PLN/NTD=6.976  
 CNY/NTD=4.420  
 SGD/NTD=22.860  
 CZK/NTD=1.352

Note 2: The period of the time deposits was 4 days, and the annual rate ranges 4.18%.

## Wistron Corporation

## Statement of Financial Assets Measured at Fair Value through Profit or Loss

## - Current - Derivative Financial Instruments Not Used for Hedging

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Description	Name of financial instrument	Notional amounts (in thousands)	Fair value (in thousands of NTD)
Buy foreign currency swap contract	Taishin Bank	USD 10,000	2,167
	ESUN Bank	USD 30,000	780
	Citi Bank	USD 15,000	1,503
	Standard Chartered Bank	USD 20,000	238
Buy foreign currency forward contract	ING Bank	USD 100,000	22,355
	BBVA Bank	USD 13,000	4,914
	DBS Bank	USD 18,000	4,532
	United Overseas Bank	USD 155,000	31,732
	Oversea-Chinese Banking Corporation	USD 30,000	8,878
	Deutsche Bank	USD 81,000	16,399
	J.P. Morgan Private Bank	USD 294,000	58,786
Financial assets measured at fair value through profit or loss-current			152,284
Buy foreign currency forward contract	ING Bank	USD 5,000	(35)
	United Overseas Bank	USD 3,000	(91)
	United Overseas Bank	USD 2,000	(11)
	J.P. Morgan Private Bank	USD 3,000	(24)
Financial liabilities measured at fair value through profit or loss-current			(161)
Total			<u>\$ 152,123</u>

## Wistron Corporation

## Statement of Trade Receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Client H	\$ 15,138,983
Client K	6,239,717
Client J	5,675,739
Client B	4,696,243
Client D	2,702,925
Others (less than 5%)	17,318,130
Less: loss allowance	(184,415)
Total	<u>\$ 51,587,322</u>

## Statement of Inventories

December 31, 2022

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 13,372,141	13,640,753
Work in progress	742,926	627,639
Finished goods	14,171,506	15,093,787
Inventory in transit	9,877,162	9,897,239
Subtotal	38,163,735	<u>39,259,418</u>
Less: provision of valuation of inventories	(458,014)	
Total	<u>\$ 37,705,721</u>	

**Wistron Corporation**  
**Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income - Non Current**  
**January 1 to December 31, 2022**  
 (Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Gains on (Losses) on Valuation		Deferred Income Tax Assets (Liabilities)		Ending Balance		Collateral
	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Amount	Amount	Shares or units	Amount	Shares or units	Amount	
Alpha Networks Inc.	19,328	\$ 648,448	-	-	-	-	(103,404)	-	-	19,328	545,044	None	
Gamania Digital Entertainment Co., Ltd.	1,126	79,414	-	-	-	-	(675)	-	-	1,126	78,739	None	
Super Dragon Technology Co., Ltd.	5,676	97,911	-	-	-	-	14,474	-	-	5,676	112,385	None	
Global Lighting Technologies Inc.	20,914	1,735,898	-	-	-	-	(585,604)	-	-	20,914	1,150,294	None	
ARHOR Technology Corp.	4,679	103,865	-	-	-	-	22,691	-	-	4,679	126,556	None	
AOpen Inc.	5,747	260,605	-	-	(4,250)	(154,100)	(35,719)	-	-	1,497	70,786	None	
FineMat Applied Materials Co., Ltd.	4,589	269,848	-	-	-	-	(141,349)	-	-	4,589	128,499	None	
Clientron Corp.	917	30,831	-	-	-	-	(10,094)	-	-	917	20,737	None	
Plexbio Corporation, LTD	1,227	21,503	-	-	-	-	(6,799)	-	-	1,227	14,704	None	
Applied BioCode Corporation	2,075	89,225	-	-	-	-	(24,900)	-	-	2,075	64,325	None	
Marvell Technology, Inc.	87	210,022	-	-	-	(993)	(88,710)	(22,177)	-	87	98,142	None	
Howe advanced Ltd.	4,000	-	-	-	-	-	-	-	-	4,000	-	None	
Lilee Systems, Ltd.	3,528	-	-	-	-	-	-	-	-	3,528	-	None	
Zeo, Inc.	779	-	-	-	-	-	-	-	-	779	-	None	
Janus Technologies, Inc	864	-	-	-	-	-	-	-	-	864	-	None	
Vnmedia Research Inc.	2,000	-	-	-	-	-	-	-	-	2,000	-	None	
Tube Inc.	17,009	95,605	-	-	-	-	(21,335)	(5,334)	-	17,009	68,936	None	
Tactus Technology Inc.	7	-	-	-	-	-	-	-	-	7	-	None	
Videri Inc.	226	21,602	-	-	-	-	(8,299)	(2,075)	-	226	11,228	None	
Scenera, Inc.	645	823	-	-	-	-	308	77	-	645	1,208	None	
Master Transportation Bus Manufacturing Ltd.	-	-	2,375	280,000	-	-	(155,917)	-	-	2,375	124,083	None	
AVIZ Networks Inc.	-	-	3,781	26,445	-	-	8,565	2,142	-	3,781	37,152	None	
EV Motors Japan Co., Ltd.	-	-	-	23,130	-	-	27,334	6,833	-	-	57,297	None	
IP Fund Six Co., Ltd.	-	-	-	-	(273)	(2,732)	2,510	-	-	-	42,608	None	
Corsa Fund 2012, L.P.	4,907	42,830	-	-	-	-	5,994	1,499	-	-	17,971	None	
JAFCO Asia Technology Fund VI	-	10,478	-	-	-	-	24,830	6,207	-	-	181,360	None	
Kibou Fund L.P.	-	196,188	-	-	-	(45,865)	5,236	1,310	-	-	42,667	None	
Vertex V (C.L) Fund L.P.	-	36,121	-	-	-	-	8,334	2,083	-	-	300,203	None	
China Renewable Energy Fund, L.P.	-	283,273	-	6,513	-	-	59,339	14,835	-	-	496,361	None	
JAFCO Taiwan I Venture Capital L.P.	-	259,314	-	162,873	-	-	28,083	-	-	-	120,109	None	
JAFCO Taiwan II Venture Capital L.P.	-	77,026	-	15,000	-	-	(328)	-	-	-	19,672	None	
Total	-	\$ 4,570,830	-	\$ 533,961	-	\$ (203,690)	\$ (975,435)	\$ 5,400	-	-	\$ 3,931,066	-	

**Wistron Corporation**  
**Statement of Movement of Investments Accounted for Using the Equity Method**  
**January 1 to December 31, 2022**  
 (Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Investment income (loss)		Shares (in thousands)		Ending Balance		Market Value or Net Assets Value		Collateral
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Amount	Amount	Shares (in thousands)	Amount	Percentage of Ownership	Unit price	Total amount		
WMX	16,004,371	\$ 1,071,912	-	146,796	-	-	10,282,825	16,004,371	100.00%	2,345,535	100.00%	-	2,345,535	None	
WTX	4,833	1,776,231	-	194,687	-	-	37,391	4,833	100.00%	2,008,309	100.00%	416	2,008,309	None	
AHH	347,686	4,951,524	90,000	3,338,088	-	-	(400,417)	437,686	100.00%	7,789,205	100.00%	18	7,932,578	None	
Green Win Smart	215,384	16,809,215	-	1,707,483	(1,500)	(43,568)	(116,608)	213,894	100.00%	16,597,541	100.00%	77	16,499,019	None	
WCL	104,065	22,775,282	-	2,094,461	(59,580)	(1,665,325)	(1,958,949)	44,565	100.00%	2,116,649	100.00%	475	2,116,649	None	
ISL	2,434	6,305,134	-	294,536	(29,754)	(35,684)	(14,557)	2,434	100.00%	7,918,359	100.00%	51	7,918,359	None	
WSPI	139,367	113,820	-	7,063	-	-	(6,681)	139,367	100.00%	124,813	100.00%	-	124,814	None	
WLLC	6,956	2,596,642	2,000	900,176	-	-	102,863	8,956	100.00%	3,599,681	100.00%	403	3,599,681	None	
WYS	12,005	841,553	-	17,387	(2,855)	(83,948)	109,228	9,150	100.00%	884,700	100.00%	97	884,700	None	
WEH	37,243	327,098	-	65,265	(392,073)	(14,976)	14,976	37,243	99.99%	606,721	99.99%	16	606,734	None	
WTR	22	74,694	-	-	(20,247)	(25,724)	2,5724	22	99.90%	80,171	99.90%	3,643	80,139	None	
WGTX	13	144,479	-	14,476	-	-	(43,566)	13	100.00%	115,389	100.00%	8,876	115,388	None	
WGKH	33,500	45,667	-	4,185	-	-	(27,160)	33,500	100.00%	22,692	100.00%	1	22,692	None	
WMMY	267,425	5,754,472	-	606,202	(70,156)	(70,156)	(70,156)	267,425	100.00%	5,653,518	100.00%	21	5,653,519	None	
WSMX	36,429	(156,493)	-	(156,493)	(26,048)	(26,048)	9,691	36,429	100.00%	(172,850)	100.00%	(5)	(172,850)	None	
WCH	20	433,780	-	47,035	-	-	(6,357)	20	100.00%	472,458	100.00%	23,623	472,458	None	
WYHQ	73,895	11,567,668	-	624,005	(3,055,874)	(8,000)	5,482,636	65,895	37.69%	14,618,435	37.69%	797	52,518,418	None	
WEDH	5,700	1,806	-	22	(1,828)	-	43,507	58,446	100.00%	996,159	100.00%	17	996,159	None	
WCHK	58,446	1,197,027	-	135,400	(379,775)	-	2,115	1,000	100.00%	25,201	100.00%	25	25,201	None	
WCHQ	1,000	18,020	-	5,066	-	-	23,164	1,000	100.00%	2,510,834	100.00%	-	2,510,834	None	
WCCZ	-	2,242,570	-	2,45,099	(2,997)	(2,997)	-	16,426	100.00%	(1,566)	100.00%	(3)	(47,624)	None	
WEHK	16,426	3,783	-	-	-	-	-	16,426	100.00%	-	0.01%	12	12	None	
AGI	1	17	-	-	-	-	(5)	1	100.00%	2,319,294	100.00%	15	2,319,294	None	
WSSG	157,489	2,008,610	-	95,564	-	-	215,120	157,489	100.00%	2,151,214	100.00%	10	2,151,214	None	
WDH	205,056	2,118,460	-	71,669	(3,254)	(3,254)	(57,919)	205,056	100.00%	1,899,963	100.00%	7	1,899,962	None	
WMH	280,000	1,687,380	-	270,502	-	-	6,117	280,000	100.00%	1,899,963	100.00%	7	1,899,962	None	
WMSQ	-	371,649	-	40,685	-	-	-	-	100.00%	418,451	100.00%	-	418,451	None	
WTS	35	15,585	-	1,741	-	-	1,444	35	100.00%	18,770	100.00%	536	18,770	None	
WIMX	13,340,990	1,090,414	-	116,723	(72,783)	(72,783)	(72,783)	13,340,990	100.00%	1,134,353	100.00%	-	1,134,353	None	
WVN	-	1,216,181	-	132,313	-	-	(8,265)	-	100.00%	1,340,224	100.00%	-	1,340,224	None	
WSZ	-	538,622	-	46,483	-	-	86,265	-	100.00%	671,371	100.00%	-	671,371	None	
WIS	17,888	255,001	-	1,925	(8,903)	(8,903)	10,571	17,888	45.79%	258,594	45.79%	14	244,412	None	
WCA	70,000	698,369	-	1,000,000	-	-	(1,144)	170,000	100.00%	1,697,225	100.00%	10	1,697,225	None	
WGEH	-	-	28,000	280,000	-	-	(529)	28,000	100.00%	279,565	100.00%	10	279,565	None	
WNC	89,625	3,851,689	-	238,277	(197,705)	(197,705)	706,228	89,625	22.66%	4,598,489	22.66%	78	7,030,495	None	
TPE	4,487	101,318	-	224	(16,709)	(16,709)	19,967	4,711	12.83%	104,576	12.83%	58	274,652	None	
ISGTG	5	-	-	-	-	-	-	5	40.00%	-	40.00%	-	-	None	
ISGTC	5	-	-	3,457	-	-	(317)	5	40.00%	69,848	40.00%	-	69,848	None	
HCL	69,260	553,100	-	76,282	(91,074)	(91,074)	232,080	69,260	27.03%	769,488	27.03%	23	1,558,810	None	
Furmasi Precision Industries Behnd	20,261	18,645	-	16,142	(1,693)	(1,693)	1,035	20,261	32.79%	34,129	32.79%	2	34,129	None	
NICE Licensing LLC	-	2,042	-	4,171	(103)	(103)	(2,118)	-	20.00%	3,992	20.00%	-	3,992	None	
Pell	-	-	3,000	2,635	(2,261)	(2,261)	(6,262)	-	6.76%	215,850	6.76%	-	215,850	None	
The effect of adjustments on intercompany lease transactions	-	(12,649)	-	-	(804,140)	(804,140)	21,568	-	-	8,919	-	-	8,919	None	
Deferred credits	-	(996,277)	-	-	-	-	-	-	-	(1,799,280)	-	-	(1,799,280)	None	
Total	-	\$ 92,176,900	-	\$ 12,887,674	-	\$ (6,941,265)	\$ 8,462,129	-	-	\$ 103,495,451	-	-	-	-	



**Wistron Corporation**  
**Statement of Short-Term Loans**  
**December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

