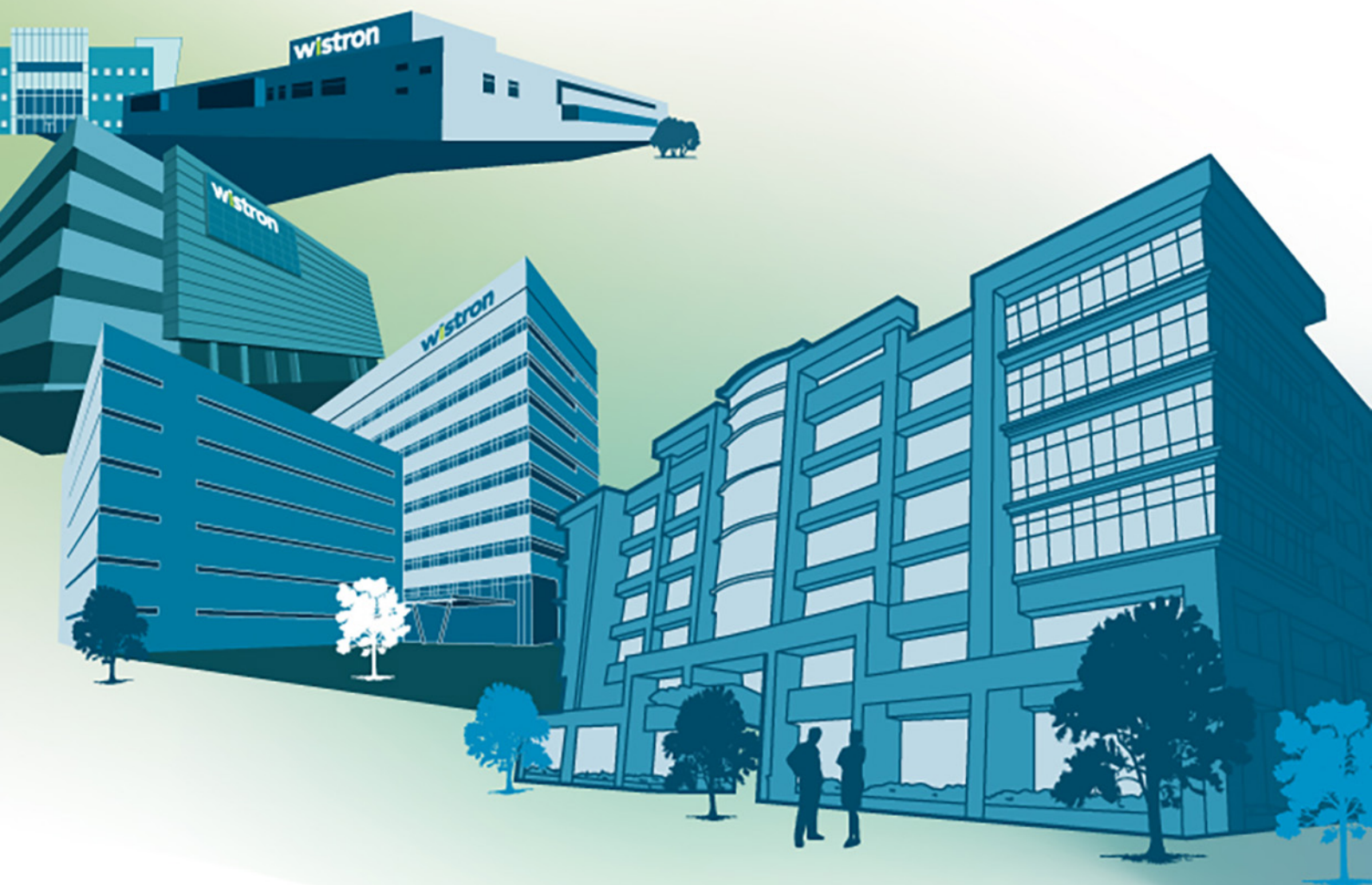


Wistron Corporation 2023 Annual Report

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 2 , 2024



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INDEX

1. Letter to Shareholders	02
2. Wistron Corporation Introduction	06
3. Corporate Governance Report	
3.1 Organization	10
3.2 Directors, Supervisors and Management Team.....	14
3.3 Compensation of Directors, Supervisors, President and Vice Presidents	30
3.4 Status of Corporate Governance	36
3.5 Information Regarding the Company's Audit Fee and Independence	142
3.6 Replacement of CPA	142
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	142
3.8 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders	143
3.9 Relationship among the Top Ten Shareholders	145
3.10 Ownership of Shares in Affiliated Enterprises	146
3.11 Corporate Sustainability and Social Responsibility Management.....	147
4. Company Shares and Fund Raising	
4.1 Capital and Shares	150
4.2 Issuance of Corporate Bonds.....	158
4.3 Issuance of Preferred stock	158
4.4 GDR Issuance: Issuance of Global Depositary Shares	158
4.5 Employee Stock Options	158
4.6 Restricted Stock Awards to key employees.....	159
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.....	162
4.8 Implementation of the Company's Fund Raising and Utilization.....	162
5. Operational Highlights	
5.1 Business Activities	164
5.2 Market, Production and Sales.....	171
5.3 Taiwan Employee Data during the Past Two Years.....	180

5.4 Environmental Protection Expenditure	181
5.5 Labor Relations	183
5.6 Information Security Management	185
5.7 Important contracts.....	192
6. Financial Standing	
6.1 Most Recent 5-Year Concise Financial Information.....	194
6.2 Most Recent 5-Year Financial Analysis	198
6.3 Audit Committee’s Review Report	202
6.4 Financial Statements of the Latest Year	203
6.5 Parent Company only Financial Statements.....	330
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	441
7. Review of Financial Conditions, Financial Performance, and Risk Management	
7.1 Analysis of Financial Status.....	444
7.2 Analysis of Financial Performance	445
7.3 Cash flow.....	446
7.4 Major Capital Expenditures and Impact on Financial and Business.....	446
7.5 Investment Policies	447
7.6 Risk Management.....	447
7.7 Other important matters	453
8. Special Disclosure	
8.1 Summary of Affiliated Companies	456
8.2 Private Placement Securities in the Most Recent Years	478
8.3 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years.....	478
8.4 Other matters that require additional description.....	478
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.....	480

1. Letter to Shareholders

Dear Shareholders,

In the year of 2023, despite a slowdown in global inflation, the economic outlook remains shrouded in uncertainty. The conflict between Russia and Ukraine shows no sign of peaceful resolution, while tensions escalate in the Middle East. The intensification of the US-China trade war continues to reshape the global supply chain. International environmental efforts have moved beyond mere discussion to become legally binding, with a focus on carbon reduction. The surge of Generative AI, with its accompanying investment and momentum, stands out as a rare highlight in the sluggish electronics industry. AI servers are in high demand, and AI PCs are seen as the next wave of computer upgrades. Despite the overall downturn in consumer demand, Wistron demonstrated resilience and achieved a stable performance last year.

Herein, we present the 2023 business overview of Wistron, the 2024 business plan summary, and future company development strategies as follows:

2023 Financial and Operation Results

In the fiscal year 2023, Wistron's consolidated annual revenue reached NT\$867.1 billion, a 12% decrease from the previous year. However, the gross profit margin increased to 8.0%, hitting a historic high. The consolidated operating profit margin was 3.2%, with a consolidated operating profit of NT\$27.39 billion, and a consolidated pre-tax profit of NT\$24.32 billion. The net profit attributable to the parent company was NT\$11.47 billion, with earnings per share of NT\$4.08. Wistron's performance in the fiscal year 2023 was highlighted by growth in AI computing, networking, and after-sales service businesses, while other product lines remained stable or slightly declined due to slow market demand.

Sustainability

Wistron has been consistently recognized by domestic and international authorities as a benchmark enterprise for ESG (Environmental, Social, and Governance) performance. In international sustainability assessments, Wistron was rated in the top 5% of global companies for two consecutive years in the 2024 S&P Global Sustainability Yearbook. In the CDP (formerly Carbon Disclosure Project) assessment, Wistron was upgraded to double-A level leadership in both climate change and water security management. Other authoritative sustainability ratings include maintaining an A rating in the Morgan Stanley ESG Leader Rating, achieving Prime Status in the 2023 ISS ESG Corporate Rating, and being selected as an "Asia-Pacific Climate Leader" by the Financial Times and Statista. Domestically, we have been in the top 5% of corporate governance evaluations by the Financial Supervisory Commission for five consecutive years. At the Taiwan Corporate Sustainability Awards (TCSA) hosted by the Taiwan Institute for Sustainable Energy, Wistron was honored with the "Taiwan Top 10 Sustainable Paradigm Enterprise Award," "Innovation Growth Leader Award," "Circular Economy Leader Award," "Transparent and Honest Leader Award," and "Information Security Leader Award," among others. Additionally, Wistron received the Commonwealth Magazine's "Sustainable Citizen Award" and "Sustainable Talent Award" for two consecutive years; was granted the Harvard Business Review's "Digital Transformation Award" for

two consecutive years as well; earned the recognition of a Top 100 Global Innovators by Clarivate™ three years in a row; and ranked first in the Business Weekly "Carbon Competitiveness 100 Survey" for technology carbon reduction.

2024 Business and Operation Focus

Following organizational restructuring last year, the synergies between Wistron Technology and Wistron Smart Devices have gradually emerged. By withdrawing from lower-efficiency businesses and entering higher-margin projects, the company's resilience and competitiveness have been further strengthened. This allows us to face challenges from market, technology, and geopolitical factors. This year's operational focus will be on the following five key areas:

- (1) **Adaptability to Geopolitical Risks:**
2024 is an election year for many countries, and results will introduce variables to geopolitical landscapes, affecting multinational corporations. Particularly, the results of the US election will redefine US-China relations and influence the subsequent developments and economic recovery in Europe and the Middle East. It is crucial to closely monitor the supply chain, conduct scenario planning, and rethink strategies to respond to changes.
- (2) **Increased Investment in Research and Development:**
Greater emphasis will be placed on research and development in areas related to HPC (High Performance Computing). We'll expand the R&D teams and increase related budget accordingly.
- (3) **Continued Transformation of the Industry Portfolio:**
Expanding revenue from high-margin businesses, including AI servers, Industrial PC (IPC), and after-sales service businesses. It is expected that AI server performance will continue to see significant gains this year, while the automotive electronics business, although in its early stages, will also experience growth.
- (4) **Comprehensive and Flexible Global Deployment:**
To provide better service and flexibility to customers, Wistron will strategically integrate resources and suppliers worldwide to optimize cost control and management efficiency. This year, new factory construction projects are underway in Taiwan, Vietnam, the United States, Mexico, and India.
- (5) **Commitment to ESG Sustainable Development:**
Wistron's six sustainable development strategies: "Sustainable Responsibility Procurement," "Green Product Innovation," "Circular Economy," "Low Carbon Manufacturing Transformation," "Achieving Employee Mission," and "Happy and Inclusive Workplace," are extensions of the company's core values and essential for future competitiveness. We will actively implement these strategies to achieve short, medium, and long-term goals.

Outlook for the Future

In an environment of intensified market competition and operational risks, Wistron is committed to accelerating its transformation process. While maintaining existing market share, we will focus more on developing high-margin businesses. Looking ahead, under the vision of “Innovation and Sustainability,” we will adhere to the philosophy of “Benefiting Others,” finding a balance among various stakeholders and developing a more resilient operational structure to meet future challenges.

We would like to thank all shareholders for their long-term support and encouragement. The Wistron management team and all employees will continue to work hard to create the greatest value for the company and shareholders.

Chairman



2. Wistron Corporation Introduction

Wistron Corporation is a global leading technology service provider supplying innovative ICT (information and communications technology) products, service solutions, and systems to top branded companies worldwide. 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 2023 was NTD\$867 billion.

Wistron was listed as a Fortune Global 500 company in 2011, 2012, and from 2018 to 2023. 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 from 2022 to 2024. Since 2009, Forbes Magazine has included Wistron among Global 2000 for 15 consecutive years (2009-2023). Wistron received the Smart Manufacturing Transformation Award (Large Enterprise Category) and the Outstanding Operational Transformation Award (Large Enterprise Category) at the Harvard Business Review Global Traditional Chinese Edition Digital Transformation Ding Ge Awards, along with a Special ESG Award in 2022, and received the Outstanding Operational Transformation Award (Large Enterprise Category) as well as a Special ESG Award in 2023. 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. 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 and water security by CDP questionnaire, and was selected as 2023 CDP Supplier Engagement Leader for two consecutive years. 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. From 2022 to 2024, Wistron has been included in the S&P Global Sustainability Yearbook, and was recognized as Top 5% S&P Global CSA Score. The recognitions Wistron garnered have made it a global leader in sustainable development.

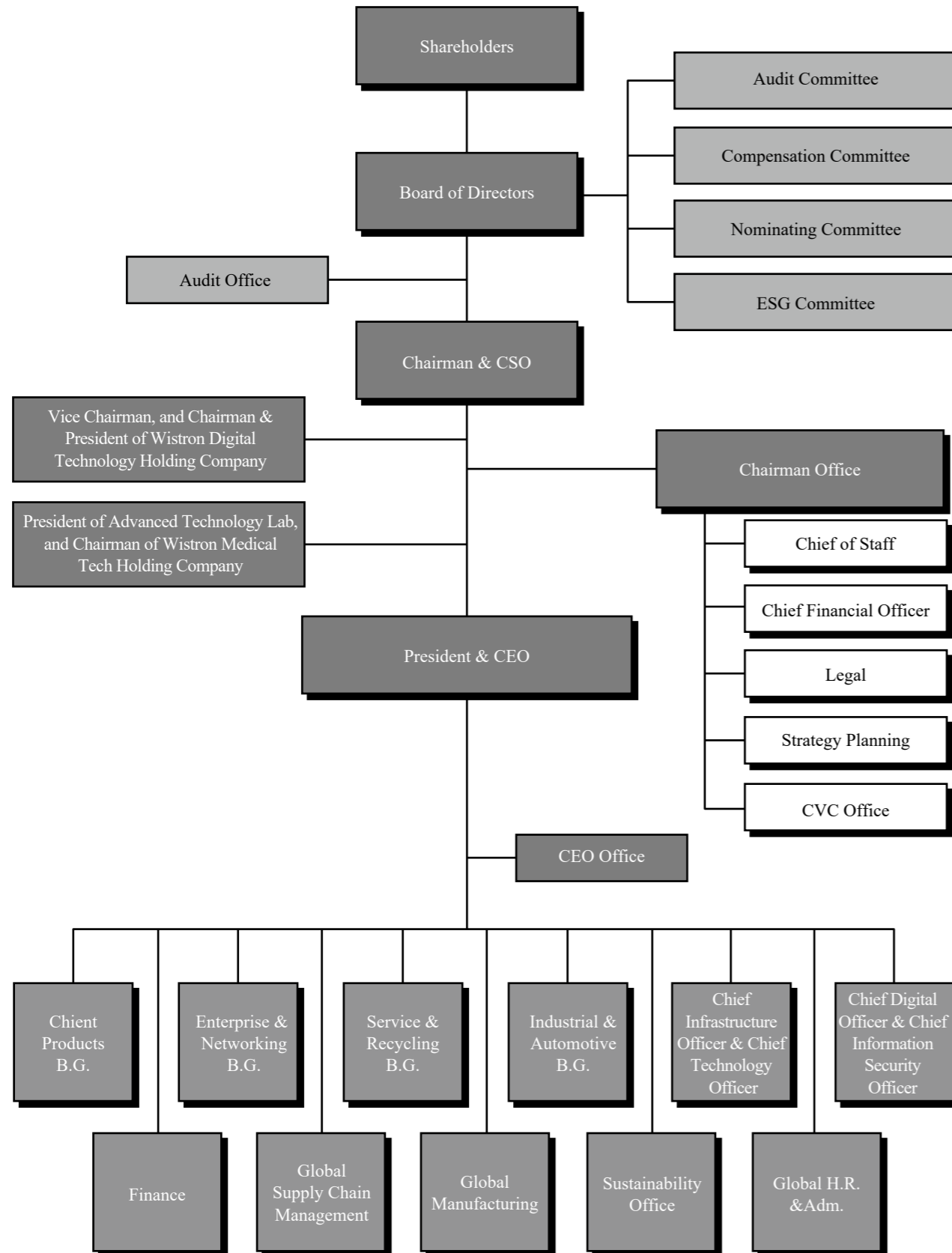
In addition, The CommonWealth Magazine presented Wistron the Excellence in Corporate Social Responsibility awards for 14 consecutive years from 2010 to 2023, and Wistron won fourth place among large enterprises in 2022, then the sixth place in 2023. Wistron received the Taiwan Corporate Sustainability 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. In 2023, the company once again received multiple accolades at TCSA. In addition to the highest honor, the Taiwan's Top 10 Sustainable Model Enterprises Award (Manufacturing Sector), Wistron also achieved recognition in various categories, including the Sustainability Report Award: Electronic Information Products Manufacturing - Category 1 Platinum Level, Innovative Growth Leadership Award, Information Security Leadership Award, Circular Economy Leadership Award, and Transparency & Integrity Leadership Award, totaling six awards and setting a new record for the company's achievements over the years.

From 2021 to 2023, 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

3.1 Organization

3.1.1 Organization Chart



3.1.2 Department functions

Department	Main responsibilities
Audit office	1. Assist management to ensure the internal audit system is effectively designed and well implemented to improve the operation and to enhance the value of the organization. 2. Assist the organization and managers to evaluate and improve the procedure of risk management, and internal control through systematic and effective procedures to achieve organization's goals. 3. Assist the Audit Committee to supervise the implementation of internal control system and corporate governance.
Vice Chairman Office	1. Ensure that the investment and management of team members of the Digital Technology Holding presents growing commercial value. 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.
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	1.Coordinate the company's fund collection and payment, financing scheduling and currency hedging to support operational needs. 2.Responsible for operations of fund management. 3.Coordinate and establish the financial operation system of our group.
Legal	1.In charge of drafting and reviewing legal documents and providing advocacy, governance, and compliance services for related business. 2.Managing patent rights, copyrights, trademarks, technology licensing and other intellectual property related business of our company.
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.
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.

Department	Main responsibilities
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	<ol style="list-style-type: none"> 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.
Chief Infrastructure Officer & Chief Technology Officer	<ol style="list-style-type: none"> 1. In charge of repairs for smart device products. 2. In charge of Strategic Alliance and Business/Technology Integration, for application areas of Server/Industrial, Cockpit/Automotive, ESG Green Materials, and AIoT.
Chief Digital Officer & Chief Information Security Officer	<ol style="list-style-type: none"> 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.
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.
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.
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 1, 2024)

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 Above71	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. Director of Gamania Digital Entertainment Co., Ltd. Independent Director of Elan Microelectronics 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	10,929,628	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. 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	-	-	1,022,911	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. CEO of Wistron NeWeb Corp.	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	90,000	0.00	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 Above71	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.	-	-	-	-
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. Independent Director of ION Electronic Materials Co., Ltd. Director of Ultra Chip, Inc. Chairman of FUCHU General Contractor Corp. Chairman of FUCHU Investment Corp. Director of Neuchips Inc.	-	-	-	-

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	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. Independent Director Taiwan Fire & Marine Insurance Co., Ltd. Director of Sanlien Educational Foundation Executive Supervisor of The Real Estate Development Association of Taiwan Consultant of Green Heaven Investments Limited Taiwan Branch	-	-	-	-
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	Graduate School of Business of Stanford Executive Program Master Degree in college of Business Administration from University of British Columbia Bachelor Degree in college of Money and Banking from National Chengchi University 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.	-	-	-	-
Independent Director	Republic of China	Sam Lee (Note)	Male 51~60	07/20/2021	3	06/14/2018	-	-	-	-	-	-	-	-	Master Degree in business administration from National Chengchi University Executive vice president of Yuanta Securities Co., Ltd. Managing Director of Citigroup Global Markets Securities	-	-	-	-	-

Note: Independent Director Mr. Sam Lee passed away on January 25, 2024

Major shareholders of the institutional shareholders

April 2, 2024

Name of Institutional Shareholders	Major Shareholders	%
Wistron NeWeb Corporation	Wistron Corporation	19.80
	Yuanta Taiwan Dividend Plus ETF	4.35
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	3.85
	Labor Pension Fund (New Scheme)	2.61
	Wang, Yong-Shun	2.13
	Bank SinoPac in custody for Wistron NeWeb Corp.'s Restricted Stock Trust fund	2.06
	Chunghwa Post Co., Ltd.	2.00
	UPAMC Taiwan High Dividend Momentum ETF	1.83
	Haydn Hsieh	1.50
	Yuanta Taiwan High-yield Leading Company Fund	1.39

Major shareholders of the Company's major institutional shareholders

April 1, 2024

Name of Institutional Shareholders	Major Shareholders	%
Wistron Corporation	Labor Pension Fund	3.16
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	3.13
	Fubon Life Insurance Co., Ltd.	1.84
	Taipei Fubon Bank Trust Account (employee share ownership trust)	1.62
	Yuanta Taiwan Dividend Plus ETF	1.50
	Lin, Hsien-Ming	1.47
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.35
	Wistron NeWeb Corporation	0.99
	CAPITAL TIP Taiwan Select High Dividend ETF	0.89
	Norges Bank-fund mgr Blackrock Investment Management(Taiwan) Limited	0.88

March 31, 2024

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.	1
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., RDC Semiconductor Co., Ltd., Taiwan Oasis Technology Co., Ltd. and Browave Corp. He is familiar with the upstream and downstream development trends and industry conditions of the technology and semiconductor industries, and has rich leadership and decision-making abilities.	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. 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. 6. Not a director, supervisor, or employee of the company which majority director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of the company or institution which the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, 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. 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.	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 professional knowledge in the semiconductor and technology industries, extensive leadership and decision-making abilities, and rich personal connections.		2
Christopher Chang	Mr. Christopher Chang graduated college of law from National Chengchi University. He was a Senior Counselor at Lee and Li, Attorneys-at-Law and served as the Chairman of Continental Development Corp. for more than 10 years. He is expertise in law, real estate development and construction management.		1
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.		3
Sam Lee (Note)	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.		0

Note:Independent Director Mr.Sam Lee passed away on January 25, 2024.

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 at the end of 2023, of which 22% are employees; 56% are independent directors. Four independent directors' tenure are above 3 years and one is below 3 years. 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 and Decision making	Law	Risk Management	Investment
				51~60	61~70	Above 71	Below 3 years	Above 3 years											
Simon Lin		Male	v			v					v	v	v	v	v		v		
Robert Hwang		Male	v		v						v	v	v	v	v		v		
Haydn Hsieh		Male			v						v	v	v	v	v		v		
Philip Peng		Male			v				v		v	v	v	v	v		v	v	
Jack Chen		Male				v		v			v	v	v	v	v		v		
S. J. Paul Chien		Male				v		v			v	v	v	v	v		v		
Christopher Chang		Male				v		v			v	v	v	v	v	v	v		
Peipei Yu		Female		v			v		v		v	v	v	v	v		v	v	
Sam Lee (Note)		Male		v				v	v		v	v	v	v	v		v	v	

Note:Independent Director Mr.Sam Lee passed away on January 25, 2024.

2. Status of independence of the board of directors

Wistron's board of directors of our company consists of 9 directors, of which 5 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 1, 2024)

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	10,929,628 (Note3)	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	3,569,000	0.12	0	0.00	1,312,000	0.05	Master	Director of Global Lighting Technologies Inc. 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)	-	-	-	-
Chief Infrastructure Officer & Chief Technology Officer	Republic of China	David Shen	Male	06/08/2007	1,676,000 (Note4)	0.06	14,848	0.00	0	0.00	Master	Director of WiEdu Corp. Director of Wistron Digital Technology Holding Company Chairman of Wistron InfoComm (Shanghai) Corporation Chairman of Wistron InfoComm Technology Service (Kunshan) Co., Ltd. Director of Wistron Optronics (Shanghai) Co., Ltd. Director of XTRONICS (Nanjing) Automotive Intelligent Technologies Co., Ltd. Director of Wistron InfoComm Manufacturing (India) Private Limited	-	-	-	-
Chief of Staff	Republic of China	Frank F.C. Lin	Male	01/01/2002	4,189,569 (Note5)	0.14	8,199	0.00	0	0.00	Bachelor	Director of Wistron NeWeb Corp. Director of Wistron Information Technology and Services Corporation Director of Wiyynn Corporation Chairman of Wise Cap Limited Company 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 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	2,978,561 (Note6)	0.10	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 Wise Cap Limited Company 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 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	1,321,607 (Note7)	0.05	-	-	0	0.00	Bachelor	None	-	-	-	-
Chief Financial Officer	Republic of China	Stone Shih	Male	07/15/2003	4,131,489	0.14	2,649	0.00	0	0.00	Master	Director of Wise Cap Limited Company 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	-	-	-	-

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	4,131,489	0.14	2,649	0.00	0	0.00	Master	Supervisor of Kaohsiung Opto-Electronics Inc. Supervisor of WiSuccess Asset Management Corporation Overseas companies current positions summary (Note 2)	-	-	-	-
President of Enterprise & Networking Business Group	Republic of China	William Lin	Male	04/10/2015	1,615,495	0.06	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. Director of Alpha EMS Corporation	-	-	-	-
Technical Vice President	Republic of China	Kelvin Chang	Male	04/10/2015	617,851 (Note8)	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	307,000	0.01	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	1,050,324	0.04	4,301	0.00	0	0.00	Master	Chairman of International Standards Laboratory Corp. Director of ARBOR Technology Corp. Director of AVer Information Inc. Director of Formosa Prosonic Industries Berhad Director of Wistron InfoComm (Vietnam) Co., Ltd. Director of Wistron InfoComm Technology (Zhongshan) 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	741,000	0.03	1,209	0.00	0	0.00	Master	None	-	-	-	-
President of Global Manufacturing	Republic of China	Jackie Lai	Male	03/05/2019	757,463	0.03	0	0.00	0	0.00	Master	Director of WiSuccess Asset Management Corporation Chairman of Alpha EMS Corporation Director of Wistron Mexico S.A. de C.V. Director of Wistron InfoComm Mexico S.A. de C.V.	-	-	-	-
President of Industrial & Automotive Business Group	Republic of China	Christine Hsu	Female	07/28/2021	770,000	0.03	0	0.00	0	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. Director of Mobility Technology Group Inc. Director of Heracles Enterprises Limited Director of Formosa Prosonic Technology Sdn. Bhd.	-	-	-	-
President of Service & Recycling Business Group	Republic of China	Peter Tung	Male	12/21/2018	1,720,986	0.06	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. Chairman of SMS InfoComm Corp. Chairman 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. Director of Wistron Green Recycling Technology (Kunshan) Co., Ltd.	-	-	-	-
President of Global Manufacturing	Republic of China	Alec Lai	Male	07/28/2021	700,000	0.02	730	0.00	0	0.00	Master	Director of Kaohsiung Opto-Electronics Inc. Director of Wistron InfoComm (Zhongshan) Corporation Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm (Chongqing) Co., Ltd. Director of Wistron Investment (Sichuan) Co., Ltd. Director of Wistron InfoComm (Chengdu) Co., Ltd. Director of XTRONICS (Kunshan) Electronics Technology Co., Ltd. Director of Wistron InfoComm Technology (Zhongshan) Co., Ltd. Director of Wistron InfoComm Computer (Chengdu) Co., Ltd. Director of Wistron Technology (Malaysia) Sdn. Bhd. Chairman of Wistron InfoComm (Vietnam) Co., Ltd. Director of Heracles Enterprises Limited Director of Formosa Prosonic Technology Sdn. Bhd.	-	-	-	-
Vice President of Client Products Business Group	Republic of China	Felix Lai	Male	12/21/2018	1,008,111	0.03	0	0.00	0	0.00	Master	Director of International Standards Laboratory Corp. Director of Wistron InfoComm (Vietnam) Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice President of Enterprise & Networking Business Group	Republic of China	Christopher Huang	Male	07/28/2021	743,822	0.03	-	-	0	0.00	Master	None	-	-	-	-
Vice President of Global Supply Chain Management	Republic of China	Benny Hu	Male	07/28/2021	2,119,014	0.07	0	0.00	0	0.00	Bachelor	Director of Mindforce Holding Limited	-	-	-	-
Vice President of Industrial & Automotive Business Group	Republic of China	Howard Liu	Male	03/16/2022	445,883	0.02	0	0.00	0	0.00	Master	Director of WiBASE Industrial Solutions Inc. Director of Master Transportation Bus Manufacturing Ltd. Director of Wistron InfoComm (Kunshan) Co., Ltd. Director of Wistron InfoComm Technology Service (Kunshan) Corp. Director of Wistron Technology (Malaysia) Sdn. Bhd. Director of Heracles Enterprises Limited Director of Formosa Prosonic Technology Sdn. Bhd.	-	-	-	-
Vice President of Global Manufacturing	Republic of China	Mark H.H. Huang	Male	03/16/2022	60,057	0.00	0	0.00	0	0.00	Doctorate	Director of Wistron InfoComm (Taizhou) Co., Ltd. Director of Wistron Optronics (Kunshan) Co., Ltd.	-	-	-	-
Vice President of Information	Republic of China	Kevin Fong	Male	01/01/2023	249,987	0.01	1,258	0.00	0	0.00	Bachelor	None	-	-	-	-
Vice President of Global Manufacturing	Republic of China	Benjamin Chang	Male	01/01/2023	360,144 (Note9)	0.01	66,853	0.00	0	0.00	Bachelor	None	-	-	-	-
Vice President of R&D of Client Products Business Group	Republic of China	York Liang	Male	08/05/2023	786,000	0.03	0	0.00	0	0.00	Master	Director of International Standards Laboratory Corp.	-	-	-	-
Vice President of Service & Recycling Business Group	Republic of China	Ted Chiu	Male	08/05/2023	404,178	0.01	0	0.00	0	0.00	Bachelor	Chairman of Anwith Technology Corporation Director of SMS InfoComm Corporation Director of Wistron Green Tech (Texas) Corporation	-	-	-	-
Vice President of R&D of Digital Technology	Republic of China	Jeff Lee	Male	08/05/2023	120,919	0.00	0	0.00	0	0.00	Master	Director of Abilliant Corporation	-	-	-	-
Controller	Republic of China	Fred Chiu	Male	01/01/2023	260,554	0.01	0	0.00	0	0.00	Bachelor	Director of WiBASE Industrial Solutions Inc. Director of Alpha EMS Corporation Supervisor of Anwith Technology Corp. Supervisor of International Standards Laboratory Corp. Supervisor of SMS (Kunshan) Co., Ltd. Supervisor of SMS Infocomm Global Service (CQ) Supervisor of Wistron Service (Kunshan) Corp. Supervisor of Wistron Medical Technology Japan K. K. Supervisor of Wistron K.K.	-	-	-	-

Note 1: Chairman of Service Management Solutions Mexico S.A. de C.V., Chairman of Wistron InfoComm (Philippines) Corp., Chairman of Wistron InfoComm Mexico S.A. de C.V., 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 ICT Service Management Solutions (India) Private Limited, , Director of Wistron K.K., Director of Wistron Technology (Malaysia) Sdn. Bhd., Director of Zhongshan Global Lighting Technology Limited Co., Director of Wistron Hong Kong Limited, Chairman of Wistron InfoComm Technology (Zhongshan) Co., Ltd., Chairman of Wistron Advanced Materials (Kunshan) Co., Ltd. Chairman of Wistron Green Recycling Technology (Kunshan) Co., Ltd.

Note 2: Director of All Holding Corp., 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., Director of Win Smart Co., Ltd. , Director of Cowin Worldwide Corporation, Director of WisVision Corporation, Director of Wistron Hong Kong Holding Limited

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

Note 4: Excluding 2,327,359 shares that under trust with discretion reserved

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

Note 6: Excluding 2,500,000 shares that under trust with discretion reserved

Note 7: Excluding 3,500,000 shares that under trust with discretion reserved

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

Note 9: Excluding 480,000 shares that under trust with discretion reserved

3.3 Compensation of Directors, Supervisors, President and Vice Presidents

3.3.1 Compensation of Directors (December 31, 2023)

Unit: NT\$ thousands

Title	Name	Compensation								Amount and ratio of Total Compensation (A+B+C+D) to Net Income		Relevant Compensation Received by Directors Who are Also Employees						Amount and ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or parent Company		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)		The company	Companies in the consolidated financial statements	Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)		The company	Companies in the consolidated financial statements			
		The company	All 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	The company	Companies in the consolidated financial statements	Cash	Stock				Cash	Stock
Chairman & CSO	Simon Lin																					
Vice Chairman	Robert Hwang	0	0	0	0	85,114	85,114	350	390	85,464 0.75%	85,504 0.75%	57,617	57,617	6,409	6,409	76,500	0	76,500	0	225,990 1.97%	226,030 1.97%	43,875
Director	Wistron NeWeb Corp. Representative: Haydn Hsieh																					
Director	Philip Peng																					
Independent Director	Jack Chen																					
Independent Director	S. J. Paul Chien																					
Independent Director	Christopher Chang	0	0	0	0	29,200	29,200	400	400	29,600 0.26%	29,600 0.26%	0	0	0	0	0	0	0	0	29,600 0.26%	29,600 0.26%	0
Independent Director	Peipei Yu																					
Independent Director	Sam Lee																					

- Please describe the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: According to the Company's "Articles of Incorporation" and "Director and Functional Committees Compensation and Payment Principles", except basic funds, the independent directors' compensation will be added according to the positions held by them in the functional committees, regardless of profit or loss.
- Except for the compensation listed in the above table, the compensation that directors received by offering services (such as serving as a consultant of parent company, all companies included in the financial statements and all invested companies instead of an employee) for companies in the financial statements is: None

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				
NT\$15,000,000 ~ NT\$30,000,000	3, Note 3	3, Note 3	2, Note 5	2, Note 5
NT\$30,000,000 ~ NT\$50,000,000	1, Note 4	1, Note 4		1, Note 1
NT\$50,000,000 ~ NT\$100,000,000			1, Note 6	1, Note 6
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, Peipei Yu and Sam Lee

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

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, 2023)

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														
Chief Infrastructure Officer & Chief Technology 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	62,806	62,806	28,539	28,539		250,686	250,686	183,500	0	183,500	0	525,532 4.58%	525,532 4.58%	288
Technical Vice President	Kelvin Chang														
Strategy Planning Office Vice President	KY Wang														
President of Client Products Business Group	Robert CL Lin														
President of Global Manufacturing	Jackie Lai														
Vice President of New Technology Strategy	Vincent Cho														
President of Service & Recycling Business Group	Peter Tung														
President of Industrial & Automotive Business Group	Christine Hsu														
President of Global Manufacturing	Alec Lai														

A. The President and Vice Presidents remuneration brackets table

Range of Compensation	Names of President and Vice Presidents	
	The Company	Parent company and all invested companies
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	2 · Note 2	2 · Note 2
NT\$15,000,000 ~ NT\$29,999,999	8 · Note 3	8 · Note 3
NT\$30,000,000 ~ NT\$49,999,999	3 · Note 4	3 · 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	17	17

Note 1: K.Y. Wang, Kelvin Chang

Note 2: Jackie Lai, Vincent Cho

Note 3: Donald Hwang, David Shen, Kenny Wang, Stone Shih, William Lin, Peter Tung, Christine Hsu, Alec Lai

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

Note 5: Jeff Lin

Note 6: Simon Lin

B. Names of managers entitled to employee Compensation (December 31, 2023)

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	222,000	222,000	1.94
	Vice Chairman	Robert Hwang				
	President & CEO	Jeff Lin				
	Chief Infrastructure Officer & Chief Technology 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				
	President of Global Manufacturing	Jackie Lai				
	Vice President of New Technology Strategy	Vincent Cho				
	President of Service & Recycling Business Group	Peter Tung				
	President of Industrial & Automotive Business Group	Christine Hsu				
	President of Global Manufacturing	Alec Lai				
	Vice President of Client Products Business Group	Felix Lai				
	Vice President of Enterprise & Networking Business Group	Christopher Huang				
	Vice President of Global Supply Chain Management	Benny Hu				
	Vice President of Industrial & Automotive Business Group	Howard Liu				
	Vice President of Global Manufacturing	Mark HH Huang				
	Vice President of Global Manufacturing	Benjamin Chang				
Vice President of Information	Kevin Fong					
Vice President of R&D of Digital Technology	Jeff Lee					
Vice President of R&D of Client Products Business Group	York Liang					
Vice President of Service & Recycling Business Group	Ted Chiu					
Controller	Fred Chiu					

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 (%)			
	2023		2022	
	The Company	Consolidated	The Company	Consolidated
Compensation to Directors	1.01	1.01	0.9	0.9
Compensation to the President and Vice Presidents	4.58	4.58	4.09	4.09

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 compensation for the company's presidents and vice presidents consists of salary, retirement pension, festival/annual bonus and employee compensation (in cash or stock). Bonuses, employee compensation(cash/stock) and stock warrants are variable component and majority of the remuneration. Meanwhile, senior executives are also entitled to insurance and retirement pension plans as mandated by laws and regulations. The remuneration and benefits for senior executives should be based on individual performance, subject to review and evaluation by the Compensation Committee, and implemented upon their recommendation and subsequent approval by the Board of Directors.

The evaluation criteria for variable component are based on below dimensions and indicators:

- Financial metrics : revenue, profit, growth rate and return on equity..., etc.
- Non-financial metrics: indicators of market/customer service, internal business process and learning and growth..., etc.
- Sustainability metrics: decarbonization, people with purpose, labor welfare..., etc.

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.

3.4 Status of Corporate Governance

3.4.1 Board meeting attendance

The Board meetings held 8 times in 2023.

Title	Name	Attendance in Person	Attendance by proxy	Rate of attendance in person (%)	Note
Chairman	Simon Lin	8	0	100	
Vice Chairman	Robert Hwang	8	0	100	
Director	Wistron NeWeb Corp. Representative: Haydn Hsieh	8	0	100	
Director	Philip Peng	8	0	100	
Independent Director	Jack Chen	8	0	100	
Independent Director	S. J. Paul Chien	8	0	100	
Independent Director	Christopher Chang	8	0	100	
Independent Director	Peipei Yu	8	0	100	
Independent Director	Sam Lee	4	3	50	

Note: According to Article 38 of the “Corporate Governance Best Practice Principles”, the minimum of attendance for all board members required is 80%. 8 meetings of the Board of Directors were held in 2023 and the average board meeting attendance was 94%.

Other noteworthy items:

Independent directors' attendance in 2023 board meetings

● : Attendance in person ; ○ : Attendance by proxy

	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th
Jack Chen	●	●	●	●	●	●	●	●
S. J. Paul Chien	●	●	●	●	●	●	●	●
Christopher Chang	●	●	●	●	●	●	●	●
Peipei Yu	●	●	●	●	●	●	●	●
Sam Lee	●	●		●	○	●	○	○

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

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

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

Date	Meeting	Interested Directors	Subject Matter	Participation in Deliberation
2023.03.14	1 st Board Meeting of 2023	Robert Hwang	1. Approved the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO). 2. Approved the salary adjustment to the managers (excluding CSO) in 2023. 3. Approved 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. Approved the proposal of 2022 employees' compensation payout ratio and amount to CSO. 2. Approved the salary adjustment to CSO in 2023. 3. Approved the performance bonus budget to CSO in 2023.	The interested director left the room during discussion and voting.
2023.08.04	4 th Board Meeting of 2023	Robert Hwang	1. Approved the performance bonus to managers (excluding CSO) in 2023 first half of the year. 2. Approved re-review the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO). 3. Approved the non-independent directors' compensation of 2022. 4. Approved the amount allocated to Wistron's managers through the issuance of ESOP by the subsidiary WiAdvance Technology Corporation. 5. Approved the amount allocated to Wistron's employees through the issuance of ESOP by the subsidiary WiAdvance Technology Corporation.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	Approved the performance bonus to CSO in 2023 first half of the year.	The interested director left the room during discussion and voting.
2023.11.09	7 th Board Meeting of 2023	Haydn Hsieh and Philip Peng	Approved the subscription the new shares issued by Wistron NeWeb Date Important Resolution Corporation for its 2023 capital increase in cash.	The interested director left the room during discussion and voting.
2032.12.21	8 th Board Meeting of 2023	Robert Hwang	1. Approved the performance bonus to managers (excluding CSO) in 2023 second half of the year. 2. Approved the fulfillment of the second vested conditions and the number of shares that can be received by managers who are allocated New Restricted Employee Shares issued in 2021.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	Approved the performance bonus to CSO in 2023 second half of the year.	The interested director left the room during discussion and voting.
2024.03.12	2 nd Board Meeting of 2024	Robert Hwang	1. Approved the proposal of 2023 employees' compensation payout ratio and amount to the managers (excluding CSO). 2. Approved the salary adjustment to the managers (excluding CSO) in 2024. 3. Approved the performance bonus budget to the managers (excluding CSO) in 2024.	The interested director left the room during discussion and voting.
		Simon Lin and Robert Hwang	1. Approved the proposal of 2023 employees' compensation payout ratio and amount to CSO. 2. Approved the salary adjustment to CSO in 2024. 3. Approved the performance bonus budget to CSO in 2024.	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	2023.01.01 - 2023.12.31	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; 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	2023.01.01 - 2023.12.31	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	2023.01.01 - 2023.12.31	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	2023.01.01 - 2023.12.31	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	2023.01.01 - 2023.12.31	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 order to improve the Board of Directors' supervisory responsibilities and strengthen the board of directors'

management mechanism, we established an "Audit Committee" in June 2009, which is composed of all independent directors. It supervises the Company's operations and risk control in accordance with its powers under the Securities and Exchange Act.

- (2) For the purpose of building sound compensation system of directors and officers, the "Compensation Committee" was established in August 2011, it consists by three independent directors.
- (3) For the implement of sustainability, we established "ESG Committee" in December 2019 to propose and enforce the corporate social responsibility policies, systems (or relevant management guidelines), and concrete promotional plans.
- (4) In following the direction of corporate governance and strengthening the roles of the board, we also established "Nominating Committee" in December 2019. The Nominating Committee to constitute and to review the composition, qualification and succession plans of the directors and the executives and to plan and to execute the director training program.

3.4.2 Audit Committee

The Audit Committee is composed of all of the five Independent Directors, with two 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 2023 included:

- Reviewing quarterly and annually financial statements: the quarterly and annually financial reports in 2023 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 8 meetings in 2023 with the attendance of the independence directors specified below:

Title	Name	Attendance in Person	By Proxy	Attendance rate in Person (%)	Note
Convener	Jack Chen	8	0	100	
Member	S. J. Paul Chien	8	0	100	
Member	Christopher Chang	8	0	100	
Member	Peipei Yu	8	0	100	
Member	Sam Lee	4	3	50	

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.136-141)
 - (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
2023.03.14	Audit reporting of 2022Q4	1. The accountant declared their independence and the responsibility in auditing the financial report for 2022, and explained the audit scope, key audit matters and audit findings. 2. Explained KPMG audit quality indicators (AQIs). 3. Reported on the latest regulatory changes and compliance matters.
2023.05.11	Audit reporting of 2023Q1	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 2023Q1. 2. Reported on the latest regulatory changes and compliance matters.
2023.08.04	Audit reporting of 2023Q2	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 2023Q2.
2023.11.09	Audit reporting of 2023Q3	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 2023Q3.
2023.12.21	Discuss the proposal of 2024 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 “Procedures for Preventing 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. According to the “Procedures for Preventing Insider Trading”, Wistron’s also ask directors and managers 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 21, 2023 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, 2023 to December 31, 2023. The scores of evaluation of Board of Directors, Audit Committee, Compensation Committee, Nominating Committee and ESG Committee were 99.78, 99.60, 99.33, 100 and 98.86, 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 theirs 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 theirs 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
Evaluation items	Result																																				
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Whether the firm is equipped with sufficient resources to support audit teams?	Yes																																				
Whether the proportion of NAS affects the firm's independence?	No																																				
4. Has a TWSE/TPEX listed company appointed an appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be in charge of corporate governance affairs (including, but not limited to, providing directors and supervisors with the information necessary to execute business, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings)?	✓			<p>The Chief of Staff Office of the Company is the unit to be in charge of corporate governance affairs. The board of directors appointed Mr. Frank F.C. Lin as the Corporate Governance Officer of Wistron on March 25, 2019.</p> <p>It is advisable that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <p>A. Handling matters relating to board meetings and shareholders meetings according to laws.</p>	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 2023 implement of corporate governance affairs were as bellows: A. In 2023, Wistron convened 8 times of board meetings, 8 times of Audit Committee meetings, 3 times of Compensation Committee meetings, 2 times of Nominating Committee meetings, and 5 times of ESG Committee meetings. B. Convened shareholders’ meeting on June 15, 2023 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 Factors for Enhancing Board Effectiveness “ and “ Winning the Future: Global Key Trends and Practical Case Studies in ESG “. 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 21, 2023.</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 21, 2023.</p> <p>H. Arranged HR department to present the 2023 actions for ethical corporation management to the Board of Directors on December 21, 2023.</p> <p>I. Arranged the convener of risk management team to present the implement of risk management and the risk map to the Audit Committee and Board of Directors on May 11, 2023 and November 9, 2023.</p> <p>J. Arranged the Sustainability Office to present the Stakeholder Engagement Result on March 14, 2023 and the Evaluation Results of Material Topics and the implementation of Sustainable Development on December 21, 2023.</p> <p>K. Performed the 2023 performance assessments of Board of Directors and functional committees, and reported the results of the performance evaluation to the Board of Directors and functional committees on March 12, 2024.</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/contractors, 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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<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 2023Q4 on January 18, 2024 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: The company has always attached great importance to the rights and interests of employees and ensures that all management systems comply with laws and regulations. All corporate governance-related regulations and operations are published on the Company’s official website to ensure that all colleagues understand it. The Company is committed to fulfilling its social responsibilities and protecting the rights and interests of employees. Wistron has also joined the Responsible Business Alliance (RBA) as a member of the alliance, strictly abides by relevant regulations, integrates concern for human rights into all aspects of daily operations, and fulfills the employer’s duty to care for its employees.</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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				Winning the Future: Global Key Trends and Practical Case Studies in ESG	3.0																																																																															
Controller	Fred Chiu	2023.03.16-2023.03.24	Accounting Research and Development Foundation	First training of Accounting Officers of Issuers, Securities Firms, and Securities Exchanges.	30.0																																																																															
		2023.09.22	Taiwan Corporate Governance Association	Key Factors for Enhancing Board Effectiveness	3.0																																																																															
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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>(6) The implementation of risk management policies and risk evaluation measures:</p> <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 Audit 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 half a year.</p> <p>Wistron actively promotes the implementation of risk management mechanisms, and reports to the Board of Directors every half a year. The main results of conducting risk management policy in 2023 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. Risk management team reports the execution status of the risk management plan and provide the risk management report to the Audit Committee, which includes the results of risk assessments from various perspectives, and explains control and monitoring procedures for higher risks aspects. The Audit Committee then report the results of risk management execution to the Board of Directors.</p> <p>E. Establish a visually-interactive dashboard displaying critical risk indicators, which identifies potential risk events that may hinder the achievement of our company’s objectives, cause losses, or have negative impacts. Develop relevant formulas to quantify risk values and set warning and danger thresholds. This monitoring process will be carried out continuously by risk management professionals in collaboration with relevant personnel from various operational units. The results of risk monitoring will be presented through visual reports, and the latest status of risk indicators will be sent regularly.</p> <p>F. 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>(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 9, 2023.</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		
9. Succession plan of board members and management team	✓		<p>The selection of directors of Wistron adopts the candidate nomination system and is handled in accordance with the "Board of Directors Nomination and Election Procedures". 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 board of directors, and will refer to the recommendations of the Nominating Committee to propose board of director candidates and the appropriate arrangements for the composition of the board of directors and candidates for succession.</p> <p>In response to the ever-changing environment and to drive the company's future growth, the requirements of top management team's capabilities go beyond business acumen and leadership. The digital acumen, global perspectives and sustainability are also emphasized to enhance the company's business competitiveness and operational excellence. In the dynamic business landscape, Wistron provides tailored development plans and various learning resources to cultivate its leadership team including training courses, project assignments, strategic rotations, cross-business executive coaching, and external industry trend forums, corporate executive programs, strategic leadership trainings and so on. Through systematic talent development initiatives, Wistron builds the succession bench depth and talent pipeline, to maintain a robust management team to foster strategy execution and realize corporate sustainability.</p>	No discrepancy
<p>10. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provide priority measures and measures for those who have not yet improved.</p> <p>(1) In 2023, we have obtained the Taiwan Intellectual Property Management System (TIPS) and passed the verification</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	Criteria	Professional Qualification and Experience	Independence Status	Number of other public companies in which the individual is concurrently serving as a compensation committee member
	Name			
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)	1
Independent Director	Peipei Yu			1
Independent Director	Sam Lee (Note 1)			0
Independent Director	Jack Chen (Note 2)			0

Note1: Independent Director Mr. Sam Lee passed away on January 25, 2024.

Note2: Board of Directors approved to appoint Jack Chen as the Compensation Committee members on March 12, 2024.

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 3 times in 2023.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Convener	S. J. Paul Chien	3	0	100	
Member	Peipei Yu	3	0	100	
Member	Sam Lee	2	1	67	

(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.136-141)

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 2023. 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
2023.03.14	Report the internal performance evaluation result.	-
2023.08.04	Approved 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 with the board of directors being its highest decision-making body. The ESG Committee is comprised of the executive management and the independent directors, who bear responsibilities over the review of the Company’s overall sustainable development directions, strategies, and objectives, as well as formulating relevant management policies and specific action plans. 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. Namely, the board of directors oversees each sustainability project’s progress and benefits, and when faced with a major issue, the board’s resolution is required to reach the phase of implementation. Five meetings were held in 2023, and the content of the proposals included (1) Reviewing the implementation of sustainability goals and setting future targets; (2) Formulating the company’s “Environmental & Energy and Ecological Conservation Policy” and “Occupational Health and Safety Policy”; (3) Amending the company’s “Code of Conduct” and “Organizational Regulations of the ESG Committee”; (4) Reporting on the results of stakeholder engagement and material topics; (5) Reporting on SBT (Science-Based Targets) goals and Net Zero planning, ethical business practices, and information security implementation; (6) Reporting on the progress of greenhouse gas inventory and verification plans for subsidiary companies.</p> <p>Founded in 2021, Wistron’s Sustainability Office is headed by the Vice President of Sustainability, who’s not only the acting executive secretary to the company’s ESG Committee, but is also responsible for the promotion of sustainability strategies, projects, as well as initiatives passed by the board of directors and the ESG Committee. This includes sustainability information disclosure, annual sustainability report publishing, identification of sustainable topics related to company operations and stakeholders, formulation of initiatives, budget allocation for the organization’s sustainable development, while also tracking implementation results to ensure that the sustainable development strategy is fully carried out in the company’s daily operations.</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. 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 2023. 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"> • Professional investment/holding businesses in the 2023 annual report (excluding Wise Cap Limited Company) • Wistron InfoComm (Vietnam) Co., Ltd • Kaohsiung Opto-Electronics Inc. • Wistron Advanced Materials (Kunshan) Co. Ltd. • XTRONIC (Kunshan) Electronics Technology Co. Ltd <p>2. Our company assessed their occurrence within the boundaries of the value chain based on their activities, products, services, and related impacts. Considering both “dynamic materiality” and “double materiality” simultaneously, Wistron conducted its materiality analysis from 3 perspectives: internal/external stakeholder concerns, impact to the organization's operation and sustainable development impact. At the end, 17 material topics were determined. The identification results were combined with the organization's risk management process, which includes risk identification, potential risk analysis, risk rating assessment, risk mitigation, and response measures. The report on the implementation and results of risk management is submitted to the Audit Committee and the Board of Directors every half a year.</p>	No discrepancy
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

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?	✓			<p>Energy Efficiency 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>Recycled input materials 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 18,035 tons of post-consumer recycled (PCR) green materials in 2023 and has obtained 21 UL Yellow Cards for Plastics and reduced the use of new plastics by approximately 9,471 tons in 2023. Calculations based on the estimated carbon footprint using Simapro for recycled plastics, approximately 42,656 tons of carbon dioxide equivalent (tCO₂e) was reduced. 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.</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) 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 six months, and reports on the implementation and results of risk management to the Board of Directors through the Audit 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> <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:</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) 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?	✓			Climate Change Financial Impact Analysis (Risks)		
				Climate Change Risks	Financial Impacts	Response Measures
				The development of regulations on climate risks and the demand for renewable energy.	Increased operating costs. (such as higher regulatory compliance costs, expenditures related to renewable energy, or increased management fees) Considering factors such as business expansion, assuming a 5% annual growth rate in the group’s carbon emissions (Scope 1 and Scope 2) based on Location-based emissions, and with no other means of carbon offset, the estimated annual carbon cost under this stringent scenario due to carbon fee regulations is as follows: 1. Approximately 0.36-0.45 billion USD in 2030 (based on IEA 2° C scenario). 2. Approximately 0.4-0.55 billion USD in 2030 (based on IEA below 2° C scenario). 3. Approximately 0.67-0.89 billion USD in 2040 (based on IEA below 2° C scenario). 4. Approximately 1.9-2.4 billion USD in 2050 (based on IEA NZE scenario).	Measures were taken to evaluate in the global market, and obtain renewable energy through diversified approaches to achieve the vision of energy transformation and green manufacturing. In 2023, over 190 million kWh of RECs were purchased, and we procure green electricity over 40 million kilowatt-hours. This achievement met the annual target of 65% renewable energy penetration in 2023. Furthermore, a long-term goal was established to gradually increase the proportion of renewable energy to reach 100%.
Demand for low-carbon products and services is growing	Increased product R&D expenses and procurement costs	1. Help customers obtain various environmental protection labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labelling. In 2023, we help our clients to obtain the Energy Star certification for major hardware products such as laptops, desktops, all-in-one computers, monitors, servers, and network phones, with a revenue percentage of 82.2%. Moreover, the major hardware products that obtained certifications such as EPEAT, TCO, Taiwan Eco-label, and China Environmental Label accounted for 86.4% of the 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.				

No discrepancy

Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons																					
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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?	✓			<table border="1"> <thead> <tr> <th>Climate Change Risks</th> <th>Financial Impacts</th> <th>Response Measures</th> </tr> </thead> <tbody> <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&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. Continuously improve the ratio of R&D personnel to total employees, reaching 13.9% in 2023. Obtained 383 certified patents and 43 green product patents in 2023. 2. Since 2022, Wistron has been recognized for three consecutive years as one of the Top 100 Global Innovators™ by Clarivate, and is also listed as one of the top 20 sustainable innovation companies in Taiwan by LexisNexis.</td> </tr> <tr> <td>Drought</td> <td>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)</td> <td>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.</td> </tr> <tr> <td>Typhoons</td> <td>Impact on production and loss of operating revenue</td> <td>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.</td> </tr> <tr> <td>Floods</td> <td>Impact on production and loss of operating revenue</td> <td>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.</td> </tr> <tr> <td>Uncertainty of climate-related physical risks</td> <td>Increase operating costs and impact operating revenue</td> <td>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 2023, total greenhouse gas (Scope 1+2) emissions decreased by 23% (absolute reduction) compared to the previous year (market-based).</td> </tr> </tbody> </table>	Climate Change Risks	Financial Impacts	Response Measures	Mandatory carbon reporting	Increased operating costs	The Company established a comprehensive greenhouse gas inventory for all manufacturing sites across the world. 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Items of Execution	Implementation Status			Summaries	Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No									
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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>(2) Water Withdrawal</p> <p>The production processes of Wistron’s products are mostly assembly-based and do not require a large amount of water. The majority of the water usage is for domestic purposes as well as for some factory facilities such as kitchens and cooling towers. Based on our evaluations, the water sources for Wistron’s sites and offices are tap water. This indicates that Wistron’s water use does not have a significant environmental impact on water resources and on water source ecosystems. Nevertheless, Wistron still actively collects water consumption data, monitors water quality and consumption conditions on a regular basis, and periodically organize water conservation campaigns for the purpose of protecting water resources.</p> <p style="text-align: right;">Unit: ML</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Tap Water</td> <td>3,812.36</td> <td>2,629.45</td> </tr> <tr> <td>Surface Water</td> <td>0.12</td> <td>0.18</td> </tr> <tr> <td>Ground Water</td> <td>-</td> <td>-</td> </tr> <tr> <td>Water usage per unit revenue (million liters/ NT\$ 1 billion)</td> <td>5.7</td> <td>4.0</td> </tr> </tbody> </table> <p>(3) Waste</p> <p>Wistron is committed to not using banned substances or materials and actively promotes waste reduction, recycling, and reuse. The Company rigorously and carefully selects materials and suppliers and continues to implement technical improvement or seek environmentally friendly materials. We abide by the environmental laws and regulations related to our activities, products, and services, as well as customer requirements, to attain and even exceed the established goals.</p> <p style="text-align: right;">Unit: Tons</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Non-Hazardous Waste</td> <td>39,097.73</td> <td>30,624.32</td> </tr> <tr> <td>Hazardous Waste</td> <td>1,205.56</td> <td>1,203.09</td> </tr> </tbody> </table> <p>2. Management policies:</p> <p>(1) GHG Emissions Reduction</p> <p>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.</p>		2022	2023	Tap Water	3,812.36	2,629.45	Surface Water	0.12	0.18	Ground Water	-	-	Water usage per unit revenue (million liters/ NT\$ 1 billion)	5.7	4.0		2022	2023	Non-Hazardous Waste	39,097.73	30,624.32	Hazardous Waste	1,205.56	1,203.09	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>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 2023, the Company saved a total of 17,917,169 kWh of electricity, which reduced carbon emissions by 11,328.85 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 29 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 2023: Reduce water consumption intensity by 11% compared to 2016 and set more ambitious goals for 2024, 2030, and 2035 to continuously track and disclose the annual water-saving performance.</p> <p>(3) Waste Management 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>	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>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"> 1. Conduct a human rights risk assessment and focus on human rights issues such as working hours, wages and benefits, and young workers to manage/implement risk mitigation measures. 2. Arrange training courses on topics related to human rights and labor at global operating locations. 3. Conduct annual audits in accordance with Responsible Business Alliance (RBA) management framework. 4. In 2023, there were no major human rights violations at the global operating locations. 5. Prioritize labor care and welfare as the Company's sustainability focus and aim to create a high-satisfaction working environment. 	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>Adhere to the spirit of sustainability, 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 pay leave, the trip allowance, and the childbirth incentives. In addition, we highly value work-life balance and we hold a variety of lectures and events in which family members 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 2023, the percentage of female employees was 36.87%, while the percentage of female in top management positions was 15.18%.</p> <p>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>1. Safety and health-related measures, and educational training</p> <p>Wistron complies with all applicable occupational safety and health regulations and committed work standards with the intent that all persons (including employees, temporary staff, contractors, and visitors) working within the company premises are aware of their individual OH&S rights & obligations, and establish a sound management system to reduce OH&S risks.</p> <p>The Company implement and maintain the effectiveness and necessary resources of safety and health-related measures: such as 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>	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>The OH&S of each site is supervised by specific departments in charge of managing OH&S activities. Meanwhile, each site sets its own performance goal according to the Company’s OH&S policies. Wistron has an overall goal of zero serious occupational accidents (fatalities are defined as major occupational accidents).</p> <p>2. OH&S verification All major sites implement ISO 45001 OH&SMS and commit to maintaining sustainable operations for the employees’ working environment.</p> <p>3. Employee occupational accident status and improvement measures There have been no major occupational accidents in 2023, but the Company still implements relevant improvement measures for main types of work-related accidents:</p> <p>(1) Taiwan: The main types of occupational accidents in Taiwan are mechanical injuries, with a total of 2 cases (persons) and an incident rate per 1,000 people of 0.167. Improvement measures are implemented through a reduction in the occurrence of injuries by means of publicity, education and training, and environmental inspections.</p> <p>(2) Asia (excluding Taiwan): The main type of occupational accidents is mechanical injuries, with a total of 21 cases (persons), and the incident rate per 1,000 people is 0.762. Improvement measures consist of a mitigation in the occurrence of injuries by reviewing operating procedures and education and training.</p> <p>(3) Europe and the United States: The main type of occupational accidents is mechanical injuries, with a total of 18 cases (persons), and the incident rate per 1,000 people is 7.134. Improvement measures include diminishing the occurrence of injuries through publicity and education and training.</p> <p>4. Fire accidents and improvement measures In 2023, a total of one fire occurred at our operating base in Taiwan. Although no casualties were caused, the Company still re-planned the establishment of smoking areas to prevent recurrence of accidents.</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			
(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 “Sustainability through Innovation” 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> <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>	No discrepancy

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	Yes	No			
(4) Has the Company established effective career development training plans?	✓			<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&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
(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>	No discrepancy

Items of Execution	Implementation Status				Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		Summaries	
(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>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> <p>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.</p>	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>Wistron Supplier Management Strategy</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>	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>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. 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 2023 cooperative suppliers meet the following conditions.</p> <p>Supplier Assessment 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: 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>Supplier Auditing In addition to the annual system and process audit of suppliers, the company also conducts sustainability audit for significant suppliers. The audit results suggest deficiencies and drive suppliers to improve, track, and confirm their improvement.</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>Supplier Training 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>Annual Supplier Conference and Sustainability Forum The company holds the Wistron Group Partner Conference and Sustainability forum 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. The sustainability forum is an occasion in which Wistron introduces its sustainability management policies to suppliers and further promotes anti-corruption, greenhouse gas inventory and water resource risk management requirements, while inviting suppliers with excellent ESG performance to share their ESG implementation results as well.</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 2023 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>					

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<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>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.</p> <p>The Audit Committee, as a functional committee directly under the Board of Directors, is composed entirely of independent directors. It includes a Risk Management Team, with the Chief Financial Officer serving as the convener and representatives from various departments and business units as members. The Risk Management Team conducts comprehensive assessments and analyses of various risks, including climate-related risks, on an annual basis. It formulates response and adaptation strategies and produces corporate risk management reports for submission to the Audit Committee. This ensures prudent management and oversight of climate-related issues.</p> <p>On the front of promoting sustainability strategies, the Sustainability Office, affiliated to the ESG Committee, provides regular monthly reports to the President and CEO on the progress of sustainability strategies and initiatives, including climate actions. At least quarterly, it also reports to the ESG Committee and the Board of Directors on the implementation outcomes and future plans regarding sustainability, which includes climate-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 references ISO 31000 and follows an Enterprise Risk Management (ERM) framework to conduct the risk management process. We utilize a risk map, which includes the analysis of various potential and emerging risks, to assess the likelihood of their occurrence and the magnitude of potential losses once they occur. In the time horizon from 2022 to the end of the century, we evaluate the short, medium, and long-term risks (short-term: 1-3 years, medium-term: 3-5 years, long-term: 5-10 years) and opportunities based on factors such as the asset's useful life, potential climate risks, and the industry sectors and regions where we operate. We assess the potential impact these risks and opportunities may have on our future operations and assign risk and opportunity levels, defining their priorities. The risk and opportunity matrix, derived from this evaluation, is disclosed publicly in our sustainability report.</p> <p>The results of the risk and opportunity analysis are evaluated and classified based on the matrix graph, with consideration to the multiplication of "likelihood of occurrence" and "impact severity." The outcomes are categorized into three risk levels: low, medium, and high. The impact severity is assessed by dividing the financial value of property damage into five levels: extremely minor, minor, moderate, major, and extremely major.</p> <p>For risks classified as high or medium, they are considered as major risks, requiring the formulation of preventive measures and improvement plans. These measures aim to mitigate the identified risks and improve the overall resilience of the organization.</p> <p>Climate Change Financial Impact Analysis (Risks)</p> <table border="1" data-bbox="1635 1020 2816 1839"> <thead> <tr> <th data-bbox="1635 1020 1828 1083">Climate Change Risks</th> <th data-bbox="1828 1020 2199 1083">Financial Impacts</th> <th data-bbox="2199 1020 2816 1083">Response Measures</th> </tr> </thead> <tbody> <tr> <td data-bbox="1635 1083 1828 1839"> The development of regulations on climate risks and the demand for renewable energy. </td> <td data-bbox="1828 1083 2199 1839"> Increased operating costs. 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Item	Status on Execution		
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.	Climate Change Risks	Financial Impacts	Response Measures
	Demand for low-carbon products and services is growing	Increased product R&D expenses and procurement costs	1. Help customers obtain various environmental protection labels such as Energy Star, EPEAT, TCO, Taiwan Green Mark, and China Environmental Labelling. In 2023, we help our clients to obtain the Energy Star certification for major hardware products such as laptops, desktops, all-in-one computers, monitors, servers, and network phones, with a revenue percentage of 82.2%. Moreover, the major hardware products that obtained certifications such as EPEAT, TCO, Taiwan Eco-label, and China Environmental Label accounted for 86.4% of the 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.
	Mandatory carbon reporting	Increased operating costs	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.
	Demand for low-carbon new technologies	Increased operating costs (such as higher R&D expenses or increased patent fees)	1. Foster an innovative culture within the organization and continuously optimize patent and technology layout to enhance competitiveness. Continuously improve the ratio of R&D personnel to total employees, reaching 13.9% in 2023. Obtained 383 certified patents and 43 green product patents in 2023. 2. Since 2022, Wistron has been recognized for three consecutive years as one of the Top 100 Global Innovators™ by Clarivate, and is also listed as one of the top 20 sustainable innovation companies in Taiwan by LexisNexis.
	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 2023, total greenhouse gas (Scope 1+2) emissions decreased by 23% (absolute reduction) compared to the previous year (market-based).

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 Risks	Financial Impacts	Response Measures
	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 2023, the total energy-saving amount was approximately 17,917,169 kWh, which can reduce about 11,328.85 metric tons of carbon emissions. While reducing operating costs, Wistron actively invests resources in reducing the carbon footprint of its operations.
	Climate Change Financial Impact Analysis (Opportunities)		
	Climate Change Opportunities	Financial Impacts	Response Measures
	New business opportunities in the low-carbon economy	Expand the revenue of green products	<ol style="list-style-type: none"> 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 2023, all product lines were 100% compliant with the Waste Electrical and Electronic Equipment Directive (WEEE). In 2023, Wistron's products that comply with the Energy Star standards accounted for 82.2% of the hardware revenue. This resulted in an annual energy savings of 566,650,989 kilowatt-hours (kWh) and a reduction of 280,492,240 kilograms of CO₂ equivalent (kgCO₂e). Taking into account the product lifespan, the energy-saving benefits of the products amounted to 3,494,733,174 kWh, and a reduction of 1,729,892,921 kgCO₂e. 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 2023, Wistron shipped a total of 18,035 metric tons of post-consumer-recycled (PCR) eco-friendly materials. Utilizing electronic waste for raw material recovery amounted to 9,471 metric tons. The carbon reduction benefits were equal to a decrease in emissions of approximately 42,656 metric tons of CO₂ equivalent. Wistron's hardware products that incorporated PCR recycled plastics accounted for 84.51% of the hardware product revenue, which marks a growth of 4.2% compared to the previous year.
Energy conservation and carbon reduction plan	Reduce operating costs	<ol style="list-style-type: none"> 1. Global factories are implementing various types of energy-saving and carbon reduction projects according to local conditions to reduce operating costs. 2. As compared to the baseline year of 2019, the Hsinchu Plant achieved a 26.8% reduction in carbon intensity of its revenues and a 36% reduction in carbon intensity of its production capacity. These significant carbon reduction achievements earned the factory the 2023 Science Park Carbon Reduction Excellence Award presented by the National Science and Technology Council. 	
Low-carbon manufacturing	Continuously increasing the proportion of renewable energy use to avoid carbon taxes and meet customer demand	In 2023, the purchase of renewable energy certificates exceeded 190 million kilowatt-hours. In addition, the company actively expanded its solar power generation capabilities in the factory, resulting in a green electricity penetration rate over 60%. The goal is to progressively increase the utilization rate of renewable electricity each year, with the ultimate aim of reaching 100%.	

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<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 green energy procurement, 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>										
<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>In accordance with our company's 《Risk Management Policy and Procedures》, Wistron incorporates the identification and management of climate-related risks and opportunities into the overall Enterprise Risk Management (ERM) mechanism. The highest responsible entity for risk management is the Board of Directors. The Audit Committee regularly reports the implementation and results of risk management to the Board of Directors, overseeing the functioning and overall implementation of the risk management framework.</p> <p>The Audit Committee, as one of the functional committees under the Board of Directors, consists entirely of independent directors. It assists the Board of Directors in reviewing the execution of risk management. Under the Audit Committee, there is a Risk Management Team, with the Chief Financial Officer serving as the convener, and members representing various departments and business units. The Risk Management Team conducts comprehensive assessments and analyses of various risk scenarios, including climate risks, and develops response and adaptation strategies. It produces corporate risk management reports to be briefed to the Audit Committee, ensuring that climate-related issues and decisions are included in the highest-level management's agenda for discussion.</p>										

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<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="1635 384 2816 1003"> <thead> <tr> <th>Climate Scenario Type</th> <th>Scenario Name</th> <th>Timeline</th> <th>Assumed Parameters</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Transition</td> <td>SBTi 1.5°C</td> <td>2021-2030</td> <td>Annual carbon reductions reached 4.2% (Scopes 1+2). Wistron will achieve 100% green energy by 2030.</td> </tr> <tr> <td>IEA 2°C</td> <td>2021-2030</td> <td>Carbon price: 80-100 USD/ton CO₂e</td> </tr> <tr> <td>IEA below 2°C</td> <td>2021-2030</td> <td>Carbon price: 90-120 USD/ton CO₂e</td> </tr> <tr> <td>IEA Net Zero Emissions by 2050</td> <td>2040-2050</td> <td>Carbon price: 160-200 USD/ton CO₂e</td> </tr> <tr> <td rowspan="3">Physical</td> <td>RCP 6.0</td> <td>2075~2099</td> <td>Average annual temperature change is +0.95 ~ +3.45°C</td> </tr> <tr> <td>RCP 2.6/ RCP 8.5</td> <td>Middle of the century (2046 to 2065) and end of the century (2081 to 2100)</td> <td>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>RCP 8.5</td> <td>Middle of the century (2039 to 2065)</td> <td>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 ₂ e	IEA below 2°C	2021-2030	Carbon price: 90-120 USD/ton CO ₂ e	IEA Net Zero Emissions by 2050	2040-2050	Carbon price: 160-200 USD/ton CO ₂ 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 95 th 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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	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 95 th 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																										
<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 a long-term goal to achieve carbon neutrality by 2030, using 2016 as the base year. This commitment reflects our determination to mitigate and adapt to climate change. In response to the low-carbon manufacturing trend, we actively guide our supply chain partners in setting science-based targets to drive the entire value chain towards net-zero emissions.</p> <p>Following the guidance of science-based targets, we have defined our short-term goals of reducing absolute emissions by 90% for Scope 1 and 2 and 25% for Scope 3 by 2030, using 2022 as the base year. Additionally, we have established a long-term net-zero emissions target where our global value chain's absolute emissions will decrease by 90% by 2050, using 2022 as the base year. This target was submitted for review in August 2023 and is expected to be certified by 2024. Our progress in meeting these targets has been on track and steadily growing. Each year, we publicly disclose the achievement of our climate performance indicators for external review.</p> <p>Moreover, we have initiated the ESG 6 Pillar transformation program, which includes Decarbonization, Green Products, Recycling, and Sustainable Supply Base. These pillars directly address our transition towards a low-carbon economy and a vision of green manufacturing. The performance indicators and short, medium, and long-term goals for each pillar are publicly disclosed in our sustainability report and on our ESG website.</p>																											

Item		Status on Execution																																					
<p>7. The bases used for setting prices shall be described if internal carbon pricing is used as a planning tool.</p>		<p>The impact assessment of carbon emission-related regulations has been completed in 2023. The assessment results show that the EU's CBAM and the US's CCA carbon tariffs will have a greater financial impact, and the possible impact will be after 2029 and 2027.</p> <p>In 2024, Wistron selected the Hsinchu site and the Zhongshan site as pilot projects to promote internal carbon pricing. Through consulting and guidance, the calculation rules and operation mechanism of internal carbon pricing will be established and will be gradually promoted to other sites in the future.</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="1635 583 2816 1203"> <thead> <tr> <th data-bbox="1635 583 1976 653">Item</th> <th data-bbox="1976 583 2398 653">Caption</th> <th data-bbox="2398 583 2816 653">Absolute reduction of greenhouse gas</th> <th data-bbox="2816 583 2825 653">Renewable energy consumption ratio</th> </tr> </thead> <tbody> <tr> <td data-bbox="1635 653 1976 751">Target: Climate Change and Energy Management</td> <td data-bbox="1976 653 2398 751">Absolute reduction of greenhouse gas compared to 2022: -13%</td> <td data-bbox="2398 653 2816 751">Renewable energy consumption ratio: 65%</td> <td data-bbox="2816 653 2825 751"></td> </tr> <tr> <td data-bbox="1635 751 1976 821">Activity covered</td> <td colspan="3" data-bbox="1976 751 2816 821">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="1635 821 1976 863">The scope of GHG Emissions</td> <td colspan="3" data-bbox="1976 821 2816 863">Scope 1+2</td> </tr> <tr> <td data-bbox="1635 863 1976 961">Short, medium, and long-term Goals</td> <td data-bbox="1976 863 2398 961">Y24: -22.5% Y30: carbon neutral Y35: carbon neutral</td> <td data-bbox="2398 863 2816 961">Y24: 72.5% Y30: 100% Y35: 100%</td> <td data-bbox="2816 863 2825 961"></td> </tr> <tr> <td data-bbox="1635 961 1976 1003">Y23 achievement progress</td> <td data-bbox="1976 961 2398 1003">-14.84%</td> <td data-bbox="2398 961 2816 1003">66.47%</td> <td data-bbox="2816 961 2825 1003"></td> </tr> <tr> <td data-bbox="1635 1003 1976 1102">Self-generation and self-consumption of renewable energy (kWh)</td> <td data-bbox="1976 1003 2398 1102">NA</td> <td data-bbox="2398 1003 2816 1102">15,505,112</td> <td data-bbox="2816 1003 2825 1102"></td> </tr> <tr> <td data-bbox="1635 1102 1976 1171">Power Purchase Agreement PPA(kWh)</td> <td data-bbox="1976 1102 2398 1171">NA</td> <td data-bbox="2398 1102 2816 1171">46,593,574</td> <td data-bbox="2816 1102 2825 1171"></td> </tr> <tr> <td data-bbox="1635 1171 1976 1203">I-RECs (kWh)</td> <td data-bbox="1976 1171 2398 1203">NA</td> <td data-bbox="2398 1171 2816 1203">190,275,000</td> <td data-bbox="2816 1171 2825 1203"></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 2022: -13%	Renewable energy consumption ratio: 65%		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	Y24: -22.5% Y30: carbon neutral Y35: carbon neutral	Y24: 72.5% Y30: 100% Y35: 100%		Y23 achievement progress	-14.84%	66.47%		Self-generation and self-consumption of renewable energy (kWh)	NA	15,505,112		Power Purchase Agreement PPA(kWh)	NA	46,593,574		I-RECs (kWh)	NA	190,275,000	
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9. Inventory and assurance of greenhouse gases, along with reduction goals, strategies, and specific action plans

1-1 Greenhouse gas inventory and assurance for the past two fiscal years

1-1-1 Information of Greenhouse Gas Inventory

Providing the emission (tCO₂e), intensity (tCO₂e/ NT\$ million), and data coverage of greenhouse gases for the past two fiscal years.

Basic information of the Company		In accordance with the provisions of the Sustainable Development Roadmap of listed companies should at least be disclosed			
<input checked="" type="checkbox"/> Companies with capital of more than \$10 billion, the steel industry, and the cement industry <input type="checkbox"/> Companies with capital of more than \$5 billion but less than \$10 billion <input type="checkbox"/> Companies with capital of less than \$5 billion		<input checked="" type="checkbox"/> Inventory of parent company only <input type="checkbox"/> Inventory of subsidiaries included in consolidated financial statements <input checked="" type="checkbox"/> Assurance on parent company only <input type="checkbox"/> Assurance on subsidiaries included in consolidated financial statements			
Scope 1	2022		2023		
	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/ NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/ NT\$ million)	
Wistron Corporation (parent company)	852.718	0.020	827.640	0.018	
Total	852.718	0.020	827.640	0.018	
Scope 2	2022		2023		
	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/ NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/ NT\$ million)	
Wistron Corporation (parent company)	34,070.349	0.809	32,595.292	0.727	
Total	34,070.349	0.809	32,595.292	0.727	
Scope 3	2,865,344.568 (tCO ₂ e)		2,616,545.379 (tCO ₂ e)		

1-1-2 Information of Greenhouse Gas Assurance

Providing the assurance status for the past two fiscal years as of the printing date of the annual report, including the scope of assurance, the institution of assurance, assurance criteria, and assurance opinion.

Scope 1	2022 Assurance Scope	2022 Assurance Institution	2022 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 852.718 tCO ₂ e (0.029%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.
	2023 Assurance Scope	2023 Assurance Institution	2023 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 827.640 tCO ₂ e (0.031%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.
Scope 2	2022 Assurance Scope	2022 Assurance Institution	2022 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 34,070.349 tCO ₂ e (1.175%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.
	2023 Assurance Scope	2023 Assurance Institution	2023 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 32,595.292 tCO ₂ e (1.230%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.
Scope 3	2022 Assurance Scope	2022 Assurance Institution	2022 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 2,865,344.568 tCO ₂ e (98.796%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.
	2023 Assurance Scope	2023 Assurance Institution	2023 Description of assurance status
	WISTRON CORPORATION	Bureau Veritas Certification (Taiwan) Co., Ltd	• 2,616,545.379 tCO ₂ e (98.739%) of the GHG emissions disclosed has gone through assurance engagement by assurance agency under assurance standards of ISO 14064-3:2019.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Explanation of the baseline year and its data for greenhouse gas reduction, reduction goals, strategies, and specific action plans, as well as the status of achieving the reduction goals.

1. The base year of absolute reduction of greenhouse gas emissions: 2022
2. Climate Change and Energy Management Target: Absolute greenhouse gas reduction of 13% compared to 2022
3. GHG reduction Strategies: 1. Improve energy efficiency; 2. Improve renewable energy consumption
4. Reduction Actions:
 - (1) Improvement of Energy Efficiency: Wistron is proactively driving actual carbon reduction in addition to increasing renewable energy use. We use low-carbon manufacturing processes, smart energy conservation technologies, and improvement of energy efficiency to achieve the goal of energy saving. The project is divided into six dimensions: air conditioning, air compressor, production, management, green lighting and others.
 - (2) Energy transformations: By continuously improving the utilization ratio of renewable energy, and also in line with the principle of “installing as much as possible”, we aim to maximize the deployment of solar photovoltaic power, promote the procurement of renewable power purchase agreement(PRA) and further increase the proportion of renewable energy use through the purchase of green certificates(I-REC).
5. Climate-related targets:

Caption	Item	Absolute reduction of greenhouse gas	Renewable energy consumption ratio
Target: Climate Change and Energy Management		Absolute reduction of greenhouse gas compared to 2022: -13%	Renewable energy consumption ratio: 65%
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		
Y23 achievement progress		-14.84%	66.47%



BUREAU
VERITAS

VERIFICATION OPINION GREENHOUSE GAS EMISSIONS

This is to verify that

WISTRON CORPORATION

No. 5, Hsin-An Rd., Hsinchu Science Park, Hsinchu City, Taiwan, R.O.C.

Holds Statement No: TWN21068851GT-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 HSICHIH OFFICE, NEIHU OFFICE, HSINCHU FACTORY, HUKOU FACTORY#2, including operation of subsidiaries at these locations, detail is as following page.
- Period covered by GHG emissions verification: January 1, 2023 to December 31, 2023

Emissions data verified:

- Category 1 - Direct GHG emissions and removals: 827.640 tCO₂e
- Category 2 - Indirect GHG emissions from imported energy: 32,595.292 tCO₂e
- Category 3 - Indirect GHG emissions from transportation: 16,161.339 tCO₂e
- Category 4 - Indirect GHG emissions from products used by organization: 1,174,637.094 tCO₂e
- Category 5 - Indirect GHG emissions associated with the use of products from the organization: 1,425,746.946 tCO₂e

Level of Assurance and Qualifications:

- Reasonable assurance for Category 1 and 2
- Limited assurance for Category 3, 4 and 5
- 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 for Category 1 and 2 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.

There is no evidence that the GHG statement for Category 3, 4 and 5 is not materially correct and is not a fair representation of GHG data and information and has not been 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.

Ava Liu, Technical Reviewer
Originally Issue: 15/4/2024

Pei Hsu, CER Manager
Latest Issue: 15/4/2024



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

Page 1 of 5
Ver.20240101

Holds Statement No: TWN21068851GT-1/E Rev.1
Latest Issue: 15/4/2024



Greenhouse Gas Statement:

WISTRON CORPORATION HSICHIH OFFICE: 21F., No. 88, sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City (including operation of subsidiaries at this location)

Hsichih Office:

- Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City
 - 1F/2F/3F/4F/12F/13F/15F/16F/17F/18F/19F/20F/21F/22F/23F/24F/25F, No. 82~88
 - 5F/9F/10F/11F/12F/13F/14F/15F/21F/22F, No. 90~96
 - 3F/5F/9F/10F/13F/21F/22F/25F, No. 98~108
 - 3F/6F/7F/8F/9F/10F/11F/12F/13F/15F/18F/19F/20F/21F/25F, No. 110~116
- 1F/2F/3F, No. 2, / 1F, No. 14, Aly. 16, Ln. 337, Sec. 1, Tatung Rd., Hsichih, New Taipei City
- 26F-10/11/12., No. 93, Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City
- 1F., No. 9, Aly. 18, Ln. 228, Sec. 2, Hsiwan Rd., Hsichih, New Taipei City

AiSails Power Inc.: 22F, No. 88, Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City

International Standards Laboratory Corporation: 17F, No. 84, Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City

Anwith Technology Corporation: 9F, No. 100, Sec. 1, Hsintai 5th Rd., Hsichih, New Taipei City

WiAdvance Technology Corporation: 3F, No. 45, Nanchang St., Hsichih, New Taipei City

Lungtan Laboratory: No. 183-1 (A101) / 2F-3 (A203), No. 183 / No. 183-3 (A103A) / No. 183-4 (A104) Kewang Rd., Lungtan, Taoyuan City

Kaohsiung Office: 5F/6F/7F/8F/9F, No. 2, Lingnan Rd., Lingya, Kaohsiung City; 5F/8F/10F, No. 2, Chungcheng 3rd Rd., Hsinhsing, Kaohsiung City

Tainan Office: 4F-7/8/9, No. 160, Kueijen 13th Rd., Kueijen, Tainan City

WISTRON CORPORATION NEIHU OFFICE: No. 152, 154, 156, 158, Hsingshan Rd., Neihu, Taipei City

WISTRON CORPORATION HSINCHU FACTORY: No. 5, Hsin-An Rd., Hsinchu Science Park, Hsinchu City (including operation of subsidiaries at this location)

Hsin-An Factory: 1F/2F/3F/4F/5F, No. 5; 6F, No. 7, Hsin-An Rd., Hsinchu Science Park

Yenfa Factory: 4F., No. 25, Yenfa 2nd Rd., Hsinchu Science Park

Kuangfu Office: 2F/8F/9F, No. 321, Sec. 2, Kuangfu Rd., Hsinchu Science Park

Chuanghsin Office: 3F/4F, No. 6; 4F, No. 8, Chuanghsin 3rd Rd., Hsinchu Science Park

Employee Dormitory: No. 11, Minghu 5th St., Paoshan Township, Hsinchu County

Wistron Medical Technology Corporation: 5F, No.5, Hsin-An Rd., Hsinchu Science Park

WISTRON CORPORATION HUKOU FACTORY#2: No. 50, Kuangfu N. Rd., Hukou Township, Hsinchu County

Building L, No. 50, Kuangfu N. Rd., Hukou Township, Hsinchu County

3F/5F/6F, Building K, No. 50, Kuangfu N. Rd., Hukou Township, Hsinchu County

2F, Building J, No. 50-1, Kuangfu N. Rd., Hukou Township, Hsinchu County

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) In order to strengthen the corporate culture of integrity and sound development, the Company has formulated the [Ethical Corporate Management Best Practice Principles], [Codes of Ethical Conduct], [Corporate Governance Best Practice Principles] and [Code of Conduct] and other norms approved by the board of directors, and disclosed them on the Company website and [Market Observation Post System]. Integrity is our core value and the foundation for running a business. This principle applies to all directors (including independent directors, the same below), managers and employees of the Company or those who have substantial control over the Company.</p> <p>(2) The Company has established an assessment mechanism for the risk of unethical conduct in accordance with the [Ethical Corporate Management Best Practice Principles], regularly analyzes and evaluates business activities with higher risks of unethical conduct within the business scope, and formulates relevant management plans which covering preventive measures for the behaviors listed in Paragraph 2 of Article 7 of [Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies].</p> <p>(3) The Company has formulated a plan to prevent unethical behavior in the [Ethical Corporate Management Best Practice Principles], including operating procedures and behavioral guidelines. Wistron has also formulated a punishment and appeal system for violations in the [Codes of Ethical Conduct], and regularly reviews the appropriateness and effectiveness of the prevention plans mentioned above. For departments/personnel with higher potential risks (such as Treasury Management & Corporate Communications and Global Supply Chain Management), in addition to conducting education and training and preparing relevant manuals for publicity/normalization, risks are also reduced through internal audits or regular job rotations. The Company also clearly stipulates prohibited behaviors in the [Codes of Ethical Conduct], including the avoidance of conflicts of interest, principles and standards for giving presents and treats as part of business routine, political donations and charitable donations, as well as the verification principles for whether ethical conduct is violated, and also clearly stipulates appeal system and related operating procedures.</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) Before establishing a commercial relationship with an external party, our Company will first evaluate the legality of the party’s operations, integrity policies, and whether there is any record of unethical behavior. In the process of engaging in business activities, we will explain the Company’s integrity policy and relevant regulations to the other party, and clearly refuse to directly or indirectly provide, promise, request or accept any form of improper benefits. Once unethical behavior is discovered, we will immediately stop contact immediately and list them as objects of refusal. The Company will incorporate the integrity policy into the terms of business contracts, including: clear and reasonable payment, handling of situations involving unethical behavior, handling of violations of prohibited commissions/rebates/other benefit contract terms, etc.	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) The Company’s [Global Human Resources and Administration] department is responsible for the formulation and supervision of integrity policies and related measures, and reports the implementation results to the board of directors every year. So far, no major violations have occurred.	
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(3) The Company clearly stipulates conflict of interest clauses and situations/standards in the [Ethical Corporate Management Best Practice Principles] and [Codes of Ethical Conduct], requires employees to avoid them, and proactively and fully report to their direct supervisor, the top manager of the human resources department or the board of directors when they are aware of or face similar situations.	
(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) Based on the principle of integrity policy, the Company will evaluate and self-examine the effectiveness and the design and implementation of internal control system, which includes accounting systems, based on the changes in the operating environment every year, and make adjustments when necessary. Those actions mentioned above will be reviewed by the audit department.	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(5) New employees and new supervisors are required to take ethics/integrity courses on the day they join the Company, and all colleagues are required to regularly completing online learning courses and performance evaluations on related topics.	

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>✓</p> <p>✓</p> <p>✓</p>		<p>(1) When anyone discovers a violation of the [Codes of Ethical Conduct], he or she can report it directly to the independent director, the top manager of human resources department, the top manager of the audit department, the chairman of the board, or through employee grievance channels. For managers or employees who violate the regulations, the Company will, depending on the severity of the case, take disciplinary action including dismissal or termination of appointment in accordance with the relevant provisions of [Implementation Guidelines for Employee Rewards and Penalties]. For the business parties that that violate the principles of honesty and integrity, the Company will reduce or cancel the cooperation relationship with them depending on the severity of the case. In serious cases, they will be reported to the appropriate judicial authorities.</p> <p>(2) The Company has a complaint procedure, with clear operating procedures from the filing of complaints, investigation, and the handling. Relevant personnel and information that are include in the same case are also kept confidential throughout the process.</p> <p>(3) The Company will always provide protection to those who report or are involved in the investigation process to prevent the parties from suffering unfair retaliation or treatment, and strictly abide by Article 22 of the [Ethical Corporate Management Best Practice Principles] regarding keeping the identity of the whistleblower and the content of case confidential, and measures to protect the whistleblower from being improperly treatment.</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>	<p>✓</p>		<p>The company discloses its commitment to comply with the [Ethical Corporate Management Best Practice Principles] and the RBA (Responsible Business Alliance) Code of Conduct on its official website and the [Market Observation Post System], and discloses the implementation status in the sustainability report.</p>	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 commitment and fully communicates Wistron’s anti-corruption policy to suppliers through the Wistron Global Learning Platform. Wistron also has a reporting hotline, and promotes the Company’s integrity policies and beliefs to suppliers at the business conference, and review suppliers’ implementation status 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 12, 2024

Based on the findings of a self-assessment, Wistron Corporation (Wistron) states the following with regard to its internal control system during the year 2023 :

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, 2023, 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 2023 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 12, 2024, with none of the eight 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 2023, 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 2023 shareholders' meeting on June 15, 2023. The resolutions and implementation status are listed below:

Important resolution	Implementation Status
Ratification of 2022 Business Report and Financial Statements as proposed.	To implement in accordance with the resolutions.
Ratification of the proposal for distribution of 2022 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\$ 2.59872094. The Company had set the ex-dividend record date on July 5, 2023. The cash dividends were allocated on July 28, 2023.
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.

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
1 st Board Meeting of 2023	2023 · 03 · 14	1. Approved the compensation for employees and directors of 2022.	V	Resolved		
		2. Approved the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO).	V	Resolved		
		3. Approved the salary adjustment to the managers (excluding CSO) in 2023.	V	Resolved		
		4. Approved the performance bonus budget to the managers (excluding CSO) in 2023.	V	Resolved		
		5. Approved the proposal of 2022 employees' compensation payout ratio and amount to CSO.	V	Resolved		
		6. Approved the salary adjustment to CSO in 2023.	V	Resolved		
		7. Approved the performance bonus budget to CSO in 2023.	V	Resolved		
		8. Approved the business plan of 2023.				
		9. Approved the business report of 2022.			V	Resolved
		10. Approved the parent-company-only and consolidated financial statements of 2022.			V	Resolved
		11. Approved the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		12. Approved the proposal for 2022 earnings distribution.			V	Resolved
		13. Approved the 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. Approved the amendments to the "Codes of Ethical Conduct".				
		15. Approved the amendments to the "Ethical Corporate Management Best Practice Principles".				
		16. Approved to convene 2023 general shareholders' meeting.				
		17. Approved to assign KPMG as audit accountants in 2023.			V	Resolved
		18. Approved the Internal Control System Statement of 2022.			V	Resolved
		19. Approved the amendments to the "Corporate Governance Best Practice Principles".				

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
1 st Board Meeting of 2023	2023 · 03 · 14	20. Approved to acquire or disposal of equipment held for business use with subsidiaries. 21. Approved the application for bank facility. 22. Approved the increase or decrease items of endorsements and guarantees.			V	Resolved
2 nd Board Meeting of 2023	2023 · 05 · 11	1. Approved the consolidated financial statements of 2023Q1.			V	Resolved
		2. Approved the investment of US\$45 million in Wistron InfoComm Mexico S.A. de C.V.			V	Resolved
		3. Approved the investment of US\$15 million in Wistron InfoComm (Philippines) Corporation.			V	Resolved
		4. Approved the amendments to the "Code of Conduct".				
		5. Approved the amendments to the "Risk Management Policy and Procedure".			V	Resolved
		6. Approved the amendments to the "ESG Committee Charter".				
		7. Approved the amendments to the "Environmental & Energy and Ecological Conservation Policy".				
		8. Approved the amendments to the "Occupational Health and Safety Policy".				
		9. Approved the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		10. Approved to acquire or disposal of equipment held for business use with subsidiaries.				
		11. Approved the application for bank facility.				
		12. Approved the increase or decrease items of endorsements and guarantees.			V	Resolved
3 rd Board Meeting of 2023	2023 · 06 · 26	Approved to acquire of common shares of Alchip Technologies, Limited through a private placement.			V	Resolved
4 th Board Meeting of 2023	2023 · 08 · 04	1. Approved the performance bonus to managers (excluding CSO) in 2023 first half of the year.	V	Resolved		
		2. Approved the performance bonus to CSO in 2023 first half of the year.	V	Resolved		
		3. Approved re-review the proposal of 2022 employees' compensation payout ratio and amount to the managers (excluding CSO).	V	Resolved		

	Date	Important resolution	Compensation Committee		Audit Committee			
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions		
4 th Board Meeting of 2023	2023 · 08 · 04	4. Approved the non-independent directors' compensation of 2022.	V	Resolved				
		5. Approved the amount allocated to Wistron's managers through the issuance of ESOP by the subsidiary WiAdvance Technology Corporation.	V	Resolved				
		6. Approved the amount allocated to Wistron's employees through the issuance of ESOP by the subsidiary WiAdvance Technology Corporation.			V	Resolved		
		7. Approved the promotion of managers.						
		8. Approved consolidated financial statements of 2023Q2.			V	Resolved		
		9. Approved the investment of US\$24.5 million to establish Wistron Technology (Vietnam) Co., Ltd.(WTVN); and WTVN plans to invest within a limit of no more than US\$24.5 million.			V	Resolved		
		10. Approved disposition of the common shares of Alpha Networks Inc.			V	Resolved		
		11. Approved the amendments to the "Internal Control Systems of Shareholder Services Units".			V	Resolved		
		12. Approved the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.						
		13. Approved to acquire or disposal of equipment held for business use with subsidiaries.						
		14. Approved opening a NRA bank account and related international trade financing business at the Guangzhou branch of China Minsheng Bank						
		15. Approved the application for bank facility.						
		16. Approved the increase or decrease items of endorsements and guarantees.			V	Resolved		
		5 th Board Meeting of 2023	2023 · 09 · 14	None				
		6 th Board Meeting of 2023	2023 · 10 · 27	Approved the subsidiaries SMS InfoComm (Singapore) Pte. Ltd. and Wistron Hong Kong Limited selling 100% ownership of Wistron InfoComm Manufacturing (India) Private Limited .			V	Resolved
		7 th Board Meeting of 2023	2023 · 11 · 09	1. Approved consolidated financial statements of 2023Q3.			V	Resolved
2. Approved the project of building improvements and acquiring machinery and equipment within a limit of no more than NT\$1,603,000 thousands.					V	Resolved		

	Date	Important resolution	Compensation Committee		Audit Committee			
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions		
7 th Board Meeting of 2023	2023 · 11 · 09	3. Approved the investment of NT\$1,000 million in WiSuccess Asset Management Corporation.			V	Resolved		
		4. Approved the subscription the new shares issued by Wistron NeWeb Date Important Resolution Corporation for its 2023 capital increase in cash.			V	Resolved		
		5. Approved giving up the subscription of the capital increase in cash issued by WiAdvance Technology Corporation for both the Company and subsidiaries and the Company's shareholders will be have priority to subscribe in accordance with their shareholding ratio.			V	Resolved		
		6. Approved making a loan to Kaohsiung Opto-Electronics Inc.			V	Resolved		
		7. Approved the amendments to the "Related Party Transaction Management Procedures".						
		8. Approved to acquire or disposal of equipment held for business use with subsidiaries.						
		9. Approved the application for bank facility.						
		10. Approved to sell accounts receivable to banks and/or banking consortium.						
		11. Approved signing the Letter of Comfort.			V	Resolved		
		12. Approved the increase or decrease items of endorsements and guarantees.			V	Resolved		
		8 th Board Meeting of 2023	2023 · 12 · 21	1. Approved the performance bonus to managers (excluding CSO) in 2023 second half of the year.	V	Resolved		
				2. Approved the performance bonus to CSO in 2023 second half of the year.	V	Resolved		
3. Approved the fulfillment of the second 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. Approved the proposal to conduct partial renovation and acquire equipment within a budget not exceeding NT\$6,390,000 thousands at the office building in the Hsinchu County International AI Park.					V	Resolved		
8 th Board Meeting of 2023	2023 · 12 · 21	5. Approved the investment of US\$90 million in Wistron InfoComm (Vietnam) Co., Ltd.			V	Resolved		
		6. Approved to donate and construct a new building on the designated site of the Tongxing Building at the National Yang Ming Chiao Tung University Tainan Branch.			V	Resolved		

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
8 th Board Meeting of 2023	2023 . 12 . 21	7. Approved 2024 Annual Audit Plans.			V	Resolved
		8. Approved the amendments to the “Non-Assurance Services for accountant Pre-approval Policy”.			V	Resolved
1 st Board Meeting of 2024	2024 . 03 . 12	9. Approved the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		10. Approved to open a bank account and related international trade financing business at the Bank of China Limited, Macau Branch.				
		11. Approved to open a bank account and related international trade financing business at the Industrial and Commercial Bank of China (Macau) Limited.				
		12. Approved the application for bank facility.				
		13. Approved the increase or decrease items of endorsements and guarantees.			V	Resolved
2 nd Board Meeting of 2024	2024 . 03 . 12	1. Approved the appointment of members of 5 th Compensation Committee.				
		2. Approved the appointment of members of 2 nd ESG Committee.				
		3. Approved the candidate nomination of the 10 th Directors, including Independent Directors.				
		1. Approved the compensation for employees and directors of 2023.	V	Resolved		
		2. Approved the proposal of 2023 employees’ compensation payout ratio and amount to the managers (excluding CSO).	V	Resolved		
		3. Approved the salary adjustment to the managers (excluding CSO) in 2024.	V	Resolved		
		4. Approved the performance bonus budget to the managers (excluding CSO) in 2024.	V	Resolved		
		5. Approved the proposal of 2023 employees’ compensation payout ratio and amount to CSO.	V	Resolved		
		6. Approved the salary adjustment to CSO in 2024.	V	Resolved		
		7. Approved the performance bonus budget to CSO in 2024.	V	Resolved		
8. Approved the business plan of 2024.			V	Resolved		
9. Approved the business report of 2023.			V	Resolved		
10. Approved the parent-company-only and consolidated financial statements of 2023.						

	Date	Important resolution	Compensation Committee		Audit Committee	
			Agenda	Resolutions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions
2 nd Board Meeting of 2024	2024 . 03 . 12	11. Approved the cancellation of part of New Restricted Employee Shares and the record date of capital reduction.				
		12. Approved the proposal for 2023 earnings distribution.			V	Resolved
		13. Approve the election of the 10 th Directors, including Independent Directors.				
		14. Approved the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business by shareholder meeting.				
		15. Approved the issuance of new common shares for cash to sponsor issuance of GDR and/or issuance of new common shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of new common shares for cash to sponsor issuance of GDR in private placement.			V	Resolved
		16. Approved the amendments to the “Articles of Incorporation”.				
		17. Approved to convene 2024 general shareholders’ meeting.				
		18. Approved to establish Hsinchu branch office.				
		19. Approved to assign KPMG as audit accountants in 2024.			V	Resolved
		20. Approved the Internal Control System Statement of 2023.			V	Resolved
		21. Approved to acquire or disposal of equipment held for business use with subsidiaries.				
		22. Approved the application for bank facility.				
		23. Approved the increase or decrease items 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	Chia-Chien, Tang、Ming Hung, Huang	2023/01~2023/12	8,107	2,577	10,684	-

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

U Unit: Shares

Title	Name	2023		As of Apr. 1, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CSO	Simon Lin	0	0	0	0
Vice Chairman	Robert Hwang	712,000	0	(140,000)	0
Director	Wistron NeWeb Corp.	0	0	0	0
	Representative: Haydn Hsieh	(93,000)	0	(7,000)	0
Director	Philip Peng	0	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 (Note 1)	0	0	-	-
Independent Director	Pei Pei Yu	0	0	0	0
President & CEO	Jeff Lin	2,368,519	0	1,200,000	0
Chief Infrastructure Officer & Chief Technology Officer	David Shen	(30,000)	0	500,000	0
Chief of Staff	Frank F.C. Lin	640,000	0	700,000	0
President of Advanced Technology Lab	Donald Hwang	(70,000)	0	370,000	0
Chief Digital Officer & Chief Information Security Officer	Kenny Wang	840,000	0	480,000	0
Chief Financial Officer	Stone Shih	600,000	0	600,000	0
President of Enterprise & Networking Business Group	William Lin	403,000	0	495,000	0
Technical Vice President	Kelvin Chang	100,000	0	100,000	0
Strategy Planning Office Vice President	K. Y. Wang	86,000	0	191,000	0
President of Client Products Business Group	Robert CL Lin	380,000	0	540,000	0
Vice President of New Technology	Vincent Cho	280,000	0	75,000	0
President of Global Manufacturing	Jackie Lai	442,000	0	315,000	0
President of Industrial & Automotive Business Group	Christine Hsu	190,000	0	360,000	0
President of Service & Recycling Business Group	Peter Tung	468,000	0	391,000	0
President of Global Manufacturing	Alec Lai	290,000	0	300,000	0

Title	Name	2023		As of Apr. 1, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Vice President of Client Products Business Group	Felix Lai	326,000	0	373,000	0
Vice President of Enterprise & Networking Business Group	Christopher Huang	300,000	0	300,000	0
Vice President of Global Supply Chain Management	Benny Hu	124,000	0	170,000	0
Vice President of Industrial & Automotive Business Group	Howard Liu	170,000	0	200,000	0
Vice President of Global Manufacturing	Mark H.H. Huang	0	0	60,000	0
Vice President of Information	Kevin Fong	46,000	0	122,000	0
Vice President of Global Manufacturing	Benjamin Chang	(330,000)	0	150,000	0
Vice President of R&D of Client Products Business Group	York Liang (Note 2)	-	-	280,000	0
Vice President of Service & Recycling Business Group	Ted Chiu (Note 2)	-	-	240,000	0
Vice President of R&D of Digital Technology	Jeff Lee (Note 2)	-	-	120,000	0
Controller	Fred Chiu	93,000	0	100,000	0

Note 1 : Independent Director Mr. Sam Lee passed away on January 25, 2024.

Note 2 : Appointed on August 5, 2023.

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 1, 2024)

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	
Labor Pension Fund	91,580,363	3.16	0	0	0	0	None	None	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	90,758,000	3.13	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd.	53,233,000	1.84	0	0	0	0	None	None	
Representative:Lin, fu-sing	-	-	-	-	-	-	None	None	
Taipei Fubon Bank Trust Account (employee share ownership trust)	46,833,730	1.62	0	0	0	0	None	None	
Yuanta Taiwan Dividend Plus ETF	43,382,069	1.50	0	0	0	0	None	None	
Lin, Hsien-Ming	42,599,252	1.47	1,544	0	0	0	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	39,146,524	1.35	0	0	0	0	None	None	
Wistron NeWeb Corporation	28,796,209	0.99	0	0	0	0	None	None	
Representative:Haydn Hsieh	1,022,911	0.04	13,271	0	0	0	None	None	
CAPITAL TIP Taiwan Select High Dividend ETF	25,843,000	0.89	0	0	0	0	None	None	
Norges Bank-fund mgr Blackrock Investment Management(Taiwan) Limited	25,385,944	0.88	0	-	-	-	None	None	

3.10 Ownership of Shares in Affiliated Enterprises

(As of December 31, 2023) 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	(Note 2)	0.00	(Note 2)	100.00
Wistron NeWeb Corporation	96,089,042	19.92	10,615,780	0.06	106,704,822	19.98
INTERNATIONAL STANDARDS LABORATORY CORP.	2,434,462	100.00	-	-	2,434,462	100.00
WiAdvance Technology Corporation	977	0.01	14,933,625	75.39	14,934,602	75.40
SMS Infocomm Corporation	4,832,686	100.00	0	0.00	4,832,686	100.00
Wistron Mexico, S.A. de C.V.	160,043,716	100.00	0	0.00	160,043,716	100.00
All Holding Corp.	432,485,702	100.00	0	0.00	432,485,702	100.00
Wistron InfoComm (Philippines) Corporation	964,567,270	100.00	0	0.00	964,567,270	100.00
SMS InfoComm (Singapore) Pte. Ltd.	157,489,410	100.00	0	0.00	157,489,410	100.00
Wistron LLC	10,936,000	100.00	0	0.00	10,936,000	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
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
Wiwynn Corporation	65,895,129	37.69	14,219,033	5.16	80,114,162	42.85
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	(Note 2)	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	905,351,602	100.00	0	0.00	905,351,602	100.00
Wistron InfoComm (Vietnam) Co., Ltd	(Note 2)	100.00	(Note 2)	0.00	(Note 2)	100.00
SMS InfoComm (Czech) s.r.o.	(Note 2)	100.00	(Note 2)	0.00	(Note 2)	100.00
WiSuccess Asset Management Corporation	270,000,000	100.00	0	0.00	270,000,000	100.00
Wistron Green Energy Holding Company	28,000,000	100.00	0	0.00	28,000,000	100.00
WIBASE INDUSTRIAL SOLUTIONS INC.	29,474,418	75.41	9,553,582	24.45	39,028,000	99.86

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
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	159	30.00	371	70.00	530	100.00
Formosa Prosonic Industries Berhad	69,260,000	27.14	0	0.00	69,260,000	27.14
Join-Link International Technology Co. Ltd.	20,261,108	29.65	1,933,947	2.83	22,195,055	32.48
T-CONN PRECISION CORPORATION	4,993,679	9.99	5,301,787	10.61	10,295,466	20.60
NICE Licensing LLC	(Note 2)	20.00	(Note 2)	0.00	(Note 2)	20.00
Pell Bio-Med Technology Co., Ltd.	5,150,000	9.55	7,300,000	13.53	12,450,000	23.08
Mobility Technology Group Inc.	9,000,000	31.25	0	0.00	9,000,000	31.25

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 sustainable development, 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 uses activities, products, and services to reduce its impact on the ecological environment. Wistron is committed to climate change advocacy, biodiversity conservation, and no-deforestation. We are 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, and transportation and logistics management. Employees are trained to understand the impact of their work activities to the environment. With our focus on 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 well aware of the our Occupational Health & Safety (OH&S) risks and opportunities in the workplace that are affecting the well-being of all persons working under the control of the company. Focused on preventing injury and ill health, we commit to establish an OH&S management system and enhance consultation and participation ensuring a healthy, injury-free environment.

(5) Social Accountability Management System

Wistron is committed to fulfilling our sustainability. Our company will continue to comply with related international regulations and local policies, safeguard and advance employees' rights and benefits, and build an overall healthy, safe, and ethical operating environment.

4. Company Shares and Fund Raising

4.1 Capital and Shares (April 1, 2024)

4.1.1 Changes in share capital

A. Type of Stock

Date: April 1, 2024

Shares Category	Authorized capital				Notes
	Issued shares (note)		Non-issued	Total	
	Listed	Non-listed			
Common shares	2,896,980,050	0	1,103,019,950	4,000,000,000	Stock option 200,000,000 shares

Note : Including 26,205,200 shares of treasury stock.

B. Issued Shares

Date: April 1, 2024

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

Month/Year	Par Value (NT\$)	Authorized Capital		Authorized Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2006.01	29.44/13.1	1,600,000	16,000,000	1,178,274	11,782,742	Issuance of employee stock option and issuance of ECB transferred.	None	
2006.04	29.44/13.1	1,600,000	16,000,000	1,196,362	11,963,621	Issuance of employee stock option and issuance of ECB transferred.	None	
2006.08	10	1,600,000	16,000,000	1,272,356	12,723,568	New issuance of Shares	None	
2007.08	10	2,000,000	20,000,000	1,381,926	13,819,261	New issuance of Shares	None	
2008.07	47.27	2,000,000	20,000,000	1,405,926	14,059,261	Issuance of common stocks through private placement	None	
2008.09	10	2,000,000	20,000,000	1,516,637	15,166,367	New issuance of Shares	None	
2009.07	49	2,500,000	25,000,000	1,666,637	16,666,367	New issuance of GDR	None	
2009.08	10	2,500,000	25,000,000	1,850,616	18,506,158	New issuance of Shares	None	
2010.02	46.7	2,500,000	25,000,000	1,864,269	18,642,688	Issuance of employee stock option	None	
2010.04	46.7	2,500,000	25,000,000	1,869,794	18,697,938	Issuance of employee stock option	None	
2010.05	46.7	2,500,000	25,000,000	1,870,270	18,702,698	Issuance of employee stock option	None	
2010.08	10	2,500,000	25,000,000	1,963,783	19,637,833	New issuance of Shares	None	
2010.09	46.7/42.5	2,500,000	25,000,000	1,964,133	19,641,333	Issuance of employee stock option	None	
2010.11	42.5	2,500,000	25,000,000	1,965,007	19,650,073	Issuance of employee stock option	None	
2011.03	42.5	2,500,000	25,000,000	1,985,579	19,855,793	Issuance of employee stock option	None	
2011.05	42.5	2,500,000	25,000,000	1,986,152	19,861,523	Issuance of employee stock option	None	
2011.09	10/42.5	3,000,000	30,000,000	2,084,881	20,848,812	New issuance of Shares and issuance of employee stock option	None	
2012.01	37.6	3,000,000	30,000,000	2,084,997	20,849,972	Issuance of employee stock option	None	
2012.04	49.3/37.6	3,000,000	30,000,000	2,093,173	20,931,733	Issuance of employee stock option and issuance of ECB transferred.	None	
2012.05	37.6	3,000,000	30,000,000	2,094,015	20,940,153	Issuance of employee stock option	None	
2012.08	10	3,000,000	30,000,000	2,197,943	21,979,432	New issuance of Shares	None	
2013.04	33.6	3,000,000	30,000,000	2,197,969	21,979,692	Issuance of employee stock option	None	
2013.08	10	3,000,000	30,000,000	2,315,140	23,151,403	New issuance of Shares and cancellation of treasury stocks.	None	
2013.09	10	3,000,000	30,000,000	2,377,935	23,779,353	Issuance of Restricted Stock Awards	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
2013.11	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	2,900,166	29,001,661	Cancellation of Restricted Stock Awards	None	
2023.05	10	4,000,000	40,000,000	2,899,966	28,999,661	Cancellation of Restricted Stock Awards	None	
2023.08	10	4,000,000	40,000,000	2,899,806	28,998,061	Cancellation of Restricted Stock Awards	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
2024.01	10	4,000,000	40,000,000	2,899,766	28,997,661	Cancellation of Restricted Stock Awards	None	
2024.03	10	4,000,000	40,000,000	2,896,980	28,969,801	Cancellation of Restricted Stock Awards	None	

4.1.2 Shareholding Structure

Date : April 1, 2024

Category/ Number	Government Institution	Financial Institution	Other Institution	Individual	FINI	Treasury Stock	Total
Number of Shareholders	6	13	773	350,689	1,422	1	352,904
Shareholding (shares)	155,277,052	20,366,000	554,797,326	1,321,998,806	818,335,666	26,205,200	2,896,980,050
Percentage (%)	5.36	0.70	19.15	45.64	28.25	0.90	100.00

4.1.3 The Distribution of Shareholdings

Date : April 1, 2024

Category by shareholdings	No. of Shareholders	Number of Shares	Percentage(%)
1 ~ 999	99	99,473	0.72
1,000 ~ 5,000	212,719	405,704,775	14.00
5,001 ~ 10,000	22,775	176,054,982	6.08
10,001 ~ 15,000	6,205	78,636,484	2.71
15,001 ~ 20,000	3,722	68,658,605	2.37
20,001 ~ 30,000	2,954	75,371,642	2.60
30,001 ~ 40,000	1,319	47,331,298	1.63
40,001 ~ 50,000	834	38,644,051	1.33
50,001 ~ 100,000	1,381	99,481,029	3.43
100,001 ~ 200,000	648	92,507,714	3.19
200,001 ~ 400,000	347	99,831,567	3.45
400,001 ~ 600,000	143	69,842,557	2.41
600,001 ~ 800,000	70	49,452,781	1.71
800,001 ~ 1,000,000	39	35,861,494	1.24
1,000,001 and above	275	1,538,877,458	53.13
Total	352,904	2,896,980,050	100.00

4.1.4 The List of Major Shareholders

Date : April 1, 2024

Name	Shares	Number	Percentage(%)
Labor Pension Fund		91,580,363	3.16
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		90,758,000	3.13
Fubon Life Insurance Co., Ltd.		53,233,000	1.84
Taipei Fubon Bank Trust Account (employee share ownership trust)		46,833,730	1.62
Yuanta Taiwan Dividend Plus ETF		43,382,069	1.50
Lin, Hsien-Ming		42,599,252	1.47
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		39,146,524	1.35
Wistron NeWeb Corporation		28,796,209	0.99
CAPITAL TIP Taiwan Select High Dividend ETF		25,843,000	0.89
Norges Bank-fund mgr Blackrock Investment Management (Taiwan) Limited		25,385,944	0.88

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

Unit : NT\$

Item	Period	2022			2023			2024 (As of March 31)		
Market Price Per Share	Highest		32.30		161.50				135	
	Lowest		23.10		29.00				92.4	
	Average		28.10		78.45				115.26	
Net Value Per Share	Before Distribution		33.85		36.36				-	
	After Distribution		31.25		(Note)				(Note)	
Earnings Per Share	Weighted Average Share Numbers (thousand shares)		2,783,285		2,809,733				-	
	Earnings Per Share		4.01		4.08				(Note)	
Dividend Per Share	Cash Dividend (NT\$)		2.6		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		7.01		19.23				-	
	P/D Ratio		10.81		30.17				-	
	Cash Dividend Yield		9.25%		3.31%				-	

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

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

B. Proposed Distribution of Dividend

The Board adopted a proposal for 2023 profit distribution at its quarterly meeting on March 12, 2024. The proposed profit distribution will take effect upon the approval of shareholders at the Annual Shareholders' Meeting on May 30, 2024.

Proposal for Distribution of 2023 Profits

Unit : NT\$

Unappropriated retained earnings at the beginning of the year		14,521,755,172
Plus (Less):		
Remeasurements of defined benefit obligation	(24,502,104)	
Changes in equity of associates and joint ventures accounted for using equity method	3,449,173	
Changes in ownership interests in subsidiaries	26,242,983	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	247,291,919	
Net Profit of 2023	11,471,616,305	
Legal Reserve	(1,172,409,828)	
Special Reserve	433,878,781	
Retained Earnings Available for Distribution		25,507,322,401
Distribution Items:		
Stock Dividends to Common Shareholders (Note 1)	0	
Cash Dividends to Common Shareholders (Note 2)	(7,461,545,650)	(7,461,545,650)
Unappropriated Retained Earnings		18,045,776,751

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, 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 2023 as follows:**

(A) The Company's 5th term 11th Compensation Committee Meeting and 2nd Board Meeting of 2024 resolved the employees' and directors' compensation of 2023 in accordance with the "Articles of Incorporation."

- The employees' compensation was NT\$ 2,170,536,790, and the appropriation rate is 15.19%, which is paid in cash.
- The directors' compensation was NT\$114,313,990, and the appropriation ratio is 0.80%, 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 2023 financial statements.

F. The Bonuses to Employees and Compensation to Directors in 2022:

	2022			
	Board Resolution	Actual Distribution(Note)		
	Amount(NT\$)	Amount(NT\$)	Equivalent Number of Shares	Dilution(%)
Employees' Compensation in Cash	2,009,595,168	2,009,595,168	-	-
Employees' Compensation in Stock	-	-	-	-
Directors' Compensation	100,000,000	100,000,000	-	-
Total	2,109,595,168	2,109,595,168	-	-

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 2022 financial statements.

4.1.9 Treasury Stocks:**(1) Repurchases already completed**

Date : April 1, 2024

Treasury stocks: Batch Order	1 st 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	32,563,800
Accumulated number of company shares held	26,205,200
Percentage of total company shares held (%)	0.9

(2) Any repurchase still in progress : None.

4.2 Issuance of Corporate Bonds : None.**4.3 Issuance of Preferred Stock** : None.**4.4 GDR Issuance: Issuance of Global Depository Shares**

Date : March 31, 2024

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	2023	High	US \$ 45.00
		Low	US \$ 10.50
		Average	US \$ 25.24
	2024.01.01-2024.03.31	High	US \$ 39.08
		Low	US \$ 36.60
		Average	US \$ 37.43

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

As of 03/31/2024

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"> The employee shall not, except for inheritance, sell, pledge, transfer, give to others, set up, or otherwise dispose of the new shares after the employees have been granted new shares without achieving the acquired conditions. If the employee meets the conditions, the entrusted Trust custodian shall allocate the shares from the trust account to the individual collection and insurance account of the employee. The rights of shareholders' meetings, proposals, speeches, voting and the right to vote shall be carried out in accordance with the trust custody contract. Employees are assigned under these measures to restrict the rights of employees of new shares, before the acquisition of the acquired conditions, other rights include, but are not limited to: dividends, dividends, capital reserve distribution rights, cash replenishment of the equity, etc., with the same rights as the common shares which company has issued.
Custody Status of New Restricted Employee Shares	Managed by security trust
Measures to be Taken When Vesting Conditions are not Met	The shares shall be forfeited and written off.
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	6,632,000
Number of Released New Restricted Employee Shares	36,644,000
Number of Unreleased New Restricted Shares	19,724,000
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0.68
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 03/31/2024

	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	32,520,000	1.12%		18,960,000	0	0	0.65%	10,840,000	0	0	0.37%
	President & CEO	Jeff Lin											
	Chief Infrastructure Officer & Chief Technology 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	K.Y. Wang											
	President of Client Products Business Group	Robert CL Lin											
	Vice President of New Technology Strategy	Vincent Cho											
	President of Global Manufacturing	Jackie Lai											
	President of Service & Recycling Business Group	Peter Tung											
	President of Industrial & Automotive Business Group	Christine Hsu											
	President of Global Manufacturing	Alec Lai											
	Vice President of Client Products Business Group	Felix Lai											
	Vice President of Enterprise & Networking Business Group	Christopher Huang											
	Vice President of Global Supply Chain Management	Benny Hu											
	Vice President of Industrial & Automotive Business Group	Howard Liu											
Vice President of Global Manufacturing	Mark H.H. Huang												
Vice President of Information	Kevin Fong												
Vice President of Global Manufacturing	Benjamin Chang												
Vice President of R&D of Client Products Business Group	York Liang (Note)												
Vice President of Service & Recycling Business Group	Ted Chiu (Note)												
Vice President of R&D of Digital Technology	Jeff Lee (Note)												
Controller	Fred Chiu												
Employees	Chief Legal Officer	Michael C.M. Wu	4,900,000	0.17%		3,217,000	0	0	0.11%	1,633,000	0	0	0.06%
	V. P. of Sustainability	Sylvia Chiou											
	V. P. of R&D	James C.C. Yu											
	V. P. of CPBG	Michael Tseng											
	Director	George C Chou											
	Executive Director	Alex C.Z. Lee											
	V. P. of ENBG	Pen Wei Wu											
	Director	Stanley C.H. Chung											
	Executive Director	Leon Lu											
	Executive Director	Charles Liang											

Note : Appointed on August 5, 2023

4.7 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies shall specify the following matters:
None.

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

5. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

A. Main areas of business operations

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

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

B. Revenue distribution

Unit: NT\$ thousands

Major Divisions	Total Sales in Year 2023	(%) of Total Sales
3C Electronics	813,525,930	93.8
Others	53,531,077	6.2
Total	867,057,007	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) Network equipment and network security devices
- (8) Industrial PC
- (9) After-sales services

- (10) Green recycling services
- (11) LCM services (Display components)
- (12) AI computing equipment
- (13) Digital Signage

D. New products and Services development

- (1) Medical devices, Medical AI and Big Data services
- (2) Electrical vehicle
- (3) Battery recycling services
- (4) Smart home devices

5.1.2 Industry Overview

A. Progress and Development of the Industry

(1) Personal Computers

In 2023, the overall PC market remained weak. According to the survey released by the international research firm Canalys, the PC shipments in 2023 were 247 million units, a decrease of about 13% compared to 2022's 285 million units. This is primarily due to the persistently high inflation environment over the past year, which has increased spending on essential goods, squeezing consumers' willingness to purchase or upgrade computers. Moreover, corporate procurement tends to be conservative, leading to sluggish demand for both personal and commercial PCs.

It is expected that by 2024, the growth rate of the PC market will rebound compared to 2023. Key factors contributing to this include the easing of inflation, which is favorable for the recovery of the PC market. Additionally, Microsoft's discontinuation of support for the Windows 10 operating system is expected to drive replacement demand. Furthermore, the continued growth of generative AI applications will motivate both enterprises and consumers to actively upgrade their devices. The postponed equipment purchases following the pandemic will also act as a catalyst for market growth, driving an overall positive trend in the PC market's development.

(2) Enterprise Computing - AI Computing, Large Data Centers, and General-Purpose

In 2023, artificial intelligence (AI) experienced remarkable growth, advancing across diverse domains such as generative AI, natural language processing, and beyond. These strides transcend conventional boundaries, extending to the enrichment of unstructured data alongside the creation of text, images, videos, and audio. Notably, AI facilitates the organization of legal documents, corporate regulations, and automates solution generation processes. The rising demand for AI servers has spurred both cloud service providers (CSPs) and businesses of varying scales to bolster their generative AI capabilities. Projections from research institutions indicate a projected annual growth rate of 20% to 30% for AI servers from 2024 to 2026, propelled by emerging application scenarios and ongoing technological innovations, thereby fueling heightened demand for GPU accelerators.

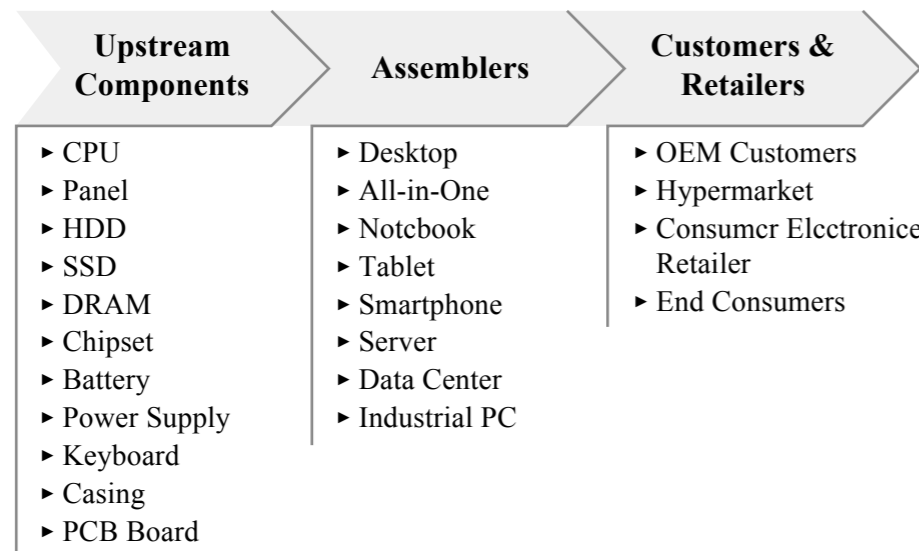
In the midst of AI advancements, data centers play a crucial role by providing the essential infrastructure and data support necessary for the operation of AI servers. Furthermore, in recent years, the rapid proliferation of edge devices and the diversification of various types of cloud services have led to a rapid growth in demand for data centers. However, in 2023, global economic headwinds resulted in a 2.6% decline in capital expenditure for CSPs, slowing down the pace of data center construction.

In terms of general-purpose servers, there was a slowdown in shipments due to inventory adjustments, compounded by challenges such as high inflation, the worsening economy in China, the Russia-Ukraine war, and the rise of generative AI, which squeezed enterprise server procurement budgets, leading to an 18.3% decline in global server shipments.

As we look ahead to 2024, with the ongoing evolution of AI technology and a gradual recovery in the global economic landscape, there is an anticipation that CSPs will increasingly invest in AI infrastructure to accommodate the rising needs for AI model training and inference. This includes enhancing computing power, expanding data center facilities, and deploying hardware such as GPU accelerators to support complex artificial intelligence computations. Simultaneously, data centers are expected to advance in intelligence and automation, resulting in heightened operational efficiency and cost reduction. Regarding general-purpose servers, the reallocation of budgets in 2024, coupled with the continued need for traditional servers alongside generative AI, will drive CSPs and enterprises to restart their procurement of general-purpose servers, thereby expectedly driving a rebound in overall server shipments.

On the other hand, edge applications are set to become integral to AI technology, ranging from smart homes to AI-powered smartphones and PCs. This evolution will see edge computing expand data processing capabilities from centralized data centers to end devices, facilitating lower latency and efficient data processing and feedback loops. Meanwhile, hyperscale data centers will continue to play a key role in data storage and computation. AI computing certainly will be applied in more scenarios, bringing about transformative changes in human life.

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



C. Product Trends and Competition

(1) Product Development Trends

With the emergence of AI application software such as ChatGPT, Copilot, and Sora, the way humans interact with machines has undergone significant changes. People's imagination of AI is no longer solely associated with commercial use but is seamlessly integrating into everyday life in more tangible, fluid, and convenient ways. This evolution has sparked anticipation for the enhancement of hardware devices in AI and edge computing technologies. Furthermore, there's a growing investment of research and development resources in areas such as automotive, smart healthcare, and smart factories.

In the field of AI, numerous generative AI applications have emerged. Through technologies like deep learning, natural language processing, and image processing, these applications are used for tasks such as text-to-image, text-to-video, and image-to-video generations. All these new applications require significant computing power to process various types of data, driving to the robust growth of AI servers. This necessitates higher computing capabilities and drives upgrades in networking towards fiber-optic standards, accelerating the adoption of Wi-Fi 7 and increasing demand for advanced packaging, memory, storage space, cable specifications, and power supplies. Additionally, the substantial heat generated by high-performance AI servers is prompting a shift from air-cooling to liquid-cooling solutions, leading to upgrades in cabinet and chassis. This, in turn, affects the load-bearing capacity, space planning, and server maintenance of data center structures, all of which require careful planning to ensure the operational efficiency and stability of data centers.

On the other hand, AI PCs are evolving to become smarter and more personalized. For example, they can automatically detect human voices and adjust background music, as well as optimize power efficiency parameters. Through more powerful transmission chips, touch ICs, digital microphones and power management ICs (PMICs), the user experience is further enhanced. Looking ahead, the widespread adoption of AI will drive the proliferation of data centers, AI servers, as well as various edge devices such as PCs, mobile devices, home appliances, and application software, leading to continuous growth and innovation.

Furthermore, in the automotive sector, the widespread adoption of 5G technology will lead to more efficient data transmission. Major automakers are actively developing autonomous driving technologies tailored to specific environments, utilizing AI for perception, localization, route planning, and control functions. This diminishes the necessity for manual coding of vehicle decision rules, enabling vehicles to learn directly from vast amounts of data. Additionally, smart cockpits are swiftly advancing from basic driving interfaces to interactive human-vehicle systems, with entertainment systems continuously upgrading to alleviate driver monotony. Consequently, it is anticipated that the proportion of automotive electronic components in overall vehicle design will increase significantly.

In the healthcare field, the application of 5G technology, AI 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 in person for diagnosis and treatment, as doctors can perform remote surgeries through remote guidance and robotic assistance. Furthermore, utilizing AI to analyze vast amount of data is applied in drug development and clinical trials. There is an expected rise in demand for edge devices, servers, and auxiliary medical equipment for AI inference. This will provide downstream electronic manufacturers with more development opportunities, gradually emerge as the next growth driver of the industry.