Item	Bank	Period	Interest Rate	Loan		Amount
				Commitments	Collateral	
Credit loan	Citi Bank	2022/12/23 ~ 2023/1/18	5.03%	\$ 1,996,350	None	\$ 1,781,064 (Note)
Credit loan	DBS Bank	2022/12/28 ~ 2023/1/19	2.06%~2.60%	6,755,760	None	3,697,992
Credit loan	Mizuho Bank	2022/12/26 ~ 2023/1/30	0.90%~1.97%	3,684,960	None	3,721,086
Credit loan	ANZ Bank	2022/12/9 ~ 2023/1/18	1.95%~2.67%	3,838,500	None	2,781,838
Credit loan	Oversea Chinese Banking Corporation	2022/12/15 ~ 2023/1/17	1.70%~1.75%	2,303,100	None	1,900,000
Credit loan	MUFG Bank	2022/12/5 ~ 2023/1/30	0.91%~1.86%	4,606,200	None	4,577,630
Credit loan	J.P. Morgan Private Bank	2022/12/9 ~ 2023/2/9	1.60%	583,452	None	500,000
Credit loan	Bangkok Bank	2022/11/11 ~ 2023/1/11	1.88%	1,535,400	None	580,000
Credit loan	ING Bank	2022/12/29 ~ 2023/3/10	1.89%	3,070,800	None	600,000
Credit loan	Sumitomo Mitsui Bank	2022/12/30 ~ 2023/1/30	0.66%~1.98%	6,141,600	None	4,403,839
Credit loan	United Overseas Bank	2022/11/14 ~ 2023/1/18	0.66%~2.76%	3,992,040	None	3,951,686
Credit loan	China Construction Bank	2022/12/21 ~ 2023/1/30	1.70%~4.79%	3,070,800	None	3,049,560
Credit loan	Mega International Ban	2022/12/2 ~ 2023/1/3	4.85%~4.87%	6,141,600	None	5,864,993
Credit loan	Bank SinoPac	2022/12/30 ~ 2023/2/17	1.56%~1.68%	5,182,656	None	4,200,000
Credit loan	CTBC Bank	2022/12/9 ~ 2023/3/9	0.87%~1.98%	2,000,000	None	1,981,019
Credit loan	JihSun Bank	2022/12/23 ~ 2023/1/22	5.25%	1,000,000	None	362,909
Credit loan	Taipei Fubon Commercial Bank	2022/12/28 ~ 2023/1/30	0.50%~1.80%	2,610,180	None	2,617,215
Credit loan	Yuanta Bank	2022/12/21 ~ 2023/2/21	1.55%	3,000,000	None	3,000,000
Credit loan	Cathay United Bank	2022/12/30 ~ 2023/2/1	1.55%~2.40%	2,026,728	None	1,976,896
Credit loan	Taishin Bank	2022/12/16 ~ 2023/1/31	0.80%~5.36%	6,500,000	None	6,151,337
Credit loan	Taiwan Business Bank	2022/12/28 ~ 2023/1/18	1.75%~1.76%	3,500,000	None	2,085,000
Credit loan	ESUN Bank	2022/12/12 ~ 2023/1/12	1.81%	2,000,000	None	450,000
Credit loan	Bank of Taiwan	2022/12/21 ~ 2023/1/20	1.70%	4,500,000	None	500,000
Credit loan	Firt Commercial Bank	2022/12/30 ~ 2023/1/19	1.88%~5.05%	6,000,000	None	3,228,320
Credit loan	Far Eastern International Bank	2022/12/30 ~ 2023/2/1	1.83%	1,500,000	None	1,500,000
Credit loan	Shin Kong Bank	2022/12/21 ~ 2023/2/3	1.88%	1,535,400	None	1,400,000
Credit loan	Entie Bank	2022/12/28 ~ 2023/1/30	1.80%	1,200,000	None	1,100,000
Credit loan	BBVA Taiwan	2022/12/28 ~ 2023/3/28	1.52%~4.80%	4,606,200	None	4,626,462
Credit loan	Metro Bank	2022/10/5 ~ 2023/3/21	1.80%~3.98%	1,535,400	None	1,448,420
Total						<u>\$ 74,037,266</u>

(Note) The loan commitments represented a comprehensive line of credit; however, the actual borrowing amount was converted into current exchange at the date of withdrawal.

**Wistron Corporation**  
**Statement of Note and Trade Payables**  
**December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

Item	Amount
Vendor J	\$ 16,394,343
Vendor D	7,230,954
Vendor I	5,431,586
Others (less than 5%)	13,392,918
Total	<u>\$ 42,449,801</u>

**Statement of Other Current Liabilities**

Item	Amount
Accrued salary and bonus (including remuneration of employees and directors)	\$ 6,786,994
Provision of valuation of inventories for suppliers	2,376,195
Deferred revenue	8,723,740
Income tax payables	1,802,609
Others accrued expenses	1,830,863
Others (less than 5%)	3,339,618
Total	<u>\$ 24,860,019</u>

**Wistron Corporation**  
**Statement of Long-Term Loans**  
**December 31, 2022**  
(Expressed in thousands of New Taiwan Dollars)

Bank	Period	Interest Rate	Loan Commitments	Collateral	Amount	
					Current Amount Expired within one year	Amount
Mega Bank and other 22 financial institutions	2018/5/23~2023/5/23	5.90%~6.01%	\$ 9,212,400	None	\$ 5,527,440	-
Mega Bank and other 9 financial institutions	2021/3/10~2024/3/10	5.81%	11,054,880	None	-	6,632,928
BNP Bank	2022/11/11~2024/7/31	2.65%	2,456,640	None	-	519,359
KGI Bank	2022/3/2~2025/3/2	1.94%~2.07%	1,400,000	None	-	1,000,000
Low-interest Loan (Mega Bank and other 5 financial institutions)	2022/1/17~2032/1/15	1.10%~1.36%	8,642,924	None	-	1,260,115
Less : Arrangement fees			-		-	(9,749)
					<u>\$ 5,527,440</u>	<u>9,402,653</u>

**Wistron Corporation**  
**Statement of Lease Liabilities**  
**December 31, 2022**  
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Leasing term	Discount Rate(%)	Ending Balance
Land	For factory and office use	3~40 years	1.48%~2.58%	\$ 901,516
Buildings and Construction	For office use	1~10 years	1.10%~1.97%	993,142
Office Equipment	For operating use	4~5 years	1.48%~1.75%	35,781
Transportation Equipment	For operating use	1~5 years	1.35%~1.75%	28,177
Other Equipment	For operating use	5 years	1.59%~1.75%	8,056
Subtotal				1,966,672
Less : Current Portion				(377,509)
Lease Liabilities-Non-Current				<u>\$ 1,589,163</u>

**Statement of Other Non-Current Liabilities**

Item	Amount
Net defined benefit liabilities	\$ 565,757
Guarantee deposits	559,719
Others (less than 5%)	58,616
Total	<u>\$ 1,184,092</u>

**Wistron Corporation**  
**Statement of Cost of Sales**  
**For the year ended December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Raw materials	
Beginning balance of raw materials	\$ 13,675,734
Add: Purchases	652,312,171
Less: Ending balance of raw materials	(14,349,646)
Reclassified to other accounts	<u>(54,888)</u>
Raw materials used	651,583,371
Direct labor	1,584,421
Manufacturing overhead	<u>3,765,672</u>
Total manufacturing cost	656,933,464
Add: Beginning balance of work-in-process inventory	755,195
Less: Ending balance of work-in-process inventory	(743,793)
Reclassified to other accounts	<u>(79,610)</u>
Coast of finished goods	656,865,256
Add: Beginning balance of finished goods	18,169,750
Less: Ending balance of finished goods	(23,070,296)
Reclassified to other accounts	<u>(250,970)</u>
Subtotal	651,713,740
Add: Software royalty fees	647,109
Loss on valuation of inventories	2,252,840
Loss on supplier inventory reserve	577,663
Less: Income from sale of scraps	(25,476)
Loss on physical inventor	<u>(1,199)</u>
Total cost of sales	<u><u>\$ 655,164,677</u></u>

**Wistron Corporation**  
**Statement of Operating Expenses**  
**For the year ended December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Selling Expenses</u>	<u>Administrative Expenses</u>	<u>Research and Development Expenses</u>
Salary and related expenses	\$ 1,249,059	2,077,793	11,152,247
Freight	1,300,038	441	29,012
Insurance fees	254,544	6,609	522
Professional service fees	135,923	927,013	342,401
Import and export expenses	381,312	-	13
Amortization	4,097	234,158	95,094
Welfare funds	346,815	-	-
Inspection and testing expenses	3,925	33	945,771
Sundry purchase	50,389	39,240	2,467,994
Others (less than 5%)	<u>236,218</u>	<u>739,791</u>	<u>1,959,773</u>
Total	<u><u>\$ 3,962,320</u></u>	<u><u>4,025,078</u></u>	<u><u>16,992,827</u></u>

**Wistron Corporation**  
**Others**  
**December 31, 2022**

Item	Description
Statements of trade receivables-related parties and other receivables-related parties	Disclosure in Note 7
Statement of other current assets	Disclosure in Note 6(l)
Statement of movement of property, plant and equipment	Disclosure in Note 6(i)
Statement of movement of accumulated depreciation of property, plant and equipment	Disclosure in Note 6(i)
Statement of right-of-use assets	Disclosure in Note 6(j)
Statement of movement of intangible assets	Disclosure in Note 6(k)
Statement of other non-current assets	Disclosure in Note 6(l)
Statement of movement of investment property	Disclosure in Note 6(l)
Statement of deferred tax assets and liabilities	Disclosure in Note 6(q)
Statements of trade payables-related parties and other payables-related parties	Disclosure in Note 7
Statement of contract liabilities and refund liability	Disclosure in Note 6(u)
Statement of the revenue	Disclosure in Note 6(u)
Statement of the interest income	Disclosure in Note 6(v)
Statement of the other income	Disclosure in Note 6(v)
Statement of the other gain and loss	Disclosure in Note 6(v)
Statement of the financial costs	Disclosure in Note 6(v)

**WISTRON CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

Table 1 Financing to other parties  
(December 31, 2022)

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral Item	Value	Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
0	The Company	WMMY	Other receivables	Yes	1,260,945	-	-	0.50%-2.00%	1	4,926,418	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WSPH	Other receivables	Yes	556,560	-	-	1.50%	1	738,350	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WMMH	Other receivables	Yes	1,347,210	-	-	1.49%	1	9,697,311	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	WSPH	Other receivables	Yes	483,150	-	-	1.50%	1	454,573	N/A	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)
0	The Company	ROE	Other receivables	Yes	3,500,000	1,500,000	1,500,000	2.00%	2	-	Operating Capital	-	-	-	9,638,214	48,191,074	(Note 1, Note 3 and Note 4)

(TWD : expressed in thousands)

(Note 1) The total amount available for financing purposes shall not exceed 50% of the Company's audited or reviewed net worth; and the total amount for short-term financing shall not exceed 40% of the Company's audited or reviewed net worth.

(Note 2) Nature of financing:

1 For entities that the Company has business with.

2 For entities with short-term financing needs.

(Note 3) The limit on financing granted of the entities that the Company has business with:

(1) For entities in which the Company, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of the Company.

(2) For entities in which the Company, directly or indirectly, owned below 50% of their shares, the amount available for financing shall not exceed 40% and 5% of net worth of the borrower and the Company, respectively.

(3) For other borrowers, the amount available for financing shall not exceed 25% of net worth of the borrower and 5% of net worth of the Company.

(Note 4) For entities with short-term financing needs, the amount available for financing shall not exceed 10% of net worth of the Company.

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 2 Guarantees and endorsements for other parties  
(December 31, 2022)

No.	Endorser / Guarantor	Party being endorsed/guaranteed		Limits on endorsements/guarantees provided to each entity (Note 2) and (Note 4)	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsements/guarantees to net asset value of the endorser/guarantor	Ceiling of endorsements/guarantees provided (Note 1) and (Note 3)	Endorsement/guarantees provided by parent company	Endorsement/guarantees provided by a subsidiary	Endorsement/guarantees provided to the party in Mainland China
		Name	Relationship with the company (Note 9)										
0	The Company	WIP	2	28,914,644	838,850	622,890	622,890	-	0.65%	96,382,149	Y	N	N
0	The Company	Cowin (Note 5)	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N
0	The Company	WZS shared with WAKS (Note 5)	2	28,914,644	64,420	61,416	61,416	-	0.06%	96,382,149	Y	N	Y
0	The Company	WCCZ	2	28,914,644	474,476	474,476	474,476	-	0.49%	96,382,149	Y	N	N
0	The Company	WBR	2	28,914,644	901,880	859,824	859,824	-	0.89%	96,382,149	Y	N	N
0	The Company	WIN	2	28,914,644	2,284,700	2,072,990	1,765,710	-	2.15%	96,382,149	Y	N	N
0	The Company	WSSG	2	28,914,644	8,776,168	8,413,992	7,646,292	-	8.73%	96,382,149	Y	N	N
0	The Company	WTX	2	28,914,644	1,159,560	1,105,488	1,105,488	-	1.15%	96,382,149	Y	N	N
0	The Company	WGTX	2	28,914,644	499,255	475,974	475,974	-	0.49%	96,382,149	Y	N	N
0	The Company	WTZ	2	28,914,644	3,690,330	3,673,788	2,445,468	-	3.81%	96,382,149	Y	N	Y
0	The Company	WSMX	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	N
0	The Company	WGKS	2	28,914,644	791,310	184,248	-	-	0.19%	96,382,149	Y	N	Y
0	The Company	WCCZ shared with WSCZ	2	28,914,644	3,301,760	1,566,108	1,566,108	-	1.62%	96,382,149	Y	N	N
0	The Company	WAKS	2	28,914,644	560,820	-	-	-	-	96,382,149	Y	N	Y
0	The Company	WAKS shared with WTZ and WGKS (Note 6)	2	28,914,644	644,200	614,160	614,160	-	0.64%	96,382,149	Y	N	Y
0	The Company	WTR	2	28,914,644	32,210	30,708	30,708	-	0.03%	96,382,149	Y	N	N
0	The Company	WCH	2	28,914,644	402,163	38,385	38,385	-	0.04%	96,382,149	Y	N	N
0	The Company	AGI	2	28,914,644	292,000	292,000	232,000	-	0.30%	96,382,149	Y	N	N
0	The Company	WSCQ	2	28,914,644	2,930,321	2,502,710	1,581,470	-	2.60%	96,382,149	Y	N	Y
0	The Company	WCHO	2	28,914,644	160,000	110,000	60,000	-	0.11%	96,382,149	Y	N	N
0	The Company	WSCQ share with WMCQ	2	28,914,644	483,150	460,620	460,620	-	0.48%	96,382,149	Y	N	Y
0	The Company	WMIH share with WIN	2	28,914,644	1,932,600	1,842,480	921,240	-	1.91%	96,382,149	Y	N	N
0	The Company	WLB	2	28,914,644	400,000	200,000	200,000	-	0.21%	96,382,149	Y	N	N
0	The Company	WCL	2	28,914,644	1,400,000	800,000	800,000	-	0.83%	96,382,149	Y	N	N
0	The Company	WAMI	2	28,914,644	7,253,520	6,914,856	5,435,316	-	7.17%	96,382,149	Y	N	N
0	The Company	WMMY	2	28,914,644	8,961,580	8,905,520	4,851,864	-	9.24%	96,382,149	Y	N	N
0	The Company	WFTT	2	28,914,644	1,167,582	1,044,072	736,992	-	1.08%	96,382,149	Y	N	N
0	The Company	WETW	2	28,914,644	300,000	175,000	175,000	-	0.18%	96,382,149	Y	N	N
0	The Company	WVN	2	28,914,644	11,692,230	7,216,380	1,996,020	-	7.49%	96,382,149	Y	N	N
0	The Company	WIMX	2	28,914,644	6,180,400	6,141,600	3,377,880	-	6.37%	96,382,149	Y	N	N
0	The Company	WIS	2	28,914,644	144,945	138,186	138,186	-	0.14%	96,382,149	Y	N	N
0	The Company	XTRKS	2	28,914,644	2,076,972	2,076,972	736,992	-	2.15%	96,382,149	Y	N	Y
0	The Company	WSPH shared with WCCZ, WMX, WTX, and WSSG (Note 7)	2	28,914,644	626,306	597,100	597,100	-	0.62%	96,382,149	Y	N	N
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 7)	2	28,914,644	501,044	477,680	477,680	-	0.50%	96,382,149	Y	N	Y
0	The Company	WSPH shared with WCCZ, WMX, WTX, WSSG and WMMY (Note 8)	2	28,914,644	755,417	755,417	-	-	0.78%	96,382,149	Y	N	N
0	The Company	WAKS shared with WZS, WCD and WCCQ (Note 8)	2	28,914,644	503,611	503,611	-	-	0.52%	96,382,149	Y	N	Y

(TWD : expressed in thousands)

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

- (Note 1) The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed the Company's audited or reviewed net worth.
- (Note 2) The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
- (Note 3) The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's audited or reviewed net worth.
- (Note 4) The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
- (Note 5) The credit line shared by Cowin, WZS and WAKS amounted to USD3,000,000.
- (Note 6) The credit line shared by WMKS, WTZ 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 WSPH, WCCZ, WMX, WTX, WSSG, WAKS, WZS, WCD and WCCQ amounted to USD35,000,000.
- (Note 8) The credit line shared by WSPH, WCCZ, WMX, WTX, WSSG, WMMY, WAKS, WZS, WCD and WCCQ amounted to USD41,000,000.
- (Note 9) Relationship with the Company:
- An entity with which the guarantor did business.
  - An entity in which the guarantor directly and indirectly owned more than 50% of the voting shares.
  - An entity that directly and indirectly owned more than 50% of the voting shares in the guarantor.
  - The entities in which the guarantor owned, directly or indirectly, 90% or more of the voting shares.
  - 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 entities in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 3 Market Securities Held (excluding investment in subsidiaries, associates and joint ventures)  
(December 31, 2022)

Securities held by	Category and name of securities	Relationship	December 31, 2022				Highest percentage of shares during the period	Note
			Number of shares	Book value	Percentage of Ownership	Fair Value		
The Company	Alpha Networks Inc.	-	19,428	545,044	3.57%	545,044	3.57%	
The Company	Gamania Digital Entertainment Co., Ltd.	-	1,126	78,739	0.64%	78,739	0.64%	
The Company	Super Dragon Technology Co., Ltd.	-	5,676	112,385	5.09%	112,385	5.80%	
The Company	Global Lighting Technologies Inc.	-	20,914	1,150,294	16.23%	1,150,294	16.23%	
The Company	ARBOR Technology Corp.	-	4,679	126,556	5.00%	126,556	6.29%	
The Company	AOpen Inc.	-	1,497	70,786	2.10%	70,786	8.04%	
The Company	FineMat Applied Materials Co., Ltd.	-	4,589	128,499	6.91%	128,499	6.91%	
The Company	Chienron Corp.	-	917	20,737	1.44%	20,737	1.44%	
The Company	Plexbo Corporation, LTD	-	1,227	14,704	1.18%	14,704	1.18%	
The Company	Howe advanced Ltd.	-	4,000	-	13.91%	-	13.91%	
The Company	ABC-KY	-	2,075	64,325	2.54%	64,325	2.54%	
The Company	Life Systems, Ltd.	-	3,528	-	29.51%	-	29.51%	
The Company	Zeo,Inc.	-	779	-	6.57%	-	6.57%	
The Company	Janus Technologies, Inc.	-	864	-	4.01%	-	4.01%	
The Company	Vmedia Research	-	2,000	-	7.69%	-	7.69%	
The Company	Tube Inc.	-	17,009	68,936	20.73%	68,936	22.08%	
The Company	Tactus Technology Inc.	-	7	-	0.06%	-	0.06%	
The Company	Videti Inc.	-	226	11,228	0.96%	11,228	3.17%	
The Company	Scenera, Inc.	-	645	1,208	11.40%	1,208	12.89%	
The Company	Marvel Technology, Inc.	-	86	98,143	0.01%	98,143	0.01%	
The Company	Master Transportation Bus Manufacturing Ltd.	-	2,375	124,083	5.52%	124,083	6.11%	
The Company	A VIZ Networks Inc.	-	3,781	37,152	6.72%	37,152	6.72%	
The Company	EV Motors Japan Co., Ltd.	-	-	57,296	2.31%	57,296	2.95%	
The Company	IP Fund Six Co., Ltd.	-	4,634	42,608	10.72%	42,608	10.72%	
The Company	Corsa Fund 2012 L.P.	-	-	17,971	20.00%	17,971	20.00%	
The Company	Jafo AT Fund V I L P.	-	-	181,360	6.67%	181,360	6.67%	
The Company	Kibon Fund L.P.	-	-	42,667	12.78%	42,667	12.78%	
The Company	Fenox Venture Company XIV, L.P.	-	-	-	99.00%	-	99.00%	
The Company	Vertex V (C.L.) Fund L.P.	-	-	300,203	2.57%	300,203	3.11%	
The Company	China Renewable Energy Fund, L.P	-	-	496,361	9.01%	496,361	9.01%	
The Company	JAFCCO Taiwan I Venture Capital L.P.	-	-	120,109	4.99%	120,109	4.99%	
The Company	JAFCCO Taiwan II Venture Capital L. P.	-	-	19,672	9.21%	19,672	9.21%	
The Company	Princeton Nuenergy, Inc.	-	-	73,392	-	73,392	-	

(TWD : expressed in thousands)

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital  
(December 31, 2022)

Securities held by	Category and name of securities	Financial statement account	Counter - party	Relationship with the investor	Beginning balance		Addition		Disposal		Ending balance		
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Amount	Gain/Loss on Disposal	Shares/ Units	Amount
The Company	WLLC	Equity-accounted investees	(Note 1)	subsidiary	6,936	2,596,642	2,000	553,012	-	-	-	8,936	3,599,681
The Company	WYHQ	Equity-accounted investees	(Note 2)	subsidiary	73,895	11,567,668	-	-	8,000	7,282,067	1,555,318	65,895	14,618,435
The Company	AHH	Equity-accounted investees	(Note 1)	subsidiary	347,486	4,951,534	90,000	2,675,880	-	-	-	437,486	7,789,205
The Company	WCA	Equity-accounted investees	(Note 1)	subsidiary	70,000	698,369	100,000	1,000,000	-	-	-	170,000	1,697,225

(Note 1) The entity issued ordinary shares for cash.

(Note 2) The Company disposed the equity-accounted investees.

(TWD : expressed in thousands)

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 5 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2022)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)
The Company	WJP	Subsidiary	Sales	2,222,321	0.32%	OA90	-	-	1,044,226	0.58%
The Company	WTX	Subsidiary	Sales	2,930,262	0.43%	OA90	-	-	1,118,158	0.62%
The Company	WMKS	Subsidiary	Sales	843,651	0.12%	OA90	-	-	185,771	0.10%
The Company	WZS	Subsidiary	Sales	880,522	0.13%	OA90	-	-	11,624,817	6.49%
The Company	WITX	Subsidiary	Sales	45,060,850	6.56%	OA150	-	-	29,270,251	16.34%
The Company	WSCZ	Subsidiary	Sales	1,786,723	0.26%	OA90	-	-	335,692	0.19%
The Company	FPI	Associate	Sales	261,597	0.04%	OA120	-	-	45,699	0.03%
The Company	WSSG	Subsidiary	Sales	878,546	0.13%	OA90	-	-	286,742	0.16%
The Company	WMT	Subsidiary	Sales	267,870	0.04%	OA90	-	-	119,722	0.07%
The Company	WIS	Subsidiary	Sales	895,347	0.13%	OA60	-	-	132,647	0.07%
The Company	WMMY	Subsidiary	Sales	31,130,615	4.53%	OA90	-	-	2,325,729	1.30%
The Company	KOE	Subsidiary	Sales	124,919	0.02%	OA60	-	-	95,915	0.05%
The Company	WYHQ	Subsidiary	Sales	68,820,275	10.02%	OA45	-	-	10,566,385	5.90%
The Company	WYUS	Subsidiary	Sales	377,447	0.05%	OA45	-	-	42,491	0.02%
The Company	WTX	Subsidiary	Purchase	136,799	0.02%	OA60	-	-	(34,807)	0.03%
The Company	WZS	Subsidiary	Purchase	124,779,372	19.23%	OA90	-	-	(10,321,413)	7.66%
The Company	WITX	Subsidiary	Purchase	685,976	0.11%	OA90	-	-	(12,600)	0.01%
The Company	WAKS	Subsidiary	Purchase	17,536,288	2.70%	OA90	-	-	(3,299,678)	2.45%
The Company	WSKS	Subsidiary	Purchase	4,545,634	0.70%	OA60	-	-	(591,742)	0.44%
The Company	WCQ	Subsidiary	Purchase	102,432,248	15.79%	OA90	-	-	(20,213,948)	15.00%
The Company	WCD	Subsidiary	Purchase	213,389,287	32.89%	OA30	-	-	(28,604,028)	21.22%
The Company	WSCZ	Subsidiary	Purchase	153,962	0.02%	OA60	-	-	(33,922)	0.03%
The Company	WSCQ	Subsidiary	Purchase	9,195,531	1.42%	OA60	-	-	(811,402)	0.60%
The Company	FPI	Associate	Purchase	709,183	0.11%	OA50	-	-	(42,578)	0.03%
The Company	WSSG	Subsidiary	Purchase	430,415	0.07%	OA60	-	-	(125,390)	0.09%
The Company	WSPH	Subsidiary	Purchase	507,403	0.08%	OA30	-	-	(74,853)	0.06%
The Company	WMMY	Subsidiary	Purchase	15,272,965	2.35%	OA90	-	-	(5,030,499)	3.73%
The Company	WMMI	Subsidiary	Purchase	57,553,720	8.87%	OA45	-	-	(17,517,175)	12.99%

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 5 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2022)

(TWD : expressed in thousands)

Purchaser/Seller	Related Party	Relationship	Transaction			Differences in transaction terms compared to third party transactions			Note and trade receivables (payables)	
			Purchase/Sales	Amount	Percentage of total purchases / sales	Credit term	Unit price	Payment Terms	Balance	Percentage of total note and trade receivables (payables)
The Company	WOOK	Subsidiary	Purchase	14,355,700	2.21%	OA90	-	-	(3,246,137)	2.41%
The Company	WCCD	Subsidiary	Purchase	584,458	0.09%	OA90	-	-	(168,943)	0.13%
The Company	WYHQ	Subsidiary	Purchase	1,174,903	0.18%	OA90	-	-	(789,884)	0.59%
The Company	WYUS	Subsidiary	Purchase	2,873,616	0.44%	OA90	-	-	(1,188,922)	0.88%



## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 6 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital  
(December 31, 2022)

Company Name	Related Party	Relationship	Balance of receivables from related party	Turnover rate	Overdue receivables		Amounts collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	WJP	Subsidiary	1,044,226	214.04%	596,683	Collecting	79,163	-
The Company	WTX	Subsidiary	1,118,158	265.54%	496,951	Collecting	30,593	-
The Company	WMKS	Subsidiary	185,771	334.71%	-	-	62,950	-
The Company	WZS	Subsidiary	11,624,817	4.80%	4,388,794	Collecting	3,154,165	-
The Company	WITX	Subsidiary	29,270,251	185.52%	12,592,732	Collecting	5,895,939	-
The Company	WAKS	Subsidiary	161,014	0.01%	-	-	-	-
The Company	WTZ	Subsidiary	400,437	-	-	-	-	-
The Company	WCQ	Subsidiary	18,182,374	-	3,428,955	Collecting	7,615,688	-
The Company	WCD	Subsidiary	19,974,230	0.05%	3,802,854	Collecting	16,183,116	-
The Company	WSCZ	Subsidiary	335,692	446.61%	3,522	Collecting	127,247	-
The Company	WSSG	Subsidiary	286,742	220.06%	82,764	Collecting	82,794	-
The Company	WMT	Subsidiary	119,722	404.02%	11,745	Collecting	23,383	-
The Company	WIS	Subsidiary	132,647	461.93%	2,057	Collecting	66,933	-
The Company	WMMY	Subsidiary	2,325,729	86.12%	-	-	-	-
The Company	WMMI	Subsidiary	30,193,715	-	656,883	Collecting	11,765,290	-
The Company	WOOK	Subsidiary	1,386,563	-	-	-	1,228,553	-
The Company	WYHQ	Subsidiary	10,566,385	706.89%	566,138	Collecting	8,693,227	-
Other receivables								
The Company	KOE	Subsidiary	1,503,354	-	-	-	87	-
The Company	WITX	Subsidiary	533,934	-	106,132	Collecting	-	-
The Company	WMMI	Subsidiary	163,921	-	-	-	-	-

(TWD : expressed in thousands)