(2) Competition

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

Major PC ODMs in Taiwan

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

5.1.3 Research and Development

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

	2023	2024 (As of March 31)
R&D Expenses (NT\$ thousands)	23,894,253	-
R&D Expenses to Revenue	2.76%	-

B. The successful development of technologies and products

(1) Intellectual Property

In 2023, Wistron has 89 U.S. and 147 Taiwan patents granted. Additionally, Wistron keeps developing a global patent portfolio, and has obtained 147 issued patents in various other countries in 2023, and has been named a “Top 100 Global Innovators™ 2023” by Clarivate™, “Top 20 Taiwan Sustainable Innovation Company” by Lexis Nexis® and awarded the “Golden Medal of Invention Award” from the Taiwan National Invention & Creation Award by TIPO. 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
2023	Green recycling business <ul style="list-style-type: none"> ● Lithium battery recycling ● Optimization system for procurement of renewable energy
	Enterprise business technology services <ul style="list-style-type: none"> ● Network security hardware platform for high-performance next-generation firewall (NGFW) with 400GE/200GE/100GE fiber network connections ● Facility layout and capacity simulation by digital twin
	Industrial computers <ul style="list-style-type: none"> ● AI delivery service robot system ● Suspension system for delivery service robots ● Optimized RF antenna and miniaturized PCB design for Handheld device ● High-performance, fanless, and explosion-proof industrial Panel PC and Box PC ● EVSE AC charger compliant with Taiwan CNS15511 and Japan JARI charging standards ● EVSE DC fast charger with CCS1/CCS2 charging interface

Year	R & D results
2023	Internet of Things <ul style="list-style-type: none"> ● Multi-radar fusion system for elderly activity and fall detection
	Medical devices <ul style="list-style-type: none"> ● LED optical detection system ● High-pressure (75psi) positive/negative pressure testing system ● Smart walker system to assist with walking training after joint replacement surgery ● Millimeter radar system for sarcopenia detection
	Enterprise storage <ul style="list-style-type: none"> ● Rack level directed liquid cooling solution with OCP Specifications ● In-rack immersive cooling system ● O-RAN Accelerator module ● 64ports 800G data center switch ● Photonic integrated circuit chip with 4-channel transceiver ● AOI defect detection system
	Professional display solution <ul style="list-style-type: none"> ● Outdoor LCD display featuring high brightness, high resolution, anti-glare film layer, and intelligent dehumidification module ● Optical camera image sensor module
	Platform for innovation <ul style="list-style-type: none"> ● Negative pressure beverage extraction device ● AI supply chain ESG management platform ● AI fitness application
	In-vehicle electronic systems <ul style="list-style-type: none"> ● Automotive In-Vehicle Infotainment (IVI) System integrating a high-performance and a low-power platform ● Driver monitoring system ● Advanced driver assistance system supporting blind spot detection, autonomous parking assist, lane departure warning, and forward/backward collision warning ● Blade type of automotive High-Performance Computing (HPC) platform
	Factory application and production automation <ul style="list-style-type: none"> ● Wi-Fi multicast technology for accelerating firmware downloads in factories ● AGV integrated arm and controlling system thereof ● PCBA manufacturing process and final assembly technology and equipment ● Temperature control and heat transfer system for Run-in Room ● Cross-platform XR remote virtual factory ● Intelligent production parameter optimization and material management system ● SMT digital twin system and auto optical inspection system ● Intelligent scheduling and dispatching system
	Laptop Computers <ul style="list-style-type: none"> ● Movable thermal dissipating mechanism ● Automatic detection for PCIE VGA cards
	Desktop Computers <ul style="list-style-type: none"> ● Device Firmware Configuration Interface (DFCI) management

5.1.4 Long-Term and Short-Term Business Development Plans

A. Short-Term Development Plan

The short-term plan focuses on enhancing customer satisfaction and pursuing a quality-first attitude. It aims to strengthen existing customer relationships, optimize current customer and product portfolios, improve operational efficiency, increase capacity utilization, and achieve reasonable profitability.

B. Long-Term Development Plan

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

The strategic plans are as follows:

(1) Marketing Strategy

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

(2) Manufacturing Policy

- A. Optimize the global manufacturing and supply system, increase the proportion of automated production, and introduce AI intelligent manufacturing. This not only enhances efficiency and reduces costs but also helps penetrate the market for products with higher manufacturing complexity and technological requirements. This strengthens competitiveness while increasing profit margins, securing a favorable strategic position.
- B. Continue to promote Six Sigma projects in combination with performance goals to comprehensively enhance quality and efficiency.

(3) Product Development Goals

- A. Cultivate excellent R&D experts and improve their R&D capabilities.
- B. Based on existing computer design capabilities, deeply cultivate technological fields such as AI computing, servers, network storage, advanced network management systems, and industrial computers. Introduce AI tools to strengthen development capabilities and shorten development cycles, in order to enter high-end product markets.
- C. Commit to energy conservation by adopting eco-friendly materials and technologies that comply with green product and related environmental laws.

(4) Operation Scale and Financial Support

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

5.2 Market, Production and Sales

5.2.1 Market Analysis

A. Sales (Service) Region

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

Unit : KPCS ; NT\$ thousands

Sales Value Major Product	Year		2022				2023			
			Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Computer, Communication & Consumer electronics	1,546	20,506,581	84,022	904,941,405	1,689	33,770,074	59,508	779,755,857		
Others	809	1,138,100	27,483	58,033,070	677	1,510,860	11,432	52,020,217		
Total	2,355	21,644,681	111,505	962,974,475	2,366	35,280,934	70,941	831,776,073		

Note: Company shall prepare consolidated financial reports of 2022& 2023 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	2022	2023
United States		46.70	49.19
Japan		2.85	3.69
HK /China		12.69	11.57
ASEAN		2.92	3.3
Europe		21.93	21.71
Others		12.91	10.54
Total		100.00	100.00

Note: Company shall prepare consolidated financial reports of 2022 & 2023 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 (January 2024) and market statistics, Taiwan produced 130,986K notebook computers, 37,174K desktop computers and 10,637K servers in 2023, of which about 15%, 24%, and 22% were produced by our company respectively. These numbers demonstrate our company's considerable competitiveness in the market.

C. Future Market Supply and Demand and Future Growth

(1) Future Market Possible Supply and Demand Scenarios

A. Supply Perspective

The personal computer (PC) market has reached maturity and Taiwan's manufacturers must rely on exceptional cost control, assembly technology and production flexibility while devising strategies, engaging in research and development, and building on marketing and management experience to acquire OEM orders. With complete upstream and downstream integration, Taiwanese manufacturers can supply competitive products and retain an edge in research and development, offering ODM services that differentiate them from foreign OEM manufacturers. The AI market saw explosive growth in 2023, with a severe shortage of AI server key component GPUs, which is expected to ease in 2024.

B. Demand Perspective

The global information market has been driven by the popularity of smart terminal devices and 5G networks, shifting the demand for personal computers and computing equipment. The COVID-19 pandemic starting in 2020 led to a significant increase in demand for PCs and servers, but as the pandemic eased by 2022, the pandemic's demand boost came to an end. In 2023, global inflation led to a decrease in purchasing power, coupled with high channel inventory levels, weakening market demand. However, inventory levels were mostly depleted by the end of the year, and a new wave of demand driven by AI servers and AI PCs is expected to gradually penetrate market in 2024.

Global PC Shipments Growth Trend

Unit: 1 = 1000 units

Year	2022	2023	2024(e)	2025(f)	2026(f)
Number of NBs	187,100	165,600	173,200	186,200	191,500
Growth Rate	-24.3%	-11.49%	4.59%	7.51%	2.82%
Number of DTs	91,800	78,400	79,000	77,600	75,600
Growth Rate	-5.3%	-14.6%	0.8%	-1.9%	-2.5%
Number of PCs (NB + DT)	278,900	244,000	252,200	263,800	267,100
Growth Rate	-18.9%	-12.51%	3.33%	4.6%	1.26%

Source: DIGITIMES Research (March 2024)

Compound growth rate is around -1.08% from 2022 to 2026.

(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	2022	2023	2024(e)	2025(f)	2026(f)
Number of Servers	13,827	11,259	12,055	13,031	14,083
Growth Rate	7.0%	-18.6%	7.1%	8.1%	8.1%

Source: Gartner (March 2024)

Compound growth rate is around 0.46% from 2022 to 2026.

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 2024, our company has a R&D team of over 5,400 people, over 99% of which have a college degree or higher and main team leaders have on average over 20 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, U.S.A., 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.

Wistron has built an excellent R&D team and has committed to investing in product R&D and technological innovation. By collaborating with CPU/GPU manufacturers to develop new products, the company can lead the industry in introducing new products. With R&D units in each information product department, the company can maintain a competitive edge in a market environment characterized by short product lifecycles and intense competition.

D. Solid After-Sales Service Networks

The company has established service centers on three continents in Taiwan, U.S.A., 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	Under geo-political consideration, suppliers actively worked on balancing supply chain distribution and regional capacity investments. Not only on wafer fabrication, they also made significant progress on assembly & test capacity with existing owned factory as well as outsourcing partners. Now except for a few retiring and newly-launched lines, almost all major products are under stable supply. Looking back on 2023, AI infra demand surged with Cloud Server Providers due to the inspiration of Large Language Model applications such as ChatGPT. Now, with the introduction of Intel Core® Ultra™ processors and Microsoft Copilot, it is expected to have another boom of AI Personal Computers.
Solid-state drive (SSD)	USA, Japan, Korea	In 2023, the market faced oversupply, prompting suppliers to reduce capital expenditure and initiate production cuts to stabilize prices. Despite these efforts, weak demand persisted, leading to an imbalance between supply and demand. Suppliers held prices steady from Q3 onwards to avoid further profit losses and began raising NAND wafer prices. In Q4, prices for all NAND products increased, resulting in a 10-18% increase in SSD prices. However, ongoing reduction in capital expenditure led to significant delays in new process upgrades. Against a backdrop of overall economic softness, shipments of the three major end applications (laptops, smartphones, servers) experienced negative growth, contributing to the lowest year-on-year NAND demand growth in a decade.
DRAM	Korea, USA, Taiwan	In 2023, overall economic inflation, geopolitical uncertainties and US economic sanctions against China have led to a slow market recovery and weak demand. Memory factories have suffered losses for three consecutive quarters since the first quarter. The effect of production cuts by the three major factories has ushered in price declines. The bottom has turned upward since the fourth quarter, and the upward trend is expected to increase quarter by quarter to 2024 in the third quarter. The requirements for data processing speed and computing power of AI Server/PC/NB related products promote the expansion of DDR5 penetration. Major manufacturers have accelerated their investment in HBM business opportunities and stopped producing DDR3/DDR4 products below 18nm. Taiwanese manufacturers Nanya/Winbond/ESMT have taken over and continue to serve industrial control, automotive and consumer products in the market.

Main Materials	Domestic and Foreign Sources	Status of Supply
Power IC (PMIC)	USA, Taiwan, China	In 1H 2023, for consumer market, end customer corrected the demand was completed. However, due to the weak market, customers remained conservative in placing orders and preparing materials. To avoid short-term supply shortages, the supply chain needs to maintain healthy inventory levels in response to market changes. AI server demand is staying strong while other markets remain stable. It is required to keep observing and following up the market changes in 2024. Power IC suppliers in the consumer market continue to reduce inventory, adjust production capacity, and shorten production cycles. AI products require high power and efficiency which leads the demand for high-end power ICs remains strong. These suppliers' utilization rate remains high.
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 12~16wks. For AI product, due to the rapid demand increasing since 2023, the lead time remains the same, 26~36wks.
PCB	Taiwan, China, Austria, Korea	In 1H 2023, the global consumption experienced excessive inflation due to supply-demand imbalances caused by the 2021-2022 pandemic. Post-pandemic, there was significant overall demand decline due to the pressure to liquidate inventory. In 2H 2023, the rise of AI servers led to a gradual rebound in PCB demand, but consumer product demand continued to be weak.
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. The panel makers are managing production capacity without accumulating inventory. Material preparation is conducted based on customer demand. The 2024 Paris Olympics and UEFA European Championship are expected to contribute to the demand for large-sized televisions, projecting an increase in prices for medium and small-sized panels. The estimated growth in panel demand for 2024 is between 5% and 10%. Currently, prices remain stable with a gradual upward trend.

5.2.4 Key Accounts in the Past Two Years

A. Key Suppliers

Unit: NT\$ thousands

Item	2022					2023				2024 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	86,395,725	10.25	None		A Company	124,815,169	17.83	None	-	-	-	-
2	Others	756,643,687	89.75	None		Others	575,343,260	82.17	None	-	-	-	-
	Total	843,039,412	100.00	-		Total	700,158,429	100.00	-	-	-	-	-

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

Note2: The financial information for the first quarter of 2024 has not been reviewed by CPA.

B. Key Buyers

Unit: NT\$ thousands

Item	2022					2023				2024(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	310,161,092	32	Non Subsidiary of the Company		Buyer H	281,698,350	32	Non Subsidiary of the Company	-	-	-	-
2	Buyer I	153,624,651	16	Non Subsidiary of the Company		Buyer I	111,546,046	13	Non Subsidiary of the Company	-	-	-	-
3	Buyer C	101,524,048	10	Non Subsidiary of the Company		Buyer B	92,522,385	11	Non Subsidiary of the Company	-	-	-	-
4	Buyer B	80,324,785	8	Non Subsidiary of the Company		Buyer C	75,429,677	9	Non Subsidiary of the Company	-	-	-	-
5	Others	338,984,580	34	-		Others	305,860,549	35	-	-	-	-	-
	Total	984,619,156	100	-		Total	867,057,007	100	-	-	-	-	-

Note: The financial information for the first quarter of 2024 has not been reviewed by CPA.

5.2.5 Production Value in the Most Recent Two Years

Unit : KPCS; NT\$ thousands

Year Production Value Major Product	2022			2023		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Computer, Communication & Consumer electronics	140,785	88,045	933,221,797	114,402	64,854	819,188,158
Others	41,839	28,378	59,959,983	38,683	12,127	53,982,518
Total	182,624	116,423	993,181,780	153,085	76,981	873,170,676

Note: Company shall prepare consolidated financial reports of 2022 & 2023 in accordance with IFRSs regulation.

5.2.6 The Sales Value in the Most Recent Two Years

Unit : KPCS ; NT\$ thousands

Year Sales Value Major Product	2022				2023			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Computer, Communication & Consumer electronics	1,546	20,506,581	84,022	904,941,405	1,689	33,770,074	59,508	779,755,857
Others	809	1,138,100	27,483	58,033,070	677	1,510,860	11,432	52,020,217
Total	2,355	21,644,681	111,505	962,974,475	2,366	35,280,934	70,941	831,776,073

Note: Company shall prepare consolidated financial reports of 2022 & 2023 in accordance with IFRSs regulation.

5.3 Taiwan Employee Data during the Past Two Years

Year		2022	2023	As of Mar. 31 st , 2024
Employee Number	Sales	1,508	1,425	1,416
	Engineers	6,331	6,052	6,105
	Administration	1,351	1,287	1,292
	Direct Labor	2,331	2,220	2,481
	Total	11,521	10,984	11,294
Average Age		36.45	37.37	37.34
Average Seniority		5.87	6.70	6.67
Distribution of Education	Doctor	73	63	63
	Master	4,005	3,831	3,827
	Bachelor	5,232	4,966	5,097
	Diploma	1,236	1,188	1,287
	High School	885	863	945
	High School Below	90	73	75

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, Mexico, China and Czech operation bases have been certified ISO 14001 and IECQ QC 080000 (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. In 2022, we've officially joined "Science Based Targets initiative, SBTi" and set a target in line with a 1.5°C and net-zero future. 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 in worldwide manufacturing sites and offices since 2017. 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. 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. Through greenhouse gas inventory, Wistron can 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 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 and the Full Material Disclosure (FMD) information system to verify whether the hazardous substances be used in product as well as reduce the operation cost due to the repeated investigation. In 2024, the fully upgraded GPM3.0 will be launched, the system interface and framework will be redesigned and optimized. In addition, it will follow Wistron's cloud policy and the system can be upgraded iterately through cloud architecture, which can significantly reduce system maintenance manpower. 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. We began to develop the Decarbonization Management Platform in 2024, which can help to provide various carbon-related information in real time, and conduct carbon regulation impact calculations for each manufacturing site to effectively monitor the current carbon emissions status.

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

In order to enable employees to have a high-quality working life and thereby improve productivity, the Company has always cared about and valued employee welfare. In addition to allocating welfare funds in accordance with the law, the Company established an "Employee Welfare Committee" voting welfare committee representatives to formulate annual plans and handling various activities. In addition, the Company also provides free transportation to and from work, fitness centers, employee assistance programs, employee welfare insurance plans, and organizes family days, group gatherings and other welfare activities.

B. Employees training and development

Based on the strategic focuses of global expansion, digital transformation, and sustainability, Wistron continued its efforts in cultivating its global talent in "Management capability", "Digital capability", and "Globally adaptable capability", along with an accelerated focus on cultivating "Sustainability capability", via strategic execution.

Wistron carries on success experience and continues to cultivate leadership talents at all levels. In 2023, Wistron rolled out Wistron Managerial Competency Model to its global leaders and integrated the model into day-to-day practices in recruiting, training & development, staffing, and retention, aiming to encourage our managers to apply and enhance leadership skills in daily management. The competency-based managerial training roadmap is developed in line with our key strategic needs to provide various development resources including individual development plan, one-on-one coaching, and internal/external learning resources. Through challenging development goals and assignments, we develop key talents by accelerating the accumulation of practical experience, thereby enhancing their resilience and capabilities.

Aligned with the company's digital transformation strategy, Wistron Digital Academy systematically cultivated the digital project development teams, offering technology enhancement courses, soft skills training, project implementation support, and digital talent assessments. To accelerate developing digital transformation capabilities, Wistron expanded the categories of digital talents from nine to twelve and optimized career development roadmap with clear career paths to provide various career opportunities and facilitate effective cross-domain rotation and talent retention within the organization. Additionally, more digital technology and tools were introduced such as robotic process automation, data visualization, artificial intelligence, and machine learning, complemented by project-based learning to deepen and broaden digital technology applications.

In line with globalization strategy, Wistron implemented global learning platform since 2021. Until 2023, 22 sites were implemented, covering 96% of Wistron's global operations, with over 25,000 users and more than 5,200 training batches. By offering multilingual learning resources, common language and alignment within Wistron have been established, fostering collaboration and inclusion among global employees, and promoting individual career sustainability with the company.

Looking forward, to further ensure harmonized development of talents with the organization towards sustainability, Wistron's Corporate Sustainability Office, Talent Development Team and the Core Teams of Wistron's six sustainability strategies developed the "ESG Sphere" training roadmap, offering multilingual training resources to foster deeper understanding and commitment to Environmental, Social, and Governance (ESG) principles among all employees. This initiative aims to disseminate the meanings of Wistron's sustainability initiatives and achievements, and to strengthen organizational partnerships in achieving sustainable goals. Furthermore, in line with the strategic goals of sustainability, Wistron has conducted various professional trainings based on the six sustainability strategy domains. These efforts by internal experts through hybrid (offline and online) seminars, have effectively shared best practices and facilitated the policy implementation of energy management, waste management and water management across all functional units and factories.

Human capital is the pivotal competitive advantage of Wistron and serves as the cornerstone for the company's sustainable operations. Wistron has developed competency-based training roadmaps for different functions and implemented various talent development programs in line with the company's strategic priorities, aiming to enhance human capital and sustainable business competitiveness.

C. Retirement plan

In order to stabilize the post-retirement life of our employees, our Company has formulated "Employee Retirement Measures" in accordance with the "Labor Standards Act" and the "Labor Pension Act", which clearly stipulates employee retirement conditions, pension calculation standards, and application and payment matters. In addition to follow the "Labor Pension Act" to allocate amount of 6% of monthly pay to labor retirement funds every month for employees who are subject to this Act, the "Supervisory Committee of Labor Retirement Reserve" is established in accordance with the law and the labor retirement reserve is allocated every month in accordance with the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" and deposited in a special account of a statutory financial institution in the name of the "Supervisory Committee of Labor Retirement Reserve".

D. Labor Relations

The Company has always attached great importance to employee communication and is committed to harmonious labor relations. In 2023, Wistron did not suffer major losses due to labor disputes.

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

The date of the disposition	Number of the disposition	The violation of the provisions	Content of the violation	The amount of the disposition
2023/07/20	竹環字第 1120024466號	Article 22, Paragraph 2 of the Labor Standards Act	Wages are not paid in full directly to the worker	Fine of NT\$20,000

5.6 Information Security Management

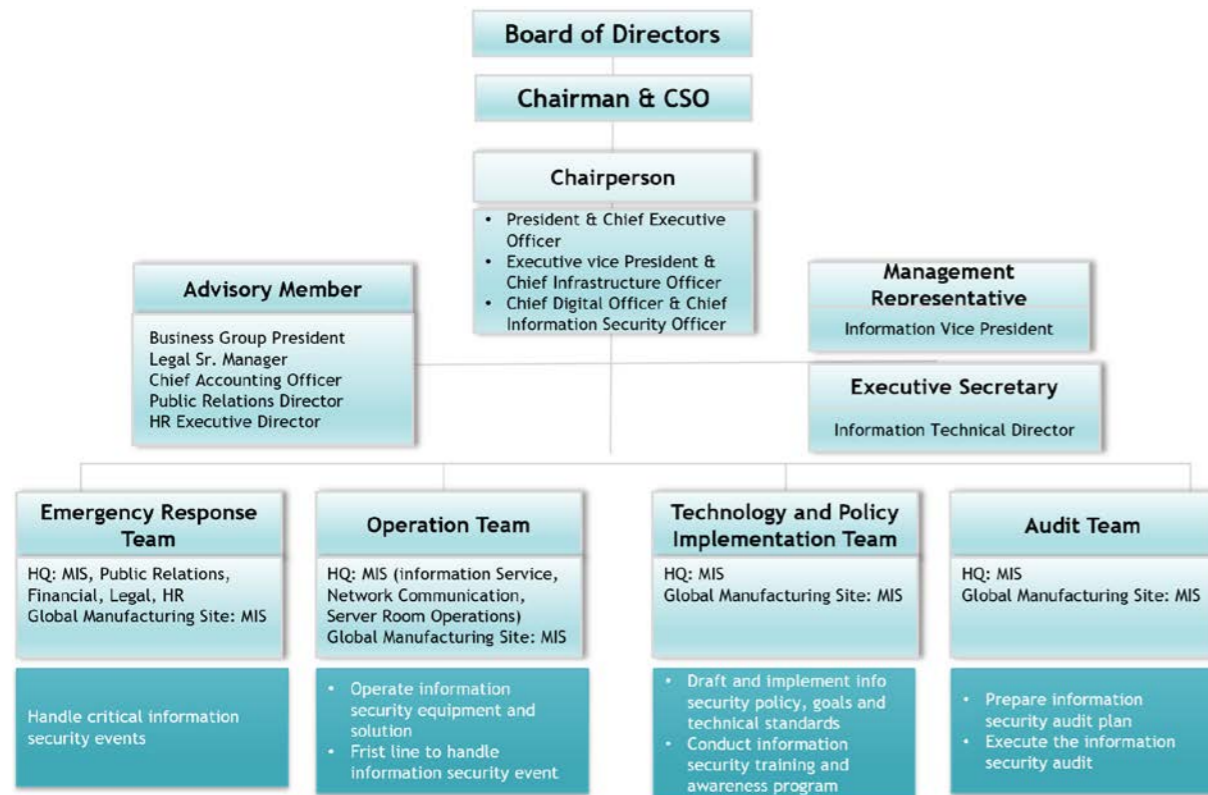
5.6.1 Information Security Risk Management Framework

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.

A total of 4 meetings were held in 2023 and management representatives reported the information security implementation status to the board of directors in December.

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%. (Remark: Few plants which shared the computer room infrastructure did not obtain separate certification .)

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 Vendor Risk Management (VRM) 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 183 vendors were inventoried, and vendors were graded based on the importance of the services they provided, their relevance to customers and revenue, and their ability to directly access the company's network environment and confidential information. There are three levels in total. First- and second-level manufacturers with higher risk levels are required to comply with Wistron's information security assessment standards based on individual information security guidelines. A total of 6 vendors met the assessment level after risk score assessment.

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	2020 Outcome	2021 Outcome	2022Outcome	2023Outcome
Execute social engineering drills every six months	Employee clicks mail on social engineering drills, click rate < 15%	H1 : 10.6% H2 : 10.5%	H1 : 10.8% H2 : 10.7%	H1 : 9.3% H2 : 10.2%	H1 : 7.4% H2 : 8.2%

Since 2021, the information security professional talent training program (Technical Competency Model · TCM) 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 2023, a total of 95 people (including 28 dedicated information security personnel) 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 2023 mainly consisted of information security awareness training, information security lessons, and phishing email awareness and prevention. The Company completed 22,784 hours of employee information security training for 40,296 participants. There were 46 punishment records for violating information security regulations.

In 2023, 6,776 hours of information security related seminars and training were completed by 1,632 information security employees. The main course content is divided into 6 core professional courses for the information security team. 5 Software Development Security Tips for Software Development Teams .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 Pprofessional) 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.

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. It also introduced the DevSecOps Maturity Model (DOSMM) of the non-profit organization OWASP (Open Web Application Security Project) to evaluate the overall maturity of the software and ensure that the online software meets a certain level of information security maturity. At the same time, Software Composition Analysis (SCA) technology is added to the development process to improve the safety 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 1.0 hours. After a disaster occurs, the maximum tolerable information service recovery time (RTO: Recovery Time Objective) is 22.11 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	2020 Outcome	2021 Outcome	2022 Outcome	2023 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=0.5 hour RTO=21.0 hours	RPO=0.8 hour RTO=22.0 hours	RPO=0.9 hour RTO=18.83 hours	RPO=1.0 hour RTO=22.11 hours

*RPO: Recovery Point Objective(the maximum tolerable data loss time during disaster)

*RTO: Recovery Time Objective(the maximum tolerable information service recovery time after a disaster occurs)

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 2020 to 2023. 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	2020	2021	2022	2023
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
Loan Agreement	Foreign and Domestic Banks	Valid	The loan for business	None

6. Financial Standing

6.1 Most Recent 5-Year Concise Financial Information

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

Concise Consolidated Balance Sheet

Unit : NT\$ thousands

Item	Period	Most recent 5-Year Financial Information(Note1)					2024(As of March 31) (Note 3)
		2019	2020	2021	2022	2023	
Current assets		278,747,752	361,960,347	421,786,551	342,985,667	361,461,400	-
Net property, plant and equipment		40,673,093	36,572,342	42,209,556	51,515,209	46,598,037	-
Intangible assets		957,532	1,104,234	1,730,173	2,149,731	2,459,680	-
Other assets		23,797,958	29,185,522	31,571,526	36,257,167	41,871,659	-
Total assets		344,176,335	428,822,445	497,297,806	432,907,774	452,390,776	-
Current Liabilities	Before Distribution	238,928,971	313,699,489	365,583,359	286,725,416	288,251,757	-
	After Distribution	244,610,195	319,958,144	371,841,222	294,126,217	(Note2)	-
Non-current liabilities		21,346,290	31,196,877	39,229,668	27,529,802	35,375,847	-
Total Liabilities	Before Distribution	260,275,261	344,896,366	404,813,027	314,255,218	323,627,604	-
	After Distribution	265,956,485	351,155,021	411,070,890	321,656,019	(Note2)	-
Equity attributable to owners of the Company		73,950,584	71,565,777	77,916,938	96,382,149	104,224,111	-
Common stock		28,406,121	28,406,121	29,032,521	29,016,021	28,997,661	-
Capital surplus		24,681,872	25,760,011	28,834,524	35,050,440	37,389,984	-
Retained Earnings	Before Distribution	24,398,715	26,853,167	31,098,687	36,357,506	40,680,803	-
	After Distribution	18,717,491	20,594,512	24,840,824	28,956,705	(Note2)	-
Other equity		(3,536,124)	(7,846,263)	(9,441,535)	(2,550,702)	(1,934,548)	-
Treasury stock		-	(1,607,259)	(1,607,259)	(1,491,116)	(909,789)	-
Non-controlling interests		9,950,490	12,360,302	14,567,841	22,270,407	24,539,061	-
Stockholders' Equity	Before Distribution	83,901,074	83,926,079	92,484,779	118,652,556	128,763,172	-
	After Distribution	78,219,850	77,667,424	86,226,916	111,251,755	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Note3: The financial information for the first quarter of 2024 has not been reviewed by CPA.

Concise Consolidated Statement of Comprehensive income

Unit : NT\$ thousands

Item	Period	Most Recent 5-Year Financial Information(Note1)					2024(As of March 31) (Note 2)
		2019	2020	2021	2022	2023	
Operating revenue		878,255,078	845,011,844	862,082,848	984,619,156	867,057,007	-
Gross profit		42,158,550	46,053,180	51,134,716	69,728,692	68,982,873	-
Operating income		13,299,845	14,471,062	16,374,638	27,472,144	27,390,257	-
Non-operating income and expenses		(523,779)	2,374,313	2,859,639	(2,761,230)	(3,069,563)	-
Profit before tax		12,776,066	16,845,375	19,234,277	24,710,914	24,320,694	-
Net income for continuing operations		9,726,243	12,907,896	14,727,811	19,017,547	18,265,285	-
Income from discontinued operations, net of income tax effect		-	-	-	-	-	-
Net income		9,726,243	12,907,896	14,727,811	19,017,547	18,265,285	-
Other comprehensive income for the year, net of tax		253,372	(4,006,611)	(2,018,306)	7,756,858	736,460	-
Total comprehensive income for the year		9,979,615	8,901,285	12,709,505	26,774,405	19,001,745	-
Profit attributable to owners of the Company		6,800,768	8,681,762	10,468,030	11,162,451	11,471,616	-
Profit attributable to non-controlling interests		2,925,475	4,226,134	4,259,781	7,855,096	6,793,669	-
Total comprehensive income attributable to owners of the Company		7,111,916	4,822,894	8,548,311	18,022,661	12,138,989	-
Total comprehensive income attributable to non-controlling interests		2,867,699	4,078,391	4,161,194	8,751,744	6,862,756	-
EPS		2.40	3.10	3.76	4.01	4.08	-

Note1: The above financial information audited by CPA.

Note2: The financial information for the first quarter of 2024 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)					2024(As of March 31) (Note 3)
		2019	2020	2021	2022	2023	
Current assets		248,501,869	230,953,283	269,815,506	236,493,988	281,452,473	-
Net property, plant and equipment		5,039,467	6,184,970	6,495,454	8,248,308	9,802,202	-
Intangible assets		770,210	813,574	882,987	742,042	703,368	-
Other assets		92,740,696	91,009,826	104,218,206	116,103,234	129,660,964	-
Total assets		347,052,242	328,961,653	381,412,153	361,747,659	421,779,095	-
Current Liabilities	Before Distribution	252,691,831	232,420,701	274,859,012	251,760,472	295,229,917	-
	After Distribution	258,373,055	238,679,356	281,116,875	259,161,273	(Note2)	-
Non-current liabilities		20,409,827	24,975,175	28,636,203	13,605,038	22,325,067	-
Total Liabilities	Before Distribution	273,101,658	257,395,876	303,495,215	265,365,510	317,554,984	-
	After Distribution	278,782,882	263,654,531	309,753,078	272,766,311	(Note2)	-
Common stock		28,406,121	28,406,121	29,032,521	29,016,021	28,997,661	-
Capital surplus		24,681,872	25,760,011	28,834,524	35,050,442	37,389,984	-
Retained Earnings	Before Distribution	24,398,715	26,853,167	31,098,687	36,357,506	40,680,803	-
	After Distribution	18,717,491	20,594,512	24,840,824	28,956,705	(Note2)	-
Other equity		(3,536,124)	(7,846,263)	(9,441,535)	(2,550,702)	(1,934,548)	-
Treasury stock		-	(1,607,259)	(1,607,259)	(1,491,116)	(909,789)	-
Stockholders' Equity	Before Distribution	73,950,584	71,565,777	77,916,938	96,382,149	104,224,111	-
	After Distribution	68,269,360	65,307,122	71,659,075	88,981,348	(Note2)	-

Note1: The above financial information audited by CPA.

Note2: Pending shareholders' approval.

Note3: The financial information for the first quarter of 2024 has not been reviewed by CPA.

Concise Statement of Comprehensive income

Unit : NT\$ thousands

Item	Period	Most Recent 5-Year Financial Information(Note1)					2024(As of March 31) (Note 2)
		2019	2020	2021	2022	2023	
Operating revenue		735,742,458	687,686,152	670,440,580	686,828,694	635,223,077	-
Gross profit		20,346,611	20,821,366	19,463,851	31,664,017	32,970,335	-
Operating income		2,390,152	1,667,656	(1,771,129)	5,879,652	8,284,269	-
Non-operating income and expenses		4,133,229	6,994,556	12,534,210	5,054,429	3,720,128	-
Profit before tax		6,523,381	8,662,212	10,763,081	10,934,081	12,004,397	-
Net income for continuing operations		6,800,768	8,681,762	10,468,030	11,162,451	11,471,616	-
Income from discontinued operations, net of income tax effect		-	-	-	-	-	-
Net income		6,800,768	8,681,762	10,468,030	11,162,451	11,471,616	-
Other comprehensive income for the year, net of tax		311,148	(3,858,868)	(1,919,719)	6,860,210	667,373	-
Total comprehensive income for the year		7,111,916	4,822,894	8,548,311	18,022,661	12,138,989	-
EPS		2.40	3.10	3.76	4.01	4.08	-

Note1: The above financial information audited by CPA.

Note2: The financial information for the first quarter of 2024 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
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
2023	Chia-Chien, Tang, Ming-Hung Huang	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					2024(As of March 31) (Note 3)
		2019	2020	2021	2022	2023	
Financial ratio	Total liabilities to total assets (%)	75.62	80.43	81.40	72.59	71.54	-
	Long-term debts to net property, plant and equipment (%)	258.76	314.78	312.05	283.77	352.24	-
Ability to payoff debt	Current ratio (%)	116.67	115.38	115.37	119.62	125.40	-
	Quick ratio (%)	79.61	84.18	69.99	64.13	83.16	-
	Interest protection	3.66	8.17	11.23	5.13	3.78	-
Ability to operate	A/R turnover (times)	7.02	6.51	5.97	7.53	7.83	-
	A/R turnover days	51.99	56.06	61.13	48.45	46.61	-
	Inventory turnover (times)	9.55	8.85	6.32	5.75	5.77	-
	Account payable turnover (times)	6.02	6.31	5.73	6.60	7.00	-
	Days sales outstanding	38.21	41.24	57.75	63.49	63.25	-
	Fixed assets turnover (times)	21.03	21.88	21.89	21.01	17.67	-
	Total assets turnover (times)	2.57	2.19	1.86	2.12	1.96	-
Earning ability	Return on assets (%)	3.90	3.80	3.49	5.05	5.61	-
	Return on equity attributable to shareholders of the parent (%)	9.52	11.93	14.01	12.81	11.44	-
	PBT to pay-in capital(%)	44.98	59.30	66.25	85.16	83.87	-
	Net income ratio (%)	1.11	1.53	1.71	1.93	2.11	-
	EPS (NTD)	2.40	3.10	3.76	4.01	4.08	-
Cash flow	Cash flow ratio (%)	7.78	(Note 2)	(Note 2)	18.66	16.73	-
	Cash flow adequacy ratio (%)	88.37	36.45	(Note 2)	25.07	47.83	-
	Cash reinvestment ratio (%)	9.29	(Note 2)	(Note 2)	23.98	19.24	-
Leverage	Operating leverage	2.47	2.57	2.54	2.12	2.12	-
	Financial leverage	1.57	1.19	1.13	1.28	1.47	-

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

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

Quick ratio: The increase is mainly caused by the increase of current assets.

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

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

Note1: 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 2024has not been reviewed by CPA.

- Financial Ratio
 - Total liabilities to Total assets = Total liabilities / Total assets
 - Long-term fund to property, plant and equipment = (Net equity + Non-current liabilities) / Net property, plant and equipment
- Ability to Pay off Debt
 - Current ratio = Current Assets / Current liability
 - Quick ratio = (Current assets – Inventory – Prepaid expenses) / Current liability
 - Interest protection = Net income before income tax and interest expense / Interest expense
- Ability to Operate
 - 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
 - A/R turnover day = 365 / account receivable turnover
 - Inventory turnover = Cost of Goods Sold / the average of inventory
 - 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
 - Inventory turnover day = 365 / Inventory turnover
 - Fixed assets turnover = Net sales / Net Fixed Assets
 - Total assets turnover = Net sales / Total assets
- Earning Ability
 - Return on assets = [PAT + Interest expense × (1 – effective tax rate)] / the average of total assets
 - 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
 - Net income ratio = PAT / Net sales
 - EPS = (Profit attributable to owners of the Company – Dividend from prefer stock) / weighted average outstanding shares
- Cash Flow
 - Cash flow ratio = Cash flow from operating activities / Current liability
 - 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)
 - Cash investment ratio = (Cash flow from operating activities – cash dividend) / (Gross property, plant and equipment + long-term investment + other non-current assets + working capital)
- Leverage
 - Operating leverage = (Net revenue – variable cost of goods sold and operating expense) / operating income
 - 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					2024(As of March 31) (Note 4)
		2019	2020	2021	2022	2023	
Financial ratio	Total liabilities to total assets (%)	78.69	78.24	79.57	73.36	75.29	-
	Long-term debts to Net property, plant and equipment (%)	1872.43	1560.90	1640.43	1333.45	1291.03	-
Ability to payoff debt	Current ratio (%)	98.34	99.37	98.17	93.94	94.77	-
	Quick ratio (%)	91.55	88.48	86.19	78.72	84.71	-
	Interest protection	3.19	7.82	12.09	3.74	2.95	-
Ability to operate	A/R turnover (times)	3.25	3.40	3.30	3.41	3.04	-
	A/R turnover days	112.42	107.32	110.60	107.16	120.16	-
	Inventory turnover (times)	49.66	32.24	22.75	18.70	18.02	-
	Account payable turnover (times)	3.48	4.01	4.55	4.50	3.80	-
	Days sales outstanding	7.35	11.32	16.05	19.52	20.25	-
	Fixed assets turnover (times)	150.35	122.53	105.74	93.17	70.38	-
	Total assets turnover (times)	2.07	2.03	1.89	1.85	1.62	-
Earning ability	Return on assets (%)	2.58	2.87	3.17	3.86	4.19	-
	Return on equity (%)	9.52	11.93	14.01	12.81	11.44	-
	PBT to pay-in capital (%)	22.96	30.49	37.07	37.68	41.40	-
	Net income ratio (%)	0.92	1.26	1.56	1.63	1.81	-
	EPS (NTD)	2.40	3.10	3.76	4.01	4.08	-
Cash flow	Cash flow ratio (%)	0.91	(Note2)	(Note2)	(Note2)	4.08	-
	Cash flow adequacy ratio (%)	167.25	(Note2)	(Note2)	(Note2)	(Note2)	-
	Cash reinvestment ratio (%)	(Note2)	(Note2)	(Note2)	(Note2)	4.57	-
Leverage	Operating leverage	7.25	10.74	(Note2)	4.71	3.59	-
	Financial leverage	(Note2)	4.20	(Note3)	3.10	3.90	-

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.
Fixed assets turnover (times): The decrease is mainly caused by the decrease of net sales.
Operating leverage: The decrease is mainly caused by the increase of operating income.
Financial leverage: The increase is mainly caused by the increase of operating income.

Note1: 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 2024 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

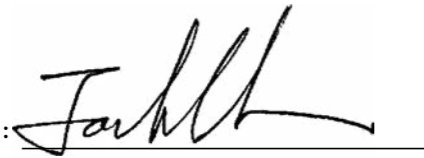
(2) Financial leverage = Operating income / (Operating income - interest expenses)

6.3 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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 12, 2024

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, 2023 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 12, 2024





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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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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

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



Description of key audit matter

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

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

- Testing the Group's controls surrounding the revenue recognition and cash collection for key manual and system base controls, tracing general ledgers to sales systems and reconciling the differences.
- Understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the 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. Valuation of slow-moving inventories

Please refer to Note 4(h) “Inventory” for accounting policy, Note 5 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

Inventory stock due to sales demands, production, and repair service forecasting, may lead to product obsolescence, which might fail to meet the market demands, and a decline in orders. Consequently, the valuation of slow-moving inventories has been identified as one of our key audit matters.

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

- Verifying the appropriateness of the Group's inventory valuation policy and assessing if the obsolete stocks have been included in the aforesaid evaluation.
- Reviewing the inventory aging reports, as well as analyzing the variation of inventories to ensure its accuracy.
- Examining each obsolete and damaged goods which were identified by the management.
- Evaluating the adequacy of the disclosure of inventory allowance.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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



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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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



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

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

The engagement partners on the audit resulting in this independent auditors' report are Tang, Chia-Chien and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

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' review 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' review 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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
Cash and cash equivalents (note 6(a))	\$ 75,231,756	17	66,337,316	16
Current financial assets at fair value through profit or loss (note 6(b))	4,345,292	1	8,387,194	2
Current financial assets at amortized cost, net (note 6(c))	-	-	298,652	2
Note and trade receivables, net (notes 6(e) and (v))	121,233,885	27	100,136,450	23
Trade receivables-related parties (notes 6(e), (v) and 7)	102,871	-	93,877	-
Other receivables-related parties (notes 6(f) and 7)	4,749	-	4,010	-
Current tax assets	1,325,603	-	858,817	-
Inventories (notes 6(g) and 8)	119,719,969	27	156,889,151	36
Non-current assets or disposal groups classified as held for sale (note 6(h))	29,383,516	6	9,980,200	2
Other current assets (notes 6(f), (o) and 8)	10,113,759	2	342,983,667	79
Total current assets	361,461,400	80	482,040,101	100
Non-current assets:				
Non-current financial assets at fair value through profit or loss (note 6(b))	123,899	-	167,366	-
Non-current financial assets at fair value through other comprehensive income (note 6(d))	8,002,132	2	6,729,413	2
Equity-accounted investees (note 6(i))	10,000	-	-	-
Property, plant and equipment (notes 6(j) and 7)	10,713,410	2	8,358,899	2
Right-of-use assets (notes 6(m) and 7)	46,598,037	10	51,515,209	12
Intangible assets (note 6(n))	8,241,834	2	8,304,295	2
Deferred tax assets (note 6(u))	2,459,680	1	2,149,731	-
Other non-current assets (notes 6(o), 6(v) and 8)	9,959,983	2	7,850,927	2
Total non-current assets	48,204,401	10	89,222,107	21
Total assets	\$ 452,390,776	100	\$ 432,907,774	100
Liabilities and Equity				
Current liabilities:				
Short-term loans (notes 6(p) and (ae))	\$ 95,940,430	21	114,279,421	26
Current financial liabilities at fair value through profit or loss (note 6(b))	187,097	-	161	-
Current contract liabilities (note 6(y))	9,596,727	2	7,958,473	2
Note and trade payables	118,420,882	26	108,075,166	25
Trade payables-related parties (note 7)	937,484	-	727,109	-
Other payables-related parties (note 7)	35,861	-	47,641	-
Liabilities related to non-current assets or disposal groups classified as held for sale (note 6(h))	8,463,675	2	-	-
Current lease liabilities (notes 6(o), (ae) and 7)	787,286	-	2,075,795	1
Bonds payable, current portion (notes 6(p) and (ae))	2,500,000	1	-	-
Current portion of long-term loans (notes 6(p) and (ae))	1,997,788	1	5,527,440	1
Current refund liability (note 6(y))	12,343,135	3	8,832,142	2
Other current liabilities (notes 6(p) and (aa))	37,041,392	8	39,204,068	9
Total current liabilities	288,251,757	64	286,725,416	66
Non-current liabilities:				
Bonds payable (notes 6(g) and (ae))	6,942,918	2	9,439,683	2
Long-term loans (notes 6(p) and (ae))	19,581,669	4	10,948,835	3
Deferred tax liabilities (note 6(u))	2,241,835	1	1,715,546	-
Non-current lease liabilities (notes 6(r), (ae) and 7)	4,851,244	1	3,062,540	1
Other non-current liabilities (notes 6(p), (t) and (ae))	1,758,181	-	2,563,198	1
Total non-current liabilities	35,375,847	8	27,529,802	7
Total liabilities	323,627,604	72	314,255,218	73
Equity attributable to owners of parent (notes 6(i), (t), (v) and (w)):				
Ordinary shares	28,997,661	6	29,016,021	7
Capital surplus	37,389,984	8	35,050,440	8
Retained earnings	40,680,803	9	36,357,506	8
Other equity	(19,34,548)	-	(2,550,702)	(1)
Treasury shares	(909,788)	-	(1,491,116)	-
Total equity attributable to owners of parent	104,224,111	23	96,382,149	22
Non-controlling interests (notes 6(k) and (v))	24,539,061	5	22,270,407	5
Total equity	128,763,172	28	118,652,556	27
Total liabilities and equity	\$ 452,390,776	100	\$ 432,907,774	100

See accompanying notes to consolidated 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, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000	\$ 867,057,007	100	\$ 984,619,156	100
5000	798,074,134	92	914,890,464	93
5900	68,982,873	8	69,728,692	7
6100	10,828,131	1	11,433,187	1
6200	6,870,232	1	5,815,369	-
6300	23,894,253	3	25,007,992	3
6900	41,592,616	5	42,256,548	4
7000	27,390,257	3	27,472,144	3
7100	2,519,837	-	1,989,775	-
7010	591,913	-	569,391	-
7020	1,811,785	-	(108,575)	-
7050	(8,757,247)	(1)	(5,988,155)	(1)
7060	764,149	-	776,334	-
7900	(3,069,563)	(1)	(2,761,230)	(1)
7950	24,320,694	2	24,710,914	2
8200	6,055,409	-	5,693,367	-
8300	18,265,285	2	19,017,547	2
8310	202,298	-	8,402,526	1
8311	736,460	-	7,756,858	1
8316	19,001,745	2	26,774,405	3
8320	11,471,616	1	11,162,451	1
8321	6,793,669	1	7,855,096	1
8326	18,265,285	2	19,017,547	2
8330	12,138,989	1	18,022,661	2
8331	6,862,756	1	8,751,744	1
8339	19,001,745	2	26,774,405	3
9750	4.08	-	4.01	-
9850	3.98	-	3.84	-

See accompanying notes to consolidated 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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total equity attributable to owners of parent
	Retained earnings	Unappropriated retained earnings	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	
Balance at January 1, 2022	29,032,521	28,834,524	9,964,169	31,098,687	(650,887)	14,567,841
Net profit	-	-	-	11,162,451	-	7,855,096
Other comprehensive income	-	-	-	245,513	-	896,648
Total comprehensive income	-	-	-	11,407,964	-	8,751,744
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	1,050,417	-	-	-
Special reserve	-	-	1,944,127	-	-	-
Cash dividends	-	-	-	(6,257,863)	-	(6,257,863)
Changes in equity of associates and joint ventures accounted for using equity method	-	302,059	-	(203)	-	301,856
Treasury shares transferred to employees	-	(2,888)	-	-	-	113,255
Changes in ownership interests in subsidiaries	-	(70,095)	-	(1,040)	-	(71,135)
Disposal of part of the equity of the subsidiary	-	6,022,507	-	16,821	-	6,039,328
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)
Others	-	27,641	-	-	-	27,641
Changes in non-controlling interests	-	-	-	-	-	(1,049,178)
Balance at December 31, 2022	29,016,021	35,030,440	11,014,386	36,357,506	(282,007)	22,270,407
Net profit	-	-	-	11,471,616	-	11,471,616
Other comprehensive income	-	-	-	(24,502)	-	6,793,669
Total comprehensive income	-	-	-	11,447,114	-	69,087
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	1,151,668	-	-	-
Special reserve	-	-	(6,521,953)	-	-	-
Cash dividends	-	-	-	(7,400,801)	-	(7,400,801)
Changes in equity of associates and joint ventures accounted for using equity method	-	645,101	-	3,449	-	648,550
Treasury shares transferred to employees	-	(13,627)	-	-	-	567,700
Changes in ownership interests in subsidiaries	-	63,192	-	26,243	-	89,435
Disposal of part of the equity of the subsidiary	-	1,384,798	-	-	-	1,374,094
Share-based payment transactions	(18,360)	196,457	-	(10,704)	-	360,372
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	247,292	-	(247,292)
Others	-	63,623	-	-	-	63,623
Changes in non-controlling interests	-	-	-	-	-	(4,594,102)
Balance at December 31, 2023	28,997,661	37,389,984	12,166,254	40,680,803	(99,732)	24,539,061

See accompanying notes to consolidated 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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows generated from operating activities:		
Profit before tax	\$ 24,320,694	24,710,914
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	11,878,746	11,015,505
Amortization expense	466,414	459,606
Gain on reversal of expected credit loss	(3,828)	(74,187)
Net losses on financial assets or liabilities at fair value through profit or loss	344,831	4,130,860
Interest expenses	8,757,247	5,988,155
Interest income	(2,519,837)	(1,989,775)
Dividend income	(208,722)	(237,597)
Compensation cost arising from share-based payments	363,959	313,533
Shares of profit of associates and joint ventures accounted for using equity method	(764,149)	(776,334)
Losses (gains) on disposal of property, plant and equipment	203,539	(10,220)
Property, plant and equipment reclassified as (from) expenses	(9,512)	26,077
Other non-current assets reclassified as expenses	99,810	29,605
Losses (gains) on disposal of investments	(58,021)	989
Impairment loss on assets	171,395	4,660
Other investment losses (gains)	(76,893)	175,098
Lease modification gains	(83,247)	(56,622)
Government grant income	(19,494)	-
Amortization of bank arrangement fees	15,287	12,612
Total adjustments to reconcile profit	18,557,525	19,011,965
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in note and trade receivables	(21,116,785)	68,813,782
Decrease (increase) in trade receivables-related parties	(9,453)	60,114
Decrease (increase) in other receivables-related parties	(721)	10,535
Decrease in inventories	20,882,356	17,308,258
Decrease (increase) in other current assets	(1,963,698)	5,647,927
Total changes in operating assets	(2,208,301)	91,840,616
Changes in operating liabilities:		
Increase in current contract liabilities	1,637,923	2,300,584
Increase (decrease) in note and trade payables	12,646,507	(70,673,862)
Increase (decrease) in trade payables-related parties	213,003	(371,748)
Decrease in other payables-related parties	(11,836)	(32,235)
Increase (decrease) in current refund liability	3,503,518	(2,151,957)
Increase (decrease) in other current liabilities	6,490,045	(2,539,209)
Decrease in other non-current liabilities	(54,862)	(177,425)
Total changes in operating liabilities	24,424,298	(73,645,852)
Net changes in operating assets and liabilities	22,215,997	18,194,764
Total adjustments	40,773,522	37,206,729
Cash generated from operations	65,094,216	61,917,643
Interest received	2,778,266	2,699,872
Dividends received	843,098	631,209
Interest paid	(9,484,861)	(6,166,717)
Income taxes paid	(11,011,697)	(5,641,991)
Net cash generated from operating activities	48,219,022	53,440,016

See accompanying notes to consolidated financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES**Consolidated Statement of Cash Flows (continued)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,807,574)	(1,234,298)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,188,614	231,169
Return of financial assets at fair value through other comprehensive income	14,571	41,902
Acquisition of financial assets at amortized cost	(10,000)	-
Proceeds from disposal of financial assets at amortized cost	298,652	1,105,394
Acquisition of financial assets at fair value through profit or loss	(22,793,936)	(5,370,426)
Proceeds from disposal of financial assets at fair value through profit or loss	26,609,106	5,578,262
Acquisition of equity-accounted investees	(1,295,195)	(395,080)
Proceeds from disposal of equity-accounted investees	30,582	-
Net cash flow from acquisition of subsidiaries	(211,171)	-
Proceeds from capital reduction of investments accounted for using equity method	35,462	-
Acquisition of property, plant and equipment	(12,961,260)	(13,609,393)
Proceeds from disposal of property, plant and equipment	1,189,926	635,313
Proceeds from disposal of right-of-use assets	-	205,514
Increase in refundable deposits	(514,622)	(891,292)
Acquisition of intangible assets	(802,853)	(843,320)
Net cash inflows from business combination	286	-
Decrease in other financial assets	93	245,237
Increase in other non-current assets	(3,635,341)	(2,438,167)
Net cash flows used in investing activities	(14,664,660)	(16,739,185)
Cash flows used in financing activities:		
Increase in short-term loans	719,961,883	824,176,953
Repayments of short-term loans	(737,795,980)	(861,547,581)
Increase in long-term loans	34,808,464	18,179,231
Repayments of long-term loans	(29,663,621)	(28,355,477)
Increase in guarantee deposits received	398,187	1,218,915
Repayments of lease liabilities	(910,888)	(814,303)
Cash dividends paid	(7,400,801)	(6,257,467)
Treasury shares transferred to employees	567,700	113,255
Disposal of ownership interests in subsidiaries (without losing control)	1,624,923	7,390,742
Change in non-controlling interests	(4,858,138)	(2,498,175)
Others	63,623	27,641
Net cash flows used in financing activities	(23,204,648)	(48,366,266)
Effect of exchange rate changes on cash and cash equivalents	(646,119)	7,848,510
Net increase (decrease) in cash and cash equivalents	9,703,595	(3,816,925)
Cash and cash equivalents at beginning of year	66,337,316	70,154,241
Cash and cash equivalents at ending of year	\$ 76,040,911	66,337,316
Components of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 75,231,756	66,337,316
Non-current assets or disposal groups classified as held for sale	809,155	-
Cash and cash equivalents at ending of year	\$ 76,040,911	66,337,316

See accompanying notes to consolidated financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share Information and Unless Otherwise Specified)****(1) Company history**

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

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

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The consolidated financial statements for the years ended December 31, 2023 and 2022 were authorized for issuance by the Board of Directors on March 12, 2024.

(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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- 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”

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

- (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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of material accounting policies

The material 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, 2023	December 31, 2022	
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	(Note 1)
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)	42.82	43.44	(Note 2)
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	
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	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	100.00	
WYHK	Wiwynn Technology Service Kunshan, Ltd. ("WYKS", China)	100.00	100.00	
WMH/WLB/WCL	Wistron Medical Technology Corporation ("WMT", Taiwan)	92.65	92.14	(Note 3)
WMT	B-Temia Asia Pte Ltd. ("BTA", Singapore)	100.00	100.00	
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	Wistron Medical Technology Japan K.K. ("WMJP", Japan)	100.00	100.00	(Note 4)
the Company/WLB/WCL	WiBASE Industrial Solutions ("WIS", Taiwan)	99.86	52.87	(Note 5)
WSC	Wistron InfoComm Computer (Chengdu) Co., Ltd ("WCCD", China)	100.00	100.00	
BTA	Wistron Medical Technology Malaysia Sdn. Bhd. ("WMKL", Malaysia)	60.00	60.00	(Note 6)
WCL	Kaohsiung Opto-Electronics Inc. ("KOE", Taiwan)	100.00	100.00	
KOE	Opto-Electronics (Kunshan) Co., Ltd. ("KOEKS", China)	-	100.00	(Note 7)
WMMY/WSSG	Wistron Automotive Electronics (India) Private Limited ("WAEI", India)	100.00	100.00	
WGEH	AiSails Power Inc. ("AIS", Taiwan)	86.67	86.67	

(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, 2023	December 31, 2022	
the Company	SMS InfoComm Corporation ("WTX", U.S.A.)	100.00	100.00	
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	
WAKS	Wistron Green Recycling Technology (Kunshan) Co., Ltd. ("WTKS", China)	100.00	-	(Note 8)

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

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2023	December 31, 2022	
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, 2023	December 31, 2022	
the Company	Wistron GreenTech (Texas) Corporation ("WGTX", U.S.A.)	100.00	100.00	
WCHK	Wistron Advanced Materials (Kunshan) Co., Ltd. ("WGKS", China)	100.00	-	(Note 9)
WGHK	Wistron Advanced Materials (Kunshan) Co., Ltd. ("WGKS", China)	-	100.00	(Note 9)

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

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2023	December 31, 2022	
the Company	WiEdu Hong Kong Limited ("WEHK", Hong Kong)	100.00	100.00	
WLB/WDH	WIEDU CORPORATION ("WETW", Taiwan)	72.27	89.37	(Note 10)
WDH	Wistron AiEDGE Corporation ("WAUS", U.S.A.)	-	100.00	(Note 1)
WIN	Smartiply India Private Limited ("STI", India)	99.99	-	(Note 11)
WMMI	Smartiply India Private Limited ("STI", India)	-	99.99	(Note 11)
the Company/WDH/WCL/WLB	WiAdvance Technology Corporation ("AGI", Taiwan)	75.38	78.63	(Note 12)

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

6) Investment and holding companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2023	December 31, 2022	
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	(Note 13)
the Company	WiseCap (Hong Kong) Limited ("WCHK", Hong Kong)	100.00	100.00	
WCL	LE BEN Investment Ltd ("WLB", Taiwan)	100.00	100.00	
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 ("AIH", British Virgin Islands)	100.00	100.00	
the Company	Wistron Green Energy Holding Company ("WGEH", Taiwan)	100.00	100.00	
The Company/WMMY	Heracles Enterprises Limited ("HCL", British Virgin Islands)	100.00	30.00	(Note 14)
HCL	Formosa Prosonic Technology Sdn. Bhd. ("FPTC", Malaysia)	100.00	-	(Note 14)

7) Lease companies:

Investor	Name of subsidiary	Shareholding		Notes
		December 31, 2023	December 31, 2022	
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 liquidation process is completed in the 4th quarter of 2023.

(Note 2): The Group disposed of 0.62% of WYHQ's equity ownership from 2023, which had no impact on the control over the subsidiary.

(Note 3): WLB, a subsidiary of the Group, repurchased the shares from its employees in the 1st quarter and the 4th quarter of 2023, resulting in an increase in the percentage of shares held by the Group in WMT to 92.65%.

(Note 4): WMJP originally named "Keego Japan K.K." was renamed to "Wistron Medical Technology Japan K.K."

(Note 5): The employees of WIS exercised the employee stock options in the 1st quarter of 2023, with the Company repurchasing WIS's shares from DARWIN PRECISIONS CORPORATION and IBASE TECHNOLOGY INC. in the 2nd quarter of 2023. Also, WLB and WCL, both subsidiaries of the Group, repurchased the shares from WIS's employees between the 2nd quarter and the 4th quarter of 2023, resulting in an increase in the percentage of shares held by the Group in WIS to 99.86%.

(Note 6): WMKL originally named "KEEOGO MALAYSIA SDN. BHD." was renamed to "Wistron Medical Technology Malaysia Sdn. Bhd."

(Note 7): Due to organizational structure and business planning adjustments of the Group, KOEKS had been liquidated in the 2nd quarter of 2023.

(Note 8): The capital was injected in 1st quarter of 2023.

(Note 9): WGHK transferred 100% shareholding of WGKS to WCHK in the 2nd quarter of 2023.

(Note 10): WLB, a subsidiary of the Group, repurchased WETW's shares from its employees in the 1st quarter and 3rd quarter of 2023. However, WETW increased its capital by issuing new shares in the 3rd quarter of 2023 to attract external strategic investors, resulting in a decrease in its shareholding percentage to 72.27%.

(Note 11): WMMI transferred 99.99% shareholding of STI to WIN in the 1st quarter of 2023.

(Note 12): WLB, a subsidiary of the Group, repurchased AGI's shares from its employees in the 2nd quarter of 2023. However, the employees of AGI exercised their employee stock options from the 2nd quarter to the 4th quarter of 2023, which resulted in a decrease in the percentage of shares held by the Group in AGI to 75.38%.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(Note 13): The subsidiary remitted the earnings in the 4th quarter of 2023. The liquidation process was still in progress.

(Note 14): WMMY, a subsidiary of the Group, acquires 70% shares of HCL, with the amount of \$211,711, resulting in HCL and its subsidiary, FPTC, to become subsidiaries of the Group.

(iii) Subsidiaries excluded from consolidated: None.

(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 (SPPI) on the principal amount outstanding.

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

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

c) Fair value through profit or loss (FVTPL)

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

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Impairment of financial assets

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

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

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

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

3) Derecognition of financial assets

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

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

(h) Inventories

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) Investment in associates

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

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

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

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

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

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

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

- (j) Property, plant and equipment
- (i) Recognition and measurement

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

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

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

- (ii) Subsequent cost

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

- (iii) Depreciation

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

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated 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 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;

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 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 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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

(o) Provisions

A provision is recognized if, as a result of a past event, the 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.

(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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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) Non-current assets or disposal groups held for sale

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(u) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) 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 at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (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.

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

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) 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.

(x) 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 and ungranted restricted shares to employees.

(y) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 economic uncertainties 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.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31,	December 31,
	2023	2022
Cash on hand	\$ 12,673	256,203
Demand and check deposits	56,556,160	43,870,712
Time deposits	18,662,923	22,210,401
Cash and cash equivalents in consolidated statement of cash flows	\$ 75,231,756	66,337,316

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	December 31,	December 31,
	2023	2022
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 2,570	147,596
Foreign currency swap contracts	-	4,688
Non-derivative financial assets		
Money market fund	3,828,965	-
Listed companies	383,837	8,234,910
Structured deposits	129,920	-
Total	\$ 4,345,292	8,387,194

WAKS, WZS, WCD and WCQ, the subsidiaries of the Group, disposed their entire equity ownership in Luxshare Precision Industry Co., Ltd. based on a resolution approved during the board meeting held on July 25, 2023. Please refer to Note 13(a)(iv) for related information.

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

	December 31,	December 31,
	2023	2022
Measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 187,097	161

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, 2023 and 2022, derivative financial instruments not qualified for hedge accounting were as follows:

1) Foreign currency forward contracts:

December 31, 2023		
Amount	Currency	Expiration
(in thousands)		
USD 322,000	TWD Put / USD Call	2024/1/4~2024/2/1
December 31, 2022		
Amount	Currency	Expiration
(in thousands)		
USD 704,000	TWD Put / USD Call	2023/1/3~2023/3/6

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Foreign currency swap contracts:

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

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

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Convertible bonds	\$ 103,599	80,402
Simple Agreement for Future Equity (SAFE)	<u>20,300</u>	<u>86,964</u>
	<u>\$ 123,899</u>	<u>167,366</u>

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

(c) Financial asset at amortized cost

(i) Current financial asset at amortized cost

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Restricted deposits	<u>\$ -</u>	<u>298,652</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.

(ii) Non-current financial asset at amortized cost

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Bonds	<u>\$ 10,000</u>	<u>-</u>

The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In October 2024, the Company acquired a 10-year unsecured subordinated corporate bond issued by Shin Kong Life Insurance, with an amount and an effective rate of \$10,000 and 4%, respectively.

The aforementioned financial asset was not pledged as collateral.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 4,056,226	2,979,466
Unlisted companies	1,127,292	1,179,928
Unlisted fund	<u>2,818,614</u>	<u>2,570,019</u>
Total	<u>\$ 8,002,132</u>	<u>6,729,413</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 Jafco AT Fund VI L.P., Kibou Fund L.P., U.S. Bionics Inc., AOpen Inc, Alpha Networks Inc., and Gamania Digital Entertainment Co., Ltd. with a fair value of \$1,188,614 during 2023, as well as disposed portion of its shares in Marvell Technology, Inc., Jafco AT Fund VI L.P., AOpen Inc. and U.S. Bionics Inc. with a fair value of \$134,857 during 2022, resulting in the Group to recognized the net gain of \$247,292 and \$109,565, 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(ab).

(iii) The aforementioned financial assets were not pledged.

(e) Note and trade receivables

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Note receivables from operating activities	\$ 46,093	3,783
Trade receivables-measured at amortized cost	86,870,852	84,828,187
Trade receivables-measured at FVOCI	34,420,237	15,517,347
Trade receivables-related parties-measured at amortized cost	102,871	93,877
Less: loss allowance	<u>(103,297)</u>	<u>(212,867)</u>
	<u>\$ 121,336,756</u>	<u>100,230,327</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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2023		
	Gross carrying amount of note and trade receivables	Weighted-average expected credit loss rate	Expected credit loss
Current	\$ 120,386,140	0.001%~0.004%	2,285
1 to 60 days past due	629,906	2.79%~4.32%	19,098
61 to 180 days past due	354,268	4.21%~14.64%	19,746
181 to 300 days past due	12,901	5.30%~39.20%	1,954
More than 301 days past due	56,838	44.48%~100.00%	53,213
Total	<u>\$ 121,440,053</u>		<u>96,296</u>
	December 31, 2022		
	Gross carrying amount of note and trade receivables	Weighted-average expected credit loss rate	Expected credit loss
Current	\$ 98,872,082	0.001%~0.019%	9,832
1 to 60 days past due	1,324,366	2.92%~6.05%	46,457
61 to 180 days past due	89,584	5.50%~20.27%	7,410
181 to 300 days past due	10,906	18.74%~66.12%	2,680
More than 301 days past due	146,256	41.60%~100.00%	145,847
Total	<u>\$ 100,443,194</u>		<u>212,226</u>

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

	For the years ended December 31	
	2023	2022
Balance on January 1	\$ 212,867	635,021
Impairment losses reversed	(1,671)	(74,187)
Amounts written off	(107,838)	(349,144)
Effect of changes in foreign exchange rates	(61)	1,177
Balance on December 31	<u>\$ 103,297</u>	<u>212,867</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2023 and 2022, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

	December 31, 2023					
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
			Paid	Unpaid		
Financial institutions	\$ 2,324,991	4,068,557 (Note)	2,324,991	1,743,566	1.81%~6.36%	None
	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

(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, 2023 and 2022, the note and trade receivables were not pledged.

(f) Other receivables

	December 31, 2023	December 31, 2022
Other current assets-other receivables	\$ 5,248,952	4,490,320
Other receivables-related parties	4,749	4,010
Less: loss allowance	(15,060)	(18,254)
	<u>\$ 5,238,641</u>	<u>4,476,076</u>

As of December 31, 2023 and 2022, there were no significant changes in credit quality and risk of the other receivables, and the overdue amounts were impaired.

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

	For the years ended December 31	
	2023	2022
Balance on January 1	\$ 18,254	413,717
Impairment losses reversed	(2,157)	-
Amounts written off	(1,037)	(395,463)
Balance on December 31	<u>\$ 15,060</u>	<u>18,254</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Raw materials	\$ 53,386,202	75,989,639
Work in progress	7,576,126	4,228,205
Finished goods	43,117,801	56,631,829
Inventory in transit	<u>15,639,840</u>	<u>20,039,478</u>
	<u>\$ 119,719,969</u>	<u>156,889,151</u>

For the years ended December 31, 2023 and 2022, the details of cost of sales were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 792,141,774	910,674,096
Loss on valuation of inventories	5,853,600	4,410,526
Loss on inventory physical count	8,215	11,999
Income from sale of scraps	(139,716)	(206,157)
Unallocated manufacturing overhead	<u>210,261</u>	<u>-</u>
	<u>\$ 798,074,134</u>	<u>914,890,464</u>

As of December 31, 2023 and 2022, the inventories were pledged, please refer to Note 8.

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

(i) In September 2023, the Company's Board of Directors resolved to dispose a portion of property, plant and equipment of Wistron Technology (Malaysia) Sdn. Bhd. (WMMY), a subsidiary of the Group, at the factory located in the Malaysia Free Trade Area, wherein the relevant sales procedures have already been initiated. The above assets were classified as non-current assets held-for-sale as follows:

	<u>December 31, 2023</u>
Non-current assets held for sale:	
Land	\$ 671,644
Building and improvements	344,017
Other equipment	<u>9,483</u>
	<u>\$ 1,025,144</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) In October 2023, the Company's Board of Directors resolved to dispose the entire shareholdings of Wistron InfoComm Manufacturing (India) Private Limited (WMMI), a subsidiary of the Group, to Tata Electronics Private Ltd., (TEPL). The above assets and liabilities were classified as non-current assets held-for-sale and liabilities related to non-current assets or disposal groups classified as held-for-sale as follows:

	<u>December 31, 2023</u>
Non-current assets or disposal group held for sale:	
Cash and cash equivalents	\$ 809,155
Trade receivables	17,143
Inventories	16,363,738
Other current assets	1,981,591
Property, plant and equipment	8,568,549
Right-of-use assets	252,827
Intangible assets	16,189
Other non-current assets	<u>349,180</u>
	<u>\$ 28,358,372</u>
Liabilities related to non-current assets or disposal group classified as held for sale:	
Short-term loans	\$ 55,455
Trade payables	2,245,667
Trade payables-related parties, net	18,237,321
Other current liabilities	6,077,842
Other non-current liabilities	<u>84,711</u>
Gross amount	26,700,996
Less: Offset against trade and other payables to related parties	<u>(18,237,321)</u>
Net amount	<u>\$ 8,463,675</u>

As of December 31, 2023, the liabilities related to non-current or disposal group assets classified as held-for-sale of WMMI amounted to \$8,463,675, which had been offset against its trade payables to related parties of \$18,237,321. Of which, the amount will be paid by the purchaser after the transaction.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Equity-accounted investees

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

	December 31, 2023	December 31, 2022
Associates	\$ 10,713,410	8,358,899

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

	December 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
WNC	\$ 6,363,419	15,026,202	4,610,468	7,047,356
WITS	982,757	2,384,415	718,232	1,397,327
Formosa Prosonic Industries Berhad (FPI)	799,101	1,329,713	769,488	1,558,810
T-Conn Precision Corporation (TPE)	115,797	354,679	178,523	456,251
	\$ 8,261,074	19,095,009	6,276,711	10,459,744

(ii) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2023	December 31, 2022
	Carrying amount of individually insignificant associates' equity	\$ 10,713,410
	For the years ended December 31	
	2023	2022
Attributable to the Group:		
Net profit	\$ 764,149	776,334
Other comprehensive income	308,766	132,856
Comprehensive income	\$ 1,072,915	909,190

(iii) Collateral

As of December 31, 2023 and 2022, the investments in aforementioned equity-accounted investees were not pledged.

(iv) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

In 2023 and 2022, the Group disposed 0.62% and 4.64% of its shares in WYHQ, which its fair value were \$1,624,923 and \$7,390,742, respectively, resulting in its shareholding in WYHQ to decrease from 43.44% to 42.82% and 48.08% to 43.44%, 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:

	December 31, 2023	December 31, 2022
Consideration transferred from the non-controlling interests	\$ 1,624,923	7,390,742
Book value of the non-controlling interests	(250,829)	(1,371,414)
Other equity adjustments	10,704	(16,821)
Capital surplus-difference between consideration and carrying amount of subsidiaries acquired or disposed	\$ 1,384,798	6,002,507

(k) Material non-controlling interests of subsidiaries

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

			Percentage of non-controlling interests	
			December 31, 2023	December 31, 2022
Subsidiary	Main operation location			
WYHQ	Taiwan		57.18 %	56.56 %

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

	December 31, 2023	December 31, 2022
Total assets	\$ 88,845,397	88,837,782
Total liabilities	\$ 46,611,345	50,050,776
	For the years ended December 31	
	2023	2022
Revenue	\$ 241,900,989	292,876,040
Profit	\$ 12,043,655	14,174,709

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Property, plant and equipment

	Land	Building and improvements	Machinery and equipment	Molding equipment	Research and development equipment	Office equipment	Other equipment	Total
Cost or deemed cost:								
Balance at January 1, 2023	\$ 4,893,946	31,310,760	38,486,066	12,859,237	2,870,393	3,247,981	16,485,671	110,154,054
Additions	509,833	257,436	3,884,775	660,950	249,392	252,490	7,146,384	12,961,260
Reclassification (Note)	-	1,262,872	1,241,932	1,245,542	7,460	41,728	(833,936)	2,965,598
Reclassified from expenses	-	-	23	-	-	-	9,489	9,512
Disposals	-	(201,901)	(5,728,524)	(2,636,242)	(95,745)	(189,412)	(1,164,655)	(10,016,479)
Effect of changes in foreign exchange rates	(602)	772,418	96,592	(10,309)	(209)	214	(159,651)	698,453
Reclassified to non-current assets held for sale	(671,644)	(2,681,095)	(6,420,741)	-	-	(378,616)	(2,088,808)	(12,240,904)
Balance at December 31, 2023	\$ <u>4,731,533</u>	<u>30,720,490</u>	<u>31,560,123</u>	<u>12,119,178</u>	<u>3,031,291</u>	<u>2,974,385</u>	<u>19,394,494</u>	<u>104,531,494</u>
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>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2023	\$ -	13,981,682	20,933,297	11,808,158	2,261,785	2,252,669	7,401,254	58,638,845
Depreciation	-	1,492,437	4,696,045	2,022,635	266,840	408,862	1,687,039	10,573,858
Impairment loss	-	57,817	-	-	-	-	-	57,817
Disposals	-	(190,482)	(4,469,367)	(2,630,101)	(93,804)	(163,504)	(1,075,756)	(8,623,014)
Effect of changes in foreign exchange rates	-	(23,097)	5,591	(14,049)	(112)	(2,445)	(32,726)	(66,838)
Reclassified to non-current assets held for sale	-	(353,706)	(1,821,847)	-	-	(264,334)	(207,324)	(2,647,211)
Balance at December 31, 2023	\$ <u>-</u>	<u>14,964,651</u>	<u>19,343,719</u>	<u>11,186,643</u>	<u>2,434,709</u>	<u>2,231,248</u>	<u>7,772,487</u>	<u>57,933,457</u>
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>
Carrying value:								
Balance at December 31, 2023	\$ <u>4,731,533</u>	<u>15,755,839</u>	<u>12,216,404</u>	<u>932,535</u>	<u>596,582</u>	<u>743,137</u>	<u>11,622,007</u>	<u>46,598,037</u>
Balance at January 1, 2022	\$ <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>
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>

(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, 2023 and 2022, the property, plant and equipment were not pledged.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) 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, 2023	\$ 5,054,247	7,688,199	65,847	115,869	12,924,162
Effect of changes in consolidated entities	268,498	-	-	-	268,498
Addition	12,967	1,471,812	28,458	53,302	1,566,539
Decrease	(228,233)	(713,777)	(27,487)	(34,219)	(1,003,716)
Revaluation	(6,950)	(2,684)	(113)	-	(9,747)
Effect of changes in foreign exchange rates	1,461	140,552	(29)	(307)	141,677
Reclassified to non-current assets held for sale	(265,808)	-	-	-	(265,808)
Balance at December 31, 2023	\$ <u>4,836,182</u>	<u>8,584,102</u>	<u>66,676</u>	<u>134,645</u>	<u>13,621,605</u>
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)
Revaluation	237	(1,490)	149	517	(587)
Effect of changes in foreign exchange rates	364,107	566,562	208	926	931,803
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>
Accumulated depreciation:					
Balance at January 1, 2023	\$ 774,677	3,738,488	33,733	72,969	4,619,867
Effect of changes in consolidated entities	25,271	-	-	-	25,271
Depreciation	112,101	1,143,226	17,227	32,334	1,304,888
Impairment loss	59,918	-	-	-	59,918
Decrease	(12,735)	(582,402)	(27,487)	(33,291)	(655,915)
Effect of changes in foreign exchange rates	2,739	36,052	(6)	(62)	38,723
Reclassified to non-current assets held for sale	(12,981)	-	-	-	(12,981)
Balance at December 31, 2023	\$ <u>948,990</u>	<u>4,335,364</u>	<u>23,467</u>	<u>71,950</u>	<u>5,379,771</u>
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>
Carrying value:					
Balance at December 31, 2023	\$ <u>3,887,192</u>	<u>4,248,738</u>	<u>43,209</u>	<u>62,695</u>	<u>8,241,834</u>
Balance at January 1, 2022	\$ <u>4,054,671</u>	<u>2,719,253</u>	<u>27,041</u>	<u>57,241</u>	<u>6,858,206</u>
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>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Intangible assets

	Patent	Goodwill	Software	Professional technology	Customer relationships	Operating concession	Total
Costs:							
Balance at January 1, 2023	\$ 174,947	807,191	1,440,768	137,519	138,751	625,707	3,324,883
Additions	-	41,722	400,514	935	-	401,404	844,575
Decrease	(31,177)	-	(159,935)	(66,815)	-	-	(257,927)
Reclassification	-	-	1,217	-	-	-	1,217
Effect of changes in foreign exchange rates	469	-	6,312	1,060	-	-	7,841
Reclassified to non-current assets held for sale	-	-	(24,778)	-	-	-	(24,778)
Balance at December 31, 2023	<u>\$ 144,239</u>	<u>848,913</u>	<u>1,664,098</u>	<u>72,699</u>	<u>138,751</u>	<u>1,027,111</u>	<u>3,895,811</u>
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>
Accumulated amortization:							
Balance at January 1, 2023	\$ 142,198	-	941,433	80,784	10,737	-	1,175,152
Amortization	11,394	-	442,802	2,307	9,911	-	466,414
Impairment loss	-	-	-	53,660	-	-	53,660
Decrease	(31,177)	-	(159,935)	(66,815)	-	-	(257,927)
Effect of changes in foreign exchange rates	469	-	4,907	2,045	-	-	7,421
Reclassified to non-current assets held for sale	-	-	(8,589)	-	-	-	(8,589)
Balance at December 31, 2023	<u>\$ 122,884</u>	<u>-</u>	<u>1,220,618</u>	<u>71,981</u>	<u>20,648</u>	<u>-</u>	<u>1,436,131</u>
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>
Carrying value:							
Balance at December 31, 2023	<u>\$ 21,355</u>	<u>848,913</u>	<u>443,480</u>	<u>718</u>	<u>118,103</u>	<u>1,027,111</u>	<u>2,459,680</u>
Balance at January 1, 2022	<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>
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>

(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, 2023, the Group had paid development concession premium amounting to \$1,027,111.

(ii) Impairment testing for goodwill

1) 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The carrying amounts of goodwill were as follows:

	December 31, 2023	December 31, 2022
Developing and manufacturing services cash-generating units	\$ 561,485	561,485
Other segment cash-generating units	<u>287,428</u>	<u>245,706</u>
	<u>\$ 848,913</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.

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

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

	December 31, 2023	December 31, 2022
Pre-tax discount rate	5.21 %	3.73 %

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, 2023 and 2022, the intangible assets were not pledged.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Other current assets and non-current assets

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
(i) Other current assets:		
Other receivables, net	\$ 5,233,892	4,472,066
Tax refundable	1,575,368	2,588,861
Prepaid royalties	184,453	204,729
Other prepayments	1,834,790	2,027,548
Other financial assets (Note)	1,087,373	378,334
Others	<u>197,883</u>	<u>308,662</u>
	<u>\$ 10,113,759</u>	<u>9,980,200</u>
	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
(ii) Other non-current assets:		
Advance payments for equipment	\$ 1,837,196	1,342,677
Refundable deposits	2,192,567	1,873,333
Others	<u>790,638</u>	<u>1,630,257</u>
	<u>\$ 4,820,401</u>	<u>4,846,267</u>

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

(p) Bank loans

(i) Short-term loans

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured bank loans	<u>\$ 95,940,430</u>	<u>114,279,421</u>
Unused credit line	<u>\$ 230,821,683</u>	<u>201,254,855</u>
Interest rate collar	<u>0.34%~8.35%</u>	<u>0.36%~16.79%</u>

(ii) Long-term loans

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured bank loans	\$ 21,579,457	16,476,275
Less: current portion	<u>(1,997,788)</u>	<u>(5,527,440)</u>
	<u>\$ 19,581,669</u>	<u>10,948,835</u>
Unused credit line	<u>\$ 35,182,730</u>	<u>25,951,718</u>
Interest rate collar	<u>1.20%~6.86%</u>	<u>1.10%~6.01%</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Breach of covenant

- 1) On December 31, 2020, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 8 other participating banks and which was extended on December 12, 2023, with significant terms as follows:

Total credit line: The original credit line was USD360,000,000, and then extended to USD327,500,000

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.

- 2) On March 31, 2023, the Company entered into a 3-year loan agreement with Taipei Fubon Commercial Bank (the lead bank) and 14 other participating banks, with significant terms as follows:

Total credit line: USD500,000,000

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.

The Company was in compliance with the above financial covenants during the financial reporting periods.

(iv) Government low-interest loan

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: As of December 31, 2023 and 2022, the amounts were \$8,642,622 and \$8,643,200, respectively, without revolving.

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of December 31, 2023 and 2022, the used credit line of \$1,859,429 and \$1,331,730, respectively, 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.

In 2022, to expand its operation through constructing factories and 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: As of December 31, 2023 and 2022, the amounts was \$7,060,000, without revolving.

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

As of December 31, 2023 and 2022, the used credit line of \$464,549 and \$226,909, respectively, 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 years ended December 31, 2023 and 2022 were disclosed in Note 6(z).

(q) Bonds payable

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

The details of unsecured convertible bonds were as follows:

	December 31, 2023	December 31, 2022
Total ordinary corporate bonds issued	\$ 9,450,000	9,450,000
Unamortized discounted corporate bonds payable	(7,082)	(10,317)
Subtotal	9,442,918	9,439,683
Less: current portion	(2,500,000)	-
Corporate bonds issued balance at reporting date	<u>\$ 6,942,918</u>	<u>9,439,683</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31	
	2023	2022
Interest expense	\$ <u>72,770</u>	<u>72,770</u>

(r) Lease liabilities

	December 31, 2023	December 31, 2022
Current	\$ <u>787,286</u>	<u>2,073,795</u>
Non-current	\$ <u>4,851,244</u>	<u>3,062,540</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interests on lease liabilities	\$ <u>132,855</u>	<u>89,944</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>194,085</u>	<u>357,755</u>
Expenses relating to short-term leases	\$ <u>278,596</u>	<u>378,527</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>16,732</u>	<u>13,712</u>

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	\$ <u>1,533,156</u>	<u>1,654,241</u>

(i) Leases of land, buildings and improvement

As of December 31, 2023 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 and transportation equipment with lease terms typically of 1 to 5 years, and of other equipment typically for a period of 3 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, 2023, there was not the occurrence of either a significant event or a significant change in circumstances and the reassessment of the lease required.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(s) 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, 2023 and 2022, rental income recognized in profit or loss, were \$383,191 and \$331,794, respectively.

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

	December 31, 2023	December 31, 2022
Less than one year	\$ 331,711	207,218
Between one to five years	1,334	-
	<u>\$ 333,045</u>	<u>207,218</u>

(t) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 203,157	-
Fair value of plan assets	(221,939)	-
Net defined benefit assets (accounted for under "Other non-current assets")	<u>\$ (18,782)</u>	<u>-</u>
	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 2,050,518	2,334,923
Fair value of plan assets	(1,525,821)	(1,714,792)
Net defined benefit liabilities (accounted for under "Other non-current liabilities")	<u>\$ 524,697</u>	<u>620,131</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 \$1,747,760 and \$1,714,792 as of December 31, 2023 and 2022, respectively. The utilization of the labor pension fund assets of the domestic entities of the Group included the asset allocation and yield of the fund. Please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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

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

	2023	2022
Balance at January 1	\$ 2,334,923	2,637,539
Current service cost and interests	54,903	35,426
Benefit paid by the plan	(135,030)	(85,135)
Benefit paid by the Group	(49,305)	(50,796)
Net remeasurements of defined benefit liabilities (assets)		
– Actuarial losses (gains) arising from changes in financial assumptions	16,373	(256,901)
– Experience adjustments	24,377	69,198
– Gains arising from changes in demographic assumptions	-	(12,200)
Effect of employee transfer	8,922	-
Effect of change in foreign exchange rates	(1,488)	(2,208)
Balance at December 31	<u>\$ 2,253,675</u>	<u>2,334,923</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 1,714,792	1,515,116
Contribution paid by the Group	135,699	171,950
Benefit paid by the plan	(135,030)	(85,135)
Expected return on plan assets	29,107	8,860
Net remeasurements of defined benefit liabilities (assets)		
— Return on plan assets	<u>3,192</u>	<u>104,001</u>
Fair value of plan assets at December 31	<u>\$ 1,747,760</u>	<u>1,714,792</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2023 and 2022, were as follow:

	<u>2023</u>	<u>2022</u>
Current service cost	\$ 14,145	18,622
Net interest on the net defined benefit liabilities	40,758	16,804
Net remeasurements of defined benefit liabilities (assets)		
— Return on plan assets	3,192	104,001
Actual return on plan assets	(32,299)	(112,861)
Exchange differences	<u>-</u>	<u>(615)</u>
	<u>\$ 25,796</u>	<u>25,951</u>

	<u>2023</u>	<u>2022</u>
Cost of sales	\$ 13,732	18,356
Selling expenses	3,139	3,049
Administrative expenses	2,396	2,759
Research and development expenses	<u>6,529</u>	<u>1,787</u>
	<u>\$ 25,796</u>	<u>25,951</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

As of December 31, 2023 and 2022, the Group's remeasurements of the net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ 701,218	998,765
Recognized during the year	<u>33,888</u>	<u>(297,547)</u>
Balance as of December 31	<u>\$ 735,106</u>	<u>701,218</u>

6) Actuarial assumptions

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.63%~6.2%	1.75%~7.4%
Future salary increases	2.34%~4.0%	1.57%~4.0%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after December 31, 2023 was \$66,430.

The weighted average lifetime of the defined benefits plans was 9~18 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, 2023		
Discount rate	\$ (50,369)	52,202
Future salary increases	50,185	(48,688)
December 31, 2022		
Discount rate	(56,219)	58,266
Future salary increases	56,080	(54,419)

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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 \$1,263,860 and \$1,091,545 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2023 and 2022, respectively.

(u) Income Taxes

(i) Income tax expense

- 1) The components of income tax expense for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ 7,003,839	8,737,400
Prior period adjustments	<u>523,150</u>	<u>38,151</u>
	<u>7,526,989</u>	<u>8,775,551</u>
Deferred tax expense		
Origination and reversal of temporary difference	<u>(1,471,580)</u>	<u>(3,082,184)</u>
Income tax expense	<u>\$ 6,055,409</u>	<u>5,693,367</u>

- 2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ (7,057)	59,850
Unrealized gains (losses) on equity instruments as fair value through other comprehensive income	<u>(104,130)</u>	<u>15,152</u>
	<u>\$ (111,187)</u>	<u>75,002</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) The reconciliation of income tax expense and profit before tax for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Profit before tax	<u>\$ 24,320,694</u>	<u>24,710,914</u>
Estimated income tax calculated based on the Company's statutory tax rate	\$ 4,864,138	4,942,182
Tax effects of different tax rates applicable in foreign jurisdiction	2,280,976	2,819,754
Surtax on undistributed earnings	587,737	64,503
Tax-exempt income	(1,886,979)	(1,769,680)
Change in unrecognized temporary differences	(571,748)	(640,161)
Prior-period tax adjustments	523,150	38,151
Others	<u>258,135</u>	<u>238,618</u>
	<u>\$ 6,055,409</u>	<u>5,693,367</u>

(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, 2023</u>	<u>December 31, 2022</u>
Unused tax losses carryforwards	\$ 1,369,159	1,624,895
Deductible temporary differences	<u>3,254,788</u>	<u>3,059,425</u>
	<u>\$ 4,623,947</u>	<u>4,684,320</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, 2023, the Group's recognized and unrecognized deferred tax assets resulted from loss carryforwards and the expiry year were as follows:

(Continued)

9 | Financial Standing

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Expiry year	Recognized deferred tax assets	Unrecognized deferred tax assets	Total
2024	\$ -	211,862	211,862
2025	-	66,656	66,656
2026	-	16,931	16,931
2027	-	223,712	223,712
2028	496,421	13,452	509,873
2029	-	14,327	14,327
2030	-	16,490	16,490
2031	465	155,175	155,640
2032	17,479	12,559	30,038
2033	54,041	14,501	68,542
After 2034	150,212	623,494	773,706
	\$ 718,618	1,369,159	2,087,777

b) Unrecognized deferred tax liabilities on investment

As of December 31, 2023 and 2022, the temporary differences associated with investments in subsidiaries were not recognized as deferred income tax liabilities as follows:

	December 31, 2023	December 31, 2022
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax liabilities	\$ 8,298,180	7,532,885

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 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	Loss carryforwards	Tax difference arising from depreciation of property, plant and equipment	Unearned revenue	Others	Total
Deferred tax assets:									
Balance at January 1, 2023	\$ -	1,142,643	1,565,734	990,381	241,357	122,255	1,685,800	2,102,757	7,850,927
Recognized in profit or loss	-	278,268	793,791	253,141	477,261	(122,255)	(231,059)	541,290	1,990,437
Recognized in other comprehensive income	-	-	-	-	-	-	-	118,619	118,619
Balance at December 31, 2023	\$ -	1,420,911	2,359,525	1,243,522	718,618	-	1,454,741	2,762,666	9,959,983
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	\$ -	1,142,643	1,565,734	990,381	241,357	122,255	1,685,800	2,102,757	7,850,927

(Continued)

9 | Financial Standing

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Recognized share of gain of subsidiaries and associates accounted for equity method	Unrealized exchange gain	Others	Total
Deferred tax liabilities:				
Balance at January 1, 2023	\$ 1,398,672	-	316,874	1,715,546
Recognized in profit or loss	504,353	-	14,504	518,857
Recognized in other comprehensive income	-	-	7,432	7,432
Balance at December 31, 2023	\$ 1,903,025	-	338,810	2,241,835
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	\$ 1,398,672	-	316,874	1,715,546

(iii) The Company's tax returns for the years through 2021 were examined and approved by the Taiwan National Tax Administration.

(v) Capital and Other Equities

(i) Capital

As of December 31, 2023 and 2022, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,899,766,000 and 2,901,602,000 shares, were issued and outstanding.

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 March 14, May 11, August 4 and December 21, 2023, and May 6, August 5 and November 4, 2022, the Board of Directors resolved to cancel 1,436,000 shares, 200,000 shares, 160,000 shares, 40,000 shares, 150,000 shares, 180,000 shares and 1,320,000 shares of \$14,360, \$2,000, \$1,600, \$400, \$1,500, \$1,800 and \$13,200, 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 2020, 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. However, 21,255,000 shares and 4,245,000 shares were transferred to employees as of December 31, 2023 and 2022, resulting in the Company to hold 33,269,000 and 54,524,000 treasury shares, respectively.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The shares purchased for the purpose of transferring to employees shall be transferred within five years from the date of share repurchase. Those that were not transferred within the said limit shall be deemed as not issued by the Company and it should be cancelled. Furthermore, treasury 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, 2023	December 31, 2022
A premium issuance of common shares for cash	\$ 20,223,928	20,223,928
Surplus arising from equity-accounted investees	14,501,925	12,408,834
A premium issuance of common stock in exchange for the net assets of the DMS business of AI	1,800,000	1,800,000
Restricted shares to employees	535,093	338,636
Employee stock options	62,213	101,960
Transaction of treasury shares	88,427	62,307
Other	<u>178,398</u>	<u>114,775</u>
	<u>\$ 37,389,984</u>	<u>35,050,440</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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 the 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.

4) Earnings Distribution

The amounts of cash dividends of appropriations of earnings for 2022 and 2021 had been approved in the shareholders' meeting held on June 15, 2023 and June 17, 2022, respectively. These earnings were appropriated as follows:

	2022	2021
Dividends distributed to ordinary share holders		
Cash dividends	<u>\$ 7,400,801</u>	<u>6,257,863</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 2023	\$ (1,002,626)	(198,563)	(1,026,646)	(40,860)
Foreign currency translation differences (net of tax)	(179,398)	(89,724)	-	-	-
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	-	561,750	399,247	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	(247,292)	-	-
Disposal of part of the equity of the subsidiary	(10,704)	-	-	-	-
Deferred compensation arising from issuance of restricted shares (net of tax)	-	-	-	-	182,275
Balance at December 31, 2023	\$ <u>(1,192,728)</u>	<u>(288,287)</u>	<u>(712,188)</u>	<u>358,387</u>	<u>(99,732)</u>

	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	-	-	-
Unrealized 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)	-	-
Disposal of part of the equity of the subsidiary	16,821	-	-	-	-
Deferred compensation arising from issuance of restricted shares (net of tax)	-	-	-	-	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>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2023	2022
Balance on January 1	\$ 22,270,407	14,567,841
Profit attributable to non-controlling interests	6,793,669	7,855,096
Other comprehensive income attributable to non-controlling interests		
Exchange differences on translation of foreign financial statements	72,173	896,308
Remeasurements of defined benefit plans	(3,086)	340
Changes in non-controlling interests	<u>(4,594,102)</u>	<u>(1,049,178)</u>
Balance on December 31	<u>\$ 24,539,061</u>	<u>22,270,407</u>

(w) Share-based payment transactions

(i) WHQ-Restricted shares to employees

- 1) A resolution was approved during the shareholders' meeting on June 18, 2020 for a capital increase, wherein the Company to 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 are appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act based on law and regulations. In addition, the appropriated dividends are also kept by a trust. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares without compensation and cancel the shares thereafter.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) Details of the restricted shares of the Company are as follows:

(Unit: in thousand shares)

	<u>2023</u>	<u>2022</u>
Outstanding at 1 January	\$ 60,780	62,640
Vested during the year	(18,993)	(210)
Canceled during the year	(1,836)	(1,650)
Outstanding at 31 December	<u>\$ 39,951</u>	<u>60,780</u>

- 3) The Company has recovered the cash dividends of \$0 and \$396 distributed for those employees who did not meet the vesting conditions in 2023 and 2022, respectively. The relevant registration procedures had been completed.

- (ii) WHQ-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)

	<u>2023</u>	<u>2022</u>
Outstanding at 1 January	\$ 54,524	58,769
Exercised during the year	(21,255)	(4,245)
Outstanding at 31 December	<u>\$ 33,269</u>	<u>54,524</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 (years)	4 years	0.03 year
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

- (iii) AGI-Employee stock option

AGI, a subsidiary of the Group, issued 1,400,000 and 1,100,000 units of employee stock options in accordance with the resolution approved by its Board of Directors on September 16, 2020 and June 13, 2023, respectively. Each unit of the employee stock option is convertible into 1 new share to employee. Related information were as follows:

- 1) Arrangement

	<u>Equity-settled</u>	
	<u>2020 Employee stock option</u>	<u>2023 Employee stock option</u>
Grant date	September 16, 2020	June 13, 2023/ September 1, 2023
Grant quantity	1,400,000	930,000/170,000
Contract period	3 years	3 years
Grant to	AGI's employees	AGI's employees
Vesting conditions	(Note 1)	(Note 2)

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

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

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

<u>Grant period</u>	<u>Exercise ratio (cumulative)</u>
June 13, 2024	1/3
June 13, 2025	2/3
June 13, 2026	3/3

- 2) Measurable parameter of fair value at grant date

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

	<u>2020 employee stock option</u>	<u>2023 employee stock option</u>
Fair value at grant date (in dollars)	\$ 1.06	\$ 14.20
Stock price at grant date (in dollars)	8.05	52.89
Exercise price (in dollars)	10	51
Expected volatility	25.98 %	34.46%~36.69%
Expected life of the option (years)	4 years	4 years
Risk-free interest rate	0.2915 %	1.02%~1.05%

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2020 employee stock option			
	2023		2022	
	Weighted-average exercise price (expressed in dollars)	Number of option (in thousands)	Weighted-average exercise price (expressed in dollars)	Number of option (in thousands)
Outstanding balance at the beginning of year	\$ 10	1,084	10	1,171
Options exercised	10	(735)	10	(87)
Outstanding balance at the end of year	10	<u>349</u>	10	<u>1,084</u>
Exercisable numbers at the end of year		<u>349</u>		<u>616</u>

The outstanding employee stock options issued in 2020 were as follows:

	2020 employee stock option	
	December 31, 2023	December 31, 2022
Range of exercise price (in dollar)	\$ 10	10
Weighed-average remaining duration (years)	-	0.71

	2023 employee stock option	
	2023	
	Weighted-average exercise price (expressed in dollars)	Number of option (in thousands)
Outstanding balance at the beginning of year	\$ -	-
Options granted	-	1,100
Options exercised	-	-
Outstanding balance at the end of year	-	<u>1,100</u>
Exercisable numbers at the end of year		<u>-</u>

The outstanding employee stock options issued in 2023 were as follows:

	2023 employee stock option	
	December 31, 2023	
Range of exercise price (in dollar)	\$ -	
Weighed-average remaining duration (years)	2.67	

- (iv) WIS-Employee stock option

WIS, a subsidiary of the Group, issued 2,000,000 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 employee. Related information were as follows:

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 1) Arrangement

	Equity-settled Employee stock option
	Grant date
Grant quantity	2,000,000
Subscription price per share	13
Contract period	3 years
Grant to	Employee of WHQ and WIS
Vesting conditions	(Note)

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

Grant period	Exercise ratio (cumulative)
2022.5.19	1/2
2023.5.19	2/2

- 2) 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:

	2021 employee stock option
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%

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

	2023		2022	
	Weighted average exercise price (expressed in dollars)	Number of option (in thousands)	Weighted average exercise price (expressed in dollars)	Number of option (in thousands)
Outstanding balance at the beginning of year	\$ 13	1,717	13	2,000
Options exercised	13	-	13	(283)
Outstanding balance at the end of year	13	<u>1,717</u>	13	<u>1,717</u>
Exercisable numbers at the end of year		<u>1,717</u>		<u>717</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The outstanding employee stock options were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Range of exercise price (in dollar)	\$ 13	13
Weighted average remaining duration (years)	0.38	1.38

(v) Compensation costs

The compensation costs recognized by the Group in 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Restricted shares to employees		
WHQ	\$ 360,372	309,072
Employee stock option		
AGI	2,635	272
WIS	952	4,189
	<u>\$ 363,959</u>	<u>313,533</u>

(x) Earnings per share

	<u>2023</u>	<u>2022</u>
Basic EPS:		
Net profit belonging to ordinary shareholders	\$ <u>11,471,616</u>	<u>11,162,451</u>
Weighted average ordinary shares outstanding (in thousands)	<u>2,809,733</u>	<u>2,783,285</u>
Basic EPS (in dollars)	\$ <u>4.08</u>	<u>4.01</u>
Diluted EPS:		
Net profit belonging to ordinary shareholders	\$ <u>11,471,616</u>	<u>11,162,451</u>
Weighted average ordinary shares outstanding (in thousands)	2,809,733	2,783,285
Effect of potentially dilutive ordinary shares (in thousands):		
Employees' remuneration	33,794	81,628
Restricted shares to employees	41,123	44,094
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	<u>2,884,650</u>	<u>2,909,007</u>
Diluted EPS (in dollars)	\$ <u>3.98</u>	<u>3.84</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets		
United States	\$ 408,036,880	449,173,264
China	95,999,010	122,055,532
Europe	180,112,800	210,921,751
Others	<u>182,908,317</u>	<u>202,468,609</u>
	<u>\$ 867,057,007</u>	<u>984,619,156</u>
Major products		
Computer, Communication & Consumer electronics	\$ 813,525,930	925,447,986
Others	<u>53,531,077</u>	<u>59,171,170</u>
	<u>\$ 867,057,007</u>	<u>984,619,156</u>

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Note and trade receivables	\$ 121,337,182	100,349,317	161,647,155
Trade receivables-related parties	102,871	93,877	153,371
Less: loss allowance	<u>(103,297)</u>	<u>(212,867)</u>	<u>(635,021)</u>
Total	<u>\$ 121,336,756</u>	<u>100,230,327</u>	<u>161,165,505</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Current contract liabilities- warranty and advance receipts	\$ <u>9,596,727</u>	<u>7,958,473</u>	<u>5,656,399</u>
Current refund liabilities	<u>\$ 12,343,135</u>	<u>8,832,142</u>	<u>10,918,128</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, 2023 and 2022 that were included in the contract liability balances at the beginning of the years were \$4,220,264 and \$2,494,554, respectively.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>2023</u>	<u>2022</u>
Interest income	\$ <u>2,519,837</u>	<u>1,989,775</u>

(ii) Other income

The details of other income were as follows:

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 208,722	237,597
Rental income	383,191	331,794
Total	\$ <u>591,913</u>	<u>569,391</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2023</u>	<u>2022</u>
Foreign exchange gains, net	\$ 1,098,797	405,296
Gains (losses) on disposal of investments, net	58,021	(989)
Gains (losses) on disposal of property plant and equipment, net	(203,539)	10,220
Gains (losses) on financial assets or liabilities at fair value through profit or loss, net	214,988	(1,043,814)
Other investment loss	77,170	(175,098)
Impairment losses	(171,395)	-
Grant income	493,076	543,539
Others	244,667	152,271
Total	\$ <u>1,811,785</u>	<u>(108,575)</u>

(iv) Finance costs

The details of interest expense were as follows:

	<u>2023</u>	<u>2022</u>
Interest expenses	\$ <u>(8,757,247)</u>	<u>(5,988,155)</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Remunerations to employees and directors

According to the Group'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>2023</u>	<u>2022</u>
Employees' remuneration	\$ 2,170,537	2,009,595
Directors' remuneration	114,314	100,000
	\$ <u>2,284,851</u>	<u>2,109,595</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 2023 and 2022. 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 2023 and 2022. The remuneration to employees in 2022 was paid in cash. The information is available at the Market Observation Post System website.

(ab) 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, 2023 and 2022, 65% and 55% of the Group's trade receivables were concentrated on 3 and 4 specific customers, respectively. Therefore, the Group was exposed to credit risk.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	More than 5 years
As of December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	\$ 95,940,430	96,359,026	96,359,026	-	-
Note and trade payables (including related parties)	119,358,366	119,358,366	119,358,366	-	-
Other payables (including related parties)	29,652,585	29,652,585	29,652,585	-	-
Lease liabilities	5,638,530	6,562,037	866,264	2,408,656	3,287,117
Bonds payable (including current portion)	9,442,918	9,562,860	2,565,442	6,997,418	-
Long-term loans (including current portion)	21,579,457	23,402,847	2,015,985	18,862,470	2,524,392
Subtotal	281,612,286	284,897,721	250,817,668	28,268,544	5,811,509
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	187,097	187,097	187,097	-	-
Carrying amount	187,097	187,097	187,097	-	-
Total	\$ 281,799,383	285,084,818	251,004,765	28,268,544	5,811,509
As of December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	\$ 114,279,421	114,629,700	114,629,700	-	-
Note and trade payables (including related parties)	108,802,275	108,802,275	108,802,275	-	-
Other payables (including related parties)	29,252,965	29,252,965	29,252,965	-	-
Lease liabilities	5,136,335	6,058,952	2,155,486	730,796	3,172,670
Bonds payable	9,439,683	9,632,396	69,535	9,562,861	-
Long-term loans (including current portion)	16,476,275	17,317,845	5,657,777	9,966,523	1,693,545
Subtotal	283,386,954	285,694,133	260,567,738	20,260,180	4,866,215
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	161	161	161	-	-
Carrying amount	161	161	161	-	-
Total	\$ 283,387,115	285,694,294	260,567,899	20,260,180	4,866,215

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(iii) Market risk

1) Currency risk

a) Exposure to currency risk

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

	December 31, 2023		
	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets			
Monetary items			
USD	204 USD/BRL=	4.854	6,277
	41,523 USD/CZK=	22.334	1,276,181
	226 USD/HKD=	7.813	6,947
	180 USD/INR=	83.140	5,541
	2,348 USD/JPY=	141.670	72,163
	1,102 USD/MXN=	16.951	33,859
	10,347,307 USD/TWD=	30.735	318,024,509
	12,381 USD/CNY=	7.108	380,472
	2,380 USD/TRY=	29.545	73,134
CNY	146,421 CNY/TWD=	4.324	633,169
	1,741,188 CNY/USD=	0.141	7,529,414
Non-monetary items			
USD	121,626 USD/TWD=	30.735	3,738,173
Financial liabilities			
Monetary items			
USD	12 USD/BRL=	4.854	373
	24,308 USD/CZK=	22.334	747,133
	3,728 USD/MXN=	16.951	114,561
	9,164,890 USD/TWD=	30.735	281,682,869
	35,396 USD/CNY=	7.108	1,087,844
CNY	57,022 CNY/TWD=	4.324	246,584
	4,081,363 CNY/USD=	0.141	17,649,040

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022		
	Foreign currency (In thousands)	Exchange rate	TWD
Financial assets			
<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
Financial liabilities			
<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=	19.497	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

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, 2023 and 2022, would change the net profit after tax by \$1,060,530 and \$1,024,165, respectively. The analysis assumed that all other variables remain constant.

(Continued)

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.

The following sensitivity analysis was based on the risk exposure to interest rates on non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis 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 \$48,200 and \$49,002 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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			
	2023	2022		
Price of securities at reporting date	After-tax other comprehensive income	Net profit	After-tax other comprehensive income	Net profit
Increasing 3%	\$ 210,800	11,515	182,962	198,390
Decreasing 3%	\$ (210,800)	(11,515)	(182,962)	(198,390)

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, and disclosure of fair value information was not required:

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023				
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 2,570	-	2,570	-	2,570
Money market fund	3,828,965	-	3,828,965	-	3,828,965
Listed companies	383,837	383,837	-	-	383,837
Structured deposits	129,920	-	129,920	-	129,920
Subtotal	<u>\$ 4,345,292</u>	<u>383,837</u>	<u>3,961,455</u>	<u>-</u>	<u>4,345,292</u>
Current financial assets at fair value through other comprehensive income					
Trade receivables	<u>\$ 34,420,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current financial assets at fair value through profit or loss					
Convertible bonds	\$ 103,599	-	-	103,599	103,599
SAFE	20,300	-	-	20,300	20,300
Subtotal	<u>\$ 123,899</u>	<u>-</u>	<u>-</u>	<u>123,899</u>	<u>123,899</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	<u>\$ 8,002,132</u>	<u>4,056,226</u>	<u>-</u>	<u>3,945,906</u>	<u>8,002,132</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 75,231,756	-	-	-	-
Restricted deposits	1,787,570	-	-	-	-
Note and trade receivables (including related parties)	86,916,519	-	-	-	-
Other receivables (including related parties)	5,238,641	-	-	-	-
Other financial assets	16,050	-	-	-	-
Bonds	10,000	-	-	-	-
Subtotal	<u>\$ 169,200,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Refundable deposits	<u>\$ 2,192,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u>\$ 187,097</u>	<u>-</u>	<u>187,097</u>	<u>-</u>	<u>187,097</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 95,940,430	-	-	-	-
Note and trade payables (including related parties)	119,358,366	-	-	-	-
Other payables (including related parties)	29,652,585	-	-	-	-
Lease liabilities	5,638,530	-	-	-	-
Bonds payable	9,442,918	-	-	-	-
Long-term loans (including current portion)	21,579,457	-	-	-	-
Subtotal	<u>\$ 281,612,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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: None.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

d) Changes between level 3

The movements in the reconciliation of level 3 fair values during the years ended December 31, 2023 and 2022 were as follows:

	<u>Fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Non-derivative financial assets mandatorily measured at fair value through profit or loss</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance at January 1, 2023	\$ 167,366	3,749,947	3,917,313
Total gains and losses recognized			
in profit or loss	(100,055)	-	(100,055)
in other comprehensive income	-	(643,942)	(643,942)
Reclassification	(211,664)	211,664	-
Acquisition	283,559	808,454	1,092,013
Disposal and return of capital	(15,307)	(58,929)	(74,236)
Effect of tax	-	(121,288)	(121,288)
Balance at December 31, 2023	<u>\$ 123,899</u>	<u>3,945,906</u>	<u>4,069,805</u>
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
Acquisition	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>

For the years ended December 31, 2023 and 2022, 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:

	<u>2023</u>	<u>2022</u>
Total gains and losses recognized:		
in profit or loss, and presented in "other gains and losses"	\$ (100,055)	18,925
in other comprehensive income, and presented in "unrealized gains (losses) from financial assets measured at fair value through other comprehensive income"	(643,942)	198,013
	<u>\$ (743,997)</u>	<u>216,938</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".

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	
Financial assets measured at fair value through profit or loss-SAFE and convertible bonds	Binary tree model	·EV/Revenue (as of December 31, 2023, were 1.53~9.05 and December 31, 2022, were 0.35~0.43)	·The estimated fair value would increase if the multiplier was higher.	
		·Volatility (as of December 31, 2023, were 23.42%~62.51% and December 31, 2022, were 37.69%~72.17%)	·As of December 31, 2023, the estimated fair value would increase if volatility was higher. ·As of December 31, 2022, the estimated fair value would decrease if volatility was higher.	
		·Liquidity discount rate (as of December 31, 2023, were 15.74%~30.00%)	·The estimated fair value would decrease if the liquidity discount rate was higher.	
		·Perpetual growth rate (as of December 31, 2022, were 3.0~3.4)	·The estimated fair value would increase if perpetual growth rate was higher.	
		·Cost of capital rate (as of December 31, 2022, were 31%~33%)	·The estimated fair value would decrease if cost of capital rate was higher.	
		Black-Scholes Option Pricing Model	·EV/ Revenue (as of December 31, 2023, were 1.15~3.73)	·The estimated fair value would increase if the multiplier was higher.
			·Liquidity discount rate (as of December 31, 2023, were 16.32%~30.00% and December 31, 2022, were 20.90%~25.33%)	·The estimated fair value would decrease if the liquidity discount rate was higher.
			·Volatility (as of December 31, 2023, were 13.38%~75.09% and December 31, 2022, were 34.23%~39.52%)	·The estimated fair value would decrease if the volatility was higher.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach-equity method	·Price-book ratio (as of December 31, 2023, were 0.55~14.25, were and December 31, 2022, were 1.02~22.15)	·The estimated fair value would increase if the multiplier was higher.
		·Market liquidity discount rate (as of December 31, 2023, and December 31, 2022, were 20%)	·The estimated fair value would decrease if market liquidity discount rate was higher.
		·Net asset value	Not applicable

f) Fair value measurements in level 3-sensitivity analysis of reasonably possible alternative assumptions.

The Group's measurement on the fair value of financial instruments was deemed reasonable despite different valuation models or assumptions might lead to different results. For fair value measurements in level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs	Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2023						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	\$ 6,195	(6,195)	-	-
	Volatility	5%	6,195	(6,195)	-	-
	Liquidity discount rate	5%	4,905	(4,905)	-	-
Financial assets at fair value through other comprehensive income	Price-book ratio	5%	-	-	56,365	(56,365)
	Market liquidity discount rate	5%	-	-	56,365	(56,365)
	Net asset value method	5%	-	-	140,931	(140,931)
December 31, 2022						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	351	(351)	-	-
	Volatility	5%	351	(351)	-	-
	Liquidity discount rate	5%	4,348	(4,348)	-	-
Financial assets at fair value through other comprehensive income	Price-book ratio	5%	-	-	58,996	(58,996)
	Market liquidity discount rate	5%	-	-	58,996	(58,996)
	Net asset value method	5%	-	-	132,661	(132,661)

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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

Unit: Foreign currency in thousands

December 31, 2023						
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 amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD	8,491,700	8,491,700	-	-	-
	CNY	52,754,914	52,754,914	-	-	-
	EUR	48,645	48,645	-	-	-
	JPY	54,212,674	54,212,674	-	-	-
December 31, 2023						
Financial liabilities that were offset based on an enforceable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Short-term loans	USD	8,491,700	8,491,700	-	-	-
	CNY	52,754,914	52,754,914	-	-	-
	EUR	48,645	48,645	-	-	-
	JPY	54,212,674	54,212,674	-	-	-
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 amounts (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Other non-current assets	USD	12,156,807	12,156,807	-	-	-
	CNY	35,104,655	35,104,655	-	-	-

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	-	-

(ac) Financial risk management

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

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

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

(ii) Risk management framework

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

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

The chief of finance management department arranged a meeting to review the strategy and performance, then 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Note and trade receivables

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

2) 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.

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, 2023 and 2022.

(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, 2023 and 2022, the Group had unused credit facilities for short-term and long-term loans of \$266,004,413 and \$227,206,573, respectively.

(v) Market risk

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Currency risk

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

The foreign currency assets and liabilities might lead to the interest risk since the fluctuation of the market exchange rate 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.

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.

(ad) 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 with 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.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group controlled the capital structure through regularly reviewing debt-to-equity ratio. The debt-to-equity ratio of the Group as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 323,627,604	314,255,218
Less: cash and cash equivalents	<u>(75,231,756)</u>	<u>(66,337,316)</u>
Net debt	248,395,848	247,917,902
Total equity	<u>128,763,172</u>	<u>118,652,556</u>
Adjusted equity	\$ 377,159,020	366,570,458
Debt-to-equity ratio at December 31	<u>65.86%</u>	<u>67.63%</u>

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

As of December 31, 2023, the Group's capital management strategy was consistent with the prior years.

(ae) Financing activities not affecting the current cash flow

For the years ended December 31, 2023 and 2022, reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Effect of changes in foreign exchange rates	Others	
Short-term loans	\$ 114,279,421	(17,834,097)	(504,894)	-	95,940,430
Long-term loans (including current portion)	16,476,275	5,144,843	(46,395)	4,734	21,579,457
Lease liabilities	5,136,335	(910,888)	287,338	1,125,745	5,638,530
Bonds payable	9,439,683	-	-	3,235	9,442,918
Guarantee deposits	<u>1,643,601</u>	<u>398,187</u>	<u>(952,727)</u>	<u>-</u>	<u>1,089,061</u>
Total liabilities from financing activities	\$ 146,975,315	(13,201,955)	(1,216,678)	1,133,714	133,690,396
			Non-cash changes		
			Effect of changes in foreign exchange rates	Others	
	January 1, 2022	Cash flows	Effect of changes in foreign exchange rates	Others	December 31, 2022
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	<u>388,642</u>	<u>1,218,915</u>	<u>36,044</u>	<u>-</u>	<u>1,643,601</u>
Total liabilities from financing activities	\$ 178,856,369	(47,142,262)	13,413,648	1,847,560	146,975,315

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

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

Names of the related parties	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
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
CHANGING INFORMATION TECHNOLOGY INC. (CGI)	The Group's associate
Wuhan Wistron Virgin Technology & Service INC. (WIWZ)	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 HUMANITIES FOUNDATION (WFQ)	The Group's other related party

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Related party transactions

(i) Sales

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

	Sales	
	2023	2022
Associates	\$ 289,694	443,652
	Receivables from related parties	
	December 31,	December 31,
	2023	2022
Associates	\$ 102,871	93,877

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	
	2023	2022
Associates	\$ 2,350,887	2,849,336
	Payables to related parties	
	December 31,	December 31,
	2023	2022
Associates	\$ 937,484	727,109

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

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	Rental Income	
	2023	2022
Rental income		
Associate	\$ 2,500	3,890
	Other receivables from related parties	
	December 31,	December 31,
	2023	2022
Rental receivables		
Associate	\$ 225	339

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

	Acquisition price	
	2023	2022
Acquisition of assets		
Associates	\$ 243,127	91,510
Contribution		
WFQ	\$ 33,487	35,616
	Other payables to related parties	
	December 31,	December 31,
	2023	2022
Payables resulting from acquisition of assets		
Associate	\$ 560	4,117

(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, 2023.

(vi) The Group leased factories and warehouses from WNC. The amounts of right-of-use assets and lease liabilities recognized at the beginning were \$326,523. The amounts of interest expense recognized for the years ended December 31, 2023 and 2022 were \$2,902 and \$1,672, respectively. As of December 31, 2023 and 2022, the balances of lease liabilities were \$200,447 and \$80,037, respectively.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Advances to related parties

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

	Other receivables from related parties	
	December 31, 2023	December 31, 2022
	Associates	\$ 4,524

(viii) Advances from related parties

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

	Other payables to related parties	
	December 31, 2023	December 31, 2022
	Associates	\$ 35,301

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

	December 31, 2023	December 31, 2022
Other receivables-related parties:		
Rental receivables	\$ 225	339
Other receivables	4,524	3,671
	\$ 4,749	4,010

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

	December 31, 2023	December 31, 2022
Other payables-related parties:		
Payable resulting from acquisition of assets	\$ 560	4,117
Other payables	35,301	43,524
	\$ 35,861	47,641

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Key management personnel remuneration:

	2023	2022
Short-term employee benefits	\$ 145,429	120,339
Post-employment benefits	3,912	2,892
Other long-term benefits	1,992	2,024
	\$ 151,333	125,255

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Inventory	Inventory guarantee	\$ 952,785	951,948
Other non-current assets and other current assets-restricted deposits	Performance guarantee	1,779,142	1,606,785
Other non-current assets-restricted deposits	Stand by L/C	283	1,905
Other non-current assets-restricted deposits	Custom guarantee	6,347	6,342
Other non-current assets-restricted deposits	Litigation guarantee	1,798	-
		\$ 2,740,355	2,566,980

(9) Commitments and contingencies:

(a) As of December 31, 2023 and 2022, the unused letters of credit were as follows:

	December 31, 2023	December 31, 2022
Unused letters of credit	\$ 92,349	65,461

(10) Losses due to major disasters: None.

(11) Subsequent events:

(a) The appropriation of earnings for 2023 that was approved at the Board of Directors meeting on March 12, 2024, was as follows:

	2023
Ordinary share dividends	
Cash dividends	\$ 7,461,546

The aforesaid appropriation of earnings for 2023 is to be presented for approval in the shareholders' meeting to be held in May 2024.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other

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

	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	19,643,644	18,793,623	38,437,267	22,411,410	18,453,979	40,865,389
Labor and health insurance	3,006,861	1,592,125	4,598,986	3,186,171	1,502,719	4,688,890
Pension	661,922	627,734	1,289,656	529,769	587,727	1,117,496
Remuneration of directors	-	151,784	151,784	-	137,240	137,240
Others	2,300,758	801,568	3,102,326	2,508,702	674,465	3,183,167
Depreciation	10,318,706	1,560,040	11,878,746	9,656,781	1,358,724	11,015,505
Amortization	54,383	412,031	466,414	44,218	415,388	459,606

(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 year ended December 31, 2023:

- (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.
- (vi) Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 6 attached.
- (vii) Total purchases from or sales to related parties with amount exceeding the lower of NT\$100 million or 20% of share capital: Please see Table 7 attached.
- (viii) Receivables from related parties with amount exceeding the lower of NT\$100 million or 20% of share capital: Please see Table 8 attached.
- (ix) Derivative transactions: Please refer to Note 6(b) for related information.
- (x) Business relationships and significant inter-company transactions: Please see Table 9 attached.

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees (excluded investment in Mainland China):

Information on investees for the year ended December 31, 2023: Please see Table 10 attached.

(c) Information on investment in Mainland China: Please refer to Table 11 attached.

(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.

(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 operating profit to measure its segment profit and as the basis for assessing the segment's performance. There were no significant differences between the accounting policies of the operating segments and those described in Note (4).

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

	2023			
	R&D and Manufacturing	Others	Reconciliation and eliminations	Total
Revenue:				
Revenues from external customers	\$ 813,525,930	53,531,077	-	867,057,007
Segment revenues	8,113,125	662,289	(8,775,414)	-
Total revenues	\$ 821,639,055	54,193,366	(8,775,414)	867,057,007
Segment profit	\$ 21,350,777	6,039,480	(3,069,563)	24,320,694
	2022			
	R&D and Manufacturing	Others	Reconciliation and eliminations	Total
Revenue:				
Revenues from external customers	\$ 925,447,986	59,171,170	-	984,619,156
Segment revenues	7,316,005	711,018	(8,027,023)	-
Total revenues	\$ 932,763,991	59,882,188	(8,027,023)	984,619,156
Segment profit	\$ 23,098,229	4,373,915	(2,761,230)	24,710,914

(Continued)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

Geography	December 31, 2023	December 31, 2022
Taiwan	\$ 20,471,801	16,336,862
Asia	30,043,709	40,730,000
Other countries	10,755,529	8,941,449
Total	\$ 61,271,039	66,008,311

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, 2023 and 2022, the amounts of sales to customers representing greater than 10% of net revenue were as follows:

Customer	2023		2022	
	Net revenue	Percentage of net revenue %	Net revenue	Percentage of net revenue %
Customer H	\$ 281,698,350	32	310,161,092	32
Customer I	111,546,046	13	153,624,651	16
Customer B	92,522,385	11	80,324,785	8
Customer C	75,429,677	9	101,524,048	10

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 1 Financing to other parties
(December 31, 2023)

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral	Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
0	The Company	KOE	Other receivables	Yes	2,700,000	1,500,000	1,200,000	2.00%	2	-	Operating Capital	-	-	10,422,411	52,112,055	(Note 1, Note 3, Note 4 and Note 16)
1	WAKS	WTZ	Other receivables	Yes	1,257,200	614,700	614,700	5.20%	2	-	Operating Capital	-	-	31,186,985	31,186,985	(Note 5 and Note 16)
1	WAKS	WGRS	Other receivables	Yes	694,944	-	-	1.50%	2	-	Operating Capital	-	-	31,186,985	31,186,985	(Note 5 and Note 16)
1	WAKS	XTRKS	Other receivables	Yes	111,240	-	-	4.00%	2	-	Operating Capital	-	-	31,186,985	31,186,985	(Note 5 and Note 16)
1	WAKS	WZS	Other receivables	Yes	1,108,300	1,081,075	1,081,075	3.00%	2	-	Operating Capital	-	-	31,186,985	31,186,985	(Note 5 and Note 16)
2	WCQ	WTZ	Other receivables	Yes	1,245,400	-	-	1.50%	2	-	Operating Capital	-	-	18,763,547	18,763,547	(Note 6 and Note 16)
2	WCQ	WSCO	Other receivables	Yes	1,620,950	922,050	922,050	3.50%	2	-	Operating Capital	-	-	18,763,547	18,763,547	(Note 6 and Note 16)
2	WCQ	WMCO	Other receivables	Yes	259,352	245,659	245,659	3.50%-5.20%	2	-	Operating Capital	-	-	18,763,547	18,763,547	(Note 6 and Note 16)
2	WCQ	WVN	Other receivables	Yes	3,688,200	3,688,200	2,305,125	3.00%-6.20%	2	-	Operating Capital	-	-	18,763,547	18,763,547	(Note 6 and Note 16)
2	WCQ	WSPH	Other receivables	Yes	421,447	399,555	399,555	5.32%	2	-	Operating Capital	-	-	18,763,547	18,763,547	(Note 6 and Note 16)
3	WGH	WGTIX	Other receivables	Yes	157,150	-	-	3.50%	2	-	Operating Capital	-	-	-	-	(Note 7 and Note 16)
3	WGH	WIMX	Other receivables	Yes	215,362	-	-	1.50%	2	-	Operating Capital	-	-	7,941,593	7,941,593	(Note 7 and Note 16)
4	WCCZ	WSCZ	Other receivables	Yes	1,250,400	1,229,400	1,229,400	3.80%-6.20%	2	-	Operating Capital	-	-	7,941,593	7,941,593	(Note 8 and Note 16)
4	WCCZ	WVN	Other receivables	Yes	1,453,060	-	-	1.50%	2	-	Operating Capital	-	-	7,941,593	7,941,593	(Note 8 and Note 16)
5	WSSG	WMMI	Other receivables	Yes	3,890,280	-	-	9.87%	2	-	Operating Capital	-	-	-	-	(Note 9 and Note 16)
6	WMKS	XTRKS	Other receivables	Yes	333,720	324,323	324,323	4.00%	2	-	Operating Capital	-	-	6,233,534	6,233,534	(Note 10 and Note 16)
6	WMKS	WOSH	Other receivables	Yes	133,488	-	-	4.00%	2	-	Operating Capital	-	-	6,233,534	6,233,534	(Note 10 and Note 16)
6	WMKS	WRKS	Other receivables	Yes	164,323	164,323	138,378	3.00%-4.00%	2	-	Operating Capital	-	-	6,233,534	6,233,534	(Note 10 and Note 16)
6	WMKS	WTKS	Other receivables	Yes	354,656	345,944	216,215	3.00%-4.00%	2	-	Operating Capital	-	-	6,233,534	6,233,534	(Note 10 and Note 16)
7	WCHK	WSPH	Other receivables	Yes	390,676	-	-	1.50%	2	-	Operating Capital	-	-	3,023,342	3,023,342	(Note 11 and Note 16)
8	WGD	WTZ	Other receivables	Yes	3,890,280	3,688,200	3,688,200	1.50%-5.20%	2	-	Operating Capital	-	-	28,315,055	28,315,055	(Note 12 and Note 16)
9	WZS	WTZ	Other receivables	Yes	2,917,710	2,766,150	2,458,800	1.50%-5.20%	2	-	Operating Capital	-	-	63,333,346	63,333,346	(Note 13 and Note 16)
10	WQOK	WGRS	Other receivables	Yes	761,350	676,170	583,965	5.20%	2	-	Operating Capital	-	-	11,065,161	11,065,161	(Note 14 and Note 16)
11	WCL	WCHO	Other receivables	Yes	200,000	200,000	-	2.00%	2	-	Operating Capital	-	-	1,037,510	4,150,041	(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 of the entities that the Company has business with:

- (1) For entities in which the Company, directly or indirectly, owned more than 50% of their shares, the amount available for financing shall not exceed 10% of net worth of the Company.
- (2) For entities in which the Company, directly or indirectly, owned below 50% of their shares, the amount available for financing shall not exceed 40% and 5% of net worth of the borrower and the Company, respectively.
- (3) For other borrowers, the amount available for financing shall not exceed 25% of net worth of the borrower and 5% of net worth of the Company.

(Note 4) For entities with short-term financing needs, the amount available for financing shall not exceed 10% of net worth of the Company.

(Note 5) Subsidiary - WAKS

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

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 2 Guarantees and endorsements for other parties
(December 31, 2023)

No.	Endorser / Guarantor	Party being endorsed/guaranteed		Limits on endorsements/guarantees provided to each entity (Note 2), (Note 4) and (Note 8)	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsements/guarantee to net asset value of the endorser / guarantor	Ceiling on total amount of endorsements/guarantees provided (Note 1), (Note 3) and (Note 8)	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 9)											
0	The Company	WJP	2	31,267,233	816,960	542,250	542,250	-	0.52%	104,224,111	Y	N	N	(Note 10)
0	The Company	Cowin (Note 5)	2	31,267,233	32,419	30,735	30,735	-	0.03%	104,224,111	Y	N	N	(Note 10)
0	The Company	WZS shared with WAKS (Note 5)	2	31,267,233	64,838	61,470	61,470	-	0.16%	104,224,111	Y	N	N	(Note 10)
0	The Company	WCCZ	2	31,267,233	503,088	492,512	492,512	-	0.47%	104,224,111	Y	N	N	(Note 10)
0	The Company	WBR	2	31,267,233	907,732	860,580	860,580	-	0.83%	104,224,111	Y	N	N	(Note 10)
0	The Company	WIN	2	31,267,233	2,188,283	2,074,613	1,767,263	-	1.99%	104,224,111	Y	N	N	(Note 10)
0	The Company	WSSG	2	31,267,233	8,422,760	6,269,940	6,269,940	-	6.02%	104,224,111	Y	N	N	(Note 10)
0	The Company	WTX	2	31,267,233	2,102,364	1,413,810	1,413,810	-	1.36%	104,224,111	Y	N	N	(Note 10)
0	The Company	WTGX	2	31,267,233	826,685	768,375	614,700	-	0.74%	104,224,111	Y	N	N	(Note 10)
0	The Company	WTZ	2	31,267,233	3,402,748	1,488,858	1,488,858	-	1.43%	104,224,111	Y	N	N	(Note 10)
0	The Company	WSMX	2	31,267,233	648,380	614,700	614,700	-	0.59%	104,224,111	Y	N	N	(Note 10)
0	The Company	WGKS	2	31,267,233	194,514	184,410	184,410	-	0.18%	104,224,111	Y	N	N	(Note 10)
0	The Company	WCCZ shared with WSCZ	2	31,267,233	1,653,369	1,567,485	1,567,485	-	1.50%	104,224,111	Y	N	N	(Note 10)
0	The Company	WMKS shared with WTZ and WGKS	2	31,267,233	614,800	-	-	-	-	104,224,111	Y	N	Y	(Note 10)
0	The Company	WTR	2	31,267,233	32,419	30,735	30,735	-	0.03%	104,224,111	Y	N	N	(Note 10)
0	The Company	WCH	2	31,267,233	38,438	-	-	-	-	104,224,111	Y	N	N	(Note 10)
0	The Company	AGI	2	31,267,233	872,000	872,000	472,000	-	0.84%	104,224,111	Y	N	N	(Note 10)
0	The Company	WSCQ	2	31,267,233	3,154,522	2,637,906	2,023,206	-	2.53%	104,224,111	Y	N	Y	(Note 10)
0	The Company	WCHQ	2	31,267,233	185,000	185,000	135,000	-	0.18%	104,224,111	Y	N	N	(Note 10)
0	The Company	WSCQ shared with WMCO	2	31,267,233	486,285	461,025	461,025	-	0.44%	104,224,111	Y	N	Y	(Note 10)
0	The Company	WMMI shared with WIN	2	31,267,233	1,936,080	1,536,750	614,700	-	1.47%	104,224,111	Y	N	N	(Note 10)
0	The Company	WLB	2	31,267,233	400,000	200,000	200,000	-	0.19%	104,224,111	Y	N	N	(Note 10)
0	The Company	WCL	2	31,267,233	1,200,000	600,000	600,000	-	0.58%	104,224,111	Y	N	N	(Note 10)
0	The Company	WMMI	2	31,267,233	7,294,833	6,916,695	5,440,095	-	6.64%	104,224,111	Y	N	N	(Note 10)
0	The Company	WMMY	2	31,267,233	9,114,700	5,071,275	4,241,430	-	4.87%	104,224,111	Y	N	N	(Note 10)
0	The Company	WITT	2	31,267,233	1,068,620	891,315	891,315	-	0.86%	104,224,111	Y	N	N	(Note 10)
0	The Company	WEIY	2	31,267,233	175,000	175,000	175,000	-	0.17%	104,224,111	Y	N	N	(Note 10)
0	The Company	WVYN	2	31,267,233	9,005,355	9,005,355	4,149,225	-	8.64%	104,224,111	Y	N	N	(Note 10)
0	The Company	WIMX	2	31,267,233	6,483,800	6,147,000	4,917,600	-	5.90%	104,224,111	Y	N	N	(Note 10)
0	The Company	WIS	2	31,267,233	145,886	138,308	138,308	-	0.13%	104,224,111	Y	N	N	(Note 10)
0	The Company	XTRKS	2	31,267,233	2,935,274	2,651,069	1,137,195	-	2.54%	104,224,111	Y	N	Y	(Note 10)
0	The Company	WSPH shared with WCCZ, WMX, WITX, WSSG and WMMY (Note 6)	2	31,267,233	1,406,700	1,383,075	756,081	-	1.33%	104,224,111	Y	N	N	(Note 10)
0	The Company	WAKS shared with WZS, WCD and WCO (Note 6)	2	31,267,233	937,800	922,050	504,054	-	0.88%	104,224,111	Y	N	Y	(Note 10)
1	WYHQ	WYMX	2	12,670,215	1,432,086	1,357,697	1,357,697	29,608	3.21%	21,117,026	Y	N	N	(Note 10)
1	WYHQ	WYUS	2	12,670,215	86,034	55,275	55,275	-	0.13%	21,117,026	Y	N	N	(Note 10)
1	WYHQ	WYMY	2	12,670,215	141	-	-	-	-	21,117,026	Y	N	N	(Note 10)

(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)

The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed the Company's audited or reviewed net worth.
The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
The total amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's audited or reviewed net worth.
The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's audited or reviewed net worth.
The credit line shared by Cowin, WZS and WAKS amounted to USD3,000,000.