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 7 Information on investees (excluding investees in Mainland China)  
(December 31, 2022)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Shareholding				
The Company	WMX	Mexico	Server and consumer electronics product manufacturing	1,354,618	1,354,618	16,004,371	100.00%	2,245,535	1,026,825	1,026,825	
The Company	WTX	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	2,008,309	37,391	37,391	
The Company	AHH	B.V.I.	Investment and holding	6,041,478	6,041,478	437,486	100.00%	7,792,305	(400,417)	(400,417)	
The Company	COWIN	B.V.I.	Investment and holding	6,802,868	6,802,868	213,894	100.00%	16,597,541	(1,166,089)	(1,166,089)	
The Company	Win Smart	B.V.I.	Investment and holding	2,611,286	4,274,611	44,565	100.00%	21,168,469	(1,952,949)	(1,952,949)	
The Company	WCL	Taiwan	Investment consultant and business management consultant	4,312,000	4,312,000	-	100.00%	7,918,359	1,433,246	1,433,246	
The Company	ISL	Taiwan	Safety and EMI testing	14,603	14,603	2,434	100.00%	124,813	33,684	33,684	
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	2,853,068	2,853,068	139,567	100.00%	26,652	(4,631)	(4,631)	
The Company	WLLC	U.S.A.	Investment and holding	2,071,826	2,118,814	8,936	100.00%	3,599,681	102,863	102,863	
The Company	WLS	B.V.I.	Investment and holding	398,221	398,221	9,150	100.00%	884,700	109,728	109,728	
The Company	WRK	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	606,721	214,021	214,021	
The Company	WDH	Turkey	Sales and maintenance service center	46,650	46,650	22	99.90%	80,171	99,900	25,724	
The Company	WGTX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	115,389	(43,566)	(43,566)	
The Company	WGHK	Hong Kong	Investment and holding	1,003,476	1,003,476	33,500	100.00%	22,602	(27,160)	(27,160)	
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	2,095,629	267,425	100.00%	5,653,318	(707,156)	(707,156)	
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	89,134	36,429	100.00%	(172,850)	9,691	9,691	
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,350	1,680,258	65,895	37.69%	14,618,435	14,174,709	5,482,636	
The Company	WCHK	Hong Kong	Investment and holding	225,494	225,494	58,446	100.00%	996,159	43,507	43,507	
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	25,201	2,115	2,115	
The Company	WCHK	Czech Rep.	Electronic product manufacturing	121,527	121,527	-	100.00%	2,510,833	23,164	23,164	
The Company	WHK	Hong Kong	Investment and holding	397,542	397,542	16,426	100.00%	(1,366)	(2,552)	(2,552)	
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	2,570	1	0.01%	12	(103,283)	(5)	
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	4,797,805	157,489	100.00%	2,319,294	215,120	215,120	
The Company	WDH	Taiwan	Investment and holding	1,800,000	1,800,000	205,056	100.00%	2,151,214	(35,661)	(35,661)	
The Company	WMI	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	1,899,963	(57,919)	(57,919)	
The Company	WTS	U.S.A.	Sales development and customer service	10,348	10,348	35	100.00%	18,370	1,444	1,444	
The Company	WCH	U.S.A.	Investment and rental	589,520	589,520	20	100.00%	472,458	(8,357)	(8,357)	
The Company	WMX	Mexico	Real property rental and management	910,394	910,394	13,340,990	100.00%	1,134,354	(72,783)	(72,783)	
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	1,346,288	1,346,288	-	100.00%	1,340,224	(8,270)	(8,270)	
The Company	WSCZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	-	100.00%	671,371	86,265	86,265	
The Company	WIS	Taiwan	Research and development, sales and service of network communication products	214,656	214,656	17,888	45.79%	258,594	22,984	10,571	
The Company	WCA	Taiwan	Real property rental and management	700,000	700,000	170,000	100.00%	1,697,225	(1,144)	(1,144)	
The Company	WGEH	Taiwan	Investment and holding	280,000	280,000	28,000	100.00%	279,563	92	92	
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	585,487	585,487	89,675	22.66%	4,598,489	3,121,720	706,238	
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	26,088	4,711	12.82%	104,376	152,255	19,967	
The Company	HCL	B.V.I.	Investment and holding	96,045	96,045	-	30.00%	69,848	(72)	(72)	
The Company	Formosa Prosonic Industries Berhad	Malaysia	Manufacturing of auto and hooper	513,565	513,565	69,260	27.03%	769,488	663,692	232,080	
The Company	JLH	Taiwan	Sales of audio system of vehicles and components	578,889	578,889	20,261	32.79%	34,129	3,095	1,035	
The Company	NICE Licensing LLC	Japan	Promote NICE Standard	8,362	4,191	-	20.00%	3,992	(10,590)	(2,118)	
The Company	PELL	Taiwan	Biochemistry service	225,000	-	3,000	6.76%	215,533	(220,838)	(8,262)	
The Company	ISGTG	Seychelles	Research and development and sales of information technology products	160,025	160,025	5	40.00%	-	-	-	
The Company	ISGTC	Hong Kong	Research and development and sales of information technology products	160,000	160,000	5	40.00%	-	-	-	

(TWD : expressed in thousands)

**WISTRON CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

Table 8 Information on investment in Mainland China  
1. Information on investment in Mainland China:

Investor in Mainland China	Main Business and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of remittance as of January 1, 2022	Investment flows		Net income (loss) of the investee	Height percentage of ownership by the Company	Direct/indirect ownership by the Company	Investment income (loss) recognized by the Company	Carrying amount of the investment as of December 31, 2022	Accumulated amount of remittance of earnings as of December 31, 2022	Note
					Outflow	Inflow							
Wistron InfoComm (Shanghai) Corporation	Manufacturing and sales of information technology products	7,394,068	(Note 2)	7,394,179	(Note 1)	-	(1,413,662)	100.00%	100.00%	(1,413,662)	19,978,317	-	-
Wistron InfoComm (Zhongshan) Corporation	Development, design, testing and sales of computers, software, servers and sales of LCD monitor products	31,691	(Note 2)	31,691	(Note 2)	-	409	100.00%	100.00%	409	47,626	-	-
Wistron InfoComm (Kunshan) Co., Ltd.	Human resource services and sales of LCD monitor products	67,510	(Note 2)	67,510	(Note 2)	-	11,086	100.00%	100.00%	11,086	882,311	-	-
Wistron InfoComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	1,085,212	(Note 2)	1,085,212	(Note 2)	-	(1,072,546)	100.00%	100.00%	(1,072,546)	10,790,441	-	-
Wistron Service (Kunshan) Corp.	Sales and maintenance service center in Mainland China	12,287	(Note 2)	12,287	(Note 2)	-	(49,933)	100.00%	100.00%	(49,933)	789,339	-	-
Wistron InfoComm (Tianjin) Co., Ltd.	Manufacturing and sales of LCD monitor and touch display modules	806,230	(Note 2)	806,230	(Note 2)	-	105,365	100.00%	100.00%	105,365	2,033,033	-	-
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacturing and sales of computer shell and mold plastic	4,929,489	(Note 2)	4,929,489	(Note 2)	-	(6,165)	100.00%	100.00%	(6,165)	(5,355,729)	-	-
T-CONN PRECISION (ZHONGSHAN) CORPORATION	Production of telecommunication equipment and computer for general purpose	795,220	(Note 2)	795,220	(Note 2)	-	(24,088)	28.88%	28.88%	(24,088)	160,141	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production of communication products and components	234,901	(Note 2)	234,901	(Note 2)	-	75,428	21.30%	21.30%	75,428	75,946	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production of communication products and components	3,676,442	(Note 2)	3,676,442	(Note 2)	-	(170,416)	100.00%	100.00%	(170,416)	3,721,604	-	-
Wistron Optonics (Shanghai) Co., Ltd.	Sales of communication products and components	131,044	(Note 2)	131,044	(Note 2)	-	3,081	100.00%	100.00%	3,081	80,371	-	-
Wistron Optonics (Kunshan) Co., Ltd.	Production and management of new-type electronic components	426,055	(Note 2)	426,055	(Note 2)	-	32,841	26.08%	26.08%	32,841	-	-	-
LIANSI PRECISION (ZHONGSHAN) INC	Manufacturing of high-temperature resistant insulation materials and molded insulation products; and assembly of computer, server and peripheral components	1,124,931	(Note 2)	1,124,931	(Note 2)	-	(24,029)	28.88%	28.88%	(24,029)	(424,597)	-	-
WIS PRECISION (TAIPEI) CO., LTD.	Production and sales of electronic high-tech materials	2,229,502	(Note 2)	2,229,502	(Note 2)	-	(213,720)	28.88%	28.88%	(213,720)	574,038	-	-
Wistron Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech materials	516,917	(Note 2)	516,917	(Note 2)	-	(100,933)	20.02%	20.02%	(100,933)	191,111	-	-
Wistron Advanced Materials (Kunshan) Co., Ltd.	Research and development, manufacturing and sales of electronic reproductive coefficient phase goods	953,939	(Note 2)	953,939	(Note 2)	-	(27,998)	100.00%	100.00%	(27,998)	11,821	-	-
Zhongshan Global Lighting Technology Limited Co.	Manufacturing and sales of LED, backlight and related high-electronic components	445,825	(Note 2)	445,825	(Note 2)	-	NA	16.23%	16.23%	-	74,759	-	-
Wistron InfoComm (Chongqing) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	583,823	(Note 2)	583,823	(Note 2)	-	NA	100.00%	100.00%	NA	5,205,613	-	-
Wistron Investment (Shanghai) Co., Ltd.	Investment and holding	2,501,366	(Note 2)	2,501,366	(Note 2)	-	(142,223)	100.00%	100.00%	(142,223)	6,045,218	-	-
Wistron InfoComm (Chengde) Co., Ltd.	Research and manufacturing and sales of Notebook computer	2,396,524	(Note 2)	2,396,524	(Note 2)	-	(174,429)	100.00%	100.00%	(174,429)	7,951,769	-	-
Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Research and development and design of electronic calculator and other electronic products	99,042	(Note 2)	99,042	(Note 2)	-	(163,337)	100.00%	100.00%	(163,337)	(41,528)	-	-
Shanghai Keen High Technology Co., Ltd.	Manufacturing of digital photo frames, MP3, MP4 and GPS	196,648	(Note 2)	311,110	(Note 6)	-	NA	15.17%	15.17%	-	-	-	-
SMS InfoComm (Chengde) Co., Ltd.	Sales and distribution of computer products and components	126,838	(Note 2)	126,838	(Note 2)	-	6,117	100.00%	100.00%	6,117	418,451	-	-
Kunshan Changshun Precision Die-Casting Co., Ltd.	Research and sales of ZrAlNi alloy precision casting parts, LED module of supporting frame and electronic tool series	173,901	(Note 2)	-	(Note 2)	-	(37,332)	14.33%	14.33%	(37,332)	4,648	-	-
Wistron Technology Service Kunshan Ltd.	Sales of cloud data center equipment	10,659	(Note 2)	10,659	(Note 2)	-	12,626	48.02%	47.44%	12,626	46,350	-	-
I-CA Inc.	Research and development, design, manufacturing, sales, and maintenance of intelligent terminals	91,991	(Note 2)	-	(Note 2)	-	(3,996)	20.00%	20.00%	(3,996)	4,179	-	-
Wistron Medical Tech (Chongqing) CO., LTD.	Production of medical instruments	94,500	(Note 2)	-	(Note 2)	-	(3,830)	92.14%	92.14%	(3,830)	(38,702)	-	-
Nanjing Xtremes Electronics Technology Co., Ltd.	Virtual image Head-up display and new energy car high-power charging device	538,557	(Note 2)	-	(Note 2)	-	(1,077)	33.41%	33.41%	(1,077)	135,128	-	-
XTRONICS (Kunshan) Electronics Technology Co., Ltd.	Research and development, production and sales of automotive electronic components, smart components and electronic devices	217,707	(Note 2)	-	(Note 2)	-	30,667	100.00%	100.00%	30,667	334,677	-	-
Wistron InfoComm Computer (Chengde) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	26,258	(Note 2)	-	(Note 2)	-	2,159	100.00%	100.00%	2,159	7,687	-	-
Bohuiang Opto Electronics (Kunshan) Co., Ltd.	Manufacturing and sales of automotive electronics and electronic related products	9,001	(Note 2)	-	(Note 2)	-	0	100.00%	100.00%	-	9,213	-	-

(TWD : expressed in thousands)

**WISTRON CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

2. Limitation on investment in Mainland China

Company	Accumulated amounts investment in Mainland China as of December 31, 2022	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA)
Wistron Corporation	24,440,904 (USD788,612,330)	14,040,627 (USD456,654,523)&(CNY4,000,000)	-

(TWD : expressed in thousands)

(Note 1) The Company invested the amount of USD5,150,000 (approximately TWD149,551) in BRIVISION OPTRONICS (U CORP. acquiring 50.99% of its share; therefore, resulting in an indirect ownership of BrV Vision Optonics (Zhongshan) Corp. with the same amount of shares. The application to transfer the investment in Mainland China has been authorized by the Investment Commission, MOEA on January 17, 2013. Therefore, the accumulated investment amount in Mainland China will be revised in accordance with the amount authorized by the Investment Commission. Also, Cowin, one of 100% owned subsidiaries of the Company, merged with BRIVISION OPTRONICS (U CORP. by exchanging 1 share for 1.89 share on November 14, 2013. After the merger, Cowin became the existing company, while BrV Vision was liquidated in the first quarter of 2015. Therefore, 100% ownership of BrV Vision Optonics (Zhongshan) Corp. was transferred to Cowin Worldwide Corporation in the second quarter of 2015.

(Note 2) Wistron InfoComm (Kunshan) Co., Ltd. merged with Wistron InfoComm Technology (Kunshan) Co., Ltd. in the first quarter of 2015; both entities are 100% owned subsidiaries of the Company, resulting in an increase in the investment capital of Wistron InfoComm (Kunshan) Co., Ltd. to USD32,000,000 (approximately TWD1,085,212), which was authorized by the Investment Commission on January 23, 2015.

(Note 3) On January 24, 2005, the Company applied to the Investment Commission for the revision of the amount of its indirect investment in T-CONN PRECISION (Zhongshan) CORPORATION from USD638,000 to USD550,000, and the application was authorized on February 15, 2005. Also, Super Elite Ltd. acquired Hong Kong Comtek Electronics Co. Ltd. by issuing new shares through stock exchange, resulting in a decrease in the of the Company's investment amount in T-CONN PRECISION (Zhongshan) CORPORATION by USD339,995 (approximately TWD9,793); and the application was authorized by the Investment Commission on May 17, 2012.

(Note 4) The Company indirectly invested in the capital of Wistron Optonics (Kunshan) Co., Ltd. and Wistron Optonics (Shanghai) Corporation, through Wistron Optonics Corporation (WOC) and its subsidiary, WinDisplay, amounting to TWD64,701 and TWD4,877, respectively. However, on March 10, 2007, WOC was merged with WOD Co., Ltd. (WOD), a fully owned subsidiaries of the Company. After the merger, WOC became the existing company while WOC being the dissolved entity, who transferred its investment amount, which had been authorized by the Investment Commission on June 14, 2007, to WOD. On the other hand, AIH transferred the shares of WinDisplay and its subsidiaries to WOD on June 25, 2007 in accordance with the agreement. The Company applied for the transfer of investment amount, which had been authorized by the Investment Commission on July 18, 2007. Therefore, the accumulated investment amount in Mainland China would be revised in accordance with the amount authorized by Investment Commission. On August 17, 2007, WOD Co., Ltd. was renamed as Wistron Optonics Corporation.