The credit line shared by WSPH, WCCZ, WMX, WITX, WSSG, WMMY, WAKS, WZS, WCD and WCO amounted to USD75,000,000.

Since the Board of Directors of the Company approved the quota to be renewed in advance, a total of TWD922,050 is a double-counted quota.

- Due to WYHQ's Operation Procedure for Guarantees and Endorsements:
- The total amount for guarantees and endorsements provided by WYHQ to any individual entity shall not exceed 50% of the WYHQ's audited or reviewed net worth.
 - The total amount for guarantees and endorsements provided by WYHQ to other entities shall not exceed 50% of the WYHQ's audited or reviewed net worth.
 - The total amount for guarantees and endorsements provided by WYHQ to any individual entity shall not exceed 30% of the WYHQ's audited or reviewed net worth.
 - The amount of guarantees and endorsements provided by WYHQ and its subsidiaries to other entities shall not exceed 50% of the WYHQ's audited or reviewed net worth.

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.

The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

(Note 10)

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, 2023)

Securities held by	Category and name of securities	Relationship	Financial statement account	(TWD : expressed in thousands)					
				Number of shares	Book value	Percentage of Ownership	Fair Value	Highest percentage of shares during the period	Note
The Company	Super Dragon Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,676	138,495	5.50%	138,495	5.50%	-
The Company	Global Lighting Technologies Inc.	-	Non-current financial assets at fair value through other comprehensive income	20,914	1,091,734	16.23%	1,091,734	16.23%	-
The Company	ARBOR Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	4,679	223,169	4.46%	223,169	5.00%	-
The Company	AOPEN Inc.	-	Non-current financial assets at fair value through other comprehensive income	326	20,807	0.40%	20,807	2.10%	-
The Company	FireMat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	917	141,578	6.91%	141,578	6.91%	-
The Company	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	1,227	14,210	1.44%	14,210	1.44%	-
The Company	Plexbio Corporation, LTD	-	Non-current financial assets at fair value through other comprehensive income	4,000	17,306	1.18%	17,306	1.18%	-
The Company	Howe advanced Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,075	52,497	13.91%	52,497	2.54%	-
The Company	ABC-KY	-	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.51%	-	29.51%	-
The Company	Lilee Systems, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-	6.57%	-
The Company	Janus Technologies, Inc.	-	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-	4.01%	-
The Company	Media Research	-	Non-current financial assets at fair value through other comprehensive income	17,009	105,080	18.19%	105,080	20.73%	-
The Company	Tube Inc.	-	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-	0.06%	-
The Company	Tactus Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	226	4,785	2.33%	4,785	3.17%	-
The Company	Vidari Inc.	-	Non-current financial assets at fair value through other comprehensive income	645	-	5.21%	-	11.42%	-
The Company	Marvell Technology, Inc.	-	Non-current financial assets at fair value through other comprehensive income	87	159,940	0.01%	159,940	0.01%	-
The Company	Maser Transportation Bus Manufacturing Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,375	151,323	5.46%	151,323	5.52%	-
The Company	AVIZ Networks Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,781	-	6.65%	-	6.72%	-
The Company	EV Motors Japan Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	690	53,038	1.99%	53,038	2.31%	-
The Company	Alchip Technologies Limited	-	Non-current financial assets at fair value through other comprehensive income	232	1,528,350	0.93%	1,528,350	0.94%	-
The Company	Princeton Nanenergy Inc.	-	Non-current financial assets at fair value through other comprehensive income	4,634	84,950	11.30%	84,950	11.30%	-
The Company	JP Fund Six Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	232	52,223	10.71%	52,223	10.72%	-
The Company	Corsa Fund 2012, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	15,956	17.96%	15,956	20.00%	-
The Company	Jafco AT Fund V L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	52,517	6.67%	52,517	6.67%	-
The Company	Fenox Venture Company XIV, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	-	99.00%	-	99.00%	-
The Company	Vertex V (C.L) Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	281,404	2.57%	281,404	2.57%	-
The Company	China Renewable Energy Fund, LP	-	Non-current financial assets at fair value through other comprehensive income	-	671,333	9.01%	671,333	9.01%	-
The Company	JAFCO Taiwan I Venture Capital L.P.	-	Non-current financial assets at fair value through other comprehensive income	4,589	127,525	4.99%	127,525	4.99%	-
The Company	JAFCO Taiwan II Venture Capital L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	36,167	4.81%	36,167	9.21%	-
The Company	AVIZ Networks Inc.	-	Non-current financial assets at fair value through profit or loss	-	47,794	-	47,794	-	-
AIH	Advance Powered & Energy Semiconductor, Inc.	-	Current financial assets at fair value through profit or loss	23,375	-	19.26%	-	19.26%	-
PPTC	UNITED MONEY MARKET FUND-CLASS C	-	Current financial assets at fair value through profit or loss	1,677	6,003	-	6,003	-	-
ISL	TaiShin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss	6,862	95,671	-	95,671	-	-
KOE	TCB Money Market Fund	-	Current financial assets at fair value through profit or loss	15,364	160,005	-	160,005	-	-
WAC	TaiShin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss	865	12,056	-	12,056	-	-
WCA	TaiShin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss	36,095	503,261	-	503,261	-	-
WCA	TCB Money Market Fund	-	Current financial assets at fair value through profit or loss	9,612	100,100	-	100,100	-	-
WCHK	Broadcom, Inc.	-	Current financial assets at fair value through profit or loss	11	383,837	-	383,837	-	-
WCHK	Dell technologies Inc.	-	Non-current financial assets at fair value through other comprehensive income	204	478,795	0.03%	478,795	0.03%	-

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, 2023)

Securities held by	Category and name of securities	Relationship	Financial statement account	(TWD : expressed in thousands)					
				Number of shares	Book value	Percentage of Ownership	Fair Value	Highest percentage of shares during the period	Note
WCL	TaiShin 1699 Money Market Fund	-	Current financial assets at fair value through profit or loss	31,194	434,923	-	434,923	-	-
WCL	TaiShin Te-Chong Money Market Fund	-	Current financial assets at fair value through profit or loss	44,303	647,220	-	647,220	-	-
WCL	Howe advanced Ltd.	-	Non-current financial assets at fair value through other comprehensive income	500	-	1.74%	-	1.74%	-
WCL	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income	626	9,705	0.98%	9,705	0.98%	-
WCL	Vmedia Research	-	Non-current financial assets at fair value through other comprehensive income	324	-	1.25%	-	1.25%	-
WCL	ARBOR Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	2,005	81,928	2.10%	81,928	2.10%	-
WCL	Umbo CV Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,467	-	4.06%	-	4.06%	-
WCL	ABC-KY	-	Non-current financial assets at fair value through other comprehensive income	1,725	45,631	2.11%	45,631	2.11%	-
WCL	Formosoft International Inc.	-	Non-current financial assets at fair value through other comprehensive income	365	-	13.95%	-	13.95%	-
WCL	Jeelshen Holdings Limited	-	Non-current financial assets at fair value through other comprehensive income	13	-	7.69%	-	7.69%	-
WCL	FireMat Applied Materials Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	302	9,319	0.45%	9,319	0.45%	-
WCL	Bioispira, Inc.	-	Non-current financial assets at fair value through other comprehensive income	4,710	2,459	17.19%	2,459	17.19%	-
WCL	Unity Opto Technology co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,263	-	1.14%	-	1.14%	-
WCL	AVMedia Information, Inc.	-	Non-current financial assets at fair value through other comprehensive income	495	23,612	0.53%	23,612	0.53%	-
WCL	Newships Inc.	-	Non-current financial assets at fair value through other comprehensive income	5,167	161,339	5.63%	161,339	5.63%	-
WCL	Fanbox Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,819	69,478	2.18%	69,478	3.33%	-
WCL	Ganzin Technology, Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,000	2,538	6.51%	2,538	6.78%	-
WCL	SMARTUO LLC	-	Non-current financial assets at fair value through other comprehensive income	23	541	6.64%	541	6.64%	-
WCL	Gemini data, Inc.	-	Non-current financial assets at fair value through other comprehensive income	16,140	-	7.31%	-	7.31%	-
WCL	Atello Inc.	-	Non-current financial assets at fair value through other comprehensive income	22,778	23,097	10.96%	23,097	11.99%	-
WCL	H2 Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,200	5,555	3.91%	5,555	3.95%	-
WCL	Yalband Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,557	4,716	3.65%	4,716	4.31%	-
WCL	Mimatt Inc.	-	Non-current financial assets at fair value through other comprehensive income	851	38,435	8.13%	38,435	8.53%	-
WCL	JelloX Biotech Inc.	-	Non-current financial assets at fair value through other comprehensive income	10,000	6,130	4.12%	6,130	4.12%	-
WCL	Renex Medical Corp.	-	Non-current financial assets at fair value through other comprehensive income	2,308	57,865	13.54%	57,865	13.54%	-
WCL	AuthMe Holding Inc.	-	Non-current financial assets at fair value through other comprehensive income	750	47,247	9.07%	47,247	9.07%	-
WCL	APPWORKS FUND II CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	3,267	80,012	8.15%	80,012	8.15%	-
WCL	APPWORKS FUND III CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	20,124	191,663	7.00%	191,663	7.00%	-
WCL	Fund VII L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	82,432	12.50%	82,432	12.50%	-
WCL	500 Startups V, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	184,277	3.57%	184,277	3.57%	-
WCL	Vertex Israel Opportunity II Fund, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	72,416	2.02%	72,416	2.02%	-
WCL	Vertex VI Fund L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	51,452	1.31%	51,452	1.31%	-
WCL	IT-Farm J-Tech Fund Investment Limited	-	Non-current financial assets at fair value through other comprehensive income	-	108,322	1.46%	108,322	1.46%	-
WCL	Cherube Ventures Fund V, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	103,307	2.73%	103,307	2.73%	-
WCL	AVV Alpha, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	20,919	3.33%	20,919	3.33%	-
WCL	Storm Ventures Fund VII, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	24,729	2.18%	24,729	2.46%	-
WCL	APPWORKS FUND IV L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	68,929	16.90%	68,929	16.90%	-
WCL	Grove Opportunity Fund I, L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	26,215	6.66%	26,215	6.66%	-
WCL	Vertex Ventures (SG) SIFA V L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	4,683	0.84%	4,683	0.84%	-
WCL	ACV Capital V L.P.	-	Non-current financial assets at fair value through other comprehensive income	-	59,001	4.21%	59,001	5.29%	-

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, 2023)

Securities held by	Category and name of securities	Relationship	Financial statement account					December 31, 2023				Note
			Number of shares	Book value	Percentage of Ownership	Fair Value	Highest percentage of shares during the period					
WCL	Thin Line Capital Fund II, LP	-	-	12,599	14.10%	12,599	14.10%	-	-	-	-	
WCL	500 GLOBAL FLAGSHIP VI, L.P.	-	-	48,755	2.00%	48,755	2.00%	-	-	-	-	
WCL	InfuseAI, INC	-	-	3,897	-	3,897	-	-	-	-	-	
WCL	MeadMine INCORPORATED	-	-	16,403	-	16,403	-	-	-	-	-	
WCL	Smart Ageing Tech Co., Ltd.	-	-	30,000	-	30,000	-	-	-	-	-	
WCQ	CHINA BOHAI BANK CO., LTD - Bohai Bank Structural Deposits-RMB Financial Product	-	-	129,920	-	129,920	-	-	-	-	-	
WDH	Taishin 1699 Money Market Fund	-	-	28,835	-	402,032	-	-	-	-	-	
WDH	MOBAGLE, INC	-	-	1,121	-	61,386	6.58%	-	-	-	-	
WDH	InfuseAI, INC	-	-	82	-	-	8.73%	-	-	-	-	
WDH	International Trust Machines Corporation	-	-	6,000	-	4,308	4.96%	-	-	-	-	
WDH	MeadMine INCORPORATED	-	-	1,469	-	4,921	9.15%	-	-	-	-	
WDH	OmniEyes Co., Ltd.	-	-	2,683	-	22,483	8.91%	-	-	-	-	
WGEH	Taishin 1699 Money Market Fund	-	-	10,869	-	151,540	-	-	-	-	-	
Win Smart	KEN HIGH TECHNOLOGIES LIMITED	-	-	8,716	-	-	15.17%	-	-	-	-	
WIS	FUBON CHI-HSIANG MONEY MARKET FUND	-	-	15,538	-	290,202	-	-	-	-	-	
WLB	Taishin 1699 Money Market Fund	-	-	66,351	-	925,099	-	-	-	-	-	
WMH	Taishin 1699 Money Market Fund	-	-	10,102	-	140,853	-	-	-	-	-	
WMH	AdiVics Biotechnology(Cayman) Co., Ltd.	-	-	15,000	-	11,520	16.67%	-	-	-	-	
WMH	Apollo Medical Optics Inc.	-	-	8,935	-	32,891	18.65%	-	-	-	-	
WMH	Huaki Biotechnology Corporation	-	-	375	-	-	9.93%	-	-	-	-	
WMH	Spartan Bioscience Inc.	-	-	1,691	-	-	3.11%	-	-	-	-	
WMH	Prexio Corporation, LTD	-	-	1,500	-	21,150	1.45%	-	-	-	-	
WMH	DIAGNOSTICS FOR THE REAL WORLD LIMITED	-	-	267	-	162,011	4.80%	-	-	-	-	
WMH	amWEAR Company Limited	-	-	2	-	-	7.95%	-	-	-	-	
WMH	VSENSE CO., LTD.	-	-	700	-	-	3.95%	-	-	-	-	
WMH	Duanjian, Inc.	-	-	124	-	-	0.36%	-	-	-	-	
WMH	JelloX Biotech Inc.	-	-	15,000	-	9,195	6.17%	-	-	-	-	
WMH	Smart Ageing Tech Co., Ltd.	-	-	1,800	-	-	5.31%	-	-	-	-	
WMH	Hikart Fund L.P.	-	-	-	-	25,565	12.00%	-	-	-	-	
WMH	Pacific 8 Ventures Fund I, L.P.	-	-	-	-	313,616	17.82%	-	-	-	-	
WMH	Pacific 8 Ventures Fund II, L.P.	-	-	-	-	77,624	10.00%	-	-	-	-	
WMH	B-Termia_DN	-	-	-	-	25,805	-	-	-	-	-	

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

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

(December 31, 2023)

Securities held by	Category and name of securities	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	(Note 2)	-	8,936	2,000	-	-	-	-	10,936	(Note 1)
The Company	WSPH	subsidary	-	139,567	825,000	-	-	-	-	964,567	(Note 1)
The Company	WMX	subsidary	-	133,410	1,448,055	-	-	-	-	1,581,465	(Note 1)
The Company	WVA	subsidary	-	170,000	1,697,225	-	-	-	-	1,867,225	(Note 1)
The Company	WNC	subsidary	-	89,675	4,598,489	6,414	-	-	-	96,089	(Note 1)
The Company	Alpha Networks Inc.	-	-	19,328	545,044	-	-	-	-	19,328	(Note 1)
WCL	WYHQ	subsidary	-	4,321	958,427	-	-	-	-	4,321	(Note 1)
WLB	WYHQ	subsidary	-	5,739	1,272,990	-	-	-	-	5,739	(Note 1)
WLLC	WTT	subsidary	-	3,951	1,210,272	2,000	-	-	-	5,951	(Note 1)
WCS	WWSG	subsidary	-	710,507	64,723	65,022	-	-	-	775,529	(Note 1)
WYHQ	WYUS	subsidary	-	569,010	18,136,234	400,000	-	-	-	969,010	(Note 1)
WYHO	WYAY	subsidary	-	336,764	2,304,502	231,625	-	-	-	605,139	(Note 1)
WYHX	WYAX	subsidary	-	769,675	1,410,512	344,086	-	-	-	1,125,761	(Note 1)
WYKS	Luxshare Precision Industry Co., Ltd.	-	-	13,158	1,846,513	-	-	-	-	13,158	(Note 1)
WCD	Luxshare Precision Industry Co., Ltd.	-	-	11,278	1,582,726	-	-	-	-	11,278	(Note 1)
WCS	Luxshare Precision Industry Co., Ltd.	-	-	13,158	1,846,514	-	-	-	-	13,158	(Note 1)
WZS	Luxshare Precision Industry Co., Ltd.	-	-	18,797	2,497,852	2,581,080	-	-	-	4,178,932	(Note 1)
WZS	Luxshare Precision Industry Co., Ltd.	-	-	37,354	518,000	-	-	-	-	37,354	(Note 1)
WCA	Taishin 1699 Money Market Fund	-	-	36,095	900,000	-	-	-	-	36,095	(Note 1)
WCL	Taishin 1699 Money Market Fund	-	-	91,782	1,270,500	-	-	-	-	91,782	(Note 1)
WCL	Taishin 1699 Money Market Fund	-	-	44,301	646,000	-	-	-	-	44,301	(Note 1)
WDH	FUBON CHI-HSIANG MONEY MARKET FUND	-	-	28,835	400,000	-	-	-	-	28,835	(Note 1)
WIS	FUBON CHI-HSIANG MONEY MARKET FUND	-	-	36,627	588,693	-	-	-	-	36,627	(Note 1)
WLB	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	71,982	996,800	-	-	-	-	71,982	(Note 1)
WKS	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	518,916	518,916	-	-	-	-	518,916	(Note 1)
WCD	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	735,131	735,131	-	-	-	-	735,131	(Note 1)
WCL	Taishin 1699 Money Market Fund	-	-	44,301	646,000	-	-	-	-	44,301	(Note 1)
WLB	FUBON CHI-HSIANG MONEY MARKET FUND	-	-	2,650,796	2,650,796	-	-	-	-	2,650,796	(Note 1)
WCS	CHINA BOHAI BANK CO., LTD.- Bohai Bank Structural Deposits-RMB Financial Product	-	-	4,944,111	4,999,702	-	-	-	-	9,943,813	(Note 1)
WCO	CHINA BOHAI BANK CO., LTD.- Bohai Bank Structural Deposits-RMB Financial Product	-	-	563,675	562,159	-	-	-	-	1,125,834	(Note 1)
WKS	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	985,940	985,940	-	-	-	-	1,971,880	(Note 1)
WZS	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	670,267	670,267	-	-	-	-	1,340,534	(Note 1)
WZS	FUBON BANK (CHINA) CO.,LTD-SDRMB(C) Structured deposits-RMB Financial Product	-	-	5,093,810	5,093,810	-	-	-	-	10,187,620	(Note 1)

(TWD : expressed in thousands)

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

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

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

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 5 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital (December 31, 2023)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Relationships	Price Transaction of Related Counter-party		Price Reference	Purpose of Acquisition	Other Terms
							Owner	Transfer Date			
The Company	Zhubai International AI Smart Park	2021/3/23	6,700,000	payment:49%	Li Jin Engineering Co., Ltd., Jigenhouse Engineering Corp., Huan Mei International Co., Ltd. etc.	-	-	-	Not applicable because of engaging others to build on its lease land	For future operation	-
KOE	Property, plant and equipment-Plant	2021/12/15	3,339,240	payment:6%	Li Jin Engineering Co., Ltd.,	-	-	-	Not applicable because of engaging others to build on its lease land	For future operation	-
KOE	Property, plant and equipment-Mechanical and electrical engineering	2022/11/16	383,250	payment:100%	Aixare Engineering Corp.	-	-	-	Not applicable	For future operation	-
WCL	Property, plant and equipment-Dormitories and office buildings	2022/4/20	2,125,000	payment:13%	Treadmans Construction CO., LTD	-	-	-	Refer to appraisal report issued by professional appraiser	For future operation	-
WIMX	Property, plant and equipment-Land	2021/3/23	436,744	payment:100%	VIỆT NAM CALHORNIA SOCIÉTAD DE RESPONABILIDAD LIMITADA DE CAPITAL VARIABLE	-	-	-	Not applicable because of engaging others to build on its own land	For future operation	-
WIMX	Property, plant and equipment-Plant	2021/3/23	2,237,508	payment:89%	COPACHISA SA DE CV	-	-	-	Not applicable because of engaging others to build on its own land	For future operation	-
WVN	Property, plant and equipment-Plant	2022/9/30	2,502,295	payment:96%	Jianxing Vietnam Construction Development Company Limited, Sheng Hui 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	307,504	payment:100%	SENAI AIRPORT CITY SDN. BHD.	-	-	-	Refer to appraisal report issued by professional appraiser	For future operation	-
WYMY	Property, plant and equipment-Land	2021/9/16	187,901	payment:100%	SENAI AIRPORT CITY SDN. BHD.	-	-	-	Refer to appraisal report issued by professional appraiser	For future operation	-
WYMY	Property, plant and equipment-Plant	2022/3/23	884,074	payment:97%	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	2,185,795	payment:54%	HWA HIN SDN BHD	-	-	-	Not applicable because of engaging others to build on its own land	For future operation	-

(Note): The current transaction amount is based on the estimated price of the capital budget approved by the Board of Directors. However, the actual amount will be based on the price stated in the agreement.

Company name	Type of property	Transaction Amount	Acquisition Date	Book value	Transaction Amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of Relationships	Purpose of disposal	Price Reference	Other Terms
WMMY	Property, plant and equipment-Plant	2023/9/14	2021/5/20	353,500	-	-	-	NXP MALAYSIA SDN. BHD.	-	No future operational needs	Refer to the appraisal report issued by professional appraiser	-

(Note): In September 2023, the Company's Board of Directors resolved to dispose a portion of property, plant and equipment of Wistron Technology (Malaysia) Sdn. Bhd. (WMMY), a subsidiary of the Group, at the factory located in the Malaysia Free Trade Area, wherein the relevant sales procedures were still in progress as of the reporting date.

Table 6 Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital (December 31, 2023)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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)	
													Purchase/Sales
The Company	WJP	Subsidiary	Sales	1,631,530	0.26%	OA90	-	-	-	-	730,630	0.31%	(Note)
The Company	WTX	Subsidiary	Sales	2,564,073	0.40%	OA90	-	-	-	-	1,312,149	0.55%	(Note)
The Company	WMKS	Subsidiary	Sales	780,338	0.12%	OA90	-	-	-	-	448,236	0.19%	(Note)
The Company	WZS	Subsidiary	Sales	1,401,869	0.22%	OA90	-	-	-	-	10,585,516	4.43%	(Note)
The Company	WITX	Subsidiary	Sales	39,289,631	6.19%	OA150	-	-	-	-	25,576,530	10.70%	(Note)
The Company	WSCZ	Subsidiary	Sales	1,628,942	0.26%	OA90	-	-	-	-	461,447	0.19%	(Note)
The Company	WSSG	Subsidiary	Sales	1,012,099	0.16%	OA90	-	-	-	-	436,582	0.18%	(Note)
The Company	WMT	Subsidiary	Sales	413,172	0.07%	OA90	-	-	-	-	161,098	0.07%	(Note)
The Company	WIS	Subsidiary	Sales	1,031,545	0.16%	OA60	-	-	-	-	359,109	0.15%	(Note)
The Company	WMMY	Subsidiary	Sales	17,100,949	2.69%	OA90	-	-	-	-	30,934,648	12.94%	(Note)
The Company	WMMI	Subsidiary	Sales	3,024,571	0.48%	OA180	-	-	-	-	23,903,919	10.00%	(Note)
The Company	KOE	Subsidiary	Sales	236,353	0.04%	OA60	-	-	-	-	148,511	0.06%	(Note)
The Company	WYHQ	Subsidiary	Sales	48,360,043	7.61%	OA45	-	-	-	-	5,091,912	2.13%	(Note)
The Company	WYUS	Subsidiary	Sales	492,565	0.08%	OA45	-	-	-	-	121,286	0.05%	(Note)
The Company	WYHK	Subsidiary	Sales	215,653	0.03%	OA45	-	-	-	-	33,141	0.01%	(Note)
The Company	WTX	Subsidiary	Purchase	190,788	0.03%	OA60	-	-	-	-	(47,893)	0.03%	(Note)
The Company	WZS	Subsidiary	Purchase	107,395,745	18.44%	OA90	-	-	-	-	(31,651,405)	17.37%	(Note)
The Company	WITX	Subsidiary	Purchase	817,184	0.14%	OA90	-	-	-	-	(713)	-	(Note)
The Company	WAKS	Subsidiary	Purchase	9,169,979	1.57%	OA90	-	-	-	-	(3,382,469)	1.86%	(Note)
The Company	WSKS	Subsidiary	Purchase	4,966,446	0.85%	OA60	-	-	-	-	(787,089)	0.43%	(Note)
The Company	WCQ	Subsidiary	Purchase	116,087,014	19.94%	OA90	-	-	-	-	(37,910,792)	20.81%	(Note)
The Company	WCD	Subsidiary	Purchase	161,975,170	27.82%	OA90	-	-	-	-	(26,522,972)	14.56%	(Note)
The Company	WSCZ	Subsidiary	Purchase	179,621	0.03%	OA60	-	-	-	-	(29,963)	0.02%	(Note)
The Company	WSCQ	Subsidiary	Purchase	9,685,046	1.66%	OA60	-	-	-	-	(1,074,536)	0.59%	(Note)
The Company	FPI	Associate	Purchase	287,552	0.05%	OA50	-	-	-	-	(33,456)	0.02%	-
The Company	WSSG	Subsidiary	Purchase	151,990	0.03%	OA60	-	-	-	-	(1,246)	-	(Note)
The Company	WSPH	Subsidiary	Purchase	653,854	0.11%	OA30	-	-	-	-	(51,545)	0.03%	(Note)
The Company	WMMY	Subsidiary	Purchase	43,702,317	7.51%	OA90	-	-	-	-	(22,913,849)	12.58%	(Note)
The Company	WMMI	Subsidiary	Purchase	51,515,360	8.85%	OA45	-	-	-	-	(5,793,769)	3.18%	(Note)
The Company	WOOK	Subsidiary	Purchase	9,100,757	1.56%	OA90	-	-	-	-	(2,532,512)	1.39%	(Note)

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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)	
													Purchase/Sales
The Company	WCCD	Subsidiary	Purchase	1,297,727	0.22%	OA90	-	-	-	-	(580,324)	0.32%	(Note)
The Company	WYHQ	Subsidiary	Purchase	1,715,929	0.29%	OA45	-	-	-	-	(846,130)	0.46%	(Note)
The Company	WYUS	Subsidiary	Purchase	2,359,397	0.41%	OA90	-	-	-	-	(5,088)	-	(Note)
AGI	The Company	Subsidiary	Sales	276,081	15.52%	OA90	-	-	-	-	39,350	14.60%	(Note)
WAKS	The Company	Subsidiary	Sales	9,169,979	96.34%	OA90	-	-	-	-	3,382,469	94.68%	(Note)
WAKS	WMMY	Affiliate	Sales	486,929	5.12%	OA90	-	-	-	-	23,230	6.25%	(Note)
WAKS	WMMY	Affiliate	Purchase	150,374	2.16%	OA90	-	-	-	-	(4,750)	0.27%	(Note)
WAKS	WYUS	Affiliate	Purchase	155,950	2.24%	OA90	-	-	-	-	(84,781)	4.80%	(Note)
WBR	WYUS	Affiliate	Purchase	325,041	64.23%	OA90	-	-	-	-	(16,188)	51.15%	(Note)
WCCD	The Company	Subsidiary	Sales	1,297,727	99.05%	OA90	-	-	-	-	580,324	99.93%	(Note)
WCCD	WCD	Affiliate	Purchase	1,268,279	99.82%	OA90	-	-	-	-	(618,590)	99.30%	(Note)
WCCZ	The Company	Subsidiary	Sales	757,916	86.62%	OA120	-	-	-	-	226,929	85.24%	(Note)
WCD	The Company	Subsidiary	Sales	161,975,170	86.36%	OA90	-	-	-	-	26,522,972	77.54%	(Note)
WCD	WSKS	Affiliate	Sales	3,427,481	1.83%	OA90	-	-	-	-	1,149,193	3.36%	(Note)
WCD	WCQ	Affiliate	Sales	15,682,931	8.36%	OA90	-	-	-	-	4,229,234	12.36%	(Note)
WCD	WMMY	Affiliate	Sales	4,922,306	2.62%	OA90	-	-	-	-	1,856,103	5.43%	(Note)
WCD	WCCD	Affiliate	Sales	1,268,279	0.68%	OA90	-	-	-	-	618,590	1.81%	(Note)
WCD	WNC	Associate	Purchase	265,046	0.14%	OA90	-	-	-	-	(100,471)	0.24%	-
WCD	WSKS	Affiliate	Purchase	145,080	0.08%	OA60	-	-	-	-	(52,298)	0.13%	(Note)
WCD	WCQ	Affiliate	Purchase	15,728,109	8.50%	OA90	-	-	-	-	(736)	-	(Note)
WCD	WMMY	Affiliate	Purchase	22,373,816	12.09%	OA90	-	-	-	-	(4,599,468)	11.05%	(Note)
WCCQ	The Company	Subsidiary	Sales	116,087,014	86.92%	OA90	-	-	-	-	37,910,792	98.63%	(Note)
WCCQ	WCD	Affiliate	Sales	15,728,109	11.78%	OA90	-	-	-	-	736	-	(Note)
WCCQ	WSCQ	Affiliate	Sales	1,605,466	1.20%	OA90	-	-	-	-	604,649	1.57%	(Note)
WCCQ	FLT	Associate	Purchase	204,320	0.14%	OA90	-	-	-	-	(98,078)	0.21%	-
WCCQ	WCD	Affiliate	Purchase	15,682,931	10.76%	OA90	-	-	-	-	(4,229,234)	8.88%	(Note)
WCCQ	WMMY	Affiliate	Purchase	2,013,947	1.38%	OA90	-	-	-	-	(781,025)	1.64%	(Note)
WIMX	WMMX	Affiliate	Sales	182,788	44.54%	OA30	-	-	-	-	90,519	36.66%	(Note)
WIMX	WYMX	Affiliate	Sales	227,615	55.46%	OA30	-	-	-	-	156,420	63.34%	(Note)
WIN	WYHQ	Affiliate	Purchase	681,384	90.14%	OA30	-	-	-	-	(3,436)	13.54%	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

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	1,031,545	100.00%	OA60	-	-	(359,109)	100.00%	(Note)	
WITT	WITX	Affiliate	Sales	443,988	100.00%	YTTP	-	-	91,567	43.97%	(Note)	
WITT	WZS	Affiliate	Purchase	123,526	52.31%	OA90	-	-	-	-	(Note)	
WITX	The Company	Subsidiary	Sales	817,184	1.65%	OA90	-	-	713	-	(Note)	
WITX	WYUS	Affiliate	Sales	2,810,797	5.67%	OA45	-	-	621,608	3.63%	(Note)	
WITX	The Company	Subsidiary	Purchase	39,289,631	86.29%	OAI50	-	-	(25,576,530)	85.83%	(Note)	
WJP	The Company	Subsidiary	Purchase	1,631,530	98.95%	OA90	-	-	(730,630)	97.82%	(Note)	
WAKS	WSSG	Affiliate	Sales	104,407	3.36%	OA60	-	-	30,819	2.62%	(Note)	
WAKS	The Company	Subsidiary	Purchase	780,338	29.18%	OA90	-	-	(448,236)	29.22%	(Note)	
WMMI	The Company	Subsidiary	Sales	51,515,360	94.74%	OA45	-	-	5,793,769	99.69%	(Note)	
WMMI	The Company	Subsidiary	Purchase	3,024,571	5.69%	OAI80	-	-	(23,903,919)	90.57%	(Note)	
WMMY	WZS	Affiliate	Sales	591,562	0.64%	OA90	-	-	72,098	0.21%	(Note)	
WMMY	The Company	Subsidiary	Sales	43,702,317	47.60%	OA90	-	-	22,913,849	67.37%	(Note)	
WMMY	WAKS	Affiliate	Sales	150,374	0.16%	OA90	-	-	4,750	0.01%	(Note)	
WMMY	WCD	Affiliate	Sales	2,013,947	2.19%	OA90	-	-	781,025	2.30%	(Note)	
WMMY	WCD	Affiliate	Sales	22,373,816	24.37%	OA90	-	-	4,599,468	13.52%	(Note)	
WMMY	WZS	Affiliate	Purchase	5,031,313	5.57%	OA90	-	-	(21,435)	0.06%	(Note)	
WMMY	WAKS	Affiliate	Purchase	486,929	0.54%	OA90	-	-	(223,230)	0.59%	(Note)	
WMMY	The Company	Subsidiary	Purchase	17,100,949	18.94%	OA90	-	-	(30,934,648)	82.77%	(Note)	
WMMY	WCD	Affiliate	Purchase	4,922,306	5.45%	OA90	-	-	(1,856,103)	4.97%	(Note)	
WMT	The Company	Subsidiary	Purchase	413,172	87.71%	OA90	-	-	(161,098)	57.70%	(Note)	
WMX	WITT	Affiliate	Sales	2,209,384	97.23%	OA60	-	-	392,876	97.35%	(Note)	
WOOK	WZS	Affiliate	Sales	118,225	1.24%	OA90	-	-	2,877	0.11%	(Note)	
WOOK	The Company	Subsidiary	Sales	9,100,757	95.43%	OA90	-	-	2,532,512	94.57%	(Note)	
WOOK	WAKS	Affiliate	Sales	155,950	1.64%	OA90	-	-	84,781	3.17%	(Note)	
WOOK	WTZ	Affiliate	Purchase	350,107	3.94%	OA90	-	-	(74,841)	4.97%	(Note)	
WSCQ	The Company	Subsidiary	Sales	9,685,046	99.61%	OA60	-	-	1,074,536	98.58%	(Note)	
WSCQ	WCD	Affiliate	Purchase	1,605,466	17.50%	OA90	-	-	(604,649)	22.07%	(Note)	
WSCZ	The Company	Subsidiary	Sales	179,621	4.17%	OA60	-	-	29,963	3.05%	(Note)	
WSCZ	The Company	Subsidiary	Purchase	1,628,942	45.69%	OA90	-	-	(461,447)	60.53%	(Note)	

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

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	4,966,446	98.06%	OA60	-	-	787,089	72.81%	(Note)	
WSKS	WCD	Affiliate	Sales	145,080	2.86%	OA60	-	-	52,298	4.84%	(Note)	
WSKS	WCD	Affiliate	Purchase	3,427,481	90.07%	OA90	-	-	(1,149,193)	91.33%	(Note)	
WSMX	WTX	Affiliate	Purchase	165,624	60.51%	OA90	-	-	(45,270)	98.34%	(Note)	
WSPH	The Company	Subsidiary	Sales	653,854	100.00%	OA30	-	-	51,545	86.54%	(Note)	
WSSG	The Company	Subsidiary	Purchase	1,012,099	35.36%	OA90	-	-	(436,582)	63.88%	(Note)	
WSSG	The Company	Subsidiary	Sales	151,990	4.95%	OA60	-	-	1,246	0.19%	(Note)	
WTS	The Company	Subsidiary	Sales	103,925	100.00%	YTTP	-	-	9,004	100.00%	(Note)	
WTX	The Company	Subsidiary	Purchase	2,564,073	90.78%	OA90	-	-	(1,312,149)	91.11%	(Note)	
WTX	The Company	Subsidiary	Sales	190,788	3.44%	OA60	-	-	47,893	4.24%	(Note)	
WTX	WSMX	Affiliate	Sales	165,624	2.98%	OA90	-	-	45,270	4.01%	(Note)	
WTZ	WOOK	Affiliate	Sales	350,107	26.32%	OA90	-	-	74,841	94.07%	(Note)	
WTZS	WZS	Affiliate	Sales	654,799	29.96%	OA90	-	-	276,209	35.57%	(Note)	
WTZS	The Company	Subsidiary	Sales	817,455	37.40%	OA90	-	-	193,919	24.97%	(Note)	
WTZS	WZS	Affiliate	Purchase	738,817	100.00%	OA90	-	-	(328,079)	100.00%	(Note)	
WVN	WMMY	Affiliate	Sales	1,452,361	99.25%	OA90	-	-	151,565	100.00%	(Note)	
WVN	WZS	Affiliate	Purchase	341,288	46.81%	OA90	-	-	-	-	(Note)	
WYHK	The Company	Subsidiary	Purchase	215,752	27.32%	OA45	-	-	(33,140)	23.67%	(Note)	
WYHK	WYHQ	Subsidiary	Purchase	559,295	70.87%	OA90	-	-	(103,528)	76.33%	(Note)	
WYHQ	WIN	Affiliate	Sales	684,012	0.77%	OA90	-	-	212,554	1.68%	(Note)	
WYHQ	WYUS	Subsidiary	Sales	35,793,960	40.49%	OAI50	-	-	5,260,002	41.53%	(Note)	
WYHQ	WYJP	Subsidiary	Sales	3,246,957	3.67%	OA90	-	-	214,968	1.70%	(Note)	
WYHQ	WYKR	Subsidiary	Sales	1,463,292	1.66%	OA90	-	-	86,930	0.69%	(Note)	
WYHQ	WYHK	Subsidiary	Sales	559,295	0.63%	OA90	-	-	103,528	0.82%	(Note)	
WYHQ	WYKS	Subsidiary	Sales	784,659	0.89%	OA90	-	-	265,138	2.09%	(Note)	
WYHQ	The Company	Subsidiary	Purchase	46,538,355	69.22%	OA45	-	-	(4,241,641)	47.30%	(Note)	
WYHQ	WYUS	Subsidiary	Purchase	2,315,252	3.44%	OA90	-	-	(237,001)	2.64%	(Note)	
WYHQ	WYMY	Subsidiary	Purchase	3,337,223	4.96%	OA30	-	-	(42,094)	0.47%	(Note)	
WYJP	WYHQ	Subsidiary	Purchase	3,246,957	100.00%	OA90	-	-	(214,968)	100.00%	(Note)	

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Total purchases from or sales to related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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)	
WYKR	WYHQ	Subsidiary	Purchase	1,463,292	100.00%	OA90	-	-	(86,930)	100.00%	(Note)
WYKS	WYHQ	Subsidiary	Purchase	784,659	100.00%	OA90	-	-	(265,138)	100.00%	(Note)
WYMX	WYUS	Affiliate	Sales	3,600,097	100.00%	OA60	-	-	339,563	100.00%	(Note)
WYMY	WYHQ	Subsidiary	Sales	3,337,223	100.00%	OA30	-	-	42,094	100.00%	(Note)
WYMY	The Company	Subsidiary	Purchase	174,179	3.77%	OA45	-	-	-	-	(Note)
WYUS	WBR	Affiliate	Sales	308,304	0.16%	OA90	-	-	16,188	0.45%	(Note)
WYUS	WYHQ	Subsidiary	Sales	2,315,252	1.44%	OA90	-	-	237,001	6.97%	(Note)
WYUS	The Company	Subsidiary	Purchase	493,868	0.27%	OA45	-	-	(121,053)	0.72%	(Note)
WYUS	WITX	Affiliate	Purchase	2,792,364	1.52%	OA90	-	-	(621,608)	3.70%	(Note)
WYUS	WYHQ	Subsidiary	Purchase	35,793,960	20.12%	OA150	-	-	(5,260,002)	31.34%	(Note)
WYUS	WYMX	Affiliate	Purchase	3,600,097	1.97%	OA60	-	-	(339,563)	2.02%	(Note)
WZS	The Company	Subsidiary	Sales	107,395,745	92.73%	OA90	-	-	31,651,405	97.02%	(Note)
WZS	WZS	Affiliate	Sales	738,817	0.64%	OA90	-	-	328,079	1.01%	(Note)
WZS	WITT	Affiliate	Sales	123,526	0.11%	OA90	-	-	-	-	(Note)
WZS	WMMY	Affiliate	Sales	5,031,313	4.34%	OA90	-	-	21,435	0.07%	(Note)
WZS	LYZ	Associate	Purchase	798,531	0.79%	OA120	-	-	(374,776)	1.33%	-
WZS	The Company	Subsidiary	Purchase	1,401,869	1.39%	OA90	-	-	(10,585,516)	37.59%	(Note)
WZS	HYZS	Associate	Purchase	286,635	0.28%	OA90	-	-	(148,304)	0.53%	-
WZS	TPE	Associate	Purchase	113,810	0.11%	OA90	-	-	(30,041)	0.11%	-
WZS	WMMY	Affiliate	Purchase	591,562	0.59%	OA90	-	-	(72,098)	0.25%	(Note)
WZS	WOOK	Affiliate	Purchase	118,225	0.12%	OA90	-	-	(2,877)	0.01%	(Note)
WZS	WYHQ	Affiliate	Purchase	846,188	0.84%	OA90	-	-	(47,715)	0.17%	(Note)

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

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 8 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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	730,630	183.85%	309,766	Collecting	188,126	-	(Note)
The Company	WTX	Subsidiary	1,312,149	211.01%	630,763	Collecting	214,096	-	(Note)
The Company	WMKS	Subsidiary	448,236	246.16%	203,897	Collecting	86,638	-	(Note)
The Company	WZS	Subsidiary	10,585,516	12.62%	-	-	4,999,284	-	(Note)
The Company	WITX	Subsidiary	25,576,530	143.27%	10,138,076	Collecting	3,903,370	-	(Note)
The Company	WCQ	Subsidiary	26,660,431	-	9,613,884	Collecting	12,117,531	-	(Note)
The Company	WCD	Subsidiary	26,924,878	-	3,946,130	Collecting	15,859,260	-	(Note)
The Company	WSSG	Subsidiary	461,447	408.70%	-	-	121,117	-	(Note)
The Company	WSSG	Subsidiary	436,582	279.85%	96,893	Collecting	97,050	-	(Note)
The Company	WMT	Subsidiary	161,098	294.26%	94	Collecting	35,768	-	(Note)
The Company	WIS	Subsidiary	359,109	419.53%	-	-	151,178	-	(Note)
The Company	WMMY	Subsidiary	30,934,648	102.83%	12,010,945	Collecting	5,613,380	-	(Note)
The Company	WMMI	Subsidiary	23,903,919	111.8%	893,260	Collecting	3,753,186	-	(Note)
The Company	WOOK	Subsidiary	938,621	-	-	-	614,901	-	(Note)
The Company	KOE	Subsidiary	148,511	193.39%	-	-	80,467	-	(Note)
The Company	WYHQ	Subsidiary	5,091,912	617.69%	344	Collecting	2,557,904	-	(Note)
The Company	WYUS	Subsidiary	121,286	601.51%	526	Collecting	-	-	(Note)
WAKS	The Company	Subsidiary	3,382,469	267.40%	-	-	-	-	(Note)
WAKS	WMMY	Affiliate	223,230	195.29%	-	-	-	-	(Note)
WCCD	The Company	Subsidiary	580,324	345.74%	-	-	-	-	(Note)
WCCZ	The Company	Subsidiary	226,929	431.07%	-	-	-	-	(Note)
WCD	The Company	Subsidiary	26,522,972	583.69%	-	-	26,319,058	-	(Note)
WCD	WZS	Affiliate	1,149,193	342.58%	-	-	555,359	-	(Note)
WCD	WCQ	Affiliate	4,229,234	246.38%	-	-	3,456,909	-	(Note)
WCD	WMMY	Affiliate	1,856,103	338.77%	-	-	709,364	-	(Note)
WCD	WCCD	Affiliate	618,590	284.12%	-	-	-	-	(Note)
WCQ	The Company	Subsidiary	37,910,792	394.44%	-	-	20,062,069	-	(Note)
WCQ	WCCQ	Affiliate	604,649	274.62%	-	-	-	-	(Note)
WIMX	WYMX	Affiliate	156,420	286.91%	-	-	-	-	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 8 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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			
WITX	WYUS	Affiliate	621,608	264.45%	-	-	370,030	-	(Note)
WMMI	The Company	Subsidiary	5,793,769	414.10%	-	-	5,793,769	-	(Note)
WMMY	The Company	Subsidiary	22,913,849	305.65%	-	-	5,044,426	-	(Note)
WMMY	WCQ	Affiliate	781,025	270.95%	-	-	-	-	(Note)
WMMY	WCD	Affiliate	4,599,468	576.72%	-	-	1,763,621	-	(Note)
WMMX	WITT	Affiliate	392,876	550.64%	-	-	-	-	(Note)
WOOK	The Company	Subsidiary	2,532,512	313.16%	-	-	-	-	(Note)
WSCQ	The Company	Subsidiary	1,074,536	1002.69%	996,327	Collecting	-	-	(Note)
WSKS	The Company	Subsidiary	787,089	579.91%	-	-	-	-	(Note)
WTZS	WZS	Affiliate	276,209	243.08%	131,910	Collecting	-	-	(Note)
WTZS	The Company	Subsidiary	193,919	348.94%	-	-	-	-	(Note)
WVNV	WMMY	Affiliate	151,565	721.21%	-	-	61,470	-	(Note)
WYHQ	WIN	Affiliate	212,554	427.91%	-	-	51,633	-	(Note)
WYHQ	WYUS	Subsidiary	5,260,002	301.21%	-	-	3,614,759	-	(Note)
WYHQ	WYJP	Subsidiary	214,968	680.98%	-	-	-	-	(Note)
WYHQ	WYHK	Subsidiary	103,528	272.30%	-	-	101,152	-	(Note)
WYHQ	WYKS	Subsidiary	265,138	382.19%	-	-	37,157	-	(Note)
WYMX	WYUS	Affiliate	339,563	1162.38%	-	-	339,563	-	(Note)
WYUS	WYHQ	Subsidiary	237,001	802.92%	-	-	77,608	-	(Note)
WZS	The Company	Subsidiary	31,651,405	505.97%	3,637,911	Collecting	3,637,911	-	(Note)
WZS	WTZS	Affiliate	328,079	134.86%	45,118	Collecting	109	-	(Note)
Other receivables									
The Company	KOE	Subsidiary	1,201,237	-	-	-	-	-	(Note)
The Company	WMMI	Subsidiary	240,390	-	48,459	Collecting	-	-	(Note)
WAKS	WTZ	Affiliate	614,966	-	-	-	-	-	(Note)
WAKS	WZS	Affiliate	1,092,340	-	-	-	-	-	(Note)
WCCZ	WSCZ	Affiliate	1,231,754	-	-	-	-	-	(Note)
WCD	The Company	Subsidiary	456,589	-	-	-	-	-	(Note)

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 8 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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			
WCD	WTZ	Affiliate	3,691,192	-	-	-	-	-	(Note)
WCQ	WMCQ	Affiliate	246,350	-	-	-	-	-	(Note)
WCQ	WSCQ	Affiliate	923,525	-	-	-	-	-	(Note)
WCQ	WSPH	Affiliate	418,980	-	-	-	-	-	(Note)
WCQ	WVN	Affiliate	2,430,727	-	-	-	-	-	(Note)
WITT	WITX	Affiliate	552,277	-	-	-	197,828	-	(Note)
WMKS	WRKS	Affiliate	138,423	-	-	-	-	-	(Note)
WMKS	WTKS	Affiliate	216,283	-	-	-	-	-	(Note)
WMKS	XTRKS	Affiliate	324,431	-	-	-	-	-	(Note)
WMMI	The Company	Subsidiary	114,414	-	-	-	-	-	(Note)
WMMY	The Company	Subsidiary	802,917	-	-	-	145,836	-	(Note)
WMMY	WVN	Affiliate	184,378	-	-	-	2,018	-	(Note)
WOOK	WGKS	Affiliate	584,217	-	-	-	-	-	(Note)
WYHQ	WYJP	Subsidiary	201,762	-	-	-	-	-	(Note)
WYHQ	WYMY	Subsidiary	195,287	-	43,186	Collecting	76,424	-	(Note)
WYMY	WYUS	Affiliate	106,271	-	-	-	106,271	-	(Note)
WYUS	WYMY	Affiliate	104,934	-	80,257	Collecting	76,823	-	(Note)
WZS	WTZ	Affiliate	2,460,453	-	-	-	-	-	(Note)

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

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2023)

(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	
0	The Company	WYHQ	1	Sales	48,360,043	OA45	5.58%
0	The Company	WITX	1	Sales	39,289,631	OA150	4.53%
0	The Company	WMMY	1	Sales	17,100,949	OA90	1.97%
0	The Company	WMMI	1	Sales	3,024,571	OA180	0.35%
0	The Company	WTX	1	Sales	2,564,073	OA90	0.30%
0	The Company	WJP	1	Sales	1,631,530	OA90	0.19%
0	The Company	WSCZ	1	Sales	1,628,942	OA90	0.19%
0	The Company	WZS	1	Sales	1,401,869	OA90	0.16%
0	The Company	WIS	1	Sales	1,031,545	OA60	0.12%
0	The Company	WSSG	1	Sales	1,012,099	OA90	0.12%
0	The Company	WMKS	1	Sales	780,338	OA90	0.09%
0	The Company	WYUS	1	Sales	492,565	OA45	0.06%
0	The Company	WMT	1	Sales	413,172	OA90	0.05%
0	The Company	KOE	1	Sales	236,353	OA60	0.03%
0	The Company	WYHK	1	Sales	215,653	OA45	0.02%
0	The Company	WMMY	1	Trade Receivables	30,934,648	OA90	6.84%
0	The Company	WCD	1	Trade Receivables	26,924,878	OA90	5.95%
0	The Company	WCQ	1	Trade Receivables	26,660,431	OA90	5.89%
0	The Company	WITX	1	Trade Receivables	25,576,530	OA150	5.65%
0	The Company	WMMI	1	Trade Receivables	23,903,919	OA180	5.28%
0	The Company	WZS	1	Trade Receivables	10,585,516	OA90	2.34%
0	The Company	WYHQ	1	Trade Receivables	5,091,912	OA45	1.13%
0	The Company	WTX	1	Trade Receivables	1,312,149	OA90	0.29%
0	The Company	WOOK	1	Trade Receivables	938,621	OA90	0.21%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2023)

(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	
0	The Company	WJP	1	Trade Receivables	730,630	OA90	0.16%
0	The Company	WSCZ	1	Trade Receivables	461,447	OA90	0.10%
0	The Company	WMKS	1	Trade Receivables	448,236	OA90	0.10%
0	The Company	WSSG	1	Trade Receivables	436,582	OA90	0.10%
0	The Company	WIS	1	Trade Receivables	359,109	OA60	0.08%
0	The Company	WMT	1	Trade Receivables	161,098	OA90	0.04%
0	The Company	KOE	1	Trade Receivables	148,511	OA60	0.03%
0	The Company	WYUS	1	Trade Receivables	121,286	OA45	0.03%
1	AGI	The Company	2	Sales	276,081	OA90	0.03%
2	WAKS	The Company	2	Sales	9,169,979	OA90	1.06%
2	WAKS	WMMY	3	Sales	486,929	OA90	0.06%
2	WAKS	The Company	2	Trade Receivables	3,382,469	OA90	0.75%
2	WAKS	WMMY	3	Trade Receivables	223,230	OA90	0.05%
3	WCCD	The Company	2	Sales	1,297,727	OA90	0.15%
3	WCCZ	The Company	2	Trade Receivables	580,324	OA90	0.13%
4	WCCZ	The Company	2	Sales	757,916	OA120	0.09%
4	WCCZ	The Company	2	Trade Receivables	226,929	OA120	0.05%
5	WCD	The Company	2	Sales	161,975,170	OA90	18.68%
5	WCD	WCQ	3	Sales	15,682,931	OA90	1.81%
5	WCD	WMMY	3	Sales	4,922,306	OA90	0.57%
5	WCD	WSKS	3	Sales	3,427,481	OA90	0.40%
5	WCD	WCCD	3	Sales	1,268,279	OA90	0.15%
5	WCD	The Company	2	Trade Receivables	26,522,972	OA90	5.86%
5	WCD	WCQ	3	Trade Receivables	4,229,234	OA90	0.93%
5	WCD	WMMY	3	Trade Receivables	1,856,103	OA90	0.41%
5	WCD	WSKS	3	Trade Receivables	1,149,193	OA90	0.25%
5	WCD	WCCD	3	Trade Receivables	618,590	OA90	0.14%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2023)

(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	
6	WCQ	The Company	2	Sales	116,087,014	OA90	13.39%
6	WCQ	WCD	3	Sales	15,728,109	OA90	1.81%
6	WCQ	WSCQ	3	Sales	1,605,466	OA90	0.19%
6	WCQ	The Company	2	Trade Receivables	37,910,792	OA90	8.38%
6	WSCQ	WSCQ	3	Trade Receivables	604,649	OA90	0.13%
7	WIMX	WYMX	3	Sales	227,615	OA30	0.03%
7	WIMX	WIMX	3	Sales	182,788	OA30	0.02%
7	WIMX	WYMX	3	Trade Receivables	156,420	OA30	0.03%
8	WITT	WITX	3	Sales	443,988	YTTP	0.05%
9	WITX	WYUS	3	Sales	2,810,797	OA45	0.32%
9	WITX	The Company	2	Sales	817,184	OA90	0.09%
9	WITX	WYUS	3	Trade Receivables	621,608	OA45	0.14%
10	WMKS	WSSG	3	Sales	104,407	OA60	0.01%
11	WMMI	The Company	2	Sales	51,515,360	OA45	5.94%
11	WMMI	The Company	2	Trade Receivables	5,793,769	OA45	1.28%
12	WMMY	The Company	2	Sales	43,702,317	OA90	5.04%
12	WMMY	WCD	3	Sales	22,373,816	OA90	2.58%
12	WMMY	WCQ	3	Sales	2,013,947	OA90	0.23%
12	WMMY	WZS	3	Sales	591,562	OA90	0.07%
12	WMMY	WAKS	3	Sales	150,374	OA90	0.02%
12	WMMY	The Company	2	Trade Receivables	22,913,849	OA90	5.07%
12	WMMY	WCD	3	Trade Receivables	4,599,468	OA90	1.02%
12	WMMY	WCQ	3	Trade Receivables	781,025	OA90	0.17%
13	WMX	WITT	3	Sales	2,209,384	OA60	0.25%
13	WMX	WITT	3	Trade Receivables	392,876	OA60	0.09%

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2023)

(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	
14	WOOK	The Company	2	Sales	9,100,757	OA90	1.05%
14	WOOK	WAKS	3	Sales	155,950	OA90	0.02%
14	WOOK	WZS	3	Sales	118,225	OA90	0.01%
14	WOOK	The Company	2	Trade Receivables	2,532,512	OA90	0.56%
15	WSCQ	The Company	2	Sales	9,683,046	OA60	1.12%
15	WSCQ	The Company	2	Trade Receivables	1,074,536	OA60	0.24%
16	WSCZ	The Company	2	Sales	179,621	OA60	0.02%
17	WSKS	The Company	2	Sales	4,966,446	OA60	0.57%
17	WSKS	WCD	3	Sales	143,080	OA60	0.02%
17	WSKS	The Company	2	Trade Receivables	787,089	OA60	0.17%
18	WSPH	The Company	2	Sales	653,854	OA30	0.08%
19	WSSG	The Company	2	Sales	151,990	OA60	0.02%
20	WTS	The Company	2	Sales	103,925	YTTP	0.01%
21	WTX	The Company	2	Sales	190,788	OA60	0.02%
21	WTX	WSMX	3	Sales	165,624	OA90	0.02%
22	WTZ	WOOK	3	Sales	350,107	OA90	0.04%
23	WTZS	The Company	2	Sales	817,455	OA90	0.09%
23	WTZS	WZS	3	Sales	654,799	OA90	0.08%
23	WTZS	WZS	3	Trade Receivables	276,209	OA90	0.06%
23	WTZS	The Company	2	Trade Receivables	193,919	OA90	0.04%
24	WVN	WMMY	3	Sales	1,452,361	OA90	0.17%
24	WVN	WMMY	3	Trade Receivables	151,565	OA90	0.03%
25	WYHQ	WYUS	1	Sales	35,793,960	OA150	4.13%
25	WYHQ	WYJP	1	Sales	3,246,957	OA90	0.37%
25	WYHQ	WYKR	1	Sales	1,463,292	OA90	0.17%
25	WYHQ	WYKS	1	Sales	784,659	OA90	0.09%
25	WYHQ	WIN	3	Sales	684,012	OA90	0.08%

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 9 Business relationships and significant inter-company transactions
(December 31, 2023)

(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	Ending balance	Book value		
25	WYHQ	WYHK	1	Sales	559,295	100.00%	2,418,990	100.00%	173,945 (Note)
25	WYHQ	WYUS	1	Trade Receivables	5,260,002	100.00%	2,135,417	100.00%	127,143 (Note)
25	WYHQ	WYKS	1	Trade Receivables	265,138	100.00%	7,898,450	100.00%	186,112 (Note)
25	WYHQ	WYJP	1	Trade Receivables	214,968	100.00%	17,561,318	100.00%	969,145 (Note)
25	WYHQ	WIN	3	Trade Receivables	212,554	100.00%	23,206,948	100.00%	2,109,043 (Note)
25	WYHQ	WYHK	1	Trade Receivables	103,528	100.00%	10,375,104	100.00%	1,104,066 (Note)
26	WYMX	WYUS	3	Sales	3,600,097	100.00%	143,641	100.00%	45,084 (Note)
26	WYMX	WYUS	3	Trade Receivables	339,563	100.00%	499,552	100.00%	12,023 (Note)
27	WYMY	WYHQ	2	Sales	3,337,223	100.00%	4,287,709	100.00%	71,171 (Note)
28	WYUS	WYHQ	2	Sales	2,315,252	100.00%	942,468	100.00%	78,285 (Note)
28	WYUS	WBR	3	Sales	308,304	100.00%	769,147	99.99%	105,980 (Note)
28	WYUS	WYHQ	2	Trade Receivables	237,001	100.00%	69,855	99.99%	24,054 (Note)
29	WZS	The Company	2	Sales	107,395,745	100.00%	41,583	100.00%	981,046 (Note)
29	WZS	WMMY	3	Sales	5,031,313	100.00%	6,625,536	100.00%	981,046 (Note)
29	WZS	WTZS	3	Sales	738,817	100.00%	(184,817)	100.00%	13,737 (Note)
29	WZS	WITT	3	Sales	123,526	100.00%	15,917,592	37.69%	12,043,655 (Note)
29	WZS	The Company	2	Trade Receivables	31,651,405	100.00%	1,007,781	100.00%	210,807 (Note)
29	WZS	WTZS	3	Trade Receivables	328,079	100.00%	25,618	100.00%	(2,503) (Note)

(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 or total assets.

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

WISTRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 10 Information on investees (excluding investees in Mainland China)
(December 31, 2023)

(TWD : expressed in thousands)

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	160,044	100.00%	2,418,990	100.00%	173,945 (Note)	
The Company	WTX	U.S.A.	Sales and maintenance service center in Northern America	386,196	4,833	100.00%	2,135,417	100.00%	127,143 (Note)	
The Company	AIH	B.V.I.	Investment and holding	8,565,419	432,486	100.00%	7,898,450	100.00%	186,112 (Note)	
The Company	COWIN	B.V.I.	Investment and holding	6,753,222	213,694	100.00%	17,561,318	100.00%	969,145 (Note)	
The Company	Win Smart	B.V.I.	Investment and holding	2,611,286	44,565	100.00%	23,206,948	100.00%	2,109,043 (Note)	
The Company	WCL	Taiwan	Investment consultant and business management consultant	4,312,000	4,312,000	100.00%	10,375,104	100.00%	1,104,066 (Note)	
The Company	ISL	Taiwan	Safety and EMI testing	14,603	14,603	100.00%	143,641	100.00%	45,084 (Note)	
The Company	WSPH	Philippines	Sales and maintenance service center in Asia	3,319,705	2,853,068	100.00%	499,552	100.00%	12,023 (Note)	
The Company	WLLC	U.S.A.	Investment and holding	3,273,026	2,671,836	100.00%	4,287,709	100.00%	71,171 (Note)	
The Company	WVS	B.V.I.	Investment and holding	314,273	9,150	100.00%	942,468	100.00%	78,285 (Note)	
The Company	WBR	Brazil	Investment and holding	623,794	633,794	37,243	769,147	99.99%	105,980 (Note)	
The Company	WTR	Turkey	Sales and maintenance service center	46,650	22	99.99%	69,855	99.99%	24,054 (Note)	
The Company	WGTX	U.S.A.	Sales and maintenance service center	859,795	13	100.00%	41,583	100.00%	981,046 (Note)	
The Company	WMMY	Malaysia	Consumer electronic product manufacturing	2,095,629	267,425	100.00%	6,625,536	100.00%	981,046 (Note)	
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	36,429	100.00%	(184,817)	100.00%	13,737 (Note)	
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,350	65,895	37.69%	15,917,592	37.69%	12,043,655 (Note)	
The Company	WCHK	Hong Kong	Investment and holding	225,494	58,446	100.00%	1,007,781	100.00%	210,807 (Note)	
The Company	WCHQ	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	100.00%	25,618	100.00%	(2,503) (Note)	
The Company	WCZC	Czech Rep.	Electronic product manufacturing	121,527	121,527	100.00%	2,647,198	100.00%	136,084 (Note)	
The Company	WFHK	Hong Kong	Investment and holding	397,542	16,426	100.00%	(1,773)	100.00%	(168) (Note)	
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	1	0.01%	10	0.01%	(49,484) (Note)	
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	157,489	100.00%	(594,395)	100.00%	(2,950,037) (Note)	
The Company	WDH	Taiwan	Investment and holding	1,800,000	205,056	100.00%	2,289,692	100.00%	15,762 (Note)	
The Company	WMH	Taiwan	Investment and holding	2,800,000	280,000	100.00%	1,496,568	100.00%	(403,607) (Note)	
The Company	WTS	U.S.A.	Sales development and customer service	10,348	35	100.00%	19,875	100.00%	1,104 (Note)	
The Company	WIMX	Mexico	Real property rental and management	2,328,429	910,394	100.00%	2,570,869	100.00%	53,197 (Note)	
The Company	WVN	Vietnam	Assembly and sales of Notebook and LCD monitor	2,783,871	1,346,288	100.00%	2,745,599	100.00%	21,424 (Note)	
The Company	WSCZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	100.00%	705,441	100.00%	22,491 (Note)	
The Company	WIS	Taiwan	Research and development, sales and service of network communication products	391,349	214,656	75.42%	395,945	75.42%	(62,811) (Note)	
The Company	WCA	Taiwan	Real property rental and management	2,700,000	270,000	100.00%	2,703,658	100.00%	6,433 (Note)	
The Company	WGEH	Taiwan	Investment and holding	280,000	280,000	100.00%	262,021	100.00%	(18,072) (Note)	
The Company	HCL	B.V.I.	Investment and holding	96,045	-	30.00%	32,186	30.00%	(566) (Note)	
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	1,265,409	585,487	19.92%	6,347,053	22.66%	3,802,830 (Note)	
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	4,994	9.99%	36,148	12.82%	(611,653) (Note)	
The Company	Fomosa Prosonic Industries Berhad	Malaysia	Manufacturing of audio and hooper	513,565	69,260	27.14%	799,101	27.16%	172,355 (Note)	
The Company	ILH	Taiwan	Sales of audio system of vehicles and components	578,889	20,261	29.65%	69,252	32.79%	8,197 (Note)	
The Company	NICE Licensing LLC	Japan	Promote NICE Standard	12,907	8,562	20.00%	4,552	23.14%	(18,445) (Note)	
The Company	PELL	Taiwan	Biotechnology service	407,750	225,000	5.150	9,555	9.68%	(399,534) (Note)	
The Company	Mobility Technology Group Inc.	Cayman Island	Design, development and prototyping of automobile components	272,700	-	31.25%	248,021	32.14%	(6,820) (Note)	
The Company	ISGIG	Seychelles	Research and development and sales of information technology products	160,025	5	40.00%	-	40.00%	- (Note)	
The Company	ISGIC	Hong Kong	Research and development and sales of information technology products	160,000	5	40.00%	-	40.00%	- (Note)	

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 10 Information on investees (excluding investees in Mainland China)
(December 31, 2023)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Book value				
AIH	WJP	Japan	Sales and maintenance service center	129,985	129,985	9	317,175	100.00%	45,911	Not required to disclose	(Note)
AIH	WNC	Taiwan	Manufacturing and sales of wireless receiver products	1,311	1,311	115	7,318	0.03%	3,802,830	Not required to disclose	(Note)
AIH	HareeAsia	Singapore	Investment and holding	178,700	178,700	6,090	198,276	20.02%	(189,545)	Not required to disclose	(Note)
AIH	WBR	Brazil	Sales and maintenance service center	96	96	5	92	0.01%	105,980	Not required to disclose	(Note)
AIH	Fish Yuh	B.V.I.	Holding company and OEM	80,678	80,678	3,990	-	26.08%	28,655	Not required to disclose	(Note)
BTA	WMJP	Japan	Exoskeleton product device	45,760	45,760	4	15,773	100.00%	(5,162)	Not required to disclose	(Note)
BTA	WMKL	Malaysia	Exoskeleton product device	15,087	15,087	3,000	8,209	60.00%	(11,699)	Not required to disclose	(Note)
BCL	FPTC	Malaysia	Investment and holding	103,275	103,275	15,000	102,030	100.00%	(1,760)	Not required to disclose	(Note)
WCL	WLB	Taiwan	Investment consultant and business management consultant	234,500	234,500	89,142	2,262,778	100.00%	318,493	Not required to disclose	(Note)
WCL	WYHQ	Taiwan	Research and development, sales and service of information products	438,220	501,477	3,776	911,833	2.47%	12,043,655	Not required to disclose	(Note)
WCL	WAC	Taiwan	Manufacturing, wholesale and retail of electronic related products	16,000	16,000	1,600	14,923	100.00%	(151)	Not required to disclose	(Note)
WCL	WMT	Taiwan	Manufacturing of medical instruments	40,000	40,000	4,000	11,056	8.00%	(188,516)	Not required to disclose	(Note)
WCL	AGI	Taiwan	Cloud software solution integrator	37,000	37,000	500	5,016	2.71%	(49,484)	Not required to disclose	(Note)
WCL	KOE	Taiwan	Manufacturing and sales of automotive electronics and electronic related products	2,108,639	2,108,639	138,783	3,238,057	100.00%	486,924	Not required to disclose	(Note)
WCL	WIS	Taiwan	Research and development, sales and service of network communication products	88,855	-	5,827	83,656	14.90%	(52,811)	Not required to disclose	(Note)
WCL	WTS	Taiwan	Professional information technology service provider	35,404	23,444	1,307	79,699	1.81%	587,973	Not required to disclose	-
WCL	WNC	Taiwan	Manufacturing and sales of wireless receiver products	4,325	2,450	117	9,048	0.03%	3,802,830	Not required to disclose	(Note)
WCL	WTR	Turkey	Sales and maintenance service center	47	47	-	47	0.10%	24,054	Not required to disclose	(Note)
WCL	MAYA	Taiwan	Information integration of medical service	30,447	30,447	1,028	24,472	10.35%	(14,210)	Not required to disclose	(Note)
WCL	TPE	Taiwan	Wholesale and retail of electronic materials	79,985	33,985	5,302	79,649	10.61%	(611,653)	Not required to disclose	-
WCL	JLH	Taiwan	Sales of audio system of vehicles and components	55,256	1,934	2,831	6,611	3.13%	25,981	Not required to disclose	-
WCL	RTX	Taiwan	Intelligent networking	135,000	10,395	30,000	269,990	30.00%	432,413	Not required to disclose	(Note)
WDH	AGI	Taiwan	Cloud software solution integrator	115,600	115,600	13,998	140,445	72.71%	(49,484)	Not required to disclose	(Note)
WDH	WETW	Taiwan	Online and offline hybrid learning education service provider	17,106	17,106	9,220	(83,320)	70.25%	(56,734)	Not required to disclose	(Note)
WDH	WTS	Taiwan	Professional information technology service provider	425,644	330,202	16,756	903,058	23.58%	587,973	Not required to disclose	-
WDH	CGI	Taiwan	Professional information technology service provider	32,915	35,325	3,319	75,741	19.30%	81,404	Not required to disclose	-
WDH	IKALA GLOBAL ONLINE CORP.	Cayman Island	Investment and holding	434,895	434,895	225,503	325,497	18.18%	(260,065)	Not required to disclose	-
WGEH	AIS	Taiwan	Self-use power generation equipment utilizing renewable energy industry	65,000	65,000	6,500	50,602	86.67%	(15,802)	Not required to disclose	(Note)
WHK	WIN	India	Sales and maintenance service center	-	-	-	-	0.01%	(312)	Not required to disclose	(Note)
WHK	WMMI	India	Manufacturing of information and communication products	-	-	-	-	0.01%	(3,038,859)	Not required to disclose	(Note)
WIN	STI	India	Development of internet platform and internet of things related products	19,435	-	1,878	16,352	99.99%	9	Not required to disclose	(Note)
Win Smart	WHK	Hong Kong	Sales and maintenance service center	19,301	19,301	6,000	28,825	100.00%	673	Not required to disclose	(Note)
Win Smart	WHK	Hong Kong	Investment and holding	2,475,485	2,475,485	82,150	9,542,721	100.00%	1,506,371	Not required to disclose	(Note)
Win Smart	MINDFORCE	B.V.I.	Investment and holding	692,634	692,634	21,693	188,427	28.88%	(312,252)	Not required to disclose	(Note)
WLB	WYHQ	Taiwan	Research and development, sales and service of information products	372,062	411,103	5,194	1,254,774	2.97%	12,043,655	Not required to disclose	(Note)
WLB	WIS	Taiwan	Research and development, sales and service of network communication products	54,127	42,538	3,727	51,378	9.54%	(52,811)	Not required to disclose	(Note)
WLB	WMT	Taiwan	Manufacturing of medical instruments	8,270	5,720	827	2,286	1.65%	(188,516)	Not required to disclose	(Note)
WLB	WETW	Taiwan	Online and offline hybrid learning education service provider	2,650	1,640	265	(2,395)	2.02%	(56,734)	Not required to disclose	(Note)

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 10 Information on investees (excluding investees in Mainland China)
(December 31, 2023)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance		Highest percentage of shares during the period	Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Book value				
WLB	AGI	Taiwan	Cloud software solution integrator	195	195	12	120	0.07%	(49,484)	Not required to disclose	(Note)
WLB	PELL	Taiwan	Biotechnology service	49,134	49,134	1,253	59,639	2.82%	(399,534)	Not required to disclose	(Note)
WLLC	WITX	U.S.A.	Sales of electronic information products	1,525,557	1,525,557	4,950	2,453,473	100.00%	70,601	Not required to disclose	(Note)
WLLC	WITT	U.S.A.	Sales of electronic information products	1,739,996	1,328,796	5,951	1,827,761	100.00%	1,749	Not required to disclose	(Note)
WMH	WMT	Taiwan	Manufacturing of medical instruments	415,000	415,000	41,500	83,000	83.00%	(188,516)	Not required to disclose	(Note)
WMH	MAYA	Taiwan	Information integration of medical service	71,876	71,876	3,122	53,656	31.44%	(14,210)	Not required to disclose	(Note)
WMH	Free Blonks, Inc.	Cayman Island	Research and development, manufacturing and sales of medical instruments	270,850	270,850	10,100	7,466	40.15%	(30,778)	Not required to disclose	-
WMH	PELL	Taiwan	Biotechnology service	182,366	182,366	6,047	246,560	13.63%	(399,534)	Not required to disclose	(Note)
WMH	BTI	Canada	Research and development, manufacturing and sales of medical instruments	215,780	215,780	4,212	-	33.61%	(89,448)	Not required to disclose	-
WMY	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	14,478	14,478	3,850	14,897	99.99%	689	Not required to disclose	(Note)
WMY	HCL	B.V.I.	Investment and holding	219,493	-	-	210,749	70.00%	(1,909)	Not required to disclose	(Note)
WMT	BTA	Singapore	Sales of medical instruments	118,808	118,133	11,200	41,067	100.00%	(101,279)	Not required to disclose	(Note)
WSSG	WIN	India	Sales and maintenance service center	1,805,085	1,805,085	14,344	1,224,996	99.99%	(312)	Not required to disclose	(Note)
WSSG	WMMI	India	Manufacturing of information and communication products	7,091,641	2,993,708	1,363,529	1,657,376	99.99%	(3,038,859)	Not required to disclose	(Note)
WSSG	WAEI	India	Manufacturing, research and development, and design of automotive electronics and electronic related products	-	-	-	-	0.01%	689	Not required to disclose	(Note)
WYHQ	WYJP	Japan	Sales of cloud data center equipment	6,620	6,620	-	360,068	100.00%	94,080	Not required to disclose	(Note)
WYHQ	WYHU	U.S.A.	Sales of cloud data center equipment	28,773,581	16,453,581	969,010	30,792,233	100.00%	351,025	Not required to disclose	(Note)
WYHQ	WYHK	Hong Kong	Investing activities and sales of cloud data center equipment	12,181	12,181	400	288,537	100.00%	27,369	Not required to disclose	(Note)
WYHQ	WYKR	South Korea	Sales of cloud data center equipment	2,903	2,903	20	200,822	100.00%	25,870	Not required to disclose	(Note)
WYHQ	WYMY	Malaysia	Manufacturing and sales of cloud data center equipment	3,839,933	2,300,724	568,592	3,654,746	100.00%	(130,008)	Not required to disclose	(Note)
WYHQ	WYMX	Mexico	Human resources service provision and manufacturing of cloud data center equipment	1,741,251	1,126,671	1,113,761	2,884,214	100.00%	616,825	Not required to disclose	(Note)
WYHQ	WYSMX	Mexico	Sales of cloud data center equipment	58,025	58,025	40,444	65,538	100.00%	(5,031)	Not required to disclose	(Note)
WYHQ	LIQUIDSTACK HOLDING B. V.	Netherlands	Research and development of liquid cooling technology	276,669	276,669	1,000	159,246	20.00%	(395,957)	Not required to disclose	(Note)

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

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 11 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of remittance from Taiwan as of January 1, 2023		Investment flows		Accumulated amounts of remittance from Taiwan as of December 31, 2023	Net income (loss) of the investee	Highest percentage of shares during the period	Direct / indirect shareholding by the Company	Investment income (losses) recognized by the Company		Carrying amount of the investment as of December 31, 2023	Accumulated investment remittance as of December 31, 2023	Note
				Outflow	Inflow	Outflow	Inflow									
Wistron InfComm (Zhongshan) Corporation	Manufacturing and sales of information technology products	7,394,068	(Note 302)	7,394,179	(Note 1)	-	-	7,394,179	1,174,899	100.00%	100.00%	1,174,899	21,154,541	-	(Note 32)	
Wistron InfComm (Shanghai) Corporation	Research, development, design, testing and sales of computers, software	31,691	(Note 302)	31,691	-	-	-	31,691	316	100.00%	100.00%	316	46,905	-	(Note 32)	
Wistron InfComm Technology (Zhongshan) Co., Ltd.	Human resource services and sales of LCD monitor	67,510	(Note 302)	67,510	-	-	-	67,510	78,484	100.00%	100.00%	78,484	940,773	-	(Note 32)	
Wistron InfComm (Kunshan) Co., Ltd.	Manufacturing and sales of information technology products	1,085,212	(Note 2)	1,085,212	(Note 2)	-	-	1,085,212	24,429	100.00%	100.00%	24,429	10,395,662	-	(Note 32)	
Wistron Service (Kunshan) Corp.	Sales and maintenance service center in Asia	12,287	(Note 302)	12,287	-	-	-	12,287	62,953	100.00%	100.00%	62,953	852,095	-	(Note 32)	
SMS (Kunshan) Co., Ltd	Sales and maintenance service center in Mainland China	806,230	(Note 302)	806,230	-	-	-	806,230	90,453	100.00%	100.00%	90,453	2,077,845	-	(Note 32)	
Wistron InfComm (Tatohou) Co., Ltd.	Manufacturing and sales of LCD monitor and touch display module	4,929,489	(Note 302)	4,929,489	-	-	-	4,929,489	(456,782)	100.00%	100.00%	(456,782)	(6,010,926)	-	(Note 32)	
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacturing and sales of computer shell and mold plastic	795,220	(Note 302)	231,014	-	-	-	231,014	33,228	28.88%	28.88%	9,596	167,016	-	-	
T-CONN PRECISION(ZHONGSHAN) CORPORATION	Production of telecommunication equipment and coupling for special purpose	234,991	(Note 302)	85,873	(Note 3)	-	-	85,873	24,331	21.30%	20.60%	5,122	63,437	-	-	
Wistron Optonics (Kunshan) Co., Ltd.	Production of communication products and components	3,676,442	(Note 302)	3,632,613	-	-	-	3,632,613	(37,217)	100.00%	100.00%	(37,217)	3,688,387	-	(Note 32)	
Wistron Optonics (Shanghai) Co., Ltd.	Sales of communication products and components	131,044	(Note 302)	131,044	-	-	-	131,044	4,936	100.00%	100.00%	4,936	83,429	-	(Note 32)	
HSEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD.	Production and management of new-type electronic components	426,065	(Note 18)	79,722	-	-	-	79,722	32,038	26.08%	26.08%	-	-	-	-	
LIAN-YI PRECISION (ZHONGSHAN) INC.	Manufacturing of high-temperature resistant insulation materials and molded insulation products; and assembly of computer, server and the peripheral equipment.	1,124,931	(Note 302)	332,795	-	-	-	332,795	(9,548)	28.88%	28.88%	(2,758)	(420,587)	-	-	
WIS PRECISION (TAMZHOU) CO., LTD.	Sales of new-type alloy(Mg-X-Al) material	2,220,302	(Note 302)	643,191	-	-	-	643,191	(216,452)	28.88%	28.88%	(62,511)	503,669	-	-	
Haritec Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech nano material	516,917	(Note 302)	128,815	-	-	-	128,815	(362,734)	20.02%	20.02%	(72,619)	116,964	-	-	
Wistron Advanced Materials(Kunshan) Co., Ltd	Research and development, manufacturing and sales of electronic regeneration ecofriendly plastic goods	953,939	(Note 302)	953,939	-	-	-	953,939	6,278	100.00%	100.00%	6,278	18,021	-	(Note 32)	
Zongshan Global Lighting Technology Limited Co.	Manufacturing and sales of LGP, backlight and related light-electronic components	445,825	(Note 302)	72,007	-	-	-	72,007	NA	16.23%	16.23%	-	74,824	-	-	
Wistron InfComm (CHONGQING) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	583,823	(Note 302)	583,823	-	-	-	583,823	1,059,330	100.00%	100.00%	1,059,330	6,254,516	-	(Note 32)	
Wistron Investment (Sichuan) Co., Ltd.	Investment and holding	2,501,366	(Note 302)	2,501,366	(Note 5)	-	-	2,501,366	1,506,502	100.00%	100.00%	1,506,502	9,337,455	-	(Note 32)	
Wistron InfComm (Changsha) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	2,396,524	(Note 302)	2,396,524	(Note 5)	-	-	2,396,524	1,500,850	100.00%	100.00%	1,500,850	9,438,352	-	(Note 32)	
Wistron InfComm Technology Service (Kunshan) Co., Ltd	Research and development and design of electronic calculator and other electronic products	59,042	(Note 302)	59,042	-	-	-	59,042	(88,200)	100.00%	100.00%	(88,200)	(128,515)	-	(Note 32)	
Shenzhen Keen High Technologies Ltd	Manufacturing of digital photo frame, MP3, MP4 and GPS	198,648	(Note 302)	31,110	(Note 6)	-	-	31,110	NA	15.17%	15.17%	-	-	-	-	

(TWD : expressed in thousands)

WISTRON CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements

Table 11 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of remittance from Taiwan as of January 1, 2023		Investment flows		Accumulated amounts of remittance from Taiwan as of December 31, 2023	Net income (loss) of the investee	Highest percentage of shares during the period	Direct / indirect shareholding by the Company	Investment income (losses) recognized by the Company		Carrying amount of the investment as of December 31, 2023	Accumulated investment remittance as of December 31, 2023	Note
				Outflow	Inflow	Outflow	Inflow									
SMS InfComm(Chongqing) Co.,Ltd.	Sales and distribution of computer products and components	126,838	(Note 301)	126,838	-	-	-	126,838	11,661	100.00%	100.00%	11,661	430,315	-	(Note 32)	
Wiyom Technology Service Kunshan Ltd.	Sales of cloud data center equipment	10,659	(Note 303)	10,659	(Note 25)	-	-	10,659	15,881	43.44%	42.82%	6,852	51,374	-	(Note 32)	
ICA Inc.	Research and development, design, manufacturing, sales, and maintenance of intelligent terminals	91,991	(Note 302)	-	-	-	-	-	(224)	20.00%	20.00%	(4,164)	-	-	-	
Wistron Medical Tech (Chongqing) CO., LTD.	Production of medical instruments	94,500	(Note 303)	-	-	-	-	-	(7,813)	92.65%	92.65%	(7,203)	(45,183)	-	(Note 32)	
XTRON(S/Nanjing) Automotive Intelligent Technologies Co., Ltd	Virtual image head-up display and new energy car high-power charging device	538,557	(Note 24)	-	-	-	-	-	(7,257)	33.41%	33.41%	(2,427)	129,819	-	-	
XTRON(S/Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telematics	217,707	(Note 303)	-	-	-	-	-	(65,910)	100.00%	100.00%	(65,910)	252,919	-	(Note 32)	
Wistron InfComm Computer (Changsha)Co.,Ltd	Assembly and manufacturing and sales of Notebook computer	28,258	(Note 302)	-	-	-	-	-	5,132	100.00%	100.00%	5,132	12,754	-	(Note 32)	
Wistron Green Recycling Technology (Kunshan) Co., Ltd.	Research and development and sales of new-type material and regeneration ecofriendly plastic goods	26,470	(Note 303)	-	-	-	-	-	12,043	100.00%	100.00%	12,043	37,772	-	(Note 32)	

(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, 2023 (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)	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 788,612,330)	14,236,977 (USD 463,305,006)(CNY 4,000,000)	-
Wiyynn Corporation	10,659 (USD 350,000)	10,757 (USD 350,000)	25,340,431
Kaohsiung Opto-Electronics Inc.	14 (USD 483)	0 (USD 0)	-

(Note 1) The Company invested the amount of USD5,150,000 (approximately TWD 149,551) in BRIVISION OPTRONICS (L) CORP, acquiring 50.99% of its share; therefore, resulting in an indirect ownership of BrVision Optronics (Zhongshan) Corp. with the same amount of shares. The application to transfer the investment in Mainland China has been authorized by the Investment Commission, MOEA on January 17, 2013. Therefore, the accumulated investment amount in Mainland China will be revised in accordance with the amount authorized by the Investment Commission. Also, Cowin, one of 100% owned subsidiaries of the Company, merged with BRIVISION OPTRONICS(L) CORP, by exchanging 1 share for 1.89 shares on November 14, 2013. After the merger, Cowin became the existing company, while BrVision was liquidated in the first quarter of 2015. Therefore, 100% ownership of BrVision Optronics (Zhongshan) Corp. was transferred to Cowin Worldwide Corporation in the second quarter of 2014.

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

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

(Note 4) On January 24, 2005, the Company applied to the Investment Commission for the revision of the amount of its indirect investment in T-CONN PRECISION (Zhongshan) CORPORATION from USD638,000 to USD550,000, and the application was authorized on February 15, 2005. Also, Super Elite Ltd. acquired Hong Kong Comtek Electronics Co., Ltd. by issuing new shares through stock exchange, resulting in a decrease in the Company's investment amount in T-CONN PRECISION (Zhongshan) CORPORATION by USD339,995 (approximately TWD9,793); and the application was authorized by the Investment Commission on May 17, 2012.

(Note 5) The Company indirectly invested in the capital of Wistron Optronics (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 (Chengde) Co., Ltd., through Wistron Investment (Sichuan) Co., Ltd., was authorized by the Investment Commission. The amount of accumulated investment in Mainland China had increased by USD83,500,000 (approximately TWD2,501,366).

(Note 7) 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.

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2. Limitation on investment in Mainland China

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

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

(Note 9) Top-Glory Electronic (Zhongshan) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,268.22, which entitled the Company to an 11% ownership of the entity, had been remitted to Super Elite Ltd. and was authorized by the Investment Commission on March 23, 2010. However, according to the regulation, the remittance to Mainland China amounting to USD33,000 (TWD1,071) was included in the accumulated investment amounts.

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

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

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

(Note 13) WIT Precision (Taizhou) Co., Ltd., in which the Company indirectly invested, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD18,377.5 (approximately TWD556), which entitled the Company to a 30% ownership of the entity, had been remitted to Taiwan and was authorized by the Investment Commission on September 18, 2012. The amount resulted in a decrease in the authorized investment amount. Also, the cancellation of investment of the Company had already been authorized. However, according to the regulation, the remittance amounting to USD1,241,422.5 (approximately TWD39,449) was included in the accumulated investment amounts.

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

(Note 15) The amounts translated were using the spot rates on December 31, 2023.

(Note 16) On November 15, 2023, 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.

WISTRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2. Limitation on investment 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 Weshtek Information Technology Services Co., Ltd., Shanghai (Weshtek), whose entire shares are held by the Company. 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 remitted to WiEdu Hong Kong Limited, liquidation process completed as of 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. Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD7,123,297.09, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KOMG HOLDING LIMITED, and was authorized by the Investment Commission on March 14, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD6,000,000 (approximately TWD179,436), was included in the accumulated investment amounts.
- (Note 22) Wiyynn Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543,211, which entitled the Company to a full ownership of the entity, had been remitted to WIN SMART CO., LTD. and was authorized by the Investment Commission on May 18, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD2,899,788.94 (approximately TWD86,742) was included in the accumulated investment amounts.
- (Note 23) 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) Wiyynn Technology Service Hong Kong Limited used its own Capital to invest in WYKS.
- (Note 26) Wiyynn Corporation's amount of upper limit on investment was the higher between sixty percent of WYHQ's net worth or the consolidated net worth.
- (Note 27) KOEKS, in which the Company has an indirect interest, ceased its operations in second quarter of 2023, wherein its rights and obligations have been liquidated and its business registration has been cancelled, with the liquidation share capital of USD299,516.98 having been remitted back to Kaohsiung Opto-Electronics Inc. All relevant procedures for the cancellation of the investment to the MOEA had been approved on June 27, 2023. However, the investment amount of USD299,516.98 (TWD8,989) remitted from Taiwan to Mainland China still needs to be delcuded according to the regulations of MOEA.

2. Limitation on investment in Mainland China

- (Note 28) Since Kaohsiung Opto-Electronics Inc. has notified the MOEA on the cancellation of its investment in KOEKS, it no longer has any investment limit in the Mainland China.
- (Note 29) The Company transferred its entire shareholdings in Kunshan Changgun Precision Casting Co., Ltd., in which the Company indirectly invested in third quarter of 2023. The said investment capital amounting to CNY1,528,908 (TWD 6,739) had been remitted to Wise Cap Limited Company, with the approval of the Investment Commission on September 11, 2023.
- (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
- (Note 31) Recognized share of associates and joint ventures accounted for equity method:
1. The financial statements of the investee company were audited by the international accounting firms which cooperated with R.O.C. accounting firms.
 2. The financial statements of the investee company were audited by the Group's auditor.
 3. Others

3. Significant transactions

(Note 32) The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

The significant transactions of the entities in China in which the Company, directly or indirectly owned, refer to Table 1 to Table 11.

6.5 Parent Company only Financial Statements



安侯建業聯合會計師事務所

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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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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(r) “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 key audit matter

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



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

- Testing the Company's controls surrounding the revenue recognition and cash collection for key manual and system base controls, tracing general ledgers to sales systems and reconciling the differences.
- Understanding the types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the 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. Valuation of slow-moving inventories

Please refer to Note 4(g) “Inventory” for accounting policy, Note 5 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

Inventory stock due to sales demands, production, and repair service forecasting, may lead to product obsolescence, which might fail to meet the market demands, and a decline in orders. Consequently, the valuation of slow-moving inventories has been identified as one of our key audit matters.

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

- Verifying the appropriateness of the Company's inventory valuation policy and assessing if the obsolete stocks have been included in the aforesaid evaluation.
- Reviewing the inventory aging reports, as well as analyzing the variation of inventories to ensure its accuracy.
- Examining each obsolete and damaged goods which were identified by the management.
- Evaluating the adequacy of the disclosure of inventory allowance.

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

KPMG 

Taipei, Taiwan (Republic of China)
March 12, 2024

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION
Parent Company Only Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 2,416,303	1	10,252,203	3
1110 Current financial assets at fair value through profit or loss (note 6(b))	2,570	-	152,284	-
1136 Current financial assets at amortized cost, net (note 6(c))	-	-	298,652	-
1170 Note and trade receivables, net (notes 6(e) and (u))	84,098,217	20	51,587,322	14
1180 Trade receivable-related parties (notes 6(e), (u) and 7)	154,972,880	36	127,587,415	35
1210 Other receivables-related parties (notes 6(f) and 7)	1,566,911	-	2,473,843	-
1220 Current tax assets	177	-	110,088	-
130X Inventories (note 6(g))	29,128,462	7	37,705,721	10
1460 Non-current assets classified as held for sale (note 6(h))	1,657,376	-	-	-
1470 Other current assets (notes 6(i) and (l))	7,609,577	2	6,326,460	2
Total current assets	281,452,473	66	236,493,988	65
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	47,794	-	73,392	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(d))	5,024,387	1	3,931,066	1
1535 Non-current financial assets at amortized cost, net (note 6(e))	10,000	-	-	-
1550 Equity-accounted investees (note 6(h))	113,039,934	27	103,485,451	29
1600 Property, plant and equipment (notes 6(i) and 7)	9,802,202	2	8,248,308	2
1755 Right-of-use assets (note 6(j))	2,073,634	1	2,237,841	1
1780 Intangible assets (notes 6(k) and 7)	863,456	-	905,873	-
1840 Deferred tax assets (note 6(q))	7,667,342	2	5,462,030	2
1900 Other non-current assets (notes 6(l) and 8)	1,797,873	1	909,710	-
Total non-current assets	140,326,622	34	125,253,671	35
Total assets	\$ 421,779,095	100	\$ 361,747,659	100
Liabilities and Equity				
Current liabilities:				
Short-term loans (notes 6(m) and (aa))	\$ 66,268,203	16	74,037,266	20
Current financial liabilities at fair value through profit or loss (note 6(b))	187,097	-	161	-
Current contract liabilities (note 6(u))	3,611,602	1	2,650,518	1
Note and trade payables	47,742,269	11	42,449,801	12
Trade payable-related parties (note 7)	134,460,748	32	92,351,702	25
Other payables-related parties (note 7)	1,765,042	1	1,677,387	-
Current lease liabilities (notes 6(n) and (aa))	363,391	-	377,509	-
Current portion of long-term loans (notes 6(m) and (aa))	714,336	-	5,527,440	2
Current refund liability (note 6(v))	11,797,625	3	7,828,669	2
Other current liabilities (notes 6(m) and (w))	28,319,604	6	24,860,019	8
Total current liabilities	295,229,917	70	251,760,472	70
Non-current liabilities:				
Long-term loans (notes 6(m) and (aa))	17,605,337	4	9,402,653	3
Deferred tax liabilities (note 6(q))	1,751,902	1	1,429,130	-
Non-current lease liabilities (notes 6(n) and (aa))	1,475,594	-	1,589,163	-
Other non-current liabilities (notes 6(m), (p) and (aa))	1,492,234	-	1,184,092	-
Total non-current liabilities	22,325,067	5	13,605,038	3
Total liabilities	317,554,984	75	265,365,510	73
Equity (notes 6(d), (h), (r) and (s)):				
Ordinary shares	28,997,661	7	29,016,021	8
Capital surplus	37,389,984	9	35,050,440	10
Retained earnings	40,680,803	10	36,357,506	10
Other equity	(1,934,548)	(1)	(2,550,702)	(1)
Treasury shares	(909,789)	-	(1,491,116)	-
Total equity	104,224,111	25	96,382,149	27
Total liabilities and equity	\$ 421,779,095	100	\$ 361,747,659	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATION
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)

	2023		2022	
	Amount	%	Amount	%
4000 Net revenues (notes 6(u) and 7)	\$ 635,223,077	100	686,828,694	100
5000 Cost of sales (notes 6(g), (i), (j), (k), (n), (p), (s), (w), 7 and 12)	602,252,742	95	655,164,677	95
5900 Gross profit	32,970,335	5	31,664,017	5
5910 Unrealized profit from sales	(813,511)	-	(804,140)	-
5950 Net gross profit	32,156,824	5	30,859,877	5
6000 Operating expenses (notes 6(e), (f), (i), (j), (k), (n), (p), (s), (w), 7 and 12):				
6100 Selling	3,249,537	1	3,962,320	1
6200 Administrative	4,459,466	1	4,025,078	1
6300 Research and development	16,163,552	2	16,992,827	2
Total operating expenses	23,872,555	4	24,980,225	4
6900 Operating income	8,284,269	1	5,879,652	1
7000 Non-operating income and expenses (notes 6(h), (l), (n), (o), (v), (x), 7 and 12):				
7100 Interest income	157,077	-	169,445	-
7010 Other income	194,123	-	188,960	-
7020 Other gains and losses	1,081,102	-	3,318,793	1
7050 Finance costs	(6,160,669)	(1)	(3,984,908)	(1)
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	8,448,495	2	5,362,139	1
Total non-operating income and expenses	3,720,128	1	5,054,429	1
7900 Profit before tax	12,004,397	2	10,934,081	2
7950 Less: income tax expenses (benefit) (note 6(q))	532,781	-	(228,370)	-
8200 Net profit	11,471,616	2	11,162,451	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	(49,281)	-	247,608	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	532,089	-	(945,769)	-
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	(18,432)	-	106,956	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(72,873)	-	54,803	-
	537,249	-	(646,008)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(139,351)	-	7,125,045	-
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	269,475	-	381,173	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	130,124	-	7,506,218	-
	667,373	-	6,860,210	-
8500 Total comprehensive income	\$ 12,138,989	2	18,022,661	2
9750 Earnings per share (in dollars) (note 6(t))				
	\$ 4.08		4.01	
9850 Diluted earnings per share	\$ 3.98		3.84	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATIONStatements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity				Total equity		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		Deferred compensation arising from issuance of restricted shares	Treasury shares
Balance at January 1, 2022	29,032,521	28,834,524	9,964,169	6,846,521	14,287,997	31,098,687	(8,731,426)	(59,222)	(650,887)	(1,607,239)	77,916,938
Net profit	-	-	-	-	11,162,451	11,162,451	-	-	-	-	11,162,451
Other comprehensive income	-	-	-	-	245,513	245,513	7,513,416	(898,719)	-	-	6,860,210
Total comprehensive income	-	-	-	-	11,407,964	11,407,964	7,513,416	(898,719)	-	-	18,022,661
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	1,050,417	-	(1,050,417)	-	-	-	-	-	-
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	-	-	-	-	(6,257,863)
Treasury shares transferred to employees	-	302,059	-	-	(203)	(203)	-	-	-	116,143	301,856
Changes in ownership interests in subsidiaries	-	(2,888)	-	-	-	-	-	-	-	-	113,255
Disposal of part of the equity of the subsidiary	-	(70,095)	-	-	(1,040)	(1,040)	16,821	-	-	-	(71,135)
Share-based payment transactions	-	6,002,507	-	-	-	396	-	-	368,880	-	6,019,328
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(16,500)	(43,308)	-	-	396	396	-	-	368,880	-	309,468
Others	-	27,641	-	-	109,565	109,565	-	(109,565)	-	-	27,641
Balance at December 31, 2022	29,016,021	35,050,440	11,014,586	8,790,648	16,522,272	36,371,506	(1,201,189)	(1,067,506)	(282,007)	(1,491,116)	96,382,199
Net profit	-	-	-	-	11,471,616	11,471,616	-	-	-	-	11,471,616
Other comprehensive income	-	-	-	-	(24,502)	(24,502)	(269,122)	960,997	-	-	667,373
Total comprehensive income	-	-	-	-	11,447,114	11,447,114	(269,122)	960,997	-	-	12,138,989
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	1,151,668	-	(1,151,668)	-	-	-	-	-	-
Cash dividends	-	-	-	(6,521,953)	(7,400,801)	(7,400,801)	-	-	-	-	(7,400,801)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	3,449	3,449	-	-	-	-	648,550
Treasury shares transferred to employees	-	645,101	-	-	-	-	-	-	-	581,327	567,700
Changes in ownership interests in subsidiaries	-	(13,627)	-	-	-	-	-	-	-	-	89,435
Disposal of part of the equity of the subsidiary	-	63,192	-	-	26,243	26,243	(10,704)	-	-	-	1,374,094
Share-based payment transactions	-	1,384,798	-	-	-	-	-	-	182,275	-	360,372
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(18,560)	196,457	-	-	247,292	247,292	-	(247,292)	-	-	63,623
Others	-	63,623	-	-	262,458,854	262,458,854	(1,481,015)	(353,801)	(993,732)	(909,789)	104,224,111
Balance at December 31, 2023	28,997,661	37,389,984	12,166,254	2,268,695	26,245,854	40,680,803	(1,481,015)	(353,801)	(993,732)	(909,789)	104,224,111

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
WISTRON CORPORATIONParent Company Only Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows used in operating activities:		
Profit before tax	\$ 12,004,397	10,934,081
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	1,545,685	1,262,212
Amortization expense	300,217	334,974
Gain on reversal of expected credit loss	(1,589)	(79,553)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	246,330	(189,100)
Interest expense	6,160,669	3,984,908
Interest income	(157,077)	(169,445)
Dividend income	(130,008)	(127,918)
Compensation cost arising from share-based payments	360,372	309,072
Shares of profit of subsidiary, associates and joint ventures accounted for using equity method	(8,448,495)	(5,362,139)
Loss (gain) on disposal of property, plant and equipment	15,184	(5,396)
Property, plant and equipment reclassified as (from) expenses	(5,483)	19,939
Other non-current assets reclassified as expenses	-	5,475
Net loss (gain) on disposal of investments	(25,994)	3,173
Other investment net loss (gain)	(85,146)	130,773
Unrealized profit from sales	813,511	804,140
Government grant income	(18,926)	-
Lease modification losses (gains)	(201)	45
Loss (gain) on foreign currency exchange arising from loans and guarantee deposits	(499,650)	7,479,838
Amortization of bank arrangement fees	15,287	12,612
Total adjustments to reconcile profit	84,686	8,413,610
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in trade receivables	(32,512,501)	5,530,429
Decrease (increase) in trade receivables-related parties	(27,385,465)	39,498,377
Decrease (increase) in other receivables-related parties	606,932	(177,310)
Decrease (increase) in inventories	8,577,259	(5,337,704)
Increase in other current assets	(1,280,042)	(1,015,486)
Total changes in operating assets	(51,993,817)	38,498,306
Changes in operating liabilities:		
Increase in current contract liabilities	961,084	367,107
Increase in note and trade payables	5,292,468	4,208,166
Increase (decrease) in trade payables-related parties	42,109,046	(25,741,131)
Increase in other payables-related parties	87,655	863,871
Increase (decrease) in current refund liability	3,968,956	(2,605,672)
Increase in other current liabilities	4,227,508	2,650,794
Decrease in other non-current liabilities	(152,871)	(195,433)
Total changes in operating liabilities	56,493,846	(20,452,298)
Net changes in operating assets and liabilities	4,500,029	18,046,008
Total changes in operating assets and liabilities	4,584,715	26,459,618
Cash inflow generated from operations	16,589,112	37,393,699
Interest received	157,197	179,884
Dividends received	4,417,137	2,389,284
Interest paid	(6,313,584)	(3,594,877)
Income taxes paid	(2,816,130)	(148,491)
Net cash flows generated from operating activities	12,033,732	36,219,499
Cash flows generated from (used in) investing activities:		
Decrease in other receivables-related parties	300,000	706,020
Acquisition of financial assets at fair value through other comprehensive income	(1,354,423)	(533,961)
Proceeds from disposal of financial assets at fair value through other comprehensive income	947,802	225,223
Return of financial assets at fair value through other comprehensive income	7,971	2,732
Acquisition of financial assets at amortized cost	(10,000)	-
Proceeds from disposal of financial assets at amortized cost	298,652	1,105,394
Acquisition of financial assets at fair value through profit or loss	(46,664)	(55,470)
Proceeds from capital reduction of investments accounted for using equity method	193,478	1,790,841
Acquisition of equity-accounted investees	(6,240,065)	(4,738,063)
Partial disposal of the investment in the subsidiary	523,942	7,677,580
Acquisition of property, plant and equipment	(2,787,728)	(2,559,480)
Proceeds from disposal of property, plant and equipment	262,435	153,273
Increase in refundable deposits	(812,714)	(287,297)
Acquisition of intangible assets	(257,800)	(357,860)
Employee remunerations to subsidiaries' employees	(6,448)	(12,995)
Increase in other non-current assets	(145,022)	(284,267)
Net cash flows generated from (used in) investing activities	(9,126,584)	2,831,670
Cash flows generated used in financing activities:		
Increase in short-term loans	584,904,396	598,298,134
Repayments of short-term loans	(592,192,225)	(612,833,174)
Increase in long-term loans	32,496,751	16,236,100
Repayments of long-term loans	(29,104,427)	(27,755,433)
Increase in guarantee deposits received	399,629	278,630
Repayments of lease liabilities	(477,694)	(370,628)
Cash dividends paid	(7,400,801)	(6,257,467)
Treasury shares transferred to employees	567,700	113,255
Others	63,623	27,641
Net cash flows generated used in financing activities	(10,743,048)	(32,262,942)
Net increase (decrease) in cash and cash equivalents	(7,835,900)	6,788,227
Cash and cash equivalents at beginning of year	10,252,203	3,463,976
Cash and cash equivalents at ending of year	\$ 2,416,303	10,252,203

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, 2023 and 2022

(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 sales of the following products and semi-finished products, and their peripheral equipment, parts and components:

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

(Continued)

WISTRON CORPORATION

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, 2023 and 2022 were authorized for issue by the Board of Directors on March 12, 2024.

(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, 2023:

- 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”

The Company has initially adopted the following new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

- (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, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(4) Summary of material accounting policies

The material 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 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 Company 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 (SPPI) 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, financial assets measured at amortized cost, 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) Non-current assets for sale

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

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(i) Investment in associates

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

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

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

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

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

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

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

(j) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(k) Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently, at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value, which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(l) Property, plant and equipment

(i) Recognition and measurement

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

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

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

- 1) Buildings and improvements: 20 to 50 years
- 2) Machinery and equipment: 3 to 10 years
- 3) Molding equipment: 1 year
- 4) Research and development equipment: 3 to 5 years
- 5) Furniture, fixtures and other equipment: 3 to 10 years

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.

(m) 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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.

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

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

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

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

(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.

(n) Intangible assets

(i) Recognition and measurement

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

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

(ii) Subsequent expenditure

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Amortization

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

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

- 1) Patents: 10 years
- 2) Software: 1 to 10 years
- 3) Customer relationships: 5 years

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

(o) Impairment of non-derivative financial assets

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

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(p) Provisions

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

(q) 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.

(r) 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

(s) 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.

(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 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

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

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

(iii) Short-term employee benefits

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

(u) 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

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

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

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

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(w) 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 and ungranted restricted shares to employees.

(x) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statement.

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

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 economic uncertainties 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 7,531	7,015
Demand and check deposits	2,378,464	9,323,948
Time deposits	30,308	921,240
	<u>\$ 2,416,303</u>	<u>10,252,203</u>

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

(i) Financial assets at fair value through profit or loss-current:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 2,570	147,596
Foreign currency swap contracts	-	4,688
	<u>\$ 2,570</u>	<u>152,284</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Held-for trading financial liabilities:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 187,097	161

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, 2023 and 2022, derivative financial instruments not qualified for hedge accounting were as follows:

1) Foreign currency forward contracts:

<u>December 31, 2023</u>		
<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Expiration</u>
USD 322,000	TWD Put / USD Call	2024/1/4~2024/2/1

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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

2) Foreign currency swap contracts:

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

3) Non-current financial liabilities at fair value through profit or loss:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Convertible bonds	\$ 47,794	-
Simple Agreement for Future Equity (SAFE)	-	73,392
	<u>\$ 47,794</u>	<u>73,392</u>

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

(c) Financial assets measured at amortized cost

(i) Financial assets measured at amortized cost-current:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Restricted bank deposits	\$ -	298,652

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.

(ii) Non-current financial asset at amortized cost:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bonds	\$ 10,000	-

The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

In October 2024, the Company acquired a 10-year unsecured subordinated corporate bond issued by Shin Kong Life Insurance, with an amount and an effective rate of \$10,000 and 4%, respectively.

The aforementioned financial asset was not pledged as collateral.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Listed companies	\$ 3,388,086	2,410,211
Unlisted companies	399,176	299,904
Unlisted fund	<u>1,237,125</u>	<u>1,220,951</u>
Total	<u>\$ 5,024,387</u>	<u>3,931,066</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 Kibou Fund L.P., Jafco AT Fund VI L.P., Alpha Networks Inc., Gamania Digital Entertainment Co., Ltd. and AOpen Inc. with a fair value of \$947,802 during 2023, as well as disposed 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, resulting in the Company to recognize the net gains of \$154,289 and \$103,620, 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, 2023	December 31, 2022
Trade receivables-measured at amortized cost	\$ 53,920,005	36,630,314
Trade receivables-measured at FVOCI	30,269,163	15,141,423
Trade receivables-related parties-measured at amortized cost	154,972,880	127,587,415
Less: loss allowance	<u>(90,951)</u>	<u>(184,415)</u>
	<u>\$ 239,071,097</u>	<u>179,174,737</u>

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

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 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:

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	December 31, 2023		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 199,084,733	0.00%	-
1 to 60 days past due	36,569,809	0.00%	-
61 to 180 days past due	3,452,135	0.00%	-
181 to 300 days past due	1,130	0.00%~3.54%	2
More than 301 days past due	<u>54,241</u>	4.17%~100.00%	<u>48,497</u>
Total	<u>\$ 239,162,048</u>		<u>48,499</u>

	December 31, 2022		
	Gross carrying amount of trade receivables	Weighted - average expected credit loss rate	Expected credit loss
Current	\$ 152,142,995	0.00%~0.10%	23,709
1 to 60 days past due	24,076,385	0.00%~5.00%	21,602
61 to 180 days past due	3,000,788	0.00%~5.00%	489
181 to 300 days past due	606	0.00%~17.19%	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>

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

	2023	2022
Balance on January 1	\$ 184,415	602,369
Impairment losses recognized (reversed)	1,606	(79,553)
Amounts written off	<u>(95,070)</u>	<u>(338,401)</u>
Balance on December 31	<u>\$ 90,951</u>	<u>184,415</u>

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

As of December 31, 2023 and 2022, the relevant information on trade receivables factored but unsettled was as follows:

Unit: USD in thousands

December 31, 2023						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
			Paid	Unpaid		
Financial institutions	\$ 1,533,696	2,745,600	1,533,696	1,211,904 (Note)	1.81%~6.36%	None

December 31, 2022						
Purchaser	Amount derecognized	Factoring credit limit	Amount advanced		Interest rate collar	Collateral
			Paid	Unpaid		
Financial institutions	\$ 2,513,366	3,285,600	2,513,366	772,234 (Note)	4.91%~6.1%	None

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

As of December 31, 2023 and 2022, the trade receivables were not pledged.

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

(f) Other receivables

	December 31, 2023	December 31, 2022
Other current assets-other receivables	\$ 6,940,165	5,561,119
Other receivables-related parties	1,566,911	2,473,843
Less: loss allowance	(61,118)	(64,313)
	<u>\$ 8,445,958</u>	<u>7,970,649</u>

As of December 31, 2023 and 2022, 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:

	2023	2022
Balance on January 1	\$ 64,313	459,776
Impairment loss reversed	(3,195)	-
Amounts written off	-	(395,463)
Balance on December 31	<u>\$ 61,118</u>	<u>64,313</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(g) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 10,849,943	13,177,572
Work in progress	933,582	592,825
Finished goods	9,709,663	14,058,162
Inventory in transit	7,635,274	9,877,162
	<u>\$ 29,128,462</u>	<u>37,705,721</u>

For the years ended December 31, 2023 and 2022, the details of cost of sales were as follows:

	2023	2022
Cost of goods sold	\$ 599,172,197	652,359,650
Loss on valuation of inventories	2,414,865	2,252,840
Loss on supplier inventory reserve	684,170	577,663
Income from sale of scraps	(18,490)	(25,476)
	<u>\$ 602,252,742</u>	<u>655,164,677</u>

As of December 31, 2023 and 2022, the inventories were not pledged.

(h) Equity-accounted investees

As of December 31, 2023 and 2022, the components of investments accounted for using the equity method were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 105,150,676	97,722,647
Associates	7,889,258	5,762,804
	<u>\$ 113,039,934</u>	<u>103,485,451</u>

(i) Subsidiaries

- 1) Please refer to the consolidated financial statements for the year ended December 31, 2023.
- 2) Disposal of part of equity ownership of subsidiaries without losing control

In the first quarter of 2022, the Company disposed of 4.57% of the shares of WYHQ, which its fair value was 7,282,067, resulting in its shareholding in WYHQ to decrease from 42.26% to 37.69%. Since it had no effect on the control of the subsidiary, the equity change was regarded as an equity transaction.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

	<u>2022</u>
Consideration transferred from the non-controlling interest	\$ 7,282,067
Book value of the non-controlling interest	(1,355,318)
Other equity	(16,560)
Capital surplus—difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$ 5,910,189</u>

(ii) Associates

- 1) As of December 31, 2023 and 2022, the fair value of investments in associates of the Company for which there were public price quotations were as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
WNC	\$ 6,347,053	14,989,891	4,598,489	7,030,495
Formosa Prosonic Industries Berhad (FPI)	799,101	1,329,713	769,488	1,558,810
T-Conn Precision Corporation (TPE)	<u>36,148</u>	<u>172,032</u>	<u>104,576</u>	<u>274,652</u>
	<u>\$ 7,182,302</u>	<u>16,491,636</u>	<u>5,472,553</u>	<u>8,863,957</u>

- 2) For the years ended December 31, 2023 and 2022, the share of profits and other comprehensive income of associates recognized by the Company were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of individually insignificant associates' equity	<u>\$ 7,889,258</u>	<u>5,762,804</u>
	<u>2023</u>	<u>2022</u>
Attributable to the Company:		
Net profit	\$ 886,447	949,850
Other comprehensive income	<u>307,978</u>	<u>132,405</u>
Comprehensive income	<u>\$ 1,194,425</u>	<u>1,082,255</u>

- (iii) In October 2023, the Company's Board of Directors resolved to dispose the entire shareholdings of Wistron InfoComm Manufacturing (India) Private Limited ("WMMI"), a subsidiary of the Group, to Tata Electronics Private Ltd., (TEPL). The Company reclassified the carrying value of equity-accounted investees amounted \$1,657,376 to non-current assets classified as held for sale on December 31, 2023.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iv) Collateral

As of December 31, 2023 and 2022, the investments in aforementioned equity-accounted investees were not pledged.

(v) 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, 2023 and 2022, 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, 2023	\$ 2,810,384	2,372,867	2,397,495	3,833,954	2,478,337	857,300	2,585,929	17,336,266
Additions	14,428	74,373	355,540	72,970	201,076	54,739	2,014,602	2,787,728
Reclassification (Note)	-	-	29,038	30,961	2,584	-	3,244	65,827
Reclassified from expenses	-	-	23	-	-	-	5,460	5,483
Disposals	-	(86,883)	(495,869)	(2,199,748)	(36,486)	(55,023)	(98,704)	(2,972,713)
Balance at December 31, 2023	<u>\$ 2,824,812</u>	<u>2,360,357</u>	<u>2,286,227</u>	<u>1,738,137</u>	<u>2,645,511</u>	<u>857,016</u>	<u>4,510,531</u>	<u>17,222,591</u>
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>
Accumulated depreciation:								
Balance at January 1, 2023	\$ -	1,031,011	928,237	3,829,831	1,980,569	713,443	604,867	9,087,958
Depreciation	-	95,359	338,445	40,462	214,955	61,525	276,779	1,027,525
Disposals	-	(86,883)	(223,965)	(2,199,748)	(35,492)	(53,743)	(95,263)	(2,695,094)
Balance at December 31, 2023	<u>\$ -</u>	<u>1,039,487</u>	<u>1,042,717</u>	<u>1,670,545</u>	<u>2,160,032</u>	<u>721,225</u>	<u>786,383</u>	<u>7,420,389</u>
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>
Carrying value:								
Balance at December 31, 2023	<u>\$ 2,824,812</u>	<u>1,320,870</u>	<u>1,243,510</u>	<u>67,592</u>	<u>485,479</u>	<u>135,791</u>	<u>3,724,148</u>	<u>9,802,202</u>
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 January 1, 2022	<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>

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

As of December 31, 2023 and 2022, the property, plant and equipment were not pledged.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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, 2023	\$ 1,248,695	1,808,772	63,730	88,645	16,309	3,226,151
Addition	2,102	413,938	26,265	21,993	9,644	473,942
Decrease	-	(544,974)	(27,487)	(22,898)	(5,273)	(600,632)
Balance at December 31, 2023	<u>\$ 1,250,797</u>	<u>1,677,736</u>	<u>62,508</u>	<u>87,740</u>	<u>20,680</u>	<u>3,099,461</u>
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)
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>
Accumulated depreciation:						
Balance at January 1, 2023	\$ 110,136	779,901	31,753	58,706	7,814	988,310
Depreciation	34,958	436,341	16,758	22,635	3,723	514,415
Decrease	-	(421,628)	(27,487)	(22,510)	(5,273)	(476,898)
Balance at December 31, 2023	<u>\$ 145,094</u>	<u>794,614</u>	<u>21,024</u>	<u>58,831</u>	<u>6,264</u>	<u>1,025,827</u>
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)
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>
Carrying amount:						
Balance at December 31, 2023	<u>\$ 1,105,703</u>	<u>883,122</u>	<u>41,484</u>	<u>28,909</u>	<u>14,416</u>	<u>2,073,634</u>
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 January 1, 2022	<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>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(k) Intangible assets

The cost and amortization of the intangible assets for the years ended December 31, 2023 and 2022 were as follows:

	Patent	Software	Goodwill	Total
Costs:				
Balance at January 1, 2023	\$ 144,239	881,484	561,485	1,587,208
Additions	-	257,800	-	257,800
Balance at December 31, 2023	<u>\$ 144,239</u>	<u>1,139,284</u>	<u>561,485</u>	<u>1,845,008</u>
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>
Accumulated amortization:				
Balance at January 1, 2023	\$ 111,491	569,844	-	681,335
Amortization	11,394	288,823	-	300,217
Balance at December 31, 2023	<u>\$ 122,885</u>	<u>858,667</u>	<u>-</u>	<u>981,552</u>
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>
Carrying amount:				
Balance at December 31, 2023	<u>\$ 21,354</u>	<u>280,617</u>	<u>561,485</u>	<u>863,456</u>
Balance at December 31, 2022	<u>\$ 32,748</u>	<u>311,640</u>	<u>561,485</u>	<u>905,873</u>
Balance at January 1, 2022	<u>\$ 49,619</u>	<u>271,883</u>	<u>561,485</u>	<u>882,987</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, 2023	December 31, 2022
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.

- (ii) 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

The key assumptions used in the estimation of the value in use are set out below.

	December 31, 2023	December 31, 2022
Pre-tax discount rate	5.21 %	3.73 %

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, 2023 and 2022, the intangible assets were not pledged.

(l) Other current assets and non-current assets

	December 31, 2023	December 31, 2022
(i) Other current assets:		
Other receivables, net	\$ 6,879,047	5,496,806
Tax refundable	141,745	237,224
Prepaid royalties	180,879	203,489
Other prepayments	405,499	387,995
Others	2,407	946
	\$ 7,609,577	6,326,460
(ii) Other non-current assets:		
Advance payments for equipment	\$ 163,729	82,915
Investment property	160,089	163,834
Refundable deposits	1,473,772	661,058
Others	283	1,903
	\$ 1,797,873	909,710

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- 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.

- 1) The cost and accumulated depreciation of investment property for the years ended December 31, 2023 and 2022, were as follows:

	Owned property		
	Land	Buildings	Total
Cost:			
Balance at December 31, 2023 (same as balance at January 1, 2023)	\$ 51,477	185,708	237,185
Balance at December 31, 2022 (same as balance at January 1, 2022)	\$ 51,477	185,708	237,185
Accumulated depreciation:			
Balance at January 1, 2023	\$ -	73,351	73,351
Depreciation	-	3,745	3,745
Balance at December 31, 2023	\$ -	77,096	77,096
Balance at January 1, 2022	\$ -	69,606	69,606
Depreciation	-	3,745	3,745
Balance at December 31, 2022	\$ -	73,351	73,351
Carrying amount:			
Balance at December 31, 2023	\$ 51,477	108,612	160,089
Balance at December 31, 2022	\$ 51,477	112,357	163,834
Balance at January 1, 2022	\$ 51,477	116,102	167,579

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

	2023	2022
Rent income	\$ 6,129	6,129
Direct operating expense arising from investment property that generated rental income	\$ 3,745	3,745

- 3) The fair value of the investment property was measured as the cash flows the Company expected to receive, and which was discounted with a particular interest rate to reflect the market price. The yields applied to the net annual rentals used to determine the fair value of properties were 0.3% for the years ended December 31, 2023 and 2022.

- 4) As of December 31, 2023 and 2022, the investment property was not pledged.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(m) Bank loans

(i) Short-term loans

	December 31, 2023	December 31, 2022
Unsecured bank loans	<u>\$ 66,268,203</u>	<u>74,037,266</u>
Unused credit line	<u>\$ 61,878,290</u>	<u>58,904,148</u>
Interest rate collar	<u>1.69%~6.27%</u>	<u>0.5%~5.36%</u>

(ii) Long-term loans

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 18,319,673	14,930,093
Less: current portion	<u>(714,336)</u>	<u>(5,527,440)</u>
	<u>\$ 17,605,337</u>	<u>9,402,653</u>
Unused credit line	<u>\$ 27,858,777</u>	<u>18,676,626</u>
Interest rate collar	<u>1.22%~6.86%</u>	<u>1.10%~6.01%</u>

(iii) Breach of covenant

- 1) On December 31, 2020, the Company entered into a 3-year loan agreement with Mega Bank (the lead bank) and 8 other participating banks, and which was extended on December 12, 2023, with significant terms as follows:

Total credit line: The original credit line was USD360,000,000, and then extended to USD327,500,000.

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.

- 2) On March 31, 2023, the Company entered into a 3-year loan agreement with Taipei Fubon Commercial Bank (the lead bank) and 14 other participating banks, with significant terms as follows:

Total credit facility: USD500,000,000

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

The Company was in compliance with the above financial covenants during the financial reporting periods.

(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 : As of December 31, 2023 and 2022, the amounts were \$8,642,622 and \$8,643,200, respectively, without revolving.

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

As of December 31, 2023 and 2022, the used credit line of \$1,859,429 and \$1,331,730, respectively, 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.

- (v) The interest expenses for short-term and long-term loans for the years ended December 31, 2023 and 2022, were disclosed in Note 6(v).

(n) Lease liabilities

	December 31, 2023	December 31, 2022
Current	<u>\$ 363,391</u>	<u>377,509</u>
Non-current	<u>\$ 1,475,594</u>	<u>1,589,163</u>

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interests on lease liabilities	<u>\$ 38,316</u>	<u>30,209</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 60,255</u>	<u>58,311</u>
Expenses relating to short-term leases	<u>\$ 6,360</u>	<u>11,415</u>
Expenses relating to leases of low-value assets	<u>\$ 807</u>	<u>92</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	<u>\$ 583,432</u>	<u>470,655</u>

(i) Leases of land, buildings and equipment

As of December 31, 2023, 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 and transportation equipment, with lease terms typically of 1 to 5 years, and of other equipment for a period of 3 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, 2023, 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.

(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, 2023 and 2022, rental income recognized in profit or loss, were \$64,115 and \$61,042, respectively.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Less than one year	\$ 8,399	8,168
Between one to five years	32,491	32,097
More than five years	<u>10,729</u>	<u>18,518</u>
Total undiscounted lease payments	<u>\$ 51,619</u>	<u>58,783</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 1,918,437	1,959,524
Fair value of plan assets	<u>(1,456,270)</u>	<u>(1,393,767)</u>
Net defined benefit liabilities	<u>\$ 462,167</u>	<u>565,757</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.

The Company's labor pension reserve account balance in Bank of Taiwan and Taipei Fubon Commercial Bank amounted to \$1,456,270 and \$1,393,767 as of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Balance at January 1	\$ 1,959,524	2,215,200
Current service cost and interests	38,979	21,718
Benefit paid by the Company	(45,794)	(47,072)
Benefit paid by the plan	(86,598)	(64,378)
Net remeasurements of defined benefit liabilities		
-Actuarial losses (gains) arising from changes in financial assumptions	21,209	(227,943)
-Experience adjustments	<u>31,117</u>	<u>61,999</u>
Balance at December 31	<u>\$ 1,918,437</u>	<u>1,959,524</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 1,393,767	1,206,402
Contribution paid by the Company	122,422	162,803
Benefit paid by the plan	(86,598)	(64,378)
Expected return on plan assets	23,634	7,276
Net remeasurements of defined benefit liabilities		
>Returns on plan assets	<u>3,045</u>	<u>81,664</u>
Fair value of plan assets at December 31	<u>\$ 1,456,270</u>	<u>1,393,767</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2023 and 2022, were as follow:

	<u>2023</u>	<u>2022</u>
Current service cost	\$ 5,876	8,279
Net interest on the net defined benefit liabilities	<u>9,469</u>	<u>6,163</u>
	<u>\$ 15,345</u>	<u>14,442</u>
	<u>2023</u>	<u>2022</u>
Cost of sales	\$ 5,753	9,786
Selling expenses	1,008	941
Administrative expenses	2,224	1,992
Research and development expenses	<u>6,360</u>	<u>1,723</u>
	<u>\$ 15,345</u>	<u>14,442</u>

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

As of December 31, 2023 and 2022, the Company's remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 754,793	1,002,401
Recognized during the year	<u>49,281</u>	<u>(247,608)</u>
Balance at December 31	<u>\$ 804,074</u>	<u>754,793</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

6) Actuarial assumptions

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.625 %	1.750 %
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, 2023 was \$50,048.

The weighted average lifetime of the defined benefits plans was 12.82 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, 2023		
Discount rate	\$ (42,328)	43,831
Future salary increases	41,837	(40,624)
December 31, 2022		
Discount rate	(45,902)	47,511
Future salary increases	45,695	(44,408)

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 \$547,204 and \$535,859 of the pension costs to the Bureau of Labor Insurance for the years ended December 31, 2023 and 2022, respectively.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(q) Income Taxes

(i) Income tax expense

- 1) The components of income tax expense (benefit) for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ 2,423,676	1,655,747
Prior period adjustments	(81,228)	-
	<u>2,342,448</u>	<u>1,655,747</u>
Deferred tax benefit		
Origination and reversal of temporary difference	(1,809,667)	(1,884,117)
Income tax expense (benefit)	<u>\$ 532,781</u>	<u>(228,370)</u>

- 2) The amounts of income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit plans	\$ (9,856)	49,471
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	(63,017)	5,332
	<u>(72,873)</u>	<u>54,803</u>

- 3) The reconciliation of income tax expense (benefit) and profit before tax for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Profit before tax	<u>\$ 12,004,397</u>	<u>10,934,081</u>
Estimated income tax calculated based on financial income before tax at the Company's statutory tax rate	\$ 2,400,879	2,186,816
Tax-exempt income	(1,206,289)	(1,526,404)
Prior-period tax adjustments	(81,228)	-
Change in unrecognized temporary differences	(1,366,740)	(963,073)
Surtax on undistributed earnings	434,015	-
Others	352,144	74,291
	<u>\$ 532,781</u>	<u>(228,370)</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only 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, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	<u>\$ 1,359,363</u>	<u>1,960,808</u>

b) Unrecognized deferred tax liabilities on investment

As of December 31, 2023 and 2022, the temporary differences associated with investments in subsidiaries were not recognized as deferred tax liabilities as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The temporary differences associated with investment in subsidiaries (tax amount):		
Unrecognized deferred tax liabilities	<u>\$ 8,298,180</u>	<u>7,532,885</u>

2) Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

	<u>Recognized share of loss of subsidiaries and associates accounted for equity method</u>	<u>Unrealized exchange loss</u>	<u>Current refund liability</u>	<u>Allowance for inventory obsolescence and accrued expenses</u>	<u>Unearned revenue</u>	<u>Others</u>	<u>Total</u>
Deferred tax assets:							
Balance at January 1, 2023	\$ -	1,085,322	1,565,734	566,842	1,641,656	602,476	5,462,030
Recognized in profit or loss	-	279,541	793,791	193,986	(194,928)	1,057,490	2,129,880
Recognized in other comprehensive income	-	-	-	-	-	75,432	75,432
Balance at December 31, 2023	<u>\$ -</u>	<u>1,364,863</u>	<u>2,359,525</u>	<u>760,828</u>	<u>1,446,728</u>	<u>1,735,398</u>	<u>7,667,342</u>
Balance at January 1, 2022	\$ 185,387	-	2,838,803	406,239	694,936	911,606	5,036,971
Recognized in profit or loss	(185,387)	1,085,322	(1,273,069)	160,603	946,720	(257,700)	476,489
Recognized in other comprehensive income	-	-	-	-	-	(51,430)	(51,430)
Balance at December 31, 2022	<u>\$ -</u>	<u>1,085,322</u>	<u>1,565,734</u>	<u>566,842</u>	<u>1,641,656</u>	<u>602,476</u>	<u>5,462,030</u>
	<u>Recognized share of gain of subsidiaries and associates accounted for equity method</u>	<u>Unrealized exchange gain</u>	<u>Others</u>	<u>Total</u>			
Deferred tax liabilities:							
Balance at January 1, 2023	\$ 1,114,599	-	-	314,531	-	-	1,429,130
Recognized in profit or loss	323,421	-	-	(3,208)	-	-	320,213
Recognized in other comprehensive income	-	-	-	2,559	-	-	2,559
Balance at December 31, 2023	<u>\$ 1,438,020</u>	<u>-</u>	<u>-</u>	<u>313,882</u>	<u>-</u>	<u>-</u>	<u>1,751,902</u>
Balance at January 1, 2022	\$ 2,052,784	-	542,539	238,062	-	-	2,833,385
Recognized in profit or loss	(938,185)	-	(542,539)	73,096	-	-	(1,407,628)
Recognized in other comprehensive income	-	-	-	3,373	-	-	3,373
Balance at December 31, 2022	<u>\$ 1,114,599</u>	<u>-</u>	<u>-</u>	<u>314,531</u>	<u>-</u>	<u>-</u>	<u>1,429,130</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (iii) The Company's tax returns for the years through 2021 were examined and approved by the Taiwan National Tax Administration.
- (r) Capital and Other Equities
- (i) Capital
- As of December 31, 2023 and 2022, the Company's authorized ordinary shares consisted of 4,000,000,000 shares, with a par value of \$10 per share, of which 2,899,766,000 and 2,901,602,000 shares, were issued and outstanding.
- 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 March 14, May 11, August 4 and December 21, 2023, May 6, August 5 and November 4, 2022, the Board of Directors resolved to cancel 1,436,000 shares, 200,000 shares, 160,000 shares, 40,000 shares, 150,000 shares, 180,000 shares and 1,320,000 shares of \$14,360, \$2,000, \$1,600, \$400, \$1,500, \$1,800 and \$13,200, 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 2020, 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. However, 21,255,000 shares and 4,245,000 shares were transferred to employees as of December 31, 2023 and 2022, resulting in the Company to hold 33,269,000 and 54,524,000 treasury shares, 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 does not carry any shareholder rights until it is transferred.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (iii) Capital surplus

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

	December 31, 2023	December 31, 2022
A premium issuance of common shares for cash	\$ 20,223,928	20,223,928
Surplus arising from equity-accounted investees	14,501,925	12,408,834
A premium issuance of common stock in exchange for the net assets of the DMS business of AI	1,800,000	1,800,000
Restricted shares to employees	535,093	338,636
Employee stock options	62,213	101,960
Transaction of treasury shares	88,427	62,307
Other	178,398	114,775
	\$ 37,389,984	35,050,440

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
Notes to the Parent Company Only Financial Statements

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 the 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 2022 and 2021 had been approved in the shareholders' meeting held on June 15, 2023 and June 17, 2022, respectively. These earnings were appropriated as follows:

	2022	2021
Dividends distributed to ordinary share holders		
Cash dividends	\$ 7,400,801	6,257,863

5) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			Deferred compensation arising from issuance of restricted shares
	The Company	Subsidiaries	Associates	The Company	Subsidiaries	Associates	The Company
	Balance at January 1, 2023	\$ (886,054)	(116,572)	(198,563)	(682,476)	(344,170)	(40,860)
Foreign currency translation differences (net of tax)	(139,351)	(40,047)	(89,724)	-	-	-	-
Disposal of part of the equity of the subsidiary	-	(10,704)	-	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	595,105	(33,355)	399,247	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	(154,289)	(93,003)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	182,275
Balance at December 31, 2023	\$ (1,025,405)	(167,323)	(288,287)	(241,660)	(470,528)	358,387	(99,732)

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Exchange differences on translation of foreign financial statements			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			Deferred compensation arising from issuance of restricted shares
	The Company	Subsidiaries	Associates	The Company	Subsidiaries	Associates	The Company
	Balance at January 1, 2022	\$ (8,027,659)	(373,306)	(330,461)	372,245	(397,805)	(33,662)
Foreign currency translation differences (net of tax)	7,125,045	256,473	131,898	-	-	-	-
Disposal of part of the equity of the subsidiary	16,560	261	-	-	-	-	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income.	-	-	-	(951,101)	59,580	(7,198)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income.	-	-	-	(103,620)	(5,945)	-	-
Compensation cost arising from share-based payments transactions	-	-	-	-	-	-	368,880
Balance at December 31, 2022	\$ (886,054)	(116,572)	(198,563)	(682,476)	(344,170)	(40,860)	(282,007)

(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 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 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.