(Note 5) The investment in Wistron InfoComm (Chengde) Co., Ltd., through Wistron Investment (Shanghai) 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 Electronics Co., Ltd., in which the Company indirectly invested in, had completed the cancellation of its business registration. The said investment capital amounting to USD2,331,598.7, which entitled the Company to a full ownership of the entity, had been renounced to KIF 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 renounced to Hong Kong Comtek Electronics Co., Ltd. and was authorized by the Investment Commission on July 15, 2013. However, according to the regulation, the remittance to Mainland China amounting to USD179,344 (approximately TWD5,371), was included in the accumulated investment amounts.

(Note 9) Top-Gloxy Electronics (Zhongshan) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to 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 renounced to Park Orchid, which was liquidated afterwards. The capital incurred from the liquidation of Park Orchid amounting to USD2,461,084.65 was renounced 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 optonics (Shanghai) Corporation, in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD58,823.63, which entitled the Company to a full ownership of the entity, had been renounced 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 USD6,307.67 (approximately TWD196), which entitled the Company to a full ownership of the entity, had been renounced to Taiwan and was authorized by the Investment Commission on March 6, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment was authorized by the Investment Commission on December 8, 2011. However, according to the regulation, the remittance to Mainland China amounting to USD133,492.33 (approximately TWD4,350) was included in the accumulated investment amounts.

## WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

### 2. Limitation on investment in Mainland China

(Note 13) WIT Precision (Tszhooh) 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 TWD512,121) was included in the accumulated investment amounts.

(Note 15) The amounts translated were using the spot rates on December 31, 2022.

(Note 16) On December 7, 2020, the Company obtained the Certificate of Qualified Operating Headquarters, which was issued by the Department of Industrial Development, Ministry of Economic Affairs, in accordance with the revised "Approval Guidelines for Engagement in Investments or Technical Cooperation in Mainland China" and "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" that was announced on August 22, 2008. Therefore, the Company was not restricted or limited, in anyway, regarding the investment amount in Mainland China.

(Note 17) Wistron InfoComm (CHONGQING) Co., Ltd., one of the fully directly owned subsidiaries of the Company, used its own capital to invest in ICA Inc.; the transaction was not restricted or limited, in anyway, regarding the investment amount in Mainland China.

(Note 18) HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. merged with BrV ision Optronics (Zhongshan) Corp. in the fourth quarter of 2016, both entities are fully owned subsidiaries of the Company, resulting in an increase in the investment capital of HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD. to USD2,452,912 (approximately TWD79,722), which was authorized by the Investment Commission on November 30, 2016.

(Note 19) The Company invested the amount of USD16,961 (approximately TWD513) in WIEDU HONG KONG LIMITED, acquiring 18.73% of its share; therefore, resulting in an indirect ownership of "Webshek Information Technology Services Co., Ltd., Shanghai (Webshek), whose entire shares are held by the Company. Webshek, in which the Company indirectly invested, had been liquidated in the 4th quarter of 2022, resulting in the investment capital amounting to USD71,931.41 to be remitted to WIEDU Hong Kong Limited, wherein the liquidation process was still in progress as of the reporting date. However, according to the regulation, the remittance to Mainland China amounting to TWD22,449 needs to be included in the accumulated investment amounts.

(Note 20) The indirect investment in Wistron Investment (Jiangsu) Co., Ltd., a holding company, through Win Smart Co., Ltd. with amount of USD200,000,000, was authorized by the Investment Commission on December 18, 2017. Till the second quarter of 2019, the remittance to Mainland China was only USD100,000,000 (approximately TWD3,117,440). Wistron Investment (Jiangsu) Co., Ltd. invested the amount of USD100,000,000 (approximately TWD3,055,830) in Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. acquiring 78.13% of its share in the fourth quarter of 2019. The cancellation of the original investment plan of USD100,000,000 which had not been implemented was authorized by the Investment Commission on November 13, 2020. The application that Win Smart Co., Ltd. disposed the entire shares of Wistron Investment (Jiangsu) Co., Ltd. and Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. was authorized by the Investment Commission on February 18, 2021. The investment amounting to USD380,000,000 (approximately TWD10,620,040) was remitted to Taiwan through Win Smart Co afterwards. However, according to the regulation, the remittances to Mainland China amounting to USD100,000,000 (approximately TWD3,117,440) for Wistron Investment (Jiangsu) Co., Ltd. and USD28,000,000 (approximately TWD939,420) for Wistron InfoComm Manufacturing (Kunshan) Co., Ltd. were included in the accumulated investment amounts.

(Note 21) Wistron InfoComm (Qingdao) Co., Ltd., 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) Wiyom Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543.21, which entitled the Company to a full ownership of the entity, had been remitted to WIN SMART CO., LTD. and was authorized by the Investment Commission on May 18, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD2,899,788.94 (approximately TWD86,742) was included in the accumulated investment amounts.

(Note 23) ANWITH (Kunshan) CO., LTD. in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD2,023,982.58, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KONG LIMITED, and was authorized by the Investment Commission on October 19, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD3,000,000 (approximately TWD89,256) was included in the accumulated investment amounts.

(Note 24) Wistron InfoComm (Kunshan) Co., Ltd., in which the Company indirectly invested, invested the amount of CNY47,118,000 (TWD209,859) in Xtronics (Nanjing) Electronics Technology Co., 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**

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## 7.1 Analysis of Financial Status

### 7.1.1 2022 vs. 2021 financial analysis

Unit : NT\$ thousands

Item	Year	2022	2021	Difference	
				Amount	%
Current assets		342,985,667	421,786,551	(78,800,884)	(18.68)
Net property, plant and equipment		51,515,209	42,209,556	9,305,653	22.05
Intangible assets		2,149,731	1,730,173	419,558	24.25
Other assets		36,257,167	31,571,526	4,685,641	14.84
Total assets		432,907,774	497,297,806	(64,390,032)	(12.95)
Current liabilities		286,725,416	365,583,359	(78,857,943)	(21.57)
Non-current liabilities		27,529,802	39,229,668	(11,699,866)	(29.82)
Total liabilities		314,255,218	404,813,027	(90,557,809)	(22.37)
Common stock		29,016,021	29,032,521	(16,500)	(0.06)
Capital surplus		35,050,440	28,834,524	6,215,916	21.56
Retained earnings		36,357,506	31,098,687	5,258,819	16.91
Other equity		(2,550,702)	(9,441,535)	6,890,833	72.98
Treasury stock		(1,491,116)	(1,607,259)	116,143	7.23
Equity attributable to owners of the company		96,382,149	77,916,938	18,465,211	23.70
Non-controlling interests		22,270,407	14,567,841	7,702,566	52.87
Total equity		118,652,556	92,484,779	26,167,777	28.29

### 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 property, plant and equipment was mainly due to increase in machinery equipment and construction in process.
- (2) The increase in intangible assets was mainly due to increase in operating concession.
- (3) The decrease in current liabilities, non-current liabilities and total liabilities was mainly due to decrease in trade payables and long-term loans.
- (4) The increase in capital surplus was mainly due to the increase in surplus arising from equity-accounted investees.
- (5) The increase in other equity was mainly due to the increase of exchange differences on translation of financial statements.
- (6) The increase in equity attributable to owners of the Company was mainly due to the increase in net profit, capital surplus and other equity.
- (7) The increase in non-controlling interests was mainly due to the increase of net profit from subsidiaries.
- (8) The increase in total equity was mainly due to the increase in equity attributable to owners of the Company and non-controlling interests.

## 7.2 Analysis of Financial Performance

### 7.2.1 2022 vs. 2021 operating result analysis

Unit : NT\$ thousands

Item	Year	2022	2021	Increasing (decreasing) amount	Change percentage (%)
Cost of sales	914,890,464	810,948,132	103,942,332	12.82	
Gross profit	69,728,692	51,134,716	18,593,976	36.36	
Operating expenses	42,256,548	34,760,078	7,496,470	21.57	
Operating income	27,472,144	16,374,638	11,097,506	67.77	
Non-operating income and expenses	(2,761,230)	2,859,639	(5,620,869)	(196.56)	
Profit before tax	24,710,914	19,234,277	5,476,637	28.47	
Income tax expenses	5,693,367	4,506,466	1,186,901	26.34	
Net profit	19,017,547	14,727,811	4,289,736	29.13	
Other comprehensive income, net of tax	7,756,858	(2,018,306)	9,775,164	484.33	
Total comprehensive income	26,774,405	12,709,505	14,064,900	110.66	
Net profit attributable to owners of the Company	11,162,451	10,468,030	694,421	6.63	
Total comprehensive income attributable to owners of the Company	18,022,661	8,548,311	9,474,350	110.83	

### 7.2.2 Analysis for change item amount change more than 20%

- (1) Increase in gross profit and operating income : The increase was mainly due to the increase of net revenues.
- (2) Increase in operating expenses : The increase was mainly due to the increase of research and development expenses.
- (3) Decrease in non-operating income and expenses : The decrease was mainly due to the increase of interest expenses.
- (4) Increase in profit before tax and net profit: The increase was mainly due to the increase of operating income.
- (5) Increase in income tax expenses: The increase was mainly due to the increase of profit before tax.
- (6) Increase in other comprehensive income, net of tax: The increase was mainly due to the increase of exchange differences on translation of financial statements.
- (7) Increase in total comprehensive income and total comprehensive income attributable to owners of the Company: The increase was mainly due to the increase of operating income and exchange differences on translation of financial statements.

### 7.3 Cash flow

#### Change in consolidated cash flow in 2022:

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
70,154,241	53,440,016	(57,256,941)	66,337,316	-	-

#### 7.3.1 Analysis of cash flow in 2022

- (1) Operating Activities: Cash flow-in mainly due to continuous cash flow generated from operating profitability in 2022.
- (2) Investing Activities: Cash flow-out mainly caused by the increase in fix asset acquisition and other assets-noncurrent.
- (3) Financing Activities: Cash flow-out mainly caused by the repayments of shortterm and long-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, 2022	Status of Actual Use of Capital	
			2021	2022
Acquisition of property, plant and equipment	Cash flow generated from operation	24,105,717	10,496,324	13,609,393

#### 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 2022, the investment income recognized under equity method was NT\$776,334 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	2021 (in thousand NT dollars)	2022 (in thousand NT dollars)
Interest Income	1,306,757	1,989,775
Interest Expense	1,880,091	5,988,155
Exchange loss/gain	1,254,828	405,296

By the end of 2022, the cash and short-term investment balance of the Company totaled about NT\$66.3 billion with short term borrowings about NT\$114 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 98% 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\$ 405 million last year.

There was no major inflation around the world during the 2022 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 scheduled for 2022 have been executed during volume production activities or have been presented to customers for verification following internal testing, in anticipation of potential future use. We are committed to investing in R&D for 2023 in order to meet the demands of our growing business. It is estimated that the R&D expense to revenue ratio will be approximately 2.4% for 2023.

**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 2022, 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. However, in response to the importance of information security and the increasing information security risk, the Company had taken out insurance for information security in order to cover the possible losses associated with information security incidents.

**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 core values 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 have established global operations and strategically located our production services to meet the diverse needs of our customers. In addition to our operations in China, Wistron is committed to expanding our manufacturing capacities in Taiwan, Mexico, India, Malaysia, Vietnam, and the Czech Republic. This approach enables Wistron to leverage the unique strengths of each country, allowing us to provide customized products and services to meet the specific requirements of our customers.

However, it is important to note that establishing new operations will result in increased manufacturing overhead, including the costs associated with purchasing equipment, recruiting staff, and training employees. This may have a negative financial impact if future income is not sufficient to cover the additional expenses. To mitigate this risk, Wistron is committed to upgrading our manufacturing processes, improving product quality, saving resources, and providing better services to our customers. Additionally, we are strengthening our cooperation with customers to increase business opportunities and improve capacity utilization, thereby enhancing our ability to generate revenue and cover the costs of our expanded operations.

**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: 38.36% stock shares are held by foreign investors, 23.24% by domestic institutional investors, 1.82% by treasury shares. They possess around 63.42% 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**

**A. Wistron Corporation**

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 Court ordered a stay of the case in 2017, but has reopened it in October 2022. The Company still cannot assess the possible impact on its financial losses.

**B. Wistron NeWeb Corp. - Wistron's director**

- a. In March 2022, WNC filed a civil lawsuit with the United States District Court for the Southern District of New York against Genesis Networks Telecom Services, LLC (hereinafter referred to as "Genesis") and its affiliated company GNET, asking for repayment of accounts payable and interest as well as any legal expenses pertaining to the lawsuit. At present, legal proceedings between both parties are ongoing, and WNC is currently evaluating the possibility of a settlement.
- b. Alacritech filed a lawsuit against Wistron Corporation with the United States District Court for the Eastern District of Texas in June 2016. The alleged infringing products were servers, network cards, and other related products. Trial proceedings were suspended in 2017 and were restarted in October 2022. Therefore, as of now, Wistron Corporation is still unable to estimate the amount of damages or the impact on its finances.

**C. Wiwynn Corporation – Wistron's subsidiary**

- a. Alacritech Inc. filed a patent infringement complaint against the Company in the United States District Court-East District of Texas in June 2016. The Company had appointed an attorney to deal with the matter. The US Patent trial and Appeal Board had finish reviewed, the court ruled to reopen the litigation, both parties will discuss the schedule after reopening the litigation.
- b. Acqis LLC. filed a patent infringement complaint against the Company in the United States District Court-West District of Texas in October 2020. The Company had appointed an attorney to deal with the matter, with the case is still pending in the court.

**7.6.13 Information Security**

**A. Information Security Policy**

In implementing ISO 27001 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 2022.

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**

**A. Transition Risks - Difficulty in acquiring renewable energy in regional markets**

Renewable energy has a strong and steadily growing demand, as various industries actively adopt renewable energy to replace traditional fossil fuels in order to realize the vision of a low-carbon economy, in response to the accelerating global energy transition trend and the increasing importance of sustainability issues. However, on the supply side, the development of renewable energy is constrained by various economic, geopolitical, and technological limitations, making it increasingly challenging to obtain renewable energy for a company on the global market to meet sustainable transformation needs and cost considerations in the present and foreseeable future.

Based on a comprehensive assessment of the risk nature of “renewable energy shortage”, it possesses characteristics of long-term, emerging, significant and specific impacts, as well as externalities, as further explained below.

From a timeline perspective, the scarcity of renewable energy has gradually affected various industries in recent years under the stimulation of multiple factors such as policies and markets, and can be expected to profoundly impact the global technology product manufacturing industry, including Wistron, which has a global presence and export orientation, with the trend of global low-carbon transformation and net-zero carbon emissions over the next decade or more.