- 2) Details of the restricted shares of the Company are as follows:

(Unit: in thousand shares)

	2023	2022
Outstanding at 1 January	\$ 60,780	62,640
Vested during the year	(18,993)	(210)
Canceled during the year	(1,836)	(1,650)
Outstanding at 31 December	\$ 39,951	60,780

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- 3) The Company has recovered the cash dividends of \$0 and \$396, distributed for those employees who did not meet the vesting conditions in 2023 and 2022, 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)

	2023	2022
Outstanding at 1 January	\$ 54,524	58,769
Exercised during the year	(21,255)	(4,245)
Outstanding at 31 December	\$ 33,269	54,524

- (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 (years)	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 Company in 2023 and 2022 were as follows:

	2023	2022
Restricted shares to employees	\$ 360,372	309,072

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(t) Earnings per share ("EPS")

	2023	2022
Basic earnings per share:		
Net profit belonging to ordinary shareholders	\$ 11,471,616	11,162,451
Weighted average ordinary shares outstanding (in thousands)	2,809,733	2,783,285
Basic EPS (in dollars)	\$ 4.08	4.01
Diluted EPS:		
Net profit belonging to ordinary shareholders	\$ 11,471,616	11,162,451
Weighted average ordinary shares outstanding (in thousands)	2,809,733	2,783,285
Effect of potentially dilutive ordinary shares (in thousands):		
Employees' remuneration	33,794	81,628
Restricted shares to employees	41,123	44,094
Weighted average ordinary shares outstanding plus the effect of potentially dilutive ordinary shares (in thousands)	2,884,650	2,909,007
Diluted EPS (in dollars)	\$ 3.98	3.84

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets		
United states	\$ 211,443,901	217,969,323
China	60,109,489	121,581,547
Europe	178,133,375	211,126,732
Others	185,536,312	136,151,092
	\$ 635,223,077	686,828,694
Major products		
Computer, Communication & Consumer electronics	\$ 557,972,317	576,681,519
Others	77,250,760	110,147,175
	\$ 635,223,077	686,828,694

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Trade receivables	\$ 84,189,168	51,771,737	57,640,567
Trade receivables-related parties	154,972,880	127,587,415	167,085,792
Less: loss allowance	<u>(90,951)</u>	<u>(184,415)</u>	<u>(602,369)</u>
	<u>\$ 239,071,097</u>	<u>179,174,737</u>	<u>224,123,990</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Current contract liabilities-warranty and advance receipts	<u>\$ 3,611,602</u>	<u>2,650,518</u>	<u>2,283,411</u>
Current refund liability	<u>\$ 11,797,625</u>	<u>7,828,669</u>	<u>10,434,341</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, 2023 and 2022 that were included in the contract liability balance at the beginning of both years were \$617,332 and \$617,252, respectively.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Interest income	<u>\$ 157,077</u>	<u>169,445</u>

(ii) Other income

The details of other income for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 130,008	127,918
Rental income	<u>64,115</u>	<u>61,042</u>
Total	<u>\$ 194,123</u>	<u>188,960</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Other gain and loss

The details of other gain and loss were as follows:

	<u>2023</u>	<u>2022</u>
Foreign exchange gains (losses), net	\$ 550,258	(467,426)
Gains (losses) on disposal of investments, net	25,994	(3,173)
Gains (losses) on disposal of property plant and equipment, net	(15,184)	5,396
Gains on financial assets or liabilities at fair value through profit or loss, net	247,062	3,810,229
Other investment gains (losses), net	85,784	(130,773)
Others	<u>187,188</u>	<u>104,540</u>
Total	<u>\$ 1,081,102</u>	<u>3,318,793</u>

(iv) Finance costs

	<u>2023</u>	<u>2022</u>
Interest Expense	<u>\$ 6,160,669</u>	<u>3,984,908</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>2023</u>	<u>2022</u>
Employee's remuneration	\$ 2,170,537	2,009,595
Directors' remuneration	<u>114,314</u>	<u>100,000</u>
	<u>\$ 2,284,851</u>	<u>2,109,595</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

The amounts were calculated by the net profit before tax excluding employees' and directors' remuneration of each year multiplied by the percentage of employees' and directors' remuneration as specified in the Company's Article of Incorporation. The amounts were accounted for under cost of sales and operating expenses in 2023 and 2022. 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 2023 and 2022. The remuneration to employees in 2022 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, 2023 and 2022, 75% and 67% of the Company's trade receivables were concentrated on 4 and 5 specific customers, respectively. Therefore, the Company was exposed to credit risk.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
As of December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	\$ 66,268,203	66,419,657	66,419,657	-	-
Note and trade payables (including related parties)	182,203,017	182,203,017	182,203,017	-	-
Other payables (including related parties)	16,934,769	16,934,769	16,934,769	-	-
Lease liabilities	1,838,985	2,240,863	384,443	663,719	1,192,701
Long-term loans (including current portion)	18,319,673	19,990,749	726,100	17,242,185	2,022,464
Subtotal	<u>285,564,647</u>	<u>287,789,055</u>	<u>266,667,986</u>	<u>17,905,904</u>	<u>3,215,165</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Carrying amount	Contractual cash flow	Within 1 year	1-5 years	More than 5 years
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	187,097	187,097	187,097	-	-
Carrying amount	187,097	187,097	187,097	-	-
Total	<u>\$ 285,751,744</u>	<u>287,976,152</u>	<u>266,855,083</u>	<u>17,905,904</u>	<u>3,215,165</u>
As of December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	\$ 74,037,266	74,123,702	74,123,702	-	-
Note and trade payables (including related parties)	134,801,503	134,801,503	134,801,503	-	-
Other payables (including related parties)	15,316,019	15,316,019	15,316,019	-	-
Lease liabilities	1,966,672	2,391,420	412,433	772,324	1,206,663
Long-term loans (including current portion)	14,930,093	15,706,618	5,657,776	8,599,464	1,449,378
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>
Derivative financial liabilities					
Foreign currency forward contracts:					
Outflow	161	161	161	-	-
Carrying amount	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>

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, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets						
Monetary items						
USD	8,969,833	USD/TWD= 30.735	275,687,817	6,235,643	USD/TWD= 30.708	191,484,125
Non-monetary items						
USD	2,472,017	USD/TWD= 30.735	75,977,429	2,300,156	USD/TWD= 30.708	70,633,188
Financial liabilities						
Monetary items						
USD	8,405,005	USD/TWD= 30.735	258,327,829	5,954,845	USD/TWD= 30.708	182,861,380

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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, 2023 and 2022, would change the net profit after tax by \$694,400 and \$344,910, respectively. The analysis assumes that all other variables remain constant.

2) Interest analysis

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

The following sensitivity analysis was based on the risk exposure to interest rates on non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis 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 \$55,430 and \$60,017 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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:

	2023	2022
<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>142,158</u>	<u>110,057</u>
Decreasing 3%	\$ <u>(142,158)</u>	<u>(110,057)</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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, 2023				
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ <u>2,570</u>	-	<u>2,570</u>	-	<u>2,570</u>
Current financial assets at fair value through other comprehensive income					
Trade receivables	\$ <u>30,269,163</u>	-	-	-	-
Non-current financial assets at fair value through profit or loss					
Convertible bonds	\$ <u>47,794</u>	-	-	<u>47,794</u>	<u>47,794</u>
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ <u>5,024,387</u>	<u>3,388,086</u>	-	<u>1,636,301</u>	<u>5,024,387</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 2,416,303	-	-	-	-
Restricted deposits	283	-	-	-	-
Trade receivables (including related parties)	208,801,934	-	-	-	-
Other receivables (including related parties)	8,445,958	-	-	-	-
Bonds	10,000	-	-	-	-
Subtotal	\$ <u>219,674,478</u>	-	-	-	-
Refundable deposits	\$ <u>1,473,772</u>	-	-	-	-
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>187,097</u>	-	<u>187,097</u>	-	<u>187,097</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 66,268,203	-	-	-	-
Note and trade payables (including related parties)	182,203,017	-	-	-	-
Other payables (including related parties)	16,934,769	-	-	-	-
Lease liabilities	1,838,985	-	-	-	-
Long-term loans (including current portion)	18,319,673	-	-	-	-
Subtotal	\$ <u>285,564,647</u>	-	-	-	-

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	December 31, 2022				
	Carrying amount	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Derivative financial assets	\$ 152,284	-	152,284	-	152,284
Current financial assets at fair value through other comprehensive income					
Trade receivables	\$ 15,141,423	-	-	-	-
Non-current financial assets at fair value through profit or loss					
SAFE	\$ 73,392	-	-	73,392	73,392
Non-current financial assets at fair value through other comprehensive income					
Equity instruments	\$ 3,931,066	2,410,211	-	1,520,855	3,931,066
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 10,252,203	-	-	-	-
Restricted deposits	300,557	-	-	-	-
Trade receivables (including related parties)	164,033,314	-	-	-	-
Other receivables (including related parties)	7,970,649	-	-	-	-
Subtotal	\$ 182,556,723	-	-	-	-
Refundable deposits	\$ 661,058	-	-	-	-
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 161	-	161	-	161
Financial liabilities measured at amortized cost					
Short-term loans	74,037,266	-	-	-	-
Note and trade payables (including related parties)	134,801,503	-	-	-	-
Other payables (including related parties)	15,316,019	-	-	-	-
Lease liabilities	1,966,672	-	-	-	-
Long-term loans (including current portion)	14,930,093	-	-	-	-
Subtotal	\$ 241,051,553	-	-	-	-

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

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

The listed stock and bond 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: None

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

d) Changes between level 3

The movements in the reconciliation of level 3 fair values during the years ended December 31, 2023 and 2022 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, 2023	\$ 73,392	1,520,855	1,594,247
Total gains and losses recognized			
in profit or loss	90,320	-	90,320
in other comprehensive income	-	(269,935)	(269,935)
Reclassified	(162,582)	162,582	-
Purchased	46,664	355,303	401,967
Disposal and return of capital	-	(52,329)	(52,329)
Effect of tax	-	(80,175)	(80,175)
December 31, 2023	<u>\$ 47,794</u>	<u>1,636,301</u>	<u>1,684,095</u>
	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
January 1, 2022	\$ -	1,023,260	1,023,260
Total gains and losses recognized			
in profit or loss	17,922	-	17,922
in other comprehensive income	-	(15,346)	(15,346)
Purchased	55,470	533,961	589,431
Disposal and return of capital	-	(48,597)	(48,597)
Effect of tax	-	27,577	27,577
December 31, 2022	<u>\$ 73,392</u>	<u>1,520,855</u>	<u>1,594,247</u>

For the years ended December 31, 2023 and 2022, 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:

	2023	2022
Total gains and losses recognized:		
in profit or loss, and presented in “other gains and losses”	\$ 90,320	17,922
in other comprehensive income, and presented in “unrealized gains (losses) from financial assets measured at fair value through other comprehensive income”	(269,935)	(15,346)
	<u>\$ (179,615)</u>	<u>2,576</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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 measurements
Financial assets measured at fair value through profit or loss – SAFE and convertible bonds	Binary tree model	·EV/Revenue (as of December 31, 2023, were 7.41~9.05)	·The estimated fair value would increase if the multiplier was higher.
		·Volatility (as of December 31, 2023, were 23.42%~33.42%)	·The estimated fair value would increase if the volatility was higher.
		·Liquidity discount rate (as of December 31, 2023, was 15.74%)	·The estimated fair value would decrease if the liquidity discount rate was higher.
		·Liquidity discount rate (as of December 31, 2022, was 25.33%)	·The estimated fair value would decrease if the liquidity discount rate was higher.
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Black-Scholes Option Pricing Model	·Volatility (as of December 31, 2022, was 39.52%)	·The estimated fair value would decrease if the volatility was higher.
		·Price-book ratio (as of December 31, 2023, were 0.96~4.81 and December 31, 2022, were 1.21~10.30)	·The estimated fair value would increase if the multiplier was higher.
		·Market liquidity discount rate (as of December 31, 2023 and 2022, were 20%)	·The estimated fair value would decrease if market liquidity discount rate was higher.
	Net asset value method	·Net asset value	·Not applicable

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- f) Fair value measurements in level 3-sensitivity analysis of reasonably possible alternative assumptions.

The Company's measurement on the fair value of financial instruments was deemed reasonable despite different valuation models or assumptions might lead to different results. For fair value measurements in level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs	Increase or decrease	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2023						
Financial assets measured at fair value through profit or loss	EV/ Revenue	5%	\$ 2,390	(2,390)	-	-
	Volatility	5%	\$ 2,390	(2,390)	-	-
	Liquidity discount rate	5%	\$ 2,390	(2,390)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	19,959	(19,959)
	Market liquidity discount rate	5%	-	-	19,959	(19,959)
	Net assets value method	5%	-	-	61,856	(61,856)
December 31, 2022						
Financial assets measured at fair value through profit or loss	Volatility	5%	3,670	(3,670)	-	-
	Liquidity discount rate	5%	3,670	(3,670)	-	-
Financial assets at fair value through other comprehensive income	Price book ratio	5%	-	-	14,995	(14,995)
	Market liquidity discount rate	5%	-	-	14,995	(14,995)
	Net asset value method	5%	-	-	65,207	(65,207)

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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

Unit: Foreign currency in thousands

December 31, 2023						
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 249,860	249,860	-	-	-	-
	CNY 2,695,076	2,695,076	-	-	-	-
	JPY 53,174,965	53,174,965	-	-	-	-

December 31, 2023						
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 249,860	249,860	-	-	-	-
	CNY 2,695,076	2,695,076	-	-	-	-
	JPY 53,174,965	53,174,965	-	-	-	-

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	-	-	-	-

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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.

(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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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, 2023 and 2022.

(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, 2023 and 2022, the Company had unused credit facilities for short-term and long-term loans of \$89,737,067 and \$77,580,774, respectively.

(v) Market risk

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

1) Currency risk

The Company was exposed to currency risk on sales, purchases and borrowings that were denominated in a currency other than the respective functional currencies of the Company's entities, the New Taiwan Dollars. The currencies used in these transactions 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.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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.

(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, 2023 and 2022, were as follow:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 317,554,984	265,365,510
Less: cash and cash equivalents	<u>(2,416,303)</u>	<u>(10,252,203)</u>
Net debt	315,138,681	255,113,307
Total equity	<u>104,224,111</u>	<u>96,382,149</u>
Adjusted equity	<u>\$ 419,362,792</u>	<u>351,495,456</u>
Debt-to-equity ratio at December 31	<u>75.15%</u>	<u>72.58%</u>

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

As of December 31, 2023, the Company's capital management strategy was consistent with the prior years.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(aa) Financing activities not affecting current cash flow

For the years ended December 31, 2023 and 2022, reconciliations of liabilities arising from financing activities were as follows:

	Non-cash changes					December 31, 2023
	January 1, 2023	Cash flows	Effect of changes in foreign exchange rates	Interest expense	Others	
Short-term loans	\$ 74,037,266	(7,287,829)	(481,234)	-	-	66,268,203
Long-term loans (including current portion)	14,930,093	3,392,324	(17,377)	-	14,633	18,319,673
Lease liabilities	1,966,672	(477,694)	-	-	350,007	1,838,985
Guarantee deposits	559,719	399,629	(1,039)	-	-	958,309
Total liabilities from financing activities	<u>\$ 91,493,750</u>	<u>(3,973,570)</u>	<u>(499,650)</u>	<u>-</u>	<u>364,640</u>	<u>87,385,170</u>

	Non-cash changes					December 31, 2022
	January 1, 2022	Cash flows	Effect of changes in foreign exchange rates	Interest expense	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>-</u>	<u>712,403</u>	<u>91,493,750</u>

(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 Hong Kong Limited (WHK)	The Company's subsidiary

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
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 Advanced Materials(Kunshan) Co., Ltd. (WGKS)	The Company's subsidiary
Wiwynn Technology Service KunShan Ltd. (WYKS)	The Company's subsidiary
Wiwynn Corporation (WYHQ)	The Company's subsidiary
Wistron InfoComm Technology (Zhongshan) Co., Ltd. (WTZS)	The Company's subsidiary
ANWITH TECHNOLOGY CORPORATION (WCHQ)	The Company's subsidiary
WiAdvance Technology Corporation (AGI)	The Company's subsidiary
SMS Infocomm Global Service (CQ) (WSCQ)	The Company's subsidiary
Wistron Service (Kunshan) Corp. (WSKS)	The Company's subsidiary
XTRONICS (Kunshan) Electronics Technology Co., Ltd. (XTRKS)	The Company's subsidiary
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
AiSails Power Inc. (AIS)	The Company's subsidiary
AII Holding Corporation (AIIH)	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 2)	The Company's subsidiary
ICT Service Management Solutions (India) Private Limited (WIN)	The Company's subsidiary
Wistron Medical Technology Japan K.K. (WMJP)	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
Smartply India Private Limited (STI)	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

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
SMS InfoComm Technology Services Limited Company (WTR)	The Company's subsidiary
WiEDU Holding Co., Ltd. (WEDH) (Note 3)	The Company's subsidiary
WiEdu Hong Kong Limited (WEHK)	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) (Note 4)	The Company's subsidiary
Wistron Europe Holding Cooperatie U.A. (WEH) (Note 5)	The Company's subsidiary
Wistron GreenTech (Texas) Corporation (WGTX)	The Company's subsidiary
Wistron Green Recycling Technology (Kunshan) Co., Ltd. (WTKS)	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
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) (Note 6)	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) (Note 7)	The Company's subsidiary
Wistron InfoComm Computer (Chengdu) Co., Ltd (WCCD)	The Company's subsidiary
WISTRON MEDICAL TECHNOLOGY MALAYSIA SDN. BHD. (WMKL)	The Company's subsidiary

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

Names of the related party	Relationship
Wiwynn Technology Service Mexico SA De CV (WYSMX)	The Company's subsidiary
Kaohsiung Opto Electronics (Kunshan) Co., Ltd. (KOEKS) (Note 8)	The Company's subsidiary
Wistron Automotive Electronics (India) Private Limited (WAEI)	The Company's subsidiary
HERACLES ENTERPRISES LIMITED (HCL)	The Company's subsidiary
FORMDSA PROSONIC TECHNOLOGY SDN BHD (FPTC)	The Company's subsidiary
T-CONN PRECISION CORPORATION (TPE)	The Company's associate
Join-Link International Technology Co. Ltd. (JLH)	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 (WFQ)	The Company's other related party

(Note 1): WESH was liquidated in the fourth quarter of 2022.

(Note 2): WCT was liquidated in the second quarter of 2022.

(Note 3): WEDH was liquidated in the first quarter of 2022.

(Note 4): WGHK was liquidated in the fourth quarter of 2023.

(Note 5): WEH was liquidated in the second quarter of 2022.

(Note 6): WCH was liquidated in the fourth quarter of 2023.

(Note 7): WAUS was liquidated in the fourth quarter of 2023.

(Note 8): KOEKS was liquidated in the second quarter of 2023.

(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	
	2023	2022
Subsidiaries		
WYHQ	\$ 48,360,043	68,820,275
Others	70,968,634	87,071,788
Associates	<u>145,667</u>	<u>275,429</u>
	<u>\$ 119,474,344</u>	<u>156,167,492</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	Receivables from related party	
	December 31, 2023	December 31, 2022
Subsidiaries		
WMMY	\$ 30,934,648	2,325,729
WCD	26,924,878	19,974,230
WCQ	26,660,431	18,182,374
WITX	25,576,530	29,270,251
WMMI	23,903,919	30,193,715
Others	20,907,091	27,587,288
Associates	<u>65,383</u>	<u>53,828</u>
	<u>\$ 154,972,880</u>	<u>127,587,415</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 Company and related parties were as follows:

	Purchases	
	2023	2022
Subsidiaries		
WCD	\$ 161,975,170	213,389,287
WCQ	116,087,014	102,432,248
WZS	107,395,745	124,779,372
Others	135,704,575	125,241,574
Associates	<u>306,855</u>	<u>746,282</u>
	<u>\$ 521,469,359</u>	<u>566,588,763</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

	<u>Payables to related party</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries		
WCQ	\$ 37,910,792	20,213,948
WZS	31,651,405	10,321,413
WCD	26,522,972	28,604,028
WMMY	22,913,849	5,030,499
WMMI	5,793,769	17,517,175
Others	9,629,447	10,613,994
Associates	38,514	50,645
	<u>\$ 134,460,748</u>	<u>92,351,702</u>

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

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

	<u>Rental income</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries		
ISL	\$ 6,218	6,218
Others	1,311	1,378
	<u>\$ 7,529</u>	<u>7,596</u>
	<u>Other receivables resulted from rental</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries		
ISL	\$ 1,632	1,632
Others	228	124
	<u>\$ 1,860</u>	<u>1,756</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

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

	<u>Proceeds</u>	
	<u>2023</u>	<u>2022</u>
Disposal of assets		
Subsidiaries	<u>\$ 256,232</u>	<u>147,632</u>
	<u>Acquisition price</u>	
	<u>2023</u>	<u>2022</u>
Acquisition of assets		
Subsidiaries	<u>\$ 172,604</u>	<u>162,115</u>
	<u>Contribution expenses</u>	
	<u>2023</u>	<u>2022</u>
Contribution		
WFQ	<u>\$ 33,487</u>	<u>35,616</u>
	<u>Other receivables</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Receivables from disposal of assets		
Subsidiaries	<u>\$ 947</u>	<u>-</u>
	<u>Other payables</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Payables resulting from acquisition of assets		
Subsidiaries	<u>\$ 101,187</u>	<u>6,588</u>

(v) Financing to related parties

The loans to related parties were as follows:

		<u>2023</u>				
		<u>Date of maximum outstanding balance</u>	<u>Maximum outstanding balance</u>	<u>Ending balance</u>	<u>Interest rate</u>	<u>Interest income</u>
KOE	2023.12	<u>\$ 2,700,000</u>	<u>1,200,000</u>	2.00%	<u>28,373</u>	<u>-</u>
		<u>2022</u>				
KOE	2022.12	<u>\$ 3,500,000</u>	<u>1,500,000</u>	2.00%	<u>15,732</u>	<u>-</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(vi) Advances to related parties

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

	Other receivables to related parties	
	December 31, 2023	December 31, 2022
Subsidiaries	\$ 359,590	969,475
Associates	4,514	2,612
	<u>\$ 364,104</u>	<u>972,087</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:

	Other payables to related parties	
	December 31, 2023	December 31, 2022
Subsidiaries	\$ 1,630,925	1,629,756
Associates	32,930	41,043
	<u>\$ 1,663,855</u>	<u>1,670,799</u>

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

	December 31, 2023	December 31, 2022
Rental receivables	\$ 1,860	1,756
Receivables from disposal of assets	947	-
Financing and interest receivables	1,200,000	1,500,000
Other receivables	364,104	972,087
	<u>\$ 1,566,911</u>	<u>2,473,843</u>

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

	December 31, 2023	December 31, 2022
Payables resulting from acquisition of assets	\$ 101,187	6,588
Other payables	1,663,855	1,670,799
	<u>\$ 1,765,042</u>	<u>1,677,387</u>

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(c) Transactions with key management personnel

Key management personnel remuneration:

	2023	2022
Short-term employee benefits	\$ 145,429	120,339
Post-employment benefits	3,912	2,892
Other long-term benefits	1,992	2,024
	<u>\$ 151,333</u>	<u>125,255</u>

(8) Pledged assets:

The carrying values of pledged assets were as follow:

Pledged assets	Object	December 31, 2023	December 31, 2022
Other non-current assets-restricted deposits	Stand by L/C	\$ 283	1,905

(9) Commitments and contingencies: None

(10) Losses due to major disasters: None.

(11) Subsequent events:

- (a) The appropriation of earnings for 2023 that was approved at the Board of Directors meeting on March 12, 2024, was as follows:

	2023
Ordinary share dividends	
Cash dividends	\$ 7,461,546

The aforesaid appropriation of earnings for 2023 is to be presented for approval in the shareholders' meeting to be held in May 2024.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(12) Other:

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

	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Personnel expenses						
Salaries	2,984,316	12,915,823	15,900,139	2,943,788	12,805,580	15,749,368
Labor and health insurance	257,584	840,875	1,098,459	243,779	836,183	1,079,962
Pension	90,984	471,565	562,549	92,321	457,980	550,301
Remuneration of directors	-	115,064	115,064	-	100,590	100,590
Others	195,204	285,559	480,763	186,043	278,766	464,809
Depreciation (Note)	798,374	743,566	1,541,940	617,747	640,720	1,258,467
Amortization	3,049	297,168	300,217	1,625	333,349	334,974

(Note) : The depreciation of the investment property for the years ended December 31, 2023 and 2022, amounted to \$3,745, which was recognized under other gains and losses.

For the years ended December 31, 2023 and 2022, the information on numbers of employees and employee benefit expense of the Company was as follows:

	<u>2023</u>	<u>2022</u>
Numbers of employees	<u>10,856</u>	<u>11,007</u>
Numbers of directors (non-employee)	<u>7</u>	<u>7</u>
Average employee benefit expense	<u>\$ 1,663</u>	<u>1,622</u>
Average employee salary expense	<u>\$ 1,466</u>	<u>1,432</u>
Percentage of increase in average employee salary expense	<u>2.37 %</u>	<u>1.85 %</u>
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

- (i) The remunerations to directors were in accordance with No. 11 and No.16 of the Company's Articles of Incorporation wherein if the Company incurs profit for the year (excluding the amounts of remuneration to employees and directors), the Company shall allocate not more than 1% of annual profit as the remuneration to directors by taking into consideration the Company's overall operating performance and the individual value of the services provided to the Company.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

- (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 year ended December 31, 2023:

- (i) Financings to other parties: Please see Table 1 attached.
- (ii) Guarantee and Endorsement for other parties: Please see Table 2 attached.
- (iii) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 3 attached.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of share capital: Please see Table 4 attached.
- (v) Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : Please see Table 5 attached.
- (vi) Disposition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital : None.

(Continued)

WISTRON CORPORATION
Notes to the Parent Company Only Financial Statements

(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.

(b) Information on investees (excluded investment in Mainland China):

Information on investees for the year ended December 31, 2023: Please see Table 8 attached.

(c) Information on investment in Mainland China : Please see Table 9 attached.

(d) Major shareholders: None.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Wistron Corporation
Statement of Cash and Cash Equivalents
December 31, 2023

(Expressed in thousands of New Taiwan Dollars / Foreign Currencies)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand	USD	0.001
	EUR	3
	NTD	7,434
Demand and check deposits		2,378,464
	USD	36,374
	EUR	140
	AUD	0.614
	GBP	0.808
	HKD	4
	JPY	104,894
	PLN	1,382
	CNY	852
	SGD	23
	CZK	132
Time deposits	NTD	1,217,706
		30,308
Total	SGD	1,300
		<u>\$ 2,416,303</u>

Note 1: The ending rates of foreign currency deposits on December 31, 2023 were as follows:

USD/NTD=30.735
EUR/NTD=33.990
AUD/NTD=21.007
GBP/NTD=39.193
HKD/NTD=3.934
JPY/NTD=0.217
PLN/NTD=7.838
CNY/NTD=4.324
SGD/NTD=23.314
CZK/NTD=1.376

Note 2: The period of the time deposits was 4 days, and the annual rate ranges 3.1%.

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Profit or Loss

-Current-Derivative Financial Instruments Not Used for Hedging

December 31, 2023

(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 forward contract	ING Bank	USD 4,000	334
	DBS Bank	USD 6,000	1,067
	J.P. Morgan Private Bank	USD 8,000	1,169
Financial assets measured at fair value through profit or loss-current			2,570
Buy foreign currency forward contract	ING Bank	USD 74,000	(43,781)
	BBVA Bank	USD 8,000	(3,265)
	DBS Bank	USD 66,000	(40,189)
	Standard Chartered Bank	USD 36,000	(27,164)
	United Overseas Bank	USD 69,000	(49,263)
	Deutsche Bank	USD 7,000	(4,365)
	J.P. Morgan Private Bank	USD 44,000	(19,070)
Financial liabilities measured at fair value through profit or loss-current			(187,097)
Total			<u>\$ (184,527)</u>

Wistron Corporation

Statement of Trade Receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Client H	\$ 34,136,780
Client J	13,554,397
Client L	10,974,582
Client K	4,679,338
Others (less than 5%)	20,844,071
Less: loss allowance	(90,951)
Total	<u>\$ 84,098,217</u>

Statement of Inventories

December 31, 2023

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 11,057,167	11,745,170
Work in progress	1,003,329	1,000,053
Finished goods	10,176,469	10,663,633
Inventory in transit	7,635,274	7,702,560
Subtotal	29,872,239	<u>31,111,416</u>
Less: provision of valuation of inventories	(743,777)	
Total	<u>\$ 29,128,462</u>	

Wistron Corporation

Statement of financial assets measured at fair value through profit and loss-non-current

January 1 to December 31, 2023

(Expressed in thousands of New Taiwan Dollars, shares)

Name	Beginning Balance		Increase		Decrease		Reclassification		Ending Balance		Collateral
	Share or units	Amount	Share or units	Amount	Share or units	Amount	Share or units	Amount	Shares or units	Fair Value	
Princeton Nuenergy Inc.	106	\$ 73,392	-	-	-	89,190	(106)	(162,582)	-	-	None
AVIZ Network Inc.	-	-	-	46,664	-	1,130	-	-	-	-	None
Total	-	\$ 73,392	-	46,664	-	90,320	-	(162,582)	-	47,794	None

Wistron Corporation

Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income-Non Current

January 1 to December 31, 2023

(Expressed in thousands of New Taiwan Dollars, shares)

Name	Beginning Balance		Increase		Decrease		Reclassification		Gains (Losses) on Valuation		Deferred Income Tax Assets (Liabilities)		Ending Balance		Collateral
	Shares or units	Amount	Shares or units	Amount	Shares or units	Amount	Share or units	Amount	(Losses) on Valuation	Tax Assets (Liabilities)	Shares or units	Amount	Amount	Collateral	
Alpha Networks Inc.	19,328	\$ 545,044	-	-	(19,328)	(753,106)	-	-	208,062	-	-	-	-	None	
Gamania Digital Entertainment Co., Ltd.	1,126	78,739	-	-	(1,126)	(78,083)	-	-	(656)	-	-	-	-	None	
Super Dragon Technology Co., Ltd.	5,676	112,385	-	-	-	-	-	-	26,110	-	-	-	5,676	138,495	
Global Lighting Technologies Inc.	20,914	1,150,294	-	-	-	-	-	-	(58,560)	-	-	-	20,914	1,091,734	
ARBOR Technology Corp.	4,679	126,556	-	-	-	-	-	-	96,613	-	-	-	4,679	223,169	
AOOpen Inc.	1,497	70,786	-	-	(1,171)	(66,273)	-	-	16,294	-	-	-	326	20,807	
FineMat Applied Materials Co., Ltd.	4,589	128,499	-	-	-	-	-	-	13,079	-	-	-	4,589	141,578	
Clientron Corp.	917	20,737	-	-	-	-	-	-	(6,527)	-	-	-	917	14,210	
Plexbio Corporation, LTD	1,227	14,704	-	-	-	-	-	-	2,602	-	-	-	1,227	17,306	
Applied BioCode Corporation	2,075	64,325	-	-	-	-	-	-	(11,828)	-	-	-	2,075	52,497	
Marvell Technology, Inc.	87	98,142	-	-	-	-	-	-	49,438	-	-	-	87	159,940	
Howe advanced Ltd.	4,000	-	-	-	-	-	-	-	-	12,360	-	-	4,000	None	
Lilee Systems, Ltd.	3,528	-	-	-	-	-	-	-	-	-	-	-	3,528	None	
Zeo, Inc.	779	-	-	-	-	-	-	-	-	-	-	-	779	None	
Janus Technologies, Inc	864	-	-	-	-	-	-	-	-	-	-	-	864	None	
Vmedia Research Inc.	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000	None	
Tube Inc.	17,009	68,936	-	-	-	-	-	-	28,915	-	-	-	17,009	105,080	
Tactus Technology Inc.	7	-	-	-	-	-	-	-	-	-	-	-	7	None	
Scenera, Inc.	226	11,228	-	-	-	-	-	-	(5,154)	-	-	-	226	4,785	
IP Fund Six Co., Ltd.	645	1,208	-	-	-	-	-	-	(966)	-	-	-	645	None	
Master Transportation Bus Manufacturing Ltd.	2,375	124,083	-	-	-	-	-	-	27,240	-	-	-	2,375	151,323	
AVIZ Networks Inc.	3,781	37,132	-	-	-	-	-	-	(29,722)	-	-	-	3,781	None	
EY Motors Japan Co., Ltd.	-	57,297	-	-	-	-	-	-	(3,407)	-	-	-	-	(852)	
Alechip Technologies, Limited	-	-	690	999,120	-	-	-	-	529,230	-	-	-	690	1,528,350	
Princeton Nuenergy Inc.	-	-	126	191,678	-	-	106	162,582	(215,448)	-	-	-	232	84,950	
IP Fund Six Co., Ltd.	4,634	42,608	-	-	-	-	-	-	9,615	-	-	-	4,634	52,223	
Cosca Fund 2012, L.P.	-	17,971	-	-	-	-	-	-	(1,612)	-	-	-	-	15,956	
Jafoo AT Fund VI L.P.	-	181,360	-	-	-	-	-	-	(77,782)	-	-	-	-	52,517	
Kibou Fund L.P.	-	42,667	-	-	-	-	-	-	(17,563)	-	-	-	-	None	
Fenox Venture Company XIV, L.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	None	
Vertex V (C.I.) Fund L.P.	-	300,203	-	2,745	-	-	-	-	(17,235)	-	-	-	-	281,404	
China Renewable Energy Fund, L.P.	-	496,361	-	150,880	-	-	-	-	19,273	-	-	-	-	671,333	
JAFCO Taiwan I Venture Capital L.P.	-	120,109	-	-	-	-	-	-	7,416	-	-	-	-	127,525	
JAFCO Taiwan II Venture Capital L.P.	-	19,672	-	10,000	-	-	-	-	6,495	-	-	-	-	36,167	
Total	-	\$ 3,931,066	-	1,354,423	-	(949,791)	-	162,582	593,922	-	-	-	-	5,024,387	

Wistron Corporation

Statement of financial assets measured at a amortized cost - non-current

January 1 to December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Ending Balance		Collateral
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	
Shin Kong Life Insurance Unsecured Subordinated Ten-years Corporate Bond	-	\$ -	10	10,000	-	-	10	10,000	Note

Wistron Corporation

Statement of Movement of Investments Accounted for Using the Equity Method

January 1 to December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Investment income		Reclassification		Ending Balance		Market Value or Net Assets Value			
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Percentage of ownership	Units	Amount	Unit price	Total amount	Collateral
WAX	16,044	\$ 22,415,535	-	-	-	-	16,044	137,143	-	-	100.00 %	2,418,590	442	2,418,590	None	
WTX	4,833	2,008,309	-	-	-	-	4,833	177,413	-	-	100.00 %	2,115,517	442	2,115,517	None	
AIH	437,486	7,789,305	-	(5,000)	-	(5,000)	(66,625)	186,113	-	-	100.00 %	7,808,450	18	7,808,450	None	
Covin	213,894	16,597,541	-	710	-	(200)	(6,078)	969,145	-	-	100.00 %	17,561,318	82	17,561,318	None	
Win Smart	44,365	211,083,469	-	-	-	-	(70,064)	2,109,043	-	-	100.00 %	23,206,948	521	23,206,948	None	
WCL	-	79,918,359	-	1,548,666	-	-	1,104,066	-	-	-	100.00 %	10,375,104	-	10,375,104	None	
ISL	-	124,813	-	3,372	-	-	(29,828)	45,084	-	-	100.00 %	143,641	59	143,641	None	
WSPH	139,567	26,652	-	825,000	-	-	(5,760)	12,023	-	-	100.00 %	499,552	1	499,552	None	
WLLC	83,366	3,599,081	-	2,000	-	-	71,171	10,936	-	-	100.00 %	4,287,709	392	4,287,709	None	
WYS	91,150	884,700	-	616,857	-	-	10,950	91,150	-	-	100.00 %	942,468	103	942,468	None	
WBR	37,243	606,721	-	56,446	-	-	105,980	37,243	-	-	99.90 %	769,147	21	769,147	None	
WTR	22	80,171	-	-	-	-	24,054	22	-	-	100.00 %	41,583	3,175	69,855	None	
WGTX	115,389	-	-	1,163	-	(33,500)	(74,969)	-	-	-	100.00 %	41,583	3,199	41,583	None	
WGHK	33,500	22,692	-	385	-	-	(15,778)	267,425	-	-	100.00 %	6,625,536	25	6,625,536	None	
WMMY	267,425	5,653,318	-	-	-	-	(9,028)	981,046	-	-	100.00 %	(184,817)	(5)	-	None	
WSMX	36,429	(172,850)	-	-	-	-	(25,704)	13,737	-	-	100.00 %	15,917,592	1,825	120,238,610	None	
WCH	20	472,458	-	26,777	-	(20)	(509,753)	10,518	-	-	37.69 %	1,007,781	17	1,007,781	None	
WYHQ	65,895	14,618,455	-	56,826	-	-	(3,296,802)	4,539,133	-	-	100.00 %	25,618	26	25,618	None	
WCHK	58,446	996,159	-	227,068	-	-	(210,807)	210,807	-	-	100.00 %	2,647,198	26	2,647,198	None	
WHCQ	1,000	25,201	-	3,057	-	(137)	(2,303)	1,000	-	-	100.00 %	1,496,368	5	1,496,368	None	
WCZZ	-	2,510,833	-	281	-	-	136,084	-	-	-	100.00 %	(1,773)	(3)	(47,831)	None	
WEHK	16,426	(1,566)	-	-	-	(39)	(68)	-	-	-	0.01 %	10	10	10	None	
AGI	1	12	-	-	-	-	(2)	-	-	-	100.00 %	(2,251,771)	(4)	(594,395)	None	
WSSG	157,489	2,319,294	-	363,448	-	-	(2,950,037)	(1,657,376)	-	-	100.00 %	2,289,692	11	2,289,692	None	
WDH	205,056	2,151,214	-	215,390	-	-	15,762	-	-	-	100.00 %	1,007,781	17	1,007,781	None	
WMH	280,000	1,899,963	-	87,434	-	-	(403,607)	-	-	-	100.00 %	25,618	26	25,618	None	
WSCQ	-	418,451	-	203	-	-	(87,422)	-	-	-	100.00 %	2,647,198	26	2,647,198	None	
WTS	35	18,770	-	-	-	-	1,161	-	-	-	100.00 %	430,315	5	430,315	None	
WIMX	133,410	1,134,354	-	1,418,035	-	-	1,064	-	-	-	100.00 %	19,875	568	19,875	None	
WVN	1,340,224	1,340,224	-	1,437,884	-	-	53,197	-	-	-	100.00 %	2,570,869	-	2,570,869	None	
WSCZ	671,371	11,579	-	1,437,884	-	-	22,491	-	-	-	100.00 %	2,745,599	-	2,745,599	None	
WIS	17,888	258,594	-	11,586	-	(53,633)	21,424	-	-	-	75.42 %	353,141	12	353,141	None	
WCA	170,000	1,697,225	-	100,000	-	(103,116)	(33,653)	-	-	-	100.00 %	2,703,658	10	2,703,658	None	
WGEH	28,000	279,563	-	530	-	-	6,433	-	-	-	100.00 %	262,021	9	262,021	None	
HCL	-	69,848	-	-	-	-	(560)	-	-	-	30.00 %	32,186	-	32,186	None	
WNC	89,625	4,598,489	-	6,414	-	(37,096)	824,454	-	-	-	19.92 %	6,347,053	156	14,989,891	None	
TPE	4,711	104,576	-	283	-	(8,337)	(79,183)	-	-	-	9.99 %	36,148	34	172,052	None	
ISGTC	5	-	-	-	-	-	-	-	-	-	40.00 %	-	-	-	None	
ISGTC	5	-	-	-	-	-	-	-	-	-	40.00 %	-	-	-	None	
Formosa Precision Industries Berhad	60,260	769,488	-	(142,742)	-	-	172,855	-	-	-	40.00 %	799,101	19	1,329,713	None	
JLF	20,261	34,129	-	2,626	-	-	8,107	-	-	-	29.65 %	69,252	3	69,252	None	
NICE Licensing, LLC	-	3,092	-	(213)	-	-	(3,792)	-	-	-	20.00 %	4,532	-	4,532	None	
PdI	3,000	215,850	-	2,150	-	-	(29,900)	-	-	-	9.55 %	417,562	22	112,055	None	
Mobility Technology Group Inc.	-	-	-	9,000	-	(17,358)	(6,821)	-	-	-	31.25 %	248,021	16	145,302	None	
The effect of adjustments on intercompany lease transactions	-	(1,799,280)	-	-	-	-	23,475	-	-	-	-	32,394	-	-	None	
Deferred credits	-	10,537,029	-	(813,511)	-	-	1,137	-	-	-	-	113,066,924	-	-	None	
Total	-	\$ 103,488,451	-	(7,773,665)	-	(1,657,276)	8,448,495	-	-	-	-	113,066,924	-	-	-	None

Wistron Corporation
Statement of Short-Term Loans
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Period	Interest Rate	Loan		Amount
				Commitments	Collateral	
Credit loan	Citi Bank	2023/12/8~2024/1/8	6.10%	\$ 3,073,830	None	\$ 1,782,630 (Note)
Credit loan	DBS Bank	2023/12/22~2024/1/26	1.80%~6.24%	6,454,350	None	1,822,495
Credit loan	Oversea Chinese Banking Corporation	2023/11/10~2024/2/6	1.83%	3,073,500	None	2,700,000
Credit loan	J.P. Morgan Private Bank	2023/11/9~2024/2/5	1.69%	583,965	None	500,000
Credit loan	Sumitomo Mitsui Bank	2023/12/13~2024/1/11	6.23%~6.26%	6,147,000	None	6,142,271
Credit loan	China Construction Bank	2023/12/6~2024/1/5	6.12%	3,073,500	None	3,073,500
Credit loan	Mega Bank	2023/12/11~2024/1/19	5.95%	6,147,000	None	5,895,667
Credit loan	Bank SinoPac	2023/12/18~2024/2/6	1.85%	4,200,000	None	600,000
Credit loan	Taipei Fubon Commercial Bank	2023/12/15~2024/1/22	1.83%~6.17%	3,766,150	None	1,306,905
Credit loan	Yuanta Bank	2023/12/13~2024/1/11	1.72%	3,000,000	None	3,000,000
Credit loan	Taishin Bank	2023/12/20~2024/3/26	1.79%~6.05%	7,000,000	None	6,889,980
Credit loan	Taiwan Business Bank	2023/12/3~2024/1/3	1.84%	3,500,000	None	2,100,000
Credit loan	Bank SinoPac	2023/12/15~2024/1/8	1.80%	1,200,000	None	600,000
Credit loan	BBVA Taiwan	2023/10/6~2024/1/16	1.80%~1.84%	4,610,250	None	3,110,000
Credit loan	Metro Bank	2023/12/18~2024/2/22	1.79%	2,305,125	None	2,200,000
Credit loan	Taiwan Cooperative Bank	2023/12/11~2024/1/11	1.75%	4,500,000	None	2,100,000
Credit loan	Agricultural Bank of Taiwan	2023/12/13~2024/1/12	6.17%	1,550,000	None	1,413,810
Credit loan	Bank of Taiwan	2023/12/7~2024/1/6	6.23%	4,500,000	None	4,301,090
Credit loan	Firt Commercial Bank	2023/12/8~2024/1/8	6.23%	6,000,000	None	4,701,144
Credit loan	Hua Nan Commercial Bank	2023/12/4~2024/1/5	6.20%	7,000,000	None	1,801,071
Credit loan	Land Bank of Taiwan	2023/12/20~2024/3/19	6.27%	3,500,000	None	2,612,630
Credit loan	The Shanghai Commercial & Saving Bank, Ltd.	2023/12/26~2024/1/25	6.00%	2,151,450	None	2,151,450
Credit loan	Shin Kong Bank	2023/12/14~2024/1/15	6.20%	1,536,750	None	1,535,631
Credit loan	United Overseas Bank	2023/12/21~2024/1/23	6.21%	3,995,550	None	3,927,929
Total						\$ 66,268,203

(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, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Vendor J	\$ 18,773,128
Vendor D	7,747,499
Vendor I	6,548,866
Others (less than 5%)	14,672,776
Total	\$ 47,742,269

Statement of Other Current Liabilities

Item	Amount
Accrued salary and bonus (including remuneration of employees and directors)	\$ 8,105,370
Provision of valuation of inventories for suppliers	3,060,366
Deferred revenue	11,522,691
Others (less than 5%)	5,631,177
Total	\$ 28,319,604

Wistron Corporation
Statement of Long-Term Loans

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Bank	Period	Interest Rate	Loan Commitments	Collateral	Amount	
					Current Amount Expired within one year	Amount
Fubon Commercial Bank and other 14 financial institutions	2023/5/26~2026/5/26	2.02%	\$ 15,367,500	None	\$ -	9,800,000
Mega Bank and other 8 financial institutions	2021/3/10~2026/3/10	6.86%	11,064,600	None	599,333	6,039,427
BNP Bank	2022/11/11~2024/7/31	4.69%	2,458,800	None	115,565	-
Low-interest Loan (Mega Bank and other 5 financial institutions)	2022/1/17~2032/1/15	1.22%~1.49%	8,642,622	None	-	1,787,160
Less: Arrangement fees			-		(562)	(21,250)
					<u>\$ 714,336</u>	<u>17,605,337</u>

Wistron Corporation
Statement of Lease Liabilities

December 31, 2023

(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%	\$ 904,772
Buildings and Construction	For office use	1~10 years	1.35%~2.26%	849,177
Office Equipment	For operating use	1~5 years	1.48%~2.07%	44,170
Transportation Equipment	For operating use	1~5 years	1.35%~2.07%	27,120
Other Equipment	For operating use	3~5 years	1.59%~2.16%	13,746
Subtotal				1,838,985
Less : Current Portion				(363,391)
Lease Liabilities-Non-Current				<u>\$ 1,475,594</u>

Statement of Other Non-Current Liabilities

Item	Amount
Net defined benefit liabilities	\$ 462,167
Guarantee deposits	958,309
Others (less than 5%)	71,758
Total	<u>\$ 1,492,234</u>

Wistron Corporation
Statement of Cost of Sales
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Raw materials	
Beginning balance of raw materials	\$ 14,349,646
Add: Purchases	584,796,598
Less: Ending balance of raw materials	(11,344,061)
Reclassified to other accounts	<u>(61,617)</u>
Raw materials used	587,740,566
Direct labor	1,467,428
Manufacturing overhead	<u>4,416,593</u>
Total manufacturing cost	593,624,587
Add: Beginning balance of work-in-process inventory	743,793
Less: Ending balance of work-in-process inventory	(1,010,700)
Reclassified to other accounts	<u>(48,022)</u>
Cost of finished goods	593,309,658
Add: Beginning balance of finished goods	23,070,296
Less: Ending balance of finished goods	(17,517,478)
Reclassified to other accounts	<u>(107,807)</u>
Subtotal	598,754,669
Add: Software royalty fees	417,528
Loss on valuation of inventories	2,414,865
Loss on supplier inventory reserve	684,170
Less: Income from sale of scraps	<u>(18,490)</u>
Total cost of sales	<u><u>\$ 602,252,742</u></u>

Wistron Corporation
Statement of Operating Expenses
For the year ended December 31, 2023
(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	\$ 1,237,669	2,314,503	11,076,714
Postage expenses	1,310	329,640	14,902
Freight	675,324	457	27,380
Insurance fees	264,252	7,876	527
Professional service fees	38,794	874,264	252,921
Import and export expenses	285,339	-	2
Welfare funds	321,112	-	-
Inspection and testing expenses	2,473	1,033	937,561
Sundry purchase	37,378	36,609	1,662,725
Others (less than 5%)	<u>385,886</u>	<u>895,084</u>	<u>2,190,820</u>
Total	<u><u>\$ 3,249,537</u></u>	<u><u>4,459,466</u></u>	<u><u>16,163,552</u></u>

Wistron Corporation
Others
December 31, 2023

Item	Description
Statement of financial assets measured at amortized cost-current	Disclosure in Note 6(c)
Statements of trade receivables-related parties and other receivables-related parties	Disclosure in Note 7
Statement of other current assets and other assets	Disclosure in Note 6(l)
Statement of movement 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 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 operating 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-Copmany-Only Financial Statements

Table 1 Financing to other parties
(December 31, 2023)

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 2)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
													Item	Value			
0	The Company	KOE	Other receivables	Yes	2,700,000	1,500,000	1,200,000	2.00%	2	-	Operating Capital	-	-	-	10,422,411	52,112,055	(Note 1, Note 3 and Note 4)

(TWD : expressed in thousands)

(Note 1) The total amount available for financing purposes shall not exceed 30% 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, 2023)

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 on total amount of endorsements/guarantees provided (Note 1) and (Note 3)	Endorsement / guarantees provided by parent company	Endorsement / guarantees provided by a subsidiary	Endorsement / guarantees provided to the party in Mainland China
		Name	Relationship with the company (Note 8)										
0	The Company	WJP	2	31,267,233	816,960	542,250	542,250	-	0.52%	104,224,111	Y	N	N
0	The Company	Cowin (Note 5)	2	31,267,233	32,419	30,735	30,735	-	0.03%	104,224,111	Y	N	N
0	The Company	WZS shared with WAKS (Note 5)	2	31,267,233	64,838	61,470	61,470	-	0.06%	104,224,111	Y	N	Y
0	The Company	WCCZ	2	31,267,233	503,088	492,512	492,512	-	0.47%	104,224,111	Y	N	N
0	The Company	WBR	2	31,267,233	907,732	860,580	860,580	-	0.83%	104,224,111	Y	N	N
0	The Company	WIN	2	31,267,233	2,188,283	2,074,613	1,767,263	-	1.99%	104,224,111	Y	N	N
0	The Company	WSSG	2	31,267,233	8,422,760	6,269,940	6,269,940	-	6.02%	104,224,111	Y	N	N
0	The Company	WTX	2	31,267,233	2,102,364	1,413,810	1,413,810	-	1.36%	104,224,111	Y	N	N
0	The Company	WTGX	2	31,267,233	826,685	768,375	614,700	-	0.74%	104,224,111	Y	N	N
0	The Company	WTZ	2	31,267,233	3,602,748	1,488,858	1,488,858	-	1.43%	104,224,111	Y	N	Y
0	The Company	WSMX	2	31,267,233	648,380	614,700	614,700	-	0.59%	104,224,111	Y	N	N
0	The Company	WGKS	2	31,267,233	194,514	184,410	184,410	-	0.18%	104,224,111	Y	N	Y
0	The Company	WCCZ shared with WSCZ	2	31,267,233	1,653,369	1,567,485	1,567,485	-	1.50%	104,224,111	Y	N	N
0	The Company	WAKS shared with WTZ and WGKS	2	31,267,233	614,800	-	-	-	-	104,224,111	Y	N	Y
0	The Company	WTR	2	31,267,233	32,419	30,735	30,735	-	0.03%	104,224,111	Y	N	N
0	The Company	WCH	2	31,267,233	38,458	-	-	-	-	104,224,111	Y	N	N
0	The Company	AGI	2	31,267,233	872,000	872,000	472,000	-	0.84%	104,224,111	Y	N	N
0	The Company	WSCQ	2	31,267,233	3,154,522	2,637,906	2,023,206	-	2.53%	104,224,111	Y	N	Y
0	The Company	WCHQ	2	31,267,233	185,000	185,000	135,000	-	0.18%	104,224,111	Y	N	N
0	The Company	WMMI shared with WMCQ	2	31,267,233	486,285	461,025	461,025	-	0.44%	104,224,111	Y	N	Y
0	The Company	WMMI shared with WIN	2	31,267,233	1,936,080	1,536,750	614,700	-	1.47%	104,224,111	Y	N	N
0	The Company	WLB	2	31,267,233	400,000	200,000	200,000	-	0.19%	104,224,111	Y	N	N
0	The Company	WCL	2	31,267,233	1,200,000	600,000	600,000	-	0.58%	104,224,111	Y	N	N
0	The Company	WMMI	2	31,267,233	7,294,833	6,916,695	5,440,095	-	6.64%	104,224,111	Y	N	N
0	The Company	WMMY	2	31,267,233	9,114,700	5,071,275	4,241,430	-	4.87%	104,224,111	Y	N	N
0	The Company	WITT	2	31,267,233	1,068,620	891,315	891,315	-	0.86%	104,224,111	Y	N	N
0	The Company	WETW	2	31,267,233	175,000	175,000	175,000	-	0.17%	104,224,111	Y	N	N
0	The Company	WVN	2	31,267,233	9,005,355	9,005,355	4,149,225	-	8.64%	104,224,111	Y	N	N
0	The Company	WIMX	2	31,267,233	6,483,800	6,147,000	4,917,600	-	5.90%	104,224,111	Y	N	N
0	The Company	WIS	2	31,267,233	145,886	138,308	138,308	-	0.13%	104,224,111	Y	N	N
0	The Company	XTRKS	2	31,267,233	2,955,274	2,651,069	1,137,195	-	2.54%	104,224,111	Y	N	Y
0	The Company	WSPH shared with WCCZ, WMMX, WITX, WSSG and WMMY (Note 6)	2	31,267,233	1,406,700	1,383,075	756,081	-	1.33%	104,224,111	Y	N	N
0	The Company	WAKS shared with WZS, WCD and WCO (Note 6)	2	31,267,233	937,800	922,050	504,054	-	0.88%	104,224,111	Y	N	Y

(TWD : expressed in thousands)

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

- (Note 1)
(Note 2)
(Note 3)
(Note 4)
(Note 5)
(Note 6)
(Note 7)
(Note 8)
- 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 shall not exceed the Company's audited or reviewed net worth.
The credit line shared by Cowin, WZS and WAKS amounted to USD3,000,000.
The credit line shared by WSPH, WCCZ, WMMX, WAKS, WZS, WCD and WCO amounted to USD75,000,000.
Since the Board of Directors of the Company approved the quota to be renewed in advance, a total of TWD922,050 is a double-counted quota.
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, 2023)

Securities held by	Category and name of securities	Relationship	Financial statement account	December 31, 2023				Highest percentage of shares during the period	Note
				Number of shares	Book value	Percentage of Ownership	Fair Value		
The Company	Super Dragon Technology Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	5,676	138,495	5.50%	138,495	5.50%	
The Company	Global Lighting Technologies Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	20,914	1,091,734	16.23%	1,091,734	16.23%	
The Company	ARBOR Technology Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	4,679	223,169	4.90%	223,169	5.00%	
The Company	AOport Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	326	20,807	0.46%	20,807	2.10%	
The Company	FineMat Applied Materials Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,589	141,578	6.91%	141,578	6.91%	
The Company	Cleantron Corp.	Stock	Non-current financial assets at fair value through other comprehensive income	917	14,210	1.44%	14,210	1.44%	
The Company	Plebsa Corporation, LTD	Stock	Non-current financial assets at fair value through other comprehensive income	1,227	17,306	1.18%	17,306	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	52,497	2.54%	52,497	2.54%	
The Company	Lite Systems, Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	3,528	-	29.51%	-	29.51%	
The Company	Zov, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	779	-	6.57%	-	6.57%	
The Company	Ymedia Research	Stock	Non-current financial assets at fair value through other comprehensive income	864	-	4.01%	-	4.01%	
The Company	Janus Technologies, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	2,000	-	7.69%	-	7.69%	
The Company	Tube Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	17,009	105,080	18.19%	105,080	20.73%	
The Company	Tactus Technology Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	7	-	0.06%	-	0.06%	
The Company	Vidari Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	226	4,785	2.33%	4,785	3.17%	
The Company	Scenera, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	645	-	5.21%	-	11.42%	
The Company	Marvell Technology, Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	87	159,940	0.01%	159,940	0.01%	
The Company	Master Transportation Bus Manufacturing Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	2,375	151,323	5.46%	151,323	5.52%	
The Company	AVIZ Networks Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	3,781	-	6.65%	-	6.72%	
The Company	EV Motors Japan Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	690	53,038	1.99%	53,038	2.31%	
The Company	Aldhip Technologies, Limited	Stock	Non-current financial assets at fair value through other comprehensive income	690	1,528,350	0.93%	1,528,350	0.94%	
The Company	Princeton Ntenergy Inc.	Stock	Non-current financial assets at fair value through other comprehensive income	232	84,950	11.30%	84,950	11.30%	
The Company	JP Fund Six Co., Ltd.	Stock	Non-current financial assets at fair value through other comprehensive income	4,634	52,223	10.71%	52,223	10.72%	
The Company	Corsa Fund 2012, L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	15,956	17.96%	15,956	20.00%	
The Company	Jafco AT Fund VI L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	52,517	6.67%	52,517	6.67%	
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	Vertex V (C.L) Fund L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	281,404	2.57%	281,404	2.57%	
The Company	China Renewable Energy Fund, LP	Fund	Non-current financial assets at fair value through other comprehensive income	-	671,333	9.01%	671,333	9.01%	
The Company	JAFECO Taiwan I Venture Capital L.P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	127,525	4.99%	127,525	4.99%	
The Company	JAFECO Taiwan II Venture Capital L. P.	Fund	Non-current financial assets at fair value through other comprehensive income	-	36,167	4.81%	36,167	9.21%	
The Company	AVIZ Networks Inc.	Bond	Non-current financial assets at fair value through profit or loss	-	47,794	-	47,794	-	

(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, 2023)

Securities held by	Category and name of securities	Financial statement account	Counter - party	Relationship with the investor	Beginning balance		Acquire		Disposal		Ending balance	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Amount
The Company	WLLC	Equity-accounted investees	(Note 1)	subsidiary	8,936	3,599,681	2,000	601,200	-	-	10,936	4,287,789
The Company	WSPH	Equity-accounted investees	(Note 1)	subsidiary	139,567	26,652	825,000	466,637	-	-	964,567	499,552
The Company	WMSX	Equity-accounted investees	(Note 1)	subsidiary	133,410	1,134,354	771,942	1,418,035	-	-	905,352	2,570,869
The Company	WYN	Equity-accounted investees	(Note 1)	subsidiary	-	1,340,234	-	1,437,584	-	-	-	2,745,899
The Company	WCA	Equity-accounted investees	(Note 1)	subsidiary	170,000	1,697,225	100,000	1,000,000	-	-	270,000	2,705,668
The Company	WSC	Equity-accounted investees	(Note 1)	subsidiary	89,675	4,598,489	6,414	679,922	-	-	96,089	6,347,053
The Company	Alpha Networks Inc.	Non-current financial assets at fair value through other comprehensive income	-	-	-	-	690	999,130	-	-	690	1,528,350
The Company	Alpha Networks Inc.	Non-current financial assets at fair value through other comprehensive income	-	-	19,328	545,044	-	-	19,328	752,575	670,662	81,912

(TWD : expressed in thousands)

(Note 1) The entity issued ordinary shares for cash.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 5 Acquisition of real estate with amount exceeding the lower of NT\$300 million or 20% of share capital (December 31, 2023)

Company name	Type of property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Prior Transaction of Related Counter-party		Price Reference	Purpose of Acquisition	Other Terms
						Relationships	Relationships			
The Company	Zhubei International AI Smart Park	2021/3/23	6,700,000	payment-49%	Lijin Engineering Co., Ltd., Ingenious Engineering Corp., Huan Mei International Co., Ltd. etc.	-	-	Not applicable because of engaging others to build on its lease land	For future operation	-

(TWD : expressed in thousands)

(Note): The current transaction amount is based on the estimated price of the capital budget approved by the Board of Directors. However, the actual amount will be based on the price stated in the agreement.