Wistron has numerous manufacturing and service sites worldwide, but due to factors such as geopolitical and economic influences, the maturity of renewable energy markets varies among countries globally, and may face challenges such as a lack of regulations, high costs, and insufficient quality and quantity of supply in regional markets. It can be expected that future demand will grow rapidly, making it more difficult to achieve appropriate supply and demand matching under reasonable cost. Under the premise of limited supply, for companies that are actively purchasing renewable energy to achieve low-carbon transformation goals, market/ customer requirements, and regulatory compliance, the risk of not being able to meet customer/market demands due to inadequate procurement may lead to reduced orders, missed business opportunities, etc. Alternatively, there may be risks such as reduced profits and increased operating costs due to rising energy procurement expenses.

Due to market factors, many of Wistron’s brand customers in the ICT industry have gradually demanded that the energy used in the manufacturing process come from renewable sources. Therefore, the ability to obtain a sufficient and reasonably priced supply of renewable energy will directly impact market competitiveness. Thus, obtaining renewable energy is equivalent to obtaining operational strategic resources, and Wistron views it as a key aspect of its global operational strategy.

In terms of regulatory and policy factors, various international organizations and governments have been promoting carbon taxes/fees and related regulations. For example, the European Union’s Carbon Border Adjustment Mechanism (CBAM) and the United States’ Clean Competition Act. Taiwan is also expected to start levying carbon fees in 2024 in response to climate change legislation. As a global ICT product manufacturer and service provider, it is crucial for Wistron that its products can be exported to various countries in compliance with regulations. The future promotion of carbon tariff-related mechanisms by various countries will have a profound impact on Wistron’s business model and operational strategy, and this risk is specific in nature. For Wistron, carbon emissions will officially become a part of its costs in the next few years. If it cannot purchase a sufficient supply of green energy, it will be unable to effectively reduce its carbon emissions, and it will also face the risk of being charged high carbon fees/taxes, which will reduce profits and impact the overall market competitiveness of the company.

The actual financial impact of the risk will fluctuate at any time due to regional market prices, regulatory changes, and customer demand. However, it can be expected that if the risk cannot be effectively mitigated, a shortage of renewable energy may result in the loss of market opportunities, leading to a decline in overall revenue. The impact of carbon taxes/fees resulting from regulations

may also cause operating costs to rise and impact the company’s profit performance. Therefore, for Wistron, considering the above factors, this risk has a significant impact.

In terms of risk management, Wistron has implemented various actions to deepen its management of renewable energy and related carbon risks, in conjunction with its enterprise risk management (ERM) program. This includes organizational and routine monitoring as well as specific response measures. Wistron has responded to the Science-based Targets initiative (SBTi) by committing to an annual reduction of 4.2% of carbon emissions (Scope 1+2) and publicly disclosing its progress and achievement status every year. As a formal supporter of the Task Force on Climate-related Financial Disclosures (TCFD), Wistron identifies climate risks and opportunities according to the TCFD framework, and uses this information to establish comprehensive response strategies and performance targets. Relevant information is also publicly disclosed to deepen communication on climate issues with stakeholders. Wistron assesses various potential transition risks and conducts scenario analyses for renewable energy and carbon pricing issues to understand the exposure level of the company in the future market development, and to formulate corresponding strategies. Wistron has also quantified the financial impact of future carbon pricing/taxation under three scenarios. In order to increase the use of renewable energy, Wistron has set short, medium, and long-term performance targets for routine management and public disclosure. In addition to improving energy efficiency at all global sites and installing rooftop solar power systems in accordance with the maximization principle, Wistron proactively purchases renewable energy certificates (RECs) and signs power purchase agreements (PPAs) in the global market. It also evaluates the feasibility of various green energy investments and introduces the tool of marginal abatement cost curve (MACC), analyzing the investment cost-effectiveness and potential of various carbon reduction plans. Wistron hopes to achieve its long-term vision of low-carbon manufacturing and sustainable business by using a variety of renewable energy sources to diversify risk, reduce costs, and gradually increase the proportion of renewable energy use to 100% in the future.

## B. Cost of living

In 2022, the global economy experienced instability due to the COVID-19 pandemic and the Ukraine-Russia conflict, leading to a continuous increase in inflationary pressures. This situation poses risks to the global economy, prompting central banks worldwide to accelerate the pace and scale of tightening monetary supply to curb inflation. As a result, the cost of living for households has risen, leading to reduced non-essential spending and a decrease in market purchasing power. Additionally, the increased cost of living has exposed businesses to the risk of rising raw material and labor costs which raises production costs and impacts corporate profits.

Wistron has taken proactive measures to address the risks posed by the unstable global economy. Firstly, the company is diversifying into the non-consumer electronics product sector to mitigate the impact of reduced market purchasing power. Additionally, Wistron is implementing stricter cost control measures and optimizing capital utilization plans. Through effective risk control and hedging strategies, Wistron aims to minimize risk exposure and protect profitability within a reasonable risk management framework.

### C. Geopolitical

In recent years, mainland China has been taking various measures to destabilize the peace of the Taiwan Strait, including aircraft interference, frequent military exercises, economic sanctions, and diplomatic actions. All of these actions have increased operational costs for businesses. In the short term, local aircraft and ships may need to take longer routes to avoid exercise areas, which can result in both increased time and costs in the supply chain. In the longer term, if cross-strait tensions continue to escalate and lead to an economic blockade or war, the result could be a severe impact on the global economy, particularly on the global technology supply chain.

In response to the rapidly changing geopolitical landscape, Wistron has adopted a proactive globalization strategy to mitigate risks by establishing a comprehensive global footprint. In addition to Taiwan and mainland China, Wistron has major overseas production sites in Vietnam and Malaysia in Southeast Asia, India in South Asia, the Czech Republic in Eastern Europe, and Mexico in North America. Wistron will continue to monitor the impact of internal and external factors and make necessary capacity adjustments based on customer demand, while also enhancing its automation capabilities.

Moreover, we have formulated a contingency plan for our headquarters' operations, covering order management, material preparation, production, IT systems, cash flow, logistics, and personnel transfer, among others. We have also reached a consensus on the plan with our major customers and suppliers to ensure that our company can maintain a certain level of operations during emergency situations. Going forward, we will closely monitor the development of cross-strait relations and adjust our strategies accordingly, to ensure the continuity and stability of our company's operations.

**7.6.15 Other Risks:** None.

**7.7 Other important matters:** None.

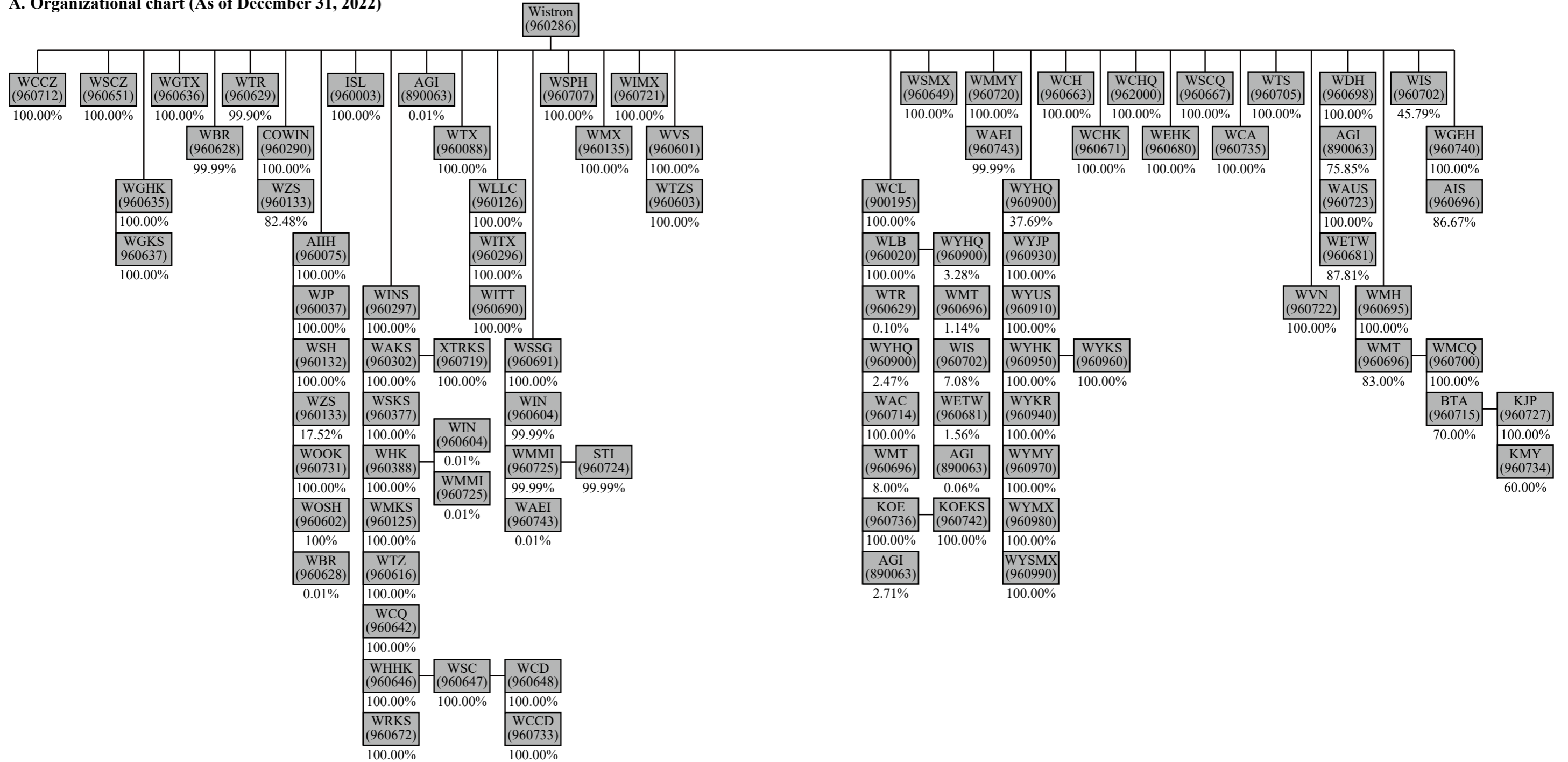
## 8. Special Disclosure

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### 8.1 Summary of Affiliated Companies

#### 8.1.1 Consolidated business report

##### A. Organizational chart (As of December 31, 2022)



## B. Backgrounds of affiliated enterprises

As of December 31, 2022

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	29,016,020,500	1.0000	Research, development, manufacturing and sale of computer and information products
1	890063	AGI	WiAdvance Technology Corporation	1994.04.25	Taiwan	NTD	185,160,000	1.0000	Cloud software solution integrator
2	900195	WCL	Wise Cap Limited Company	1999.11.05	Taiwan	NTD	6,001,200,000	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 testing
4	960088	WTX	SMS Infocomm Corporation	1997.12.04	U.S.A.	USD	11,500,000	30.7080	Sales and maintenance service center in Northern America
5	960290	COWIN	Cowin Worldwide Corporation	2001.09.07	B.V.I.	USD	213,893,915	30.7080	Investment and holding
6	960075	AIH	AII Holding Corporation	1994.12.21	B.V.I.	USD	437,485,701	30.7080	Investment and holding
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	1995.05.19	Philippines	USD	3,419,437	30.7080	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	30.7080	Server and consumer electronics product manufacturing
9	960297	WINS	Win Smart Co., Ltd.	2001.09.07	B.V.I.	USD	44,565,492	30.7080	Investment and holding
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	1997.10.28	China	USD	234,000,000	30.7080	Manufacture and sales of information technology products
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	2001.09.27	China	USD	32,000,000	30.7080	Manufacture and sales of information technology products
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	1997.11.04	China	RMB	8,283,779	4.4200	Research, development, design, testing and sales of computers software
13	960037	WJP	Wistron K.K.	1993.12.16	Japan	JPY	90,000,000	0.2307	Sales and maintenance service center
14	960377	WSKS	Wistron Service (Kunshan) Corp.	2004.07.23	China	USD	360,000	30.7080	Sales and maintenance service center in Asia
15	960388	WHK	Wistron Hong Kong Limited	2005.05.07	Hong Kong	HKD	6,000,000	3.9382	Sales and maintenance service center
16	960731	WOOK	Wistron Optronics (Kunshan) Co., Ltd.	2006.01.27	China	USD	117,084,905	30.7080	Production of communication products and components
17	960020	WLB	LE BEN Investment Ltd.	2006.09.26	Taiwan	NTD	891,420,000	1.0000	Investment consultant and business management consultant
18	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	2007.01.03	Czech	USD	5,822,040	30.7080	Electronic product manufacturing
19	960296	WITX	Wistron InfoComm Technology (America) corporation	2007.08.21	U.S.A.	USD	49,500,000	30.7080	Sales of electronic information products
20	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	2008.01.25	Singapore	USD	157,489,410	30.7080	Sales and maintenance service center
21	960126	WLLC	Wistron LLC	2003.06.26	U.S.A.	USD	89,360,000	30.7080	Investment and holding
22	960125	WMKS	SMS (Kunshan) Co., Ltd	2008.03.13	China	RMB	173,809,000	4.4200	Sales and maintenance service center in Mainland China
23	960601	WVS	WisVision Corporation	2008.06.03	B.V.I.	USD	9,150,000	30.7080	Investment and holding
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	2008.07.11	China	RMB	27,641,180	4.4200	Sales of communication products and components
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	2008.09.26	India	INR	143,436,020	0.3722	Sales and maintenance service center

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
26	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	2008.11.07	China	RMB	13,670,560	4.4200	Human resource services and sales of LCD Monitor
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	2009.08.24	China	USD	160,000,000	30.7080	Manufacture and sales of LCD monitor and touch display module
28	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	2010.08.13	Brazil	BRL	37,247,500	5.8066	Sales and maintenance service center
29	960629	WTR	SMS InfoComm Technology Services Limited Company	2010.08.18	Turkey	TRY	2,200,000	1.6399	Sales and maintenance service center
30	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	2010.07.27	Hong Kong	USD	33,500,000	30.7080	Investment and holding
31	960636	WGTX	Wistron GreenTech (Texas) Corporation	2010.08.25	U.S.A.	USD	13,005,000	30.7080	Recycling service of information technology products
32	960637	WGKS	Wistron Advanced Materials (Kunshan) Co., Ltd.	2010.11.30	China	USD	32,000,000	30.7080	Research and development, manufacturing, and sales of electronic regeneration ecofriendly plastic goods
33	960720	WMMY	Wistron Technology (Malaysia) Sdn.Bhd.	2011.03.22	Malaysia	USD	64,244,648	30.7080	Consumer electronic product manufacturing
34	960646	WHHK	Wistron Hong Kong Holding Limited	2011.05.05	Hong Kong	USD	82,150,000	30.7080	Investment and holding
35	960642	WCQ	Wistron InfoComm (Chongqing) Co.Ltd.	2011.04.28	China	USD	19,800,000	30.7080	Assembly and manufacturing and sales of Notebook computer
36	960649	WSMX	Service Management Solutions Mexico SA DE CV	2011.07.05	Mexico	MXN	36,429,340	1.5750	Sales and maintenance service center
37	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	2011.11.24	Czech	CZK	242,200,000	1.3519	Sales and maintenance service center
38	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2011.07.11	China	USD	83,500,000	30.7080	Investment and holding
39	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2011.08.05	China	USD	80,000,000	30.7080	Assembly and manufacturing and sales of Notebook computer
40	960900	WYHQ	Wiwynn Corporation	2012.03.03	Taiwan	NTD	1,748,407,910	1.0000	Research and development, sales and service of information products
41	960663	WCH	Wistron Mobile Solutions Corporation	2012.12.14	U.S.A.	USD	20,000,000	30.7080	Investment and rental
42	960930	WYJP	Wiwynn Technology Service Japan , Inc.	2013.03.01	Japan	JPY	20,000,000	0.2307	Sale of cloud data center products
43	960910	WYUS	Wiwynn International Corporation	2013.02.11	U.S.A.	USD	5,690,100	30.7080	Sale of cloud data center products
44	960671	WCHK	WiseCap (Hong Kong) Limited	2013.08.16	Hong Kong	USD	7,512,894	30.7080	Investment and holding
45	962000	WCHQ	Anwith Technology Corporation	2013.09.11	Taiwan	NTD	10,000,000	1.0000	Sales and maintenance of computer products and electronic information products
46	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	2013.11.22	China	USD	2,000,000	30.7080	Research and development and design of electronic calculator and other electronic products
47	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	2013.09.11	Hong Kong	USD	400,000	30.7080	Investing activities and sales of cloud data center equipment
48	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	2014.02.12	China	RMB	2,156,350	4.4200	Sales of cloud data center equipment
49	960680	WEHK	WiEdu Hong Kong Limited	2014.07.21	Hong Kong	USD	15,140,200	30.7080	Investment and holding
50	960681	WETW	WIEDU CORPORATION	2014.11.14	Taiwan	NTD	105,000,000	1.0000	Online and offline hybrid learning education service provider



No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
51	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	2015.09.17	U.S.A.	USD	39,510,000	30.7080	Sales of electronic information products
52	960695	WMH	Wistron Medical Tech Holding Company	2016.04.19	Taiwan	NTD	2,800,000,000	1.0000	Investment and holding
53	960698	WDH	Wistron Digital Technology Holding Company	2016.04.12	Taiwan	NTD	2,050,560,000	1.0000	Investment and holding
54	960940	WYKR	Wiwynn Korea Ltd.	2016.05.03	Korea	KRW	100,000,000	0.0243	Sale of cloud data center products
55	960696	WMT	Wistron Medical Technology Corporation	2016.08.01	Taiwan	NTD	500,000,000	1.0000	Manufacturing of medical instruments
56	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	2016.09.14	China	RMB	20,323,200	4.4200	Production of medical equipment
57	960667	WSCQ	SMS InfoComm(Chongqing) Co.,Ltd.	2016.10.19	China	USD	4,000,000	30.7080	Sales and distribution of computer products and components
58	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	2017.07.13	Malaysia	MYR	336,764,200	6.9680	Sale of cloud data center products
59	960705	WTS	Wistron Technology Service (America) Corporation	2017.08.30	U.S.A.	USD	350,000	30.7080	Sales development and customer service
60	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	2018.02.18	India	USD	100,000,015	30.7080	Manufacturing of information and communication products
61	960714	WAC	Abilliant Corporation	2018.11.14	Taiwan	NTD	16,000,000	1.0000	Manufacturing, wholesale and retail of electronic related products
62	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	2019.02.14	Mexico	MXN	769,674,560	1.5750	Human resource service provision and manufacturing of cloud data center equipment
63	960715	BTA	B Temia Asia Pte Ltd.	2019.04.02	Singapore	USD	11,200,000	30.7080	Sales of medical instruments
64	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd.	2019.10.29	China	RMB	50,000,000	4.4200	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telematics
65	960723	WAUS	Wistron AiEDGE Corporation	2020.02.18	U.S.A.	USD	6,270,000	30.7080	Edge computing technics development
66	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	2020.03.01	Mexico	USD	7,008,663	30.7080	Real property rental and management
67	960727	KJP	Keeogo Japan K.K.	2020.05.28	Japan	JPY	92,825,000	0.2307	Exoskeleton product device
68	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	2020.06.03	Vietnam	USD	45,000,000	30.7080	Assembly and sales of Notebook and LCD monitor
69	960724	STI	Smartiply India Private Limited	2020.10.13	India	INR	18,785,100	0.3722	Development of internet platform and Internet of things related products
70	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	2020.11.14	Taiwan	NTD	390,875,000	1.0000	Research and development, sales and service of network communication products
71	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	2021.04.02	China	USD	1,000,000	30.7080	Assembly and manufacturing and sales of Notebook computer
72	960735	WCA	WiSuccess Asset Management Corporation	2021.08.10	Taiwan	NTD	1,700,000,000	1.0000	Real property rental and management
73	960734	KMY	KEEOGO MALAYSIA SDN. BHD.	2021.04.08	Malaysia	MYR	3,700,000	6.9680	Exoskeleton product device
74	960736	KOE	KAOSIUNG OPTO-ELECTRONICS INC.	2021.12.01	Taiwan	NTD	887,830,000	1.0000	Manufacturing, and sales of automotive electronics and electronic related products
75	960740	WGEH	Wistron Green Energy Holding Company	2022.06.07	Taiwan	NTD	280,000,000	1.0000	Investment and holding
76	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	2022.05.06	Mexico	MXN	40,443,600	1.5750	Sales of cloud data center equipment



No.	Code	Brief Name	Name of Company	Established Date		Location	Currency	Paid in Capital	Rate	Main Business or Products
77	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	2022.07.01		India	INR	38,500,000	0.3722	Manufacturing, research and development, and design of automotive electronics and electronic related products
78	960742	KOEKS	Kaohsiung Opto Electronics (Kunshan) Co., Ltd.	2022.06.28		China	USD	300,000	30.7080	Manufacturing and sales of automotive electronics and electronic related products
79	960746	AIS	AiSails Power Inc.	2022.11.23		Taiwan	NTD	75,000,000	1.000	Self-usage power generation equipment utilizing renewable energy industry

**C. Common Shareholders among Controlling and Controlled Entities: N/A**

**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, therapeutic equipment, intelligent assistive device, diagnostic x-ray equipment, 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**

As of December 31, 2022

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 Digital Technology Holding Company Legal Representative:	14,510,977	78.63
				Director	Robert Hwang Michael Hsia Chunghwa Telecom Co., Ltd Legal Representative: Chung, Ming		
				Supervisor	Stone Shih		
2	900195	WCL	Wise Cap Limited Company	Director	Wistron Corporation Legal Representative:	NT\$6,001,200,000	100.00
					Frank F.C. Lin Stone Shih Donald Hwang		
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	Director	Wistron Corporation Legal Representative:	2,434,462	100.00
				Supervisor	Robert CL Lin Felix Lai York Liang Wistron Corporation Legal Representative: Fred Chiu		
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	213,893,915	100.00
6	960075	AIH	AII Holding Corporation	Director	Jeff Lin David Shen Stone Shih	437,485,702	100.00
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	Director	Robert Hwang Ya-Ling Hsu Peter Tung Teddy TL Liu Climie Mao	139,567,270	100.00
8	960135	WMX	Wistron Mexico S.A. de C.V.	Director	Jeff Lin William Lin Jackie Lai	160,043,715	100.00
9	960297	WINS	Win Smart Co., Ltd.	Director	Robert Hwang Jeff Lin David Shen	44,565,492	100.00
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	Director	Jeff Lin Robert CL Lin Jackie Lai	US\$234,000,000	100.00
				Supervisor	Fred Chiu		
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	Director	David Shen Howard Liu Larry Huang	US\$32,000,000	100.00
				Supervisor	Lydia Liang		
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	Director	Robert Hwang	US\$1,000,000	100.00
				Supervisor	Stone Shih		
13	960037	WJP	Wistron K.K.	Director	Andy TC Kuo Jeff Lin Peter Tung	JPY\$90,000,000	100.00
				Supervisor	Fred Chiu		
14	960377	WSKS	Wistron Service (Kunshan) Corp.	Director	Jeff Lin Peter Tung Jack CB Chen	US\$360,000	100.00
				Supervisor	Fred Chiu		
15	960388	WHK	Wistron Hong Kong Limited	Director	Jeff Lin	6,000,000	100.00
16	960731	WOOK	Wistron Optronics (Kunshan) Co., Ltd.	Director	David Shen Vincent Cho Mark HH Huang	US\$117,084,905	100.00
				Supervisor	Lydia Liang		
17	960020	WLB	LE BEN Investment Ltd.	Director	Wise Cap Limited Company Legal Representative: Frank F.C. Lin Stone Shih Donald Hwang	NT\$891,420,000	100.00
18	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	Director	Eric Lin	NT\$121,527,451	100.00
19	960296	WITX	Wistron InfoComm Technology (America) corporation	Director	Jeff Lin Jackie Lai Stone Shih	4,950,000	100.00
20	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	Director	Peter Tung Eileen Chan	157,489,410	100.00

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
21	960126	WLLC	Wistron LLC	Director	Stone Shih	8,936,000	100.00
22	960125	WMKS	SMS (Kunshan) Co., Ltd	Director Supervisor	Jeff Lin Peter Tung Karl Chang Fred Chiu	US\$27,000,000	100.00
23	960601	WVS	WisVision Corporation	Director	David Shen Jeff Lin Jackie Lai	9,150,000	100.00
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	Director Supervisor	David Shen Lydia Liang	US\$4,300,000	100.00
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	Director	Jeff Lin Peter Tung Daniel CN Chen Juo-Ching, Lu	14,343,602	100.00
26	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	Director Supervisor	Jeff Lin David Shen Jackie Lai Lydia Liang	US\$2,000,000	100.00
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	Director Supervisor	David Shen Vincent Cho Mark HH Huang Lydia Liang	US\$160,000,000	100.00
28	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	Director	Corey Chen	BRL\$37,247,500	100.00
29	960629	WTR	SMS InfoComm Technology Services Limited Company	Director	Kevin IK Kao	TRY\$2,200,000	100.00
30	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	Director	David Shen	33,500,000	100.00
31	960636	WGTX	Wistron GreenTech (Texas) Corporation	Director	Jeff Lin Peter Tung Jerry NT Wang	13,005	100.00
32	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	Director Supervisor	David Shen Vincent Cho Steven SH Huang Lydia Liang	US\$32,000,000	100.00
33	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	Director	David Shen Eric YH Huang Howard Liu	267,425,000	100.00
34	960646	WHHK	Wistron Hong Kong Holding Limited	Director	Jeff Lin	82,150,000	100.00
35	960642	WCQ	Wistron InfoComm (Chongqing) Co. Ltd.	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$19,800,000	100.00
36	960649	WSMX	Service Management Solutions Mexico SA DE CV	Director	Jeff Lin Peter Tung Corey Chen	36,429,340	100.00
37	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	Director	Eric Hsiao	CZK\$242,200,000	100.00
38	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$83,500,000	100.00
39	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$80,000,000	100.00
40	960900	WYHQ	Wiwynn Corporation	Director  Director Independent director	Wistron Corporation Legal Representative: Simon Lin Frank F.C. Lin Emily Hong Sunlai Chang Steven Lu Charles Kao Zeng, Chui-Ji Han, Jing-Shi Zheng, Zhong-Ren	79,954,569	43.44
41	960663	WCH	Wistron Mobile Solutions Corporation	Director	Donald Hwang Brian Chong Eric YH Huang	20,000	100.00
42	960930	WYJP	Wiwynn Technology Service Japan , Inc.	Director	Sunlai Chang Steven Lu	174	43.44
43	960910	WYUS	Wiwynn International Corporation	Director	Emily Hong Robin Wang Hsu, Ruei-Chang	247,177,944	43.44
44	960671	WCHK	WiseCap (Hong Kong) Limited	Director	Frank F.C. Lin Jeff Lin Stone Shih	58,445,950	100.00
45	962000	WCHQ	Anwith Technology Corporation	Director  Supervisor	Wistron Corporation Legal Representative: Jeff Lin Peter Tung Ted Chiu Wistron Corporation Legal Representative: Fred Chiu	1,000,000	100.00

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
46	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	Director	David Shen Eric YH Huang Howard Liu	US\$2,000,000	100.00
				Supervisor	Lydia Liang		
47	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	Director	Sunlai Chang Steven Lu	163,760	43.44
48	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	Director	Emily Hong	US\$152,040	43.44
				Supervisor	Harry Chen		
49	960680	WEHK	WiEdu Hong Kong Limited	Director	Robert Hwang Charles Hsu	16,426,000	100.00
50	960681	WETW	WIEDU CORPORATION	Director	Wistron Digital Technology Holding Company Legal Representative: Robert Hwang David Shen Charles Hsu	9,384,000	89.37
				Supervisor	Stone Shih		
51	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	Director	Jeff Lin Stone Shih Jackie Lai	3,951,000	100.00
52	960695	WMH	Wistron Medical Tech Holding Company	Director	Wistron Corporation Legal Representative: Donald Hwang Frank F.C. Lin Gem Hsieh	280,000,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Stone Shih		
53	960698	WDH	Wistron Digital Technology Holding Company	Director	Wistron Corporation Legal Representative: Robert Hwang Frank F.C. Lin David Shen	205,056,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Stone Shih		
54	960940	WYKR	Wiwynn Korea Ltd.	Director	Steven Lu	8,688	43.44
55	960696	WMT	Wistron Medical Technology Corporation	Director	Wistron Medical Tech Holding Company Legal Representative: Donald Hwang Frank F.C. Lin Gem Hsieh	46,070,000	92.14
				Supervisor	Wise Cap Limited Company Legal Representative: Stone Shih		
56	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	Director	Robert Hwang Gem Hsieh C.K. Lin	US\$2,764,200	92.14
				Supervisor	Lydia Liang		
57	960667	WSCQ	SMS InfoComm(Chongqing) Co.,Ltd.	Director	Jeff Lin Peter Tung Audy Yeh	US\$4,000,000	100.00
				Supervisor	Fred Chiu		
58	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	Director	Joe Chiao Robin Wang Liu,Yung-Hsing	146,290,368	43.44
59	960705	WTS	Wistron Technology Service (America) Corporation	Director	William Lin	35,000	100.00
60	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	Director	David Shen Lydia Liang Hank Hsu Sudipto Gupta Mukul Mishra	710,507,000	100.00
61	960714	WAC	Abilliant Corporation	Director	Wise Cap Limited Company Legal Representative: Donald Hwang James C.C. Yu Jeff Lee	1,600,000	100.00
				Supervisor	Wise Cap Limited Company Legal Representative: Stone Shih		
62	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	Director	Emily Hong Robin Wang	MXN\$334,346,629	48.08
63	960715	BTA	B Temia Asia Pte Ltd	Director	Frank F.C. Lin Chan May Yoke	10,319,680	92.14

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
64	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	Director Supervisor	David Shen Allen Shieh Larry Huang Lydia Liang	RMB\$50,000,000	100.00
65	960723	WAUS	Wistron AiEDGE Corporation	Director	David Shen	627,000	100.00
66	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	Director	Jeff Lin William Lin Jackie Lai	13,340,990,012	100.00
67	960727	KJP	Keeogo Japan K.K.	Director Supervisor	Gem Hsieh Andy TC Kuo Brian Chong Fred Chiu	JPY\$171,057,910	92.14
68	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	Director	Jeff Lin Robert CL Lin James S. Tsai	US\$45,000,000	100.00
69	960724	STI	Smartiply India Private Limited	Director	Sudipto Gupta	1,878,410	99.99
70	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	Director  Director  Supervisor	Wistron Corporation Legal Representative: David Shen Howard Liu Ibase Technology Inc. Legal Representative: Lin, Chiu-Hsu Hsu, Wu-Chun Darwin Precisions Corporation Legal Representative: Tsai, Kuo-Hsin Lydia Liang Chen, Shih-Hsiung	20,656,000	52.87
71	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	Director Supervisor	Jeff Lin Robert CL Lin Jackie Lai Fred Chiu	US\$1,000,000	100.00
72	960735	WCA	WiSuccess Asset Management Corporation	Director Supervisor	Wistron Corporation Legal Representative: Frank F.C. Lin Jeff Lin Jackie Lai Wistron Corporation Legal Representative: Stone Shih	170,000,000	100.00
73	960734	KMY	KEEOGO MALAYSIA SDN. BHD.	Director	Jimmy TM Chang Donald Hwang Yee, King-Hwa	2,045,360	55.28
74	960736	KOE	KAOHSIUNG OPTO-ELECTRONICS INC.	Director Supervisor	Wise Cap Limited Company Legal Representative: David Shen Vincent Cho Mark HH Huang Wise Cap Limited Company Legal Representative: Stone Shih	8,878,300	100.00
75	960740	WGEH	Wistron Green Energy Holding Company	Director Supervisor	Wistron Corporation Legal Representative: Simon Lin Frank F.C. Lin Donald Hwang Wistron Corporation Legal Representative: Sylvia Chiou	28,000,000	100.00
76	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	Director	Sunlai Chang Robin Wang Hsu, Ruei-Chang	MXN\$17,568,700	43.44
77	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	Director	David Shen Allen Shieh Sudipto Gupta	3,850,000	100.00
78	960742	KOEKS	Kaohsiung Opto Electronics (Kunshan) Co., Ltd.	Director Supervisor	David Shen Vincent Cho Mark HH Huang Lydia Liang	US\$300,000	100.00
79	960746	AIS	AiSails Power Inc.	Director  Director Supervisor	Wistron Green Energy Holding Company Legal Representative: Donald Hwang Sylvia Chiou Hung Rouan Investment Corp. Legal Representative: Stan Shih Lydia Liang	6,500,000	86.67



## F. Performance of affiliated enterprises:

As of December 31, 2022

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	29,016,021	361,747,659	265,365,510	96,382,149	686,828,694	5,879,652	11,162,451	4.01
1	890063	AGI	WiAdvance Technology Corporation	185,160	493,531	260,882	232,649	1,422,791	(120,241)	(103,283)	(5.62)
2	900195	WCL	Wise Cap Limited Company	6,001,200	7,944,616	26,257	7,918,359	0	(3,199)	1,433,246	NA
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	24,345	207,611	82,798	124,813	201,925	42,756	33,684	13.84
4	960088	WTX	SMS Infocomm Corporation	353,142	4,708,776	2,700,467	2,008,309	5,084,809	79,174	37,391	7.98
5	960290	COWIN	Cowin Worldwide Corporation	6,568,254	16,499,019	0	16,499,019	0	(110)	(1,166,089)	(5.83)
6	960075	AIH	All Holding Corporation	13,434,311	7,978,212	45,634	7,932,578	0	(974)	(400,417)	NA
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	105,004	599,823	573,172	26,651	319,138	3,321	(4,631)	NA
8	960135	WMX	Wistron Mexico S.A. de C.V.	1,790,010	3,179,406	933,870	2,245,536	3,156,733	1,128,108	1,026,825	NA
9	960297	WINS	Win Smart Co., Ltd.	1,368,517	21,168,469	0	21,168,469	0	(142)	(1,952,949)	(45.14)
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	7,185,672	58,736,914	38,801,584	19,935,330	161,828,274	687,144	(1,413,662)	NA
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	982,656	17,745,929	7,375,786	10,370,143	19,582,105	72,202	(1,037,546)	NA
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	36,614	93,754	46,128	47,626	73,219	624	409	NA
13	960037	WJP	Wistron K.K.	20,763	1,833,647	1,542,622	291,025	2,532,384	79,215	33,008	3,730.61
14	960377	WSKS	Wistron Service (Kunshan) Corp.	11,055	1,837,815	1,048,476	789,339	4,684,290	71,077	(49,953)	NA
15	960388	WHK	Wistron Hong Kong Limited	23,629	32,380	4,190	28,190	37,510	1,211	2,256	0.09
16	960731	WOOK	Wistron Optronics (Kunshan) Co., Ltd.	3,595,443	5,820,873	2,099,069	3,721,804	14,626,788	(13,005)	(170,416)	NA
17	960020	WLB	LE BEN Investment Ltd.	891,420	1,650,107	3,119	1,646,988	0	(146)	455,636	NA
18	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	178,783	4,083,055	1,572,222	2,510,833	671,220	(30,371)	23,164	NA
19	960296	WITX	Wistron InfoComm Technology (America) corporation	1,520,046	34,849,479	32,487,683	2,361,796	52,114,241	142,164	100,089	20.88
20	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	4,836,185	7,796,300	5,477,006	2,319,294	3,453,665	87,271	215,210	1.54
21	960126	WLLC	Wistron LLC	2,744,067	3,602,445	2,764	3,599,681	0	(1,086)	102,863	12.19
22	960125	WMKS	SMS (Kunshan) Co., Ltd	768,236	2,656,417	623,384	2,033,033	2,393,603	111,767	105,365	NA
23	960601	WVS	WisVision Corporation	280,978	884,700	0	884,700	0	(121)	109,728	12.34
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	122,174	268,047	187,726	80,321	647,689	13,553	3,081	NA
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	53,387	1,549,954	316,367	1,233,587	724,408	222,816	219,467	15.00
26	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	60,424	1,978,367	1,095,556	882,811	3,928,175	128,933	111,086	NA
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	4,913,280	3,062,797	8,618,526	(5,555,729)	6,541,698	(578,936)	(6,165)	NA
28	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	216,281	2,279,113	1,672,301	606,812	2,523,959	292,984	214,201	NA
29	960629	WTR	SMS InfoComm Technology Services Limited Company	3,608	89,407	9,188	80,219	30,358	5,346	25,724	1,065.84
30	960635	WGHK	Wistron Advanced Materials (Hong Kong) Limited	1,028,718	22,726	34	22,692	0	(62)	(27,160)	(0.92)
31	960636	WGTX	Wistron GreenTech (Texas) Corporation	399,358	679,117	563,729	115,388	387,846	(34,041)	(43,566)	(3,447.89)
32	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	982,656	762,627	750,806	11,821	757,530	(17,454)	(27,098)	NA
33	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	1,972,825	26,013,867	20,360,349	5,653,518	94,910,550	1,284,388	(707,156)	NA
34	960646	WHHK	Wistron Hong Kong Holding Limited	2,522,662	8,050,608	0	8,050,608	0	(1,176)	(146,385)	(1.84)
35	960642	WCQ	Wistron InfoComm (Chongqing) Co., Ltd.	608,018	47,281,240	42,075,627	5,205,613	117,325,792	445,584	(503,844)	NA
36	960649	WSMX	Service Management Solutions Mexico SA DE CV	57,376	266,716	439,566	(172,850)	361,019	17,465	9,691	0.28
37	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	327,430	2,755,477	2,084,106	671,371	4,420,402	129,648	86,265	NA
38	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2,564,118	8,045,321	103	8,045,218	0	(22)	(145,223)	NA

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)
39	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2,456,640	61,254,204	53,302,435	7,951,769	232,193,430	910,480	(147,429)	NA
40	960900	WYHQ	Wiwynn Corporation	1,748,408	72,514,279	33,727,273	38,787,006	101,426,047	16,444,795	14,174,709	81.07
41	960663	WCH	Wistron Mobile Solutions Corporation	614,160	484,742	12,285	472,457	537	(16,629)	(8,357)	(429.91)
42	960930	WYJP	Wiwynn Technology Service Japan, Inc.	4,614	1,254,041	968,876	285,165	3,571,425	134,776	101,257	257,496.37
43	960910	WYUS	Wiwynn International Corporation	174,732	55,806,413	37,670,179	18,136,234	236,144,663	879,146	196,920	0.31
44	960671	WCHK	WiseCap (Hong Kong) Limited	230,706	996,158	0	996,158	0	(3,343)	43,507	3.38
45	962000	WCHQ	Anwith Technology Corporation	10,000	60,972	35,771	25,201	157,510	209	2,115	2.12
46	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	61,416	97,263	138,791	(41,528)	166,225	(156,570)	(163,357)	NA
47	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	12,283	583,201	319,413	263,788	1,081,528	32,329	39,554	101.64
48	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	9,531	267,007	160,313	106,694	471,225	16,070	12,696	NA
49	960680	WEHK	WiEdu Hong Kong Limited	464,925	3,197	50,821	(47,624)	0	(115)	(2,352)	(0.15)
50	960681	WETW	WIEDU CORPORATION	105,000	100,177	196,818	(96,642)	157,581	(61,509)	(62,134)	(5.92)
51	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	1,213,273	2,229,153	1,018,881	1,210,272	358,680	17,080	3,860	1.01
52	960695	WMH	Wistron Medical Tech Holding Company	2,800,000	1,901,808	1,846	1,899,962	0	(517)	(57,919)	(0.21)
53	960698	WDH	Wistron Digital Technology Holding Company	2,050,560	2,151,845	631	2,151,214	30	(570)	(35,661)	(0.17)
54	960940	WYKR	Wiwynn Korea Ltd.	2,430	348,107	169,369	178,738	1,652,112	48,191	38,127	2,005.40
55	960696	WMT	Wistron Medical Technology Corporation	500,000	675,171	350,508	324,663	722,035	7,240	37,659	0.46
56	960700	WMCQ	Wistron Medical Tech (Chongqing) CO, LTD.	89,829	167,403	209,405	(42,002)	29,059	(30,012)	(34,850)	NA
57	960667	WSCQ	SMS InfoComm(Chongqing) Co., Ltd.	122,832	4,779,612	4,361,161	418,451	9,452,981	109,580	6,117	NA
58	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	2,346,573	2,313,405	8,903	2,304,502	0	(40,528)	(40,291)	NA
59	960705	WTS	Wistron Technology Service (America) Corporation	10,748	64,154	45,384	18,770	107,465	5,117	1,444	42.38
60	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	3,070,800	40,006,474	39,359,238	647,236	59,087,212	1,248,005	(292,911)	(0.42)
61	960714	WAC	Abilliant Corporation	16,000	15,479	405	15,074	3,507	7	65	0.04
62	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	1,212,237	2,177,554	767,042	1,410,512	2,234,618	319,517	159,177	0.22
63	960715	BTA	B Temia Asia Pte Ltd.	343,930	179,392	36,579	142,813	31,322	(36,004)	(43,887)	(0.31)
64	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	221,000	3,055,464	2,730,788	324,677	4,358,627	258,083	30,667	NA
65	960723	WAUS	Wistron AiEDGE Corporation	192,539	6,655	23	6,632	0	(5,821)	(7,139)	(11.67)
66	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	215,222	3,581,688	2,447,335	1,134,353	348,831	(4,831)	(72,783)	(0.01)
67	960727	KJP	Keeogo Japan K.K.	21,415	28,571	6,428	22,143	241	(9,602)	(8,995)	(2464.19)
68	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	1,381,860	5,142,541	3,802,316	1,340,224	568,900	54,533	(8,270)	NA
69	960724	STI	Smartiply India Private Limited	6,992	16,531	77	16,454	197	59	59	0.03
70	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	390,875	820,639	286,837	533,802	1,228,016	1,247	22,984	0.59
71	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	30,708	266,886	259,199	7,687	589,443	1,734	2,159	NA
72	960735	WCA	WiSuccess Asset Management Corporation	1,700,000	1,701,338	4,113	1,697,225	0	(2,672)	(1,144)	NA
73	960734	KMY	KEEOGO MALAYSIA SDN. BHD.	25,782	38,374	21,265	17,109	2,483	(8,363)	(7,935)	(2.34)
74	960736	KOE	KAHOSIUNG OPTO-ELECTRONICS INC.	887,830	7,098,860	4,869,949	2,228,911	10,942,559	594,335	680,740	7.67
75	960740	WGEH	Wistron Green Energy Holding Company	280,000	279,562	0	279,562	0	(109)	93	NA
76	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	63,699	61,438	0	61,438	0	(14)	(2,131)	(0.06)
77	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	14,330	14,331	12	14,319	20	(139)	(139)	(0.04)
78	960742	KOES	Kaohsiung Opto Electronics (Kunshan) Co., Ltd.	9,212	9,214	1	9,213	0	0	0	NA
79	960746	AIS	AiSails Power Inc.	75,000	74,356	167	74,189	0	(827)	(811)	(0.11)



**8.1.2 Consolidated Financial Statements Covering Affiliated Enterprises**

Please refer to the annual report (p.201-322)

**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**

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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.**



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