WISTRON CORPORATION
Notes to the Parent-Company-Only 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, 2023)

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	1,631,530	0.26%	OA90	-	-	730,630	0.31%
The Company	WTX	Subsidiary	Sales	2,564,073	0.40%	OA90	-	-	1,312,149	0.55%
The Company	WMKS	Subsidiary	Sales	780,338	0.12%	OA90	-	-	448,236	0.19%
The Company	WZS	Subsidiary	Sales	1,401,869	0.22%	OA90	-	-	10,585,516	4.43%
The Company	WITX	Subsidiary	Sales	39,289,631	6.19%	OA150	-	-	25,576,530	10.70%
The Company	WSCZ	Subsidiary	Sales	1,628,942	0.26%	OA90	-	-	461,447	0.19%
The Company	WSSG	Subsidiary	Sales	1,012,099	0.16%	OA90	-	-	436,582	0.18%
The Company	WMT	Subsidiary	Sales	413,172	0.07%	OA90	-	-	161,098	0.07%
The Company	WIS	Subsidiary	Sales	1,031,545	0.16%	OA60	-	-	359,109	0.15%
The Company	WMMY	Subsidiary	Sales	17,100,949	2.69%	OA90	-	-	30,934,648	12.94%
The Company	WMMI	Subsidiary	Sales	3,024,571	0.48%	OA180	-	-	23,903,919	10.00%
The Company	KOE	Subsidiary	Sales	236,353	0.04%	OA60	-	-	148,511	0.06%
The Company	WYHQ	Subsidiary	Sales	48,360,043	7.61%	OA45	-	-	5,091,912	2.13%
The Company	WYUS	Subsidiary	Sales	492,565	0.08%	OA45	-	-	121,286	0.05%
The Company	WYHK	Subsidiary	Sales	215,653	0.03%	OA45	-	-	33,141	0.01%
The Company	WTX	Subsidiary	Purchase	190,788	0.03%	OA60	-	-	(47,893)	0.03%
The Company	WZS	Subsidiary	Purchase	107,395,745	18.44%	OA90	-	-	(31,651,405)	17.37%
The Company	WITX	Subsidiary	Purchase	817,184	0.14%	OA90	-	-	(713)	-
The Company	WAKS	Subsidiary	Purchase	9,169,979	1.57%	OA90	-	-	(3,382,469)	1.86%
The Company	WSKS	Subsidiary	Purchase	4,966,446	0.85%	OA90	-	-	(787,089)	0.43%
The Company	WCQ	Subsidiary	Purchase	116,087,014	19.94%	OA90	-	-	(37,910,792)	20.81%
The Company	WCD	Subsidiary	Purchase	161,975,170	27.82%	OA90	-	-	(26,522,972)	14.56%
The Company	WSCZ	Subsidiary	Purchase	179,621	0.03%	OA60	-	-	(29,963)	0.02%
The Company	WSCQ	Subsidiary	Purchase	9,685,046	1.66%	OA60	-	-	(1,074,536)	0.59%
The Company	FPI	Associate	Purchase	287,552	0.05%	OA50	-	-	(33,450)	0.02%

(TWD : expressed in thousands)

WISTRON CORPORATION

Notes to the Parent-Company-Only 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, 2023)

(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	WSSG	Subsidiary	Purchase	151,990	0.03%	OA60	-	-	(1,246)	-
The Company	WSPH	Subsidiary	Purchase	653,854	0.11%	OA30	-	-	(51,545)	0.03%
The Company	WMMY	Subsidiary	Purchase	43,702,317	7.51%	OA90	-	-	(22,913,849)	12.58%
The Company	WMMI	Subsidiary	Purchase	51,515,360	8.85%	OA45	-	-	(5,793,769)	3.18%
The Company	WOOK	Subsidiary	Purchase	9,100,757	1.56%	OA90	-	-	(2,532,512)	1.39%
The Company	WCCD	Subsidiary	Purchase	1,297,727	0.22%	OA90	-	-	(580,324)	0.32%
The Company	WYHQ	Subsidiary	Purchase	1,715,929	0.29%	OA45	-	-	(846,130)	0.46%
The Company	WYUS	Subsidiary	Purchase	2,359,397	0.41%	OA90	-	-	(5,088)	-

Table 7 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of share capital (December 31, 2023)

(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
					Amount	Action taken		
The Company	WJP	Subsidiary	730,630	183.85%	309,766	Collecting	188,126	-
The Company	WTX	Subsidiary	1,312,149	211.01%	630,763	Collecting	214,096	-
The Company	WMKS	Subsidiary	448,236	246.16%	203,897	Collecting	86,638	-
The Company	WZS	Subsidiary	10,585,516	12.62%	-	-	4,999,284	-
The Company	WTX	Subsidiary	25,576,530	143.27%	10,138,076	Collecting	3,903,370	-
The Company	WCQ	Subsidiary	26,660,431	-	9,613,884	Collecting	12,117,531	-
The Company	WCD	Subsidiary	26,924,878	-	3,946,130	Collecting	15,859,260	-
The Company	WSCZ	Subsidiary	461,447	408.70%	-	-	121,117	-
The Company	WSSG	Subsidiary	436,582	279.85%	96,893	Collecting	97,050	-
The Company	WMT	Subsidiary	161,098	294.26%	94	Collecting	35,768	-
The Company	WIS	Subsidiary	359,109	419.53%	-	-	151,178	-
The Company	WMMY	Subsidiary	30,934,648	102.83%	12,010,945	Collecting	5,613,380	-
The Company	WMMI	Subsidiary	23,903,919	11.18%	893,260	Collecting	3,753,186	-
The Company	WOOK	Subsidiary	938,621	-	-	-	614,901	-
The Company	KOE	Subsidiary	148,511	193.39%	-	-	80,467	-
The Company	WYHQ	Subsidiary	5,091,912	617.69%	344	Collecting	2,557,904	-
The Company	WYUS	Subsidiary	121,286	601.51%	526	Collecting	-	-
Other receivables								
The Company	KOE	Subsidiary	1,201,237	-	-	-	-	-
The Company	WMMI	Subsidiary	240,390	-	48,459	Collecting	-	-

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

Table 8 Information on investees (excluding investees in Mainland China)
(December 31, 2023)

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	WMAX	Mexico	Server and consumer electronics product manufacturing	1,354,618	1,354,618	160,044	100.00%	173,945	-	173,945	
The Company	WTK	U.S.A.	Sales and maintenance service center in Northern America	386,196	386,196	4,833	100.00%	127,143	-	127,143	
The Company	ABI	B.V.I.	Investment and holding	8,565,419	8,565,419	432,886	100.00%	186,112	-	186,112	
The Company	COVON	B.V.I.	Investment and holding	6,759,300	6,759,300	213,694	100.00%	969,145	-	969,145	
The Company	Ma Smart	B.V.I.	Investment and holding	2,611,206	2,611,206	44,565	100.00%	2,109,043	-	2,109,043	
The Company	WGL	Taiwan	Investment and holding	431,240	431,240	-	100.00%	1,104,666	-	1,104,666	
The Company	SW	Taiwan	Investment and holding	4,160	4,160	-	100.00%	4,588	-	4,588	
The Company	WSPH	Philippines	Safety and EMI testing	3,179,108	2,853,068	964,867	100.00%	12,023	-	12,023	
The Company	WLC	U.S.A.	Sales and maintenance service center in Asia	2,671,826	2,671,826	10,798	100.00%	71,171	-	71,171	
The Company	WVS	B.V.I.	Investment and holding	314,273	314,273	9,150	100.00%	482,468	-	482,468	
The Company	WBR	Brazil	Sales and maintenance service center	623,794	623,794	37,243	99.99%	105,980	-	105,980	
The Company	WTR	Turkey	Sales and maintenance service center	46,680	46,680	22	99.99%	69,855	-	69,855	
The Company	WTKX	U.S.A.	Recycling service of information technology products	859,795	859,795	13	100.00%	41,583	-	24,054	
The Company	WMTY	Malaysia	Consumer electronic product manufacturing	2,095,629	2,095,629	267,425	100.00%	981,046	-	981,046	
The Company	WSMX	Mexico	Sales and maintenance service center	89,134	89,134	36,429	100.00%	13,337	-	13,337	
The Company	WYHQ	Taiwan	Research and development, sales and service of information products	1,498,330	1,498,330	65,895	37.69%	12,043,655	-	4,539,133	
The Company	WCHK	Hong Kong	Investment and holding	225,404	225,404	58,446	100.00%	210,807	-	210,807	
The Company	WCHO	Taiwan	Sales and maintenance of computer products and electronic information products	10,000	10,000	1,000	100.00%	(2,503)	-	(2,503)	
The Company	WCCZ	Czech Rep.	Electronic product manufacturing	121,527	121,527	-	100.00%	25,618	-	136,084	
The Company	WCHK	Hong Kong	Investment and holding	397,542	397,542	16,226	100.00%	(1,681)	-	(1,681)	
The Company	AGI	Taiwan	Cloud software solution integrator	2,570	2,570	1	0.01%	10	-	(2)	
The Company	WSSG	Singapore	Sales and maintenance service center	4,797,805	4,797,805	157,489	100.00%	(594,395)	-	(2,950,037)	
The Company	WDH	Taiwan	Investment and holding	1,800,000	1,800,000	205,056	100.00%	2,289,692	-	15,762	
The Company	WMH	Taiwan	Investment and holding	2,800,000	2,800,000	280,000	100.00%	1,496,368	-	(403,607)	
The Company	WTS	U.S.A.	Sales development and customer service	10,348	10,348	35	100.00%	1,104	-	1,104	
The Company	WMX	Mexico	Real property rental and management	2,328,429	910,394	985,332	100.00%	19,875	-	53,197	
The Company	WYN	Vietnam	Assembly and sales of Notebook and LCD monitor	2,783,871	1,346,288	-	100.00%	2,578,869	-	21,424	
The Company	WSZ	Czech Rep.	Sales and maintenance service center	282,833	282,833	-	100.00%	705,441	-	22,491	
The Company	WS	Taiwan	Research and development, sales and service of network communication products	391,349	214,656	29,074	76.42%	395,945	-	(33,653)	
The Company	WCA	Taiwan	Real property rental and management	2,700,000	1,700,000	270,000	100.00%	6,433	-	6,433	
The Company	WGH	Taiwan	Investment and holding	280,000	280,000	28,000	100.00%	262,021	-	(18,072)	
The Company	WCL	B.V.I.	Investment and holding	60,583	96,045	-	30.00%	32,186	-	(566)	
The Company	WNC	Taiwan	Manufacturing and sales of wireless receiver products	1,265,409	355,487	96,089	19.92%	3,802,830	-	824,453	
The Company	TPE	Taiwan	Wholesale and retail of electronic materials	26,088	4,994	4,994	9.99%	36,148	-	(79,484)	
The Company	ILJI	Malaysia	Manufacturing of audio and hoster	513,565	26,088	26,088	12.82%	(611,653)	-	172,355	
The Company	NKE	Taiwan	Sales of audio system of vehicles and components	578,889	69,260	27,146	32.79%	25,981	-	8,197	
The Company	NKE Licensing LLC	Japan	Promote NKE Standard	12,907	8,362	-	20.00%	4,532	-	(18,445)	
The Company	PELL	Taiwan	Biotechnology service	407,730	224,000	5,150	9.55%	417,562	-	(29,900)	
The Company	Mobility Technology Group Inc.	Cayman Island	Design, development and prototyping of automobile components	272,700	-	9,000	31.25%	248,021	-	(6,820)	
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%	-	-	-	

Table 9 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of remittance from Taiwan as of January 1, 2023	Investment flows		Net income (loss) of the investee	Highest percentage of shares during the period	Direct / indirect shareholding by the Company	Investment income (losses) recognized by the Company	Carrying amount of the investment as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023	Note
					Outflow	Inflow							
Wistron InfComm (Zhongshan) Corporation	Manufacturing and sales of information technology products	7,394,068 (Note 1)	(Note 2)72	7,394,179 (Note 1)	-	-	1,174,899	100.00%	100.00%	1,174,899 (Note 2)82	21,154,541	-	-
Wistron InfComm (Shanghai) Corporation	Research, development, design, testing and sales of computers software	31,691	(Note 2)72	31,691	-	-	316	100.00%	100.00%	316 (Note 2)82	46,905	-	-
Wistron InfComm Technology (Zhongshan) Co., Ltd.	Human resource services and sales of LCD monitor	67,510	(Note 2)72	67,510	-	-	78,484	100.00%	100.00%	78,484 (Note 2)82	940,773	-	-
Wistron Service (Kunshan) Corp.	Manufacturing and sales of information technology products	1,085,212 (Note 2)	(Note 2)72	1,085,212 (Note 2)	-	-	24,429	100.00%	100.00%	24,429 (Note 2)82	10,395,662	-	-
SMS (Kunshan) Co., Ltd.	Sales and maintenance service center in Mainland China	12,287	(Note 2)72	12,287	-	-	62,953	100.00%	100.00%	62,953 (Note 2)82	852,095	-	-
Wistron InfComm (Tuzhou) Co., Ltd.	Manufacturing and sales of LCD monitor and touch display module	806,230	(Note 2)72	806,230	-	-	90,453	100.00%	100.00%	90,453 (Note 2)82	2,077,845	-	-
WIS PRECISION (KUNSHAN) CO., LTD.	Manufacturing and sales of computer shell and mold plastic	4,929,489	(Note 2)72	4,929,489	-	-	(456,782)	100.00%	100.00%	(456,782) (Note 2)82	(6,010,926)	-	-
T-CONN PRECISION (ZHONGSHAN) CORPORATION	Production of telecommunication equipment and coupling for special purpose	795,220	(Note 2)72	231,014	-	-	33,228	28.88%	28.88%	9,596 (Note 2)83	167,016	-	-
Wistron Optromics (Kunshan) Co., Ltd.	Production of communication products and components	234,991	(Note 2)72	85,873 (Note 3)	-	-	24,331	21.30%	20.60%	5,122 (Note 2)83	63,437	-	-
Wistron Optromics (Shanghai) Co., Ltd.	Sales of communication products and components	3,676,442	(Note 2)72	3,632,613	-	-	(37,217)	100.00%	100.00%	(37,217) (Note 2)82	3,688,387	-	-
HSIEH-YUH ELECTRONICS TECHNOLOGY (ZHONG SHAN) CO., LTD.	Production and management of new-type electronic components	426,055 (Note 1 8)	(Note 2)72	79,722	-	-	32,038	26.08%	26.08%	- (Note 2)83	-	-	-
LIAN-YI PRECISION (ZHONGSHAN) INC.	Manufacturing of high-temperature resistant insulation materials and molded insulation products, and assembly of computer, server and the peripheral equipment.	1,124,931	(Note 2)72	332,795	-	-	(9,548)	28.88%	28.88%	(2,758) (Note 2)83	(420,837)	-	-
WIS PRECISION (TAIZHOU) CO., LTD.	Sales of new-type alloy(Mg-X-AL) material	2,220,502	(Note 2)72	643,191	-	-	(216,452)	28.88%	28.88%	(62,511) (Note 2)83	503,669	-	-
Hartec Technology (Kunshan) Co., Ltd.	Production and sales of electronic high-tech nano material	516,917	(Note 2)72	128,815	-	-	(362,734)	20.02%	20.02%	(72,619) (Note 2)83	116,964	-	-
Wistron Advanced Materials(Kunshan) Co. Ltd	Research and development, manufacturing and sales of electronic regeneration ecofriendly plastic goods	953,939	(Note 2)72	953,939	-	-	6,278	100.00%	100.00%	6,278 (Note 2)82	18,021	-	-
Zoushan Global Lighting Technology Limited Co.	Manufacturing and sales of LGP, backlight and related light-electronic components	445,825	(Note 2)72	72,007	-	-	NA	16.23%	16.23%	-	74,824	-	-
Wistron InfComm (CHONGQING) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	583,823	(Note 2)72	583,823	-	-	1,059,330	100.00%	100.00%	1,059,330 (Note 2)82	6,254,516	-	-
Wistron Investment (Sichuan) Co., Ltd.	Investment and holding	2,501,366	(Note 2)72	2,501,366 (Note 5)	-	-	1,506,502	100.00%	100.00%	1,506,502 (Note 2)82	9,537,455	-	-
Wistron InfComm (Changda) Co., Ltd.	Assembly and manufacturing and sales of Notebook computer	2,396,524	(Note 2)72	2,396,524 (Note 5)	-	-	1,500,850	100.00%	100.00%	1,500,850 (Note 2)82	9,438,352	-	-
Wistron InfComm Technology Service (Kunshan) Co., Ltd.	Research and development and design of electronic calculator and other electronic products	59,042	(Note 2)72	59,042	-	-	(88,200)	100.00%	100.00%	(88,200) (Note 2)82	(128,515)	-	-

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Table 9 Information on investment in Mainland China
1. Information on investment in Mainland China:

Investee in Mainland China	Main Businesses and Products	Total amounts of paid-in capital	Method of investment	Accumulated amounts of remittance from Taiwan as of January 1, 2023	Investment flows		Net income (loss) of the investee	Highest percentage of shares during the period	Direct / indirect shareholding by the Company	Investment income (losses) recognized by the Company	Carrying amount of the investment as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023	Note
					Outflow	Inflow							
Sherchen Keen High Technologies Ltd	Manufacturing of digital photo frame, MP3, MP4 and GPS	198,648	(Note 27)2	31,110 (Note 6)	-	-	NA	15.17%	15.17%	-	-	-	-
SMS InfoComm(Chongqing) Co., Ltd.	Sales and distribution of computer products and components	126,838	(Note 27)1	126,838	-	-	11,661	100.00%	100.00%	11,661 (Note 28)2	430,315	-	-
Wiwynn Technology Service KunShan Ltd.	Sales of cloud data center equipment	10,659	(Note 27)3	10,659	-	-	15,881	43.44%	42.82%	6,852 (Note 28)2	51,374	-	-
ICA Inc.	Research and development, design, manufacturing, sales, and maintenance of intelligent terminals	91,991	(Note 27)2	-	-	-	(224)	20.00%	20.00%	(41,644) (Note 28)3	-	-	-
Wistron Medical Tech (Chongqing) CO., LTD.	Production of medical instruments	94,500	(Note 27)3	-	-	-	(7,813)	92.65%	92.65%	(7,203) (Note 28)2	(65,183)	-	-
XTRONICS(Nanjing) Automotive Intelligent Technologies Co., Ltd.	Virtual image Head-up display and new energy car high-power charging device	538,557 (Note 24)	(Note 27)3	-	-	-	(7,257)	33.41%	33.41%	(2,427) (Note 28)3	129,819	-	-
XTRONICS(Kunshan)Electronics Technology Co., Ltd	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telematics	217,707	(Note 27)3	-	-	-	(65,910)	100.00%	100.00%	(65,910) (Note 28)2	252,919	-	-
Wistron InfoComm Computer (Chengdu)Co.,Ltd	Assembly and manufacturing and sales of Notebook computer	28,258	(Note 27)2	-	-	-	5,132	100.00%	100.00%	5,132 (Note 28)2	12,754	-	-
Wistron Green Recycling Technology (Kunshan) Co., Ltd.	Research and development and sales of new-type material and regeneration ecofriendly plastic goods	26,470	(Note 27)3	-	-	-	12,043	100.00%	100.00%	12,043 (Note 28)2	37,772	-	-

(TWD : expressed in thousands)

2. Limitation on investment in Mainland China

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

Company	Accumulated amounts investment in Mainland China as of December 31, 2023		Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 4) · (Note 15) and (Note 25)	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 16)
	(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) and (Note 25)	(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) and (Note 25)		
Wistron Corporation	24,440,904	14,256,977	(USD 463,305,066)&(CNY 4,000,000)	-

(TWD : expressed in thousands)

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

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

(Note 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 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 5) The investment in Wistron InfoComm (Chengdu) Co., Ltd., through Wistron Investment (Sichuan) Co., Ltd., was authorized by the Investment Commission. The amount of accumulated investment in Mainland China had increased by USD83,500,000 (approximately TWD2,501,366).

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

WISTRON CORPORATION Notes to the Parent-Company-Only Financial Statements

2. Limitation on investment in Mainland China

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

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

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

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

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

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

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

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

(Note 15) The amounts translated were using the spot rates on December 31, 2023.

(Note 16) On November 15, 2023, 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.

2. Limitation on investment in Mainland China

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

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

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

Wshetek, 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, liquidation process completed as of 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. Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to USD7,123,297.09, which entitled the Company to a full ownership of the entity, had been remitted to WISTRON HONG KONG HOLDING LIMITED, and was authorized by the Investment Commission on March 14, 2018. However, according to the regulation, the remittance to Mainland China amounting to USD6,000,000 (approximately TWD179,436), was included in the accumulated investment amounts.

(Note 22) Wiyynn Technology Service (Beijing) Limited, in which the Company indirectly invested in, had completed the cancellation of its business registration and liquidation. The said investment capital amounting to CNY7,543.21, 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) KOEKS, in which the Company has an indirect interest, ceased its operations in second quarter of 2023, wherein its rights and obligations have been liquidated and its business registration has been cancelled, with the liquidation share capital of USD299,516.98 having been remitted back to Kaohsiung Opto-Electronics Inc. All relevant procedures for the cancellation of the investment to the MOEA had been approved on June 27, 2023. However, the investment amount of USD299,516.98 (TWD8,989) remitted from Taiwan to Mainland China still needs to be deducted according to the regulations of MOEA.

(Note 26) The Company transferred its entire shareholdings in Kunshan Changmum Precision Casting Co., Ltd., in which the Company indirectly invested in third quarter of 2023. The said investment capital amounting to CNY1,528,908 (TWD 6,759) had been remitted to Wise Cap Limited Company, with the approval of the Investment Commission on September 11, 2023.

WISTRON CORPORATION
Notes to the Parent-Company-Only Financial Statements

2. Limitation on investment in Mainland China

(Note 27) To invest in Mainland China by:

1. Direct investment in Mainland China.
2. Indirect investment in Mainland China through a foreign company.
3. Others

(Note 28) Recognized share of associates and joint ventures accounted for equity method:

1. The financial statements of the investee company were audited by the international accounting firms which cooperated with R.O.C. accounting firms.
2. The financial statements of the investee company were audited by the Group's auditor.
3. Others

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 9.

6.6 Any financial distress experienced by the company or its affiliated enterprises and impacts on the company's financial position, in the last year up till the publication date of this annual report : None.

7. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

7.1.1 2023 vs. 2022 financial analysis

Unit : NT\$ thousands

Item	Year	2023.12.31	2022.12.31	Difference	
				Amount	%
Current assets		361,461,400	342,985,667	18,475,733	5.39
Net property, plant and equipment		46,598,037	51,515,209	(4,917,172)	(9.55)
Intangible assets		2,459,680	2,149,731	309,949	14.42
Other assets		41,871,659	36,257,167	5,614,492	15.49
Total assets		452,390,776	432,907,774	19,483,002	4.50
Current liabilities		288,251,757	286,725,416	1,526,341	0.53
Non-current liabilities		35,375,847	27,529,802	7,846,045	28.50
Total liabilities		323,627,604	314,255,218	9,372,386	2.98
Common stock		28,997,661	29,016,021	(18,360)	(0.06)
Capital surplus		37,389,984	35,050,440	2,339,544	6.67
Retained earnings		40,680,803	36,357,506	4,323,297	11.89
Other equity		(1,934,548)	(2,550,702)	616,154	(24.16)
Treasury stock		(909,789)	(1,491,116)	581,327	(38.99)
Equity attributable to owners of the company		104,224,111	96,382,149	7,841,962	8.14
Non-controlling interests		24,539,061	22,270,407	2,268,654	10.19
Total equity		128,763,172	118,652,556	10,110,616	8.52

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 non-current liabilities was mainly due to increase in long-term loans.
- (2) The increase in other equity was mainly due to the increase in unrealized gains from financial assets measured at fair value through other comprehensive income.
- (3) The increase in treasury shares was mainly due to the increase in treasury share transferred to employees.

7.2 Analysis of Financial Performance

7.2.1 2023 vs. 2022 operating result analysis

Unit : NT\$ thousands

Item	Year	2023	2022	Increasing (decreasing) amount	Change percentage (%)
Cost of sales	798,074,134	914,890,464	(116,816,330)	(12.77)	
Gross profit	68,982,873	69,728,692	(745,819)	(1.07)	
Operating expenses	41,592,616	42,256,548	(663,932)	(1.57)	
Operating income	27,390,257	27,472,144	(81,887)	(0.30)	
Non-operating income and expenses	(3,069,563)	(2,761,230)	(308,333)	11.17	
Profit before tax	24,320,694	24,710,914	(390,220)	(1.58)	
Income tax expenses	6,055,409	5,693,367	362,042	6.36	
Net profit	18,265,285	19,017,547	(752,262)	(3.96)	
Other comprehensive income, net of tax	736,460	7,756,858	(7,020,398)	(90.51)	
Total comprehensive income	19,001,745	26,774,405	(7,772,660)	(29.03)	
Net profit attributable to owners of the Company	11,471,616	11,162,451	309,165	2.77	
Total comprehensive income attributable to owners of the Company	12,138,989	18,022,661	(5,883,672)	(32.65)	

7.2.2 Analysis for change item amount change more than 20%

- (1) Decrease in other comprehensive income, net of tax: The decrease was mainly due to the decrease of exchange differences on translation of financial statements.
- (2) Decrease in total comprehensive income and total comprehensive income attributable to owners of the Company: The decrease was mainly due to the decrease of exchange differences on translation of financial statements.

7.3 Cash flow

Change in consolidated cash flow in 2023:

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
66,337,316	48,219,022	(38,515,427)	76,040,911	-	-

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 2023.
- (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 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, 2023	Status of Actual Use of Capital	
			2022	2023
Acquisition of property, plant and equipment	Cash flow generated from operation	26,570,653	13,609,393	12,961,260

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 2023, the investment income recognized under equity method was NT\$764,149 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	2022 (in thousand NT dollars)	2023 (in thousand NT dollars)
Interest Income	1,989,775	2,519,837
Interest Expense	5,988,155	8,757,247
Exchange loss/gain	405,296	1,098,797

By the end of 2023, the cash and short-term investment balance of the Company totaled about NT\$79.6 billion with short term borrowings about NT\$95.9 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 96% of the Company's revenue is from exports and most is in U.S. dollars, and most of the Company's material purchases use U.S. dollars as well. Therefore, the majority of Company's foreign currency operating exposure can be mutually offset. In addition, the Company has used regular hedge activities to manage its foreign exchange risk, under proper risk management guidelines. Due to the fluctuation of the foreign exchange rate and hedging activities, the Company delivered a foreign exchange gain of approximately NT\$ 1,099 million last year.

There was no major inflation around the world during the 2023 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 2023 have been implemented during volume production activities or have been presented to customers for verification following internal testing, in preparation for potential future use. We remain dedicated to investing in R&D for 2024 to meet the demands of our expanding business. It is estimated that the R&D expense-to-revenue ratio for 2024 will be approximately 2.7%.

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 2023, 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 fulfill the diverse needs of our customers. Alongside our operations in China, Wistron is dedicated to expanding our manufacturing capacities in Taiwan, Vietnam, Malaysia, Mexico, and the Czech Republic. This approach allows Wistron to leverage the unique strengths of each country, enabling us to offer customized products and services tailored to the specific requirements of our customers.

However, it's important to note that establishing new operations will incur increased manufacturing overhead, including costs associated with equipment procurement, staff recruitment, and employee training. This could potentially have a negative financial impact if future income fails to cover these additional expenses. To address this risk, Wistron is committed to enhancing our manufacturing processes, improving product quality, optimizing resource utilization, and enhancing customer services. Additionally, we are strengthening collaborations with customers to capitalize on business opportunities and enhance capacity utilization. These efforts aim to bolster revenue generation and ensure the sustainability 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: 28.25% stock shares are held by foreign investors, 25.21% by domestic institutional investors, 0.90% by treasury shares. They possess around 54.36% 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:

Pending lawsuits or disputes of the Company's Director, Wistron NeWeb Corporation (WNC):

1. 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. In July 2023, the aforementioned court passed a summary judgement that the defendant is responsible for paying the entirety of the accounts payable owed to WNC, thus WNC successfully won this lawsuit.
2. On November 25, 2021, WNC purchased equipment from YU-CHEN SYSTEM TECHNOLOGY CORP. (hereinafter referred to as "YCS"). Due to the fact that the purchased equipment was unable to pass acceptance checks, after several rounds of negotiations, WNC sent a legal attest letter to YCS on February 23, 2023 requesting contract rescission and restoration to status quo ante. WNC filed a lawsuit with the Taiwan Hsinchu District Court in May 2023, and at present the case is under review by the court. The value of the claim in the lawsuit is estimated to be between NTD 7 and 10 million. As the monetary value involved in the aforementioned lawsuit is within manageable range and not considered significant for WNC, the lawsuit will not have any major impact on WNC's finances or operations regardless of its outcome.

In conclusion, although Wistron Corporation, a corporate shareholder with greater than 10% shareholdings of WNC, was involved in the aforementioned lawsuits, WNC was not held liable in either of the lawsuits, thus the lawsuits will not have any major impact on WNC's finances and operations regardless of their outcome.

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 2023.

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. Policy Risk

In 2024, it will be a year of global elections, with approximately 70 elections scheduled across 65 countries, including national elections in 8 countries, involving a total population of over 2.9 billion. Especially, the United States presidential election at the end of the year attracts the most attention worldwide, and the election result could potentially bring significant changes to the global economy. Through more aggressive tariffs and protectionist policies, global supply chains are likely to undergo further restructuring, leading to substantial increases in capital expenditures and production costs. Companies may pass on these additional costs to consumers, potentially triggering inflationary pressures once again, causing an insurmountable impact on the economic situation under the current high-interest-rate environment.

To cope with the potential policy changes, Wistron has actively adopted a globalization strategy to build up a global footprint with the goal of risk diversification. Currently, in addition to Taiwan and mainland China, our main manufacturing bases include Vietnam and Malaysia in Southeast Asia, the Czech Republic in Eastern Europe, and Mexico in North America. We have also assessed the possibility of establishing production facilities in the United States. We will continue to evaluate

the potential impact of internal and external factors, adjust the worldwide capacities as necessary based on customer demand, and expedite the development of automation.

B. Risks of Generative AI

At the end of 2022, OpenAI released the chatbot "ChatGPT," whose powerful natural language processing capabilities make it an ideal tool for various tasks, including text generation, question answering, and summarization extraction, among others. Its responses are not only fluent but also very close to human conversation. However, the use of these generative AI models also brings new risks. Firstly, the data entered by users may be used to respond to others' inquiries, leading to the leakage of sensitive company information. Secondly, malicious individuals may exploit generative AI to spread misinformation, affecting financial markets and causing social unrest. In addition to the potential for external misinformation, internally trained AI models may also produce erroneous responses, misleading management to make wrong decisions.

To eliminate the risk of sensitive information leakage, the company has implemented strict browsing permissions on browsers, prohibiting employees from using public generative AI websites during work. Instead, they are provided with access to a proprietary model developed by the company as needed. In response to the potential spread of misinformation, Wistron has increased cross-company communication to ensure prompt responses to any unfavorable news concerning the company, mitigating potential impacts. Additionally, apart from regularly monitoring the accuracy of internally developed AI models, relevant review mechanisms have been established to ensure the correctness and effectiveness of the generated information.

C. Economic recession risk

In 2022, the global economy experienced unstable due to the COVID pandemic and the conflict between Ukraine and Russia, 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. Although inflation showed signs of stabilization in 2023, the reduction in magnitude has been slow and rigid, resulting in continuous delays in the planned rate-cutting initiatives. Moreover, the emergence of new geopolitical conflicts and global protectionism could reignite concerns about inflation. Consequently, major central banks may once again find themselves compelled to postpone or even abandon their scheduled rate-cutting cycles. Under the high tide interest rate circumstance, 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. These swing factors could potentially further slow down the economy and even cause it to decline again.

Wistron has taken proactive measures to address the risks posed by the unstable global economy. On one hand, Wistron is actively expanding into the non-consumer electronics sector to offset the impact of declining market purchasing power. On the other hand, Wistron intends to protect its profitability through rigorous cost control measures, funding plans, and hedging strategies within a comprehensive risk management framework.

D. New technology risk

Facing the rapid technological advancements and ever-changing industry environment, the world is witnessing the profound impact of AI technology's swift evolution. This wave of transformation encompasses various sectors such as semiconductor, chip design, servers, software development, PCs, smartphones, and all areas involving AI applications. Thanks to years of prior preparation, Wistron has been able to steadily progress amidst this industry changes. However, the ongoing rapid evolution of technology implies that failing to anticipate the development of next-generation products could result in order shifts and customer loss, thereby impacting the company's business operations.

To stay ahead in the development of next-generation technology, the company has established an Advanced Technology Lab department. This department actively seeks investments and development in cutting-edge technologies, particularly focusing on next-generation innovative technologies. Wistron's vision of "innovation through sustainability" is supported by four core development pillars: developing advanced technologies, deepening industry-academia collaboration and linking with domain authorities, cultivating sustainable talents, and promoting sustainable innovation. Currently, Wistron is prioritizing technology related to innovative energy, communications, quantum, and space fields. We have established partnerships with top-tier technology firms, research institutions, and academic entities to collectively drive innovation and conduct research and development in emerging technologies. These collaborations entail comprehensive technical evaluations, surveys, R&D efforts, and the integration of patent applications, enabling us to adeptly respond to industry shifts and evolving market trends.

7.6.15 Other Risks: None.

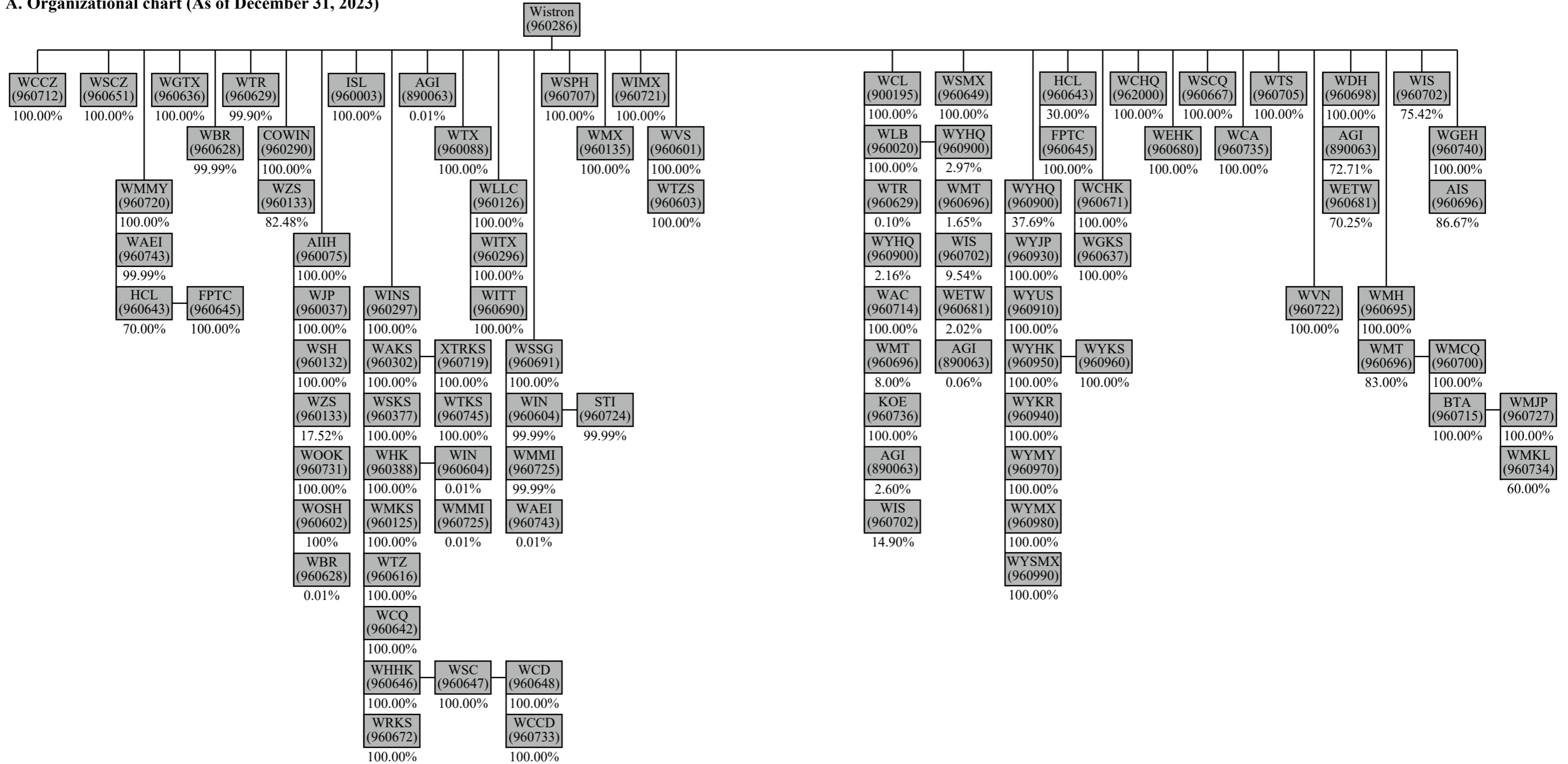
7.7 Other important matters: None.

8. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Consolidated business report

A. Organizational chart (As of December 31, 2023)



B. Backgrounds of affiliated enterprises

As of December 31, 2023

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
0	960286	WHQ	Wistron Corporation	2001.05.30	Taiwan	NTD	28,997,660,500	1.0000	Research, development, manufacturing and sale of computer and information products
1	890063	AGI	WiAdvance Technology Corporation	1994.04.25	Taiwan	NTD	192,510,000	1.0000	Cloud software solution integrator
2	900195	WCL	Wise Cap Limited Company	1999.11.05	Taiwan	NTD	7,326,200,000	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	30.7350	Sales and maintenance service center in Northern America
5	960290	COWIN	Cowin Worldwide Corporation	2001.09.07	B.V.I.	USD	213,693,915	30.7350	Investment and holding
6	960075	AIH	AII Holding Corporation	1994.12.21	B.V.I.	USD	432,485,701	30.7350	Investment and holding
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	1995.05.19	Philippines	USD	18,419,437	30.7350	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	30.7350	Server and consumer electronics product manufacturing
9	960297	WINS	Win Smart Co., Ltd.	2001.09.07	B.V.I.	USD	44,565,492	30.7350	Investment and holding
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	1997.10.28	China	USD	234,000,000	30.7350	Manufacture and sales of information technology products
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	2001.09.27	China	USD	32,000,000	30.7350	Manufacture and sales of information technology products
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	1997.11.04	China	RMB	8,283,779	4.3243	Research, development, design, testing and sales of computers software
13	960037	WJP	Wistron K.K.	1993.12.16	Japan	JPY	90,000,000	0.2169	Sales and maintenance service center
14	960377	WSKS	Wistron Service (Kunshan) Corp.	2004.07.23	China	USD	360,000	30.7350	Sales and maintenance service center in Asia
15	960388	WHK	Wistron Hong Kong Limited	2005.05.07	Hong Kong	HKD	6,000,000	3.9340	Sales and maintenance service center
16	960731	WOOK	Wistron Optronics (Kunshan) Co., Ltd.	2006.01.27	China	USD	117,084,905	30.7350	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	30.735	Electronic product manufacturing
19	960296	WITX	Wistron InfoComm Technology (America) corporation	2007.08.21	U.S.A.	USD	49,500,000	30.735	Sales of electronic information products
20	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	2008.01.25	Singapore	USD	157,489,410	30.735	Sales and maintenance service center
21	960126	WLLC	Wistron LLC	2003.06.26	U.S.A.	USD	109,360,000	30.735	Investment and holding
22	960125	WMKS	SMS (Kunshan) Co., Ltd	2008.03.13	China	RMB	173,809,000	4.3243	Sales and maintenance service center in Mainland China
23	960601	WVS	WisVision Corporation	2008.06.03	B.V.I.	USD	9,150,000	30.735	Investment and holding
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	2008.07.11	China	RMB	27,641,180	4.3243	Sales of communication products and components
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	2008.09.26	India	INR	143,436,020	0.3697	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	4.3243	Human resource services and sales of LCD Monitor
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	2009.08.24		China	USD	160,000,000	30.735	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	6.332	Sales and maintenance service center
29	960629	WTR	SMS InfoComm Technology Services Limited Company	2010.08.18		Turkey	TRY	2,200,000	1.0403	Sales and maintenance service center
30	960636	WGTX	Wistron GreenTech (Texas) Corporation	2010.08.25		U.S.A.	USD	13,005,000	30.735	Recycling service of information technology products
31	960637	WGKS	Wistron Advanced Materials (Kunshan) Co., Ltd.	2010.11.30		China	USD	32,000,000	30.735	Research and development, manufacturing, and sales of electronic regeneration ecofriendly plastic goods
32	960720	WMMY	Wistron Technology (Malaysia) Sdn.Bhd.	2011.03.22		Malaysia	USD	64,244,648	30.735	Consumer electronic product manufacturing
33	960646	WHHK	Wistron Hong Kong Holding Limited	2011.05.05		Hong Kong	USD	82,150,000	30.735	Investment and holding
34	960642	WCQ	Wistron InfoComm (Chongqing) Co.Ltd.	2011.04.28		China	USD	19,800,000	30.735	Assembly and manufacturing and sales of Notebook computer
35	960649	WSMX	Service Management Solutions Mexico SA DE CV	2011.07.05		Mexico	MXN	36,429,340	1.8132	Sales and maintenance service center
36	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	2011.11.24		Czech	CZK	242,200,000	1.3762	Sales and maintenance service center
37	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2011.07.11		China	USD	83,500,000	30.735	Investment and holding
38	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2011.08.05		China	USD	80,000,000	30.735	Assembly and manufacturing and sales of Notebook computer
39	960900	WYHQ	Wiwynn Corporation	2012.03.03		Taiwan	NTD	1,748,407,910	1.0000	Research and development, sales and service of information products
40	960930	WYJP	Wiwynn Technology Service Japan , Inc.	2013.03.01		Japan	JPY	20,000,000	0.2169	Sale of cloud data center products
41	960910	WYUS	Wiwynn International Corporation	2013.02.11		U.S.A.	USD	9,690,100	30.735	Sale of cloud data center products
42	960671	WCHK	WiseCap (Hong Kong) Limited	2013.08.16		Hong Kong	USD	7,512,894	30.735	Investment and holding
43	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
44	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	2013.11.22		China	USD	2,000,000	30.735	Research and development and design of electronic calculator and other electronic products
45	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	2013.09.11		Hong Kong	USD	400,000	30.7350	Investing activities and sales of cloud data center equipment
46	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	2014.02.12		China	RMB	2,156,350	4.3243	Sales of cloud data center equipment
47	960680	WEHK	WiEdu Hong Kong Limited	2014.07.21		Hong Kong	USD	15,140,200	30.7350	Investment and holding
48	960681	WETW	WIEDU CORPORATION	2014.11.14		Taiwan	NTD	131,250,000	1.0000	Online and offline hybrid learning education service provider
49	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	2015.09.17		U.S.A.	USD	59,510,000	30.7350	Sales of electronic information products
50	960695	WMH	Wistron Medical Tech Holding Company	2016.04.19		Taiwan	NTD	2,800,000,000	1.0000	Investment and holding

No.	Code	Brief Name	Name of Company	Established Date	Location	Currency	Paid in Capital	Rate	Main Business or Products
51	960698	WDH	Wistron Digital Technology Holding Company	2016.04.12	Taiwan	NTD	2,050,560,000	1.0000	Investment and holding
52	960940	WYKR	Wiwynn Korea Ltd.	2016.05.03	Korea	KRW	100,000,000	0.0238	Sale of cloud data center products
53	960696	WMT	Wistron Medical Technology Corporation	2016.08.01	Taiwan	NTD	500,000,000	1.0000	Manufacturing of medical instruments
54	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	2016.09.14	China	RMB	20,323,200	4.3243	Production of medical equipment
55	960667	WSCQ	SMS InfoComm(Chongqing) Co.,Ltd.	2016.10.19	China	USD	4,000,000	30.7350	Sales and distribution of computer products and components
56	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	2017.07.13	Malaysia	MYR	568,392,200	6.6895	Sale of cloud data center products
57	960705	WTS	Wistron Technology Service (America) Corporation	2017.08.30	U.S.A.	USD	350,000	30.7350	Sales development and customer service
58	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	2018.02.18	India	USD	178,516,303	30.7350	Manufacturing of information and communication products
59	960714	WAC	Abilliant Corporation	2018.11.14	Taiwan	NTD	16,000,000	1.0000	Manufacturing, wholesale and retail of electronic related products
60	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	2019.02.14	Mexico	MXN	1,113,760,560	1.8132	Human resource service provision and manufacturing of cloud data center equipment
61	960715	BTA	B Temia Asia Pte Ltd.	2019.04.02	Singapore	USD	11,200,000	30.7350	Sales of medical instruments
62	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd.	2019.10.29	China	RMB	50,000,000	4.3243	Research and development, production and sales of automotive electronics, automotive parts, smart consumer equipment and telematics
63	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	2020.03.01	Mexico	USD	52,008,663	30.7350	Real property rental and management
64	960727	WMJP	Wistron Medical Technology Japan K.K.	2020.05.28	Japan	JPY	92,825,000	0.2169	Exoskeleton product device
65	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	2020.06.03	Vietnam	USD	90,000,000	30.7350	Assembly and sales of Notebook and LCD monitor
66	960724	STI	Smartiply India Private Limited	2020.10.13	India	INR	53,912,920	0.3697	Development of internet platform and Internet of things related products
67	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	2020.11.14	Taiwan	NTD	390,830,000	1.0000	Research and development, sales and service of network communication products
68	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	2021.04.02	China	USD	1,000,000	30.7350	Assembly and manufacturing and sales of Notebook computer
69	960735	WCA	WiSuccess Asset Management Corporation	2021.08.10	Taiwan	NTD	2,700,000,000	1.0000	Real property rental and management
70	960734	WMKL	Wistron Medical Technology Malaysia SDN.	2021.04.08	Malaysia	MYR	5,000,000	6.6895	Exoskeleton product device
71	960736	KOE	KAOSIUNG OPTO-ELECTRONICS INC.	2021.12.01	Taiwan	NTD	1,387,830,000	1.0000	Manufacturing, and sales of automotive electronics and electronic related products
72	960740	WGEH	Wistron Green Energy Holding Company	2022.06.07	Taiwan	NTD	280,000,000	1.0000	Investment and holding
73	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	2022.05.06	Mexico	MXN	40,443,600	1.8132	Sales of cloud data center equipment
74	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	2022.07.01	India	INR	38,500,000	0.3697	Manufacturing, research and development, and design of automotive electronics and electronic related products

No.	Code	Brief Name	Name of Company	Established Date		Location	Currency	Paid in Capital	Rate	Main Business or Products
75	960746	AIS	AiSails Power Inc.	2022.11.23		Taiwan	NTD	75,000,000	1.0000	Self-usage power generation equipment utilizing renewable energy industry
76	960745	WTKS	Wistron Green Recycling Technology (Kunshan) Co., Ltd.	2023.01.06		China	RMB	6,000,000	4.3243	Research and development and sales of new-type material and regeneration ecofriendly plastic goods
77	960643	HCL	HERACLES ENTERPRISES LIMITED	2023.10.24		B.V.I.	MYR	15,900,000	6.6895	Investment and holding
78	960645	FPTC	FORMOSA PROSONIC TECHNOLOGY SDN BHD	2023.10.24		Malaysia	MYR	15,000,000	6.6895	Investment and holding

C. Common Shareholders among Controlling and Controlled Entities: None.

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

- (A) desktop computers, notebook computers, motherboards, servers, system platforms, high – speed and multi – function multiple - CPU computer systems, multi - media computers, network computers, consumer - type computers and special computers, micro-processors, CD - ROMs, PDAs, panel PCs, pocket computers and interface cards;
- (B) video and internet telephones, video conferencing equipment and telecommunication equipment;
- (C) digital satellite TV receivers, set - top boxes, digital video decoders and multi – media appliance products;
- (D) digital cameras, CD - ROM drives and DVD - ROM drives;
- (E) wireless receiver products (mobile phones, wireless LAN cards, and Bluetooth communication modules);
- (F) LCD TVs and other electronic audio & visual products;
- (G) design and merchandising of computer software and programs;
- (H) import and export trade relevant to the business of this company;
- (I) maintenance and cleaning of electronics products;
- (J) recycling of electronic waste;
- (K) in vitro diagnostic device, 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, 2023

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: Robert Hwang Michael Hsia Chunghwa Telecom Co., Ltd Legal Representative: Lin, Chung-Shuo	14,510,977	75.38
				Director			
				Supervisor	Stone Shih		
2	900195	WCL	Wise Cap Limited Company	Director	Wistron Corporation Legal Representative: Frank F.C. Lin Stone Shih Donald Hwang	NT\$7,326,200,000	100.00
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	Director	Wistron Corporation Legal Representative: Robert CL Lin Felix Lai York Liang	2,434,462	100.00
				Supervisor	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	213,693,915	100.00
6	960075	AIH	AIH Holding Corporation	Director	Jeff Lin David Shen Stone Shih	432,485,702	100.00
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	Director	Jeff Lin Gloria YL Hsu Peter Tung Teddy TL Liu Climie Mao	964,567,270	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	Jeff Lin David Shen Stone Shih	44,565,492	100.00
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	Director	Jeff Lin Robert CL Lin Alec Lai	US\$234,000,000	100.00
				Supervisor	Lydia Liang		
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	Director	Jeff Lin Howard Liu Alec Lai	US\$32,000,000	100.00
				Supervisor	Lydia Liang		
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	Director	David Shen	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	Jeff Lin Christine Hsu 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
21	960126	WLLC	Wistron LLC	Director	Stone Shih	10,936,000	100.00

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
22	960125	WMKS	SMS (Kunshan) Co., Ltd	Director	Jeff Lin Peter Tung Karl Chang	US\$27,000,000	100.00
				Supervisor	Fred Chiu		
23	960601	WVS	WisVision Corporation	Director	Jeff Lin Robert CL Lin Alec Lai	9,150,000	100.00
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	Director	David Shen	US\$4,300,000	100.00
				Supervisor	Lydia Liang		
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	Director	Jeff Lin Peter Tung Daniel CN Chen	14,343,602	100.00
					Rachael Lu		
26	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	Director	Jeff Lin Robert CL Lin Alec Lai	US\$2,000,000	100.00
				Supervisor	Lydia Liang		
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	Director	Jeff Lin Christine Hsu Mark HH Huang	US\$160,000,000	100.00
				Supervisor	Lydia Liang		
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	960636	WGTX	Wistron GreenTech (Texas) Corporation	Director	Jeff Lin Peter Tung Jerry NT Wang	13,005	100.00
31	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	Director	Jeff Lin Peter Tung Steven SH Huang	US\$32,000,000	100.00
				Supervisor	Lydia Liang		
32	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	Director	Jeff Lin Alec Lai Howard Liu	267,425,000	100.00
33	960646	WHHK	Wistron Hong Kong Holding Limited	Director	Jeff Lin	82,150,000	100.00
34	960642	WCQ	Wistron InfoComm (Chongqing) Co. Ltd.	Director	Jeff Lin Robert CL Lin Alec Lai	US\$19,800,000	100.00
				Supervisor	Lydia Liang		
35	960649	WSMX	Service Management Solutions Mexico SA DE CV	Director	Jeff Lin Peter Tung Corey Chen	36,429,340	100.00
36	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	Director	Wilson Shen	CZK\$242,200,000	100.00
37	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	Director	Jeff Lin Robert CL Lin Alec Lai	US\$83,500,000	100.00
				Supervisor	Lydia Liang		
38	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	Director	Jeff Lin Robert CL Lin Alec Lai	US\$80,000,000	100.00
				Supervisor	Lydia Liang		
39	960900	WYHQ	Wiwynn Corporation	Director	Wistron Corporation Legal Representative: Frank F.C. Lin Sylvia Chiou	74,864,569	42.82
				Director	Emily Hong Sunlai Chang Steven Lu		
				Independent director	Charles Kao Zeng, Chui-Ji Han, Jing-Shi Zheng, Zhong-Ren		
40	960930	WYJP	Wiwynn Technology Service Japan , Inc.	Director	Sunlai Chang Steven Lu	171	42.82
41	960910	WYUS	Wiwynn International Corporation	Director	Sunlai Chang Robin Wang Hsu, Ruei-Chang	414,930,082	42.82
42	960671	WCHK	WiseCap (Hong Kong) Limited	Director	Frank F.C. Lin Jeff Lin Stone Shih	58,445,950	100.00
43	962000	WCHQ	Anwith Technology Corporation	Director	Wistron Corporation Legal Representative: Peter Tung Ted Chiu Tiger Chao	1,000,000	100.00
				Supervisor	Wistron Corporation Legal Representative: Fred Chiu		
44	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		
45	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	Director	Sunlai Chang Steven Lu	171,280	42.82
46	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	Director	Steven Lu	US\$149,870	42.82

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
47	960680	WEHK	WiEdu Hong Kong Limited	Supervisor	Harry Chen		
48	960681	WETW	WIEDU CORPORATION	Director	Robert Hwang Charles Hsu	16,426,000	100.00
				Director	Wistron Digital Technology Holding Company Legal Representative: Robert Hwang David Shen Charles Hsu	9,485,000	72.27
				Director	104 CORPORATION		
				Supervisor	Stone Shih		
49	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	Director	Jeff Lin Stone Shih Jackie Lai	5,951,000	100.00
50	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		
51	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		
52	960940	WYKR	Wiwynn Korea Ltd.	Director	Sunlai Chang Steven Lu	8,564	42.82
53	960696	WMT	Wistron Medical Technology Corporation	Director	Wistron Medical Tech Holding Company Legal Representative: Donald Hwang Frank F.C. Lin Gem Hsieh	46,327,000	92.65
				Supervisor	Wise Cap Limited Company Legal Representative: Stone Shih		
54	960700	WMCQ	Wistron Medical Tech (Chongqing) CO., LTD.	Director	Donald Hwang Gem Hsieh Jay Chang	US\$2,764,200	92.65
				Supervisor	Lydia Liang		
55	960667	WSCQ	SMS InfoComm(Chongqing) Co.,Ltd.	Director	Jeff Lin Peter Tung Audy Yeh	US\$4,000,000	100.00
				Supervisor	Fred Chiu		
56	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	Director	Robin Wang Liu,Yung-Hsing Lim Yee Teng	243,385,540	42.82
57	960705	WTS	Wistron Technology Service (America) Corporation	Director	William Lin	35,000	100.00
58	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	Director	David Shen Lydia Liang Hank Hsu Rachael Lu	1,363,529,323	100.00
59	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		
60	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	Director	Hsu, Ruei-Chang Robin Wang	MXN\$476,912,272	42.82
61	960715	BTA	B Temia Asia Pte Ltd	Director	Frank F.C. Lin Eileen Chan Donald Hwang	10,376,800	92.65
62	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	Director	Jeff Lin Christine Hsu Alec Lai	RMB\$50,000,000	100.00
				Supervisor	Lydia Liang		
63	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	Director	Jeff Lin William Lin Jackie Lai	90,535,160,012	100.00
64	960727	WMJP	Wistron Medical Technology Japan K.K.	Director	Gem Hsieh Andy TC Kuo Brian Chong	JPY\$172,004,725	92.65
				Supervisor	Fred Chiu		

No.	Code	Brief Name	Name of Company	Title / Represented Institution	Name or Representative	No. of Shares / Paid in Capital	Ratio (%)
65	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	Director	Jeff Lin Robert CL Lin Alec Lai	US\$90,000,000	100.00
66	960724	STI	Smartply India Private Limited	Director	Rachael Lu	1,878,410	99.99
67	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	Director	Wistron Corporation Legal Representative: Jeff Lin Howard Liu Fred Chiu Sylvia Chiou Tina JF Cheng	39,028,000	99.86
				Supervisor	LE BEN Investment Ltd. Legal Representative: Lydia Liang Ryan Chen		
68	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	Director Supervisor	Jeff Lin Robert CL Lin Alec Lai Lydia Liang	US\$1,000,000	100.00
69	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	270,000,000	100.00
70	960734	WMKL	WISTRON MEDICAL TECHNOLOGY MALAYSIA SDN. BHD.	Director	Jimmy TM Chang Donald Hwang Yee, King-Hwa	2,779,500	55.59
71	960736	KOE	KAOHSIUNG OPTO-ELECTRONICS INC.	Director Supervisor	Wise Cap Limited Company Legal Representative: Jeff Lin Christine Hsu Alec Lai Wise Cap Limited Company Legal Representative: Stone Shih	13,878,300	100.00
72	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
73	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	Director	Sunlai Chang Robin Wang Hsu, Ruei-Chang	MXN\$17,317,950	42.82
74	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	Director	David Shen Allen Shieh Rachael Lu	3,850,000	100.00
75	960746	AIS	AiSails Power Inc.	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
76	960745	WTKS	Wistron Green Recycling Technology (Kunshan) Co., Ltd.	Director Supervisor	Jeff Lin Peter Tung Steven SH Huang Lydia Liang	RMB\$6,000,000	100.00%
77	960643	HCL	HERACLES ENTERPRISES LIMITED	Director	David Shen	530	100.00%
78	960645	FPTC	FORMOSA PROSONIC TECHNOLOGY SDN BHD	Director	Shih, Chao Yuan Cheong Hong Yip	15,000,000	100.00%

F. Performance of affiliated enterprises:

As of December 31, 2023

Unit: NT\$ thousands

No.	Code	Brief Name	Name of Company	Capital stock	Total assets	Total liabilities	Net Worth	Operating revenues	Operating income	Net profit (after-tax)	Earnings Per Share (in dollar)
0	960286	Wistron	Wistron Corporation	28,997,661	421,779,095	317,554,984	104,224,111	635,223,077	8,284,269	11,471,616	4.08
1	890063	AGI	WiAdvance Technology Corporation	215,875	803,600	259,977	543,623	1,778,848	-57,047	-49,484	-2.66
2	900195	WCL	Wise Cap Limited Company	7,326,200	10,474,192	99,088	10,375,104	0	-3,079	1,104,066	NA
3	960003	ISL	INTERNATIONAL STANDARDS LABORATORY CORP.	24,345	218,253	74,612	143,641	224,397	55,844	45,084	18.52
4	960088	WTX	SMS Infocomm Corporation	353,453	5,665,444	3,530,027	2,135,417	5,557,365	236,830	127,143	26.31
5	960290	COWIN	Cowin Worldwide Corporation	6,567,882	17,462,797	0	17,462,797	0	-120	969,145	3.38
6	960075	AIH	All Holding Corporation	13,292,448	7,970,487	18,665	7,951,822	0	-326	186,112	NA
7	960707	WSPH	Wistron InfoComm (Philippines) Corporation	566,121	1,164,472	664,919	499,552	314,014	16,225	12,023	NA
8	960135	WMX	Wistron Mexico S.A. de C.V.	1,791,584	3,662,660	1,243,669	2,418,990	2,272,272	350,667	173,945	1.07
9	960297	WINS	Win Smart Co., Ltd.	1,369,720	23,206,948	0	23,206,948	0	-109	2,109,043	47.32
10	960133	WZS	Wistron InfoComm (Zhongshan) Corporation	7,191,990	62,078,621	40,967,506	21,111,115	115,823,901	353,573	1,174,899	NA
11	960302	WAKS	Wistron InfoComm (Kunshan) Co., Ltd.	983,520	12,770,431	2,374,769	10,395,662	9,518,477	-133,950	24,429	NA
12	960132	WSH	Wistron InfoComm (Shanghai) Corporation	35,822	60,555	13,650	46,905	79,427	1,143	316	NA
13	960037	WJP	Wistron K.K.	19,521	1,482,711	1,165,536	317,175	2,059,482	70,312	45,911	7,234.48
14	960377	WSKS	Wistron Service (Kunshan) Corp.	11,065	2,568,995	1,716,900	852,095	5,064,694	63,089	62,953	NA
15	960388	WHK	Wistron Hong Kong Limited	23,604	28,884	59	28,825	27,295	530	673	0.10
16	960731	WOOK	Wistron Optronics (Kunshan) Co., Ltd.	3,598,605	5,374,626	1,686,239	3,688,387	9,536,228	-39,189	-37,217	NA
17	960020	WLB	LE BEN Investment Ltd.	891,420	2,309,180	46,402	2,262,778	0	-347	318,493	3.56
18	960712	WCCZ	Wistron InfoComm (Czech). s.r.o.	178,940	3,662,488	1,015,290	2,647,198	875,019	95,397	136,084	NA
19	960296	WITX	Wistron InfoComm Technology (America) corporation	1,521,383	32,976,503	30,543,030	2,433,473	49,542,418	107,461	70,601	14.14
20	960691	WSSG	SMS InfoComm (Singapore) Pte. Ltd.	4,840,437	4,961,593	5,555,988	-594,395	3,087,509	77,819	-2,950,037	-18.44
21	960126	WLLC	Wistron LLC	3,361,180	4,289,891	2,182	4,287,709	0	-1,793	71,171	6.64
22	960125	WMKS	SMS (Kunshan) Co., Ltd	751,602	3,784,466	1,706,621	2,077,845	3,105,572	96,640	90,453	NA
23	960601	WVS	WisVision Corporation	281,225	942,468	0	942,468	0	-199	78,285	6.20
24	960602	WOSH	Wistron Optronics (Shanghai) Co., Ltd.	119,529	83,429	0	83,429	140,130	5,861	4,936	NA
25	960604	WIN	ICT Service Management Solutions (India) Private Limited	53,028	1,670,845	445,849	1,224,996	905,488	-26,205	-312	-0.02
26	960603	WTZS	Wistron InfoComm Technology (Zhongshan) Co., Ltd.	59,116	1,502,736	561,963	940,773	2,185,732	84,904	78,484	NA
27	960616	WTZ	Wistron InfoComm (Taizhou) Co., Ltd.	4,917,600	1,427,891	7,438,817	-6,010,926	1,330,224	-750,863	-456,782	NA
28	960628	WBR	SMS InfoComm Technology Services and Management Solutions Ltd.	235,851	887,697	118,457	769,239	1,113,819	103,217	105,980	NA
29	960629	WTR	SMS InfoComm Technology Services Limited Company	2,289	79,028	9,127	69,901	35,727	2,288	24,054	864.23
30	960636	WGTX	Wistron GreenTech (Texas) Corporation	399,709	668,293	626,711	41,582	382,202	-46,875	-74,969	-5,764.63
31	960637	WGKS	Wistron Advanced Materials (Kunshan) Co. Ltd	983,520	684,791	666,770	18,021	614,980	314	6,278	NA
32	960720	WMMY	Wistron Technology (Malaysia) Sdn. Bhd.	1,974,559	45,672,931	39,047,395	6,625,536	91,803,413	1,104,141	981,046	NA
33	960646	WHHK	Wistron Hong Kong Holding Limited	2,524,880	9,542,721	0	9,542,721	0	-260	1,506,371	18.34
34	960642	WCQ	Wistron InfoComm (Chongqing) Co., Ltd.	608,553	58,334,187	52,079,671	6,254,516	133,557,362	486,982	1,059,330	NA
35	960649	WSMX	Service Management Solutions Mexico SA DE CV	66,054	395,277	580,094	-184,818	398,283	20,351	13,737	0.40
36	960651	WSCZ	SMS InfoComm (Czech) s.r.o.	333,316	3,115,708	2,410,266	705,442	4,303,293	48,641	22,491	NA
37	960647	WSC	Wistron Investment (Sichuan) Co., Ltd.	2,566,373	9,538,292	836	9,537,455	0	-22	1,506,502	NA
38	960648	WCD	Wistron InfoComm (Chengdu) Co., Ltd.	2,458,800	57,027,091	47,588,739	9,438,352	187,563,534	939,101	1,500,850	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	960900	WYHQ	Wiwynn Corporation	1,748,408	76,970,182	34,736,130	42,234,052	88,404,462	14,119,002	12,043,655	68.88
40	960930	WYJP	Wiwynn Technology Service Japan, Inc.	4,338	800,665	440,597	360,068	3,519,308	127,667	94,080	313,756.16
41	960910	WYUS	Wiwynn International Corporation	297,825	49,588,031	18,795,798	30,792,233	191,686,171	681,292	351,025	0.31
42	960671	WCHK	WiseCap (Hong Kong) Limited	230,909	1,007,781	0	1,007,781	0	-57,418	210,807	3.61
43	962000	WCHQ	Anwith Technology Corporation	10,000	84,791	59,173	25,618	283,086	-3,444	-2,503	-2.50
44	960672	WRKS	Wistron InfoComm Technology Service (Kunshan) Co., Ltd.	61,470	9,923	138,438	-128,515	46,099	-84,870	-88,200	NA
45	960950	WYHK	Wiwynn Technology Service Hong Kong Limited	12,294	479,401	190,863	288,537	575,841	16,898	27,369	67.31
46	960960	WYKS	Wiwynn Technology Service KunShan Ltd.	9,325	386,236	266,256	119,980	719,636	18,485	15,881	NA
47	960680	WEHK	WiEdu Hong Kong Limited	465,334	3,035	50,866	-47,831	0	-169	-168	0.01
48	960681	WETW	WIEDU CORPORATION	131,250	79,372	197,981	-118,609	174,394	-54,463	-56,734	-4.96
49	960690	WITT	Wistron InfoComm Technology (Texas) Corporation	1,829,040	2,411,689	583,928	1,827,761	443,988	21,142	1,749	0.29
50	960695	WMH	Wistron Medical Tech Holding Company	2,800,000	1,496,868	501	1,496,366	0	-583	-403,607	-1.44
51	960698	WDH	Wistron Digital Technology Holding Company	2,050,560	2,290,143	451	2,289,692	231	-530	15,762	0.08
52	960940	WYKR	Wiwynn Korea Ltd.	2,380	312,944	112,123	200,822	1,764,020	32,469	25,870	1,288.07
53	960696	WMT	Wistron Medical Technology Corporation	500,000	576,092	437,895	138,197	761,113	-93,150	-188,516	-3.66
54	960700	WMCQ	Wistron Medical Tech (Chongqing) CO, LTD.	87,884	211,984	260,749	-48,765	79,003	1,588	-7,813	NA
55	960667	WSCQ	SMS InfoComm(Chongqing) Co., Ltd.	122,940	4,680,632	4,250,317	430,315	9,722,927	121,588	11,661	NA
56	960970	WYMY	WIWYNN TECHNOLOGY SERVICE MALAYSIA SDN. BHD	3,802,260	4,731,140	1,096,393	3,634,747	3,271,944	-110,483	-130,008	NA
57	960705	WTS	Wistron Technology Service (America) Corporation	10,757	56,498	36,624	19,875	103,925	4,949	1,104	31.08
58	960725	WMMI	Wistron InfoComm Manufacturing (India) Private Limited	5,486,699	34,267,268	32,609,892	1,657,376	54,370,614	-1,938,422	-3,038,859	-4.17
59	960714	WAC	Abilliant Corporation	16,000	15,150	226	14,923	66	-282	-151	-0.09
60	960980	WYMX	Wiwynn Mexico, S.A. de C.V.	2,019,471	4,262,535	1,378,320	2,884,215	3,599,895	985,231	616,825	0.57
61	960715	BTA	B Temia Asia Pte Ltd.	344,232	41,761	694	41,067	1,621	-4,726	-101,279	-8.91
62	960719	XTRKS	XTRONICS(Kunshan)Electronics Technology Co., Ltd	216,215	2,206,577	1,953,657	252,919	2,752,930	-240	-65,910	NA
63	960721	WIMX	Wistron InfoComm Mexico S.A. de C.V.	1,598,486	4,449,195	1,878,326	2,570,869	410,404	24,160	53,197	0.06
64	960727	WMJP	Wistron Medical Technology Japan K.K.	20,134	16,547	774	15,773	6,897	-5,272	-5,162	-1,358.83
65	960722	WVN	Wistron InfoComm (Vietnam) Co., Ltd	2,766,150	6,111,984	3,366,385	2,745,599	1,463,291	142,958	21,424	NA
66	960724	STI	Smartiply India Private Limited	19,931	16,545	192	16,353	56	9	9	0.00
67	960702	WIS	WIBASE INDUSTRIAL SOLUTIONS INC.	390,830	918,726	450,462	468,264	1,253,768	-77,475	-52,811	-1.35
68	960733	WCCD	Wistron InfoComm Computer (Chengdu)Co.,Ltd	30,735	642,361	629,607	12,754	1,310,207	3,552	5,132	NA
69	960735	WCA	WiSuccess Asset Management Corporation	2,700,000	2,704,121	463	2,703,658	0	-6,169	6,433	NA
70	960734	WMKL	Wistron Medical Technology Malaysia SDN. BHD.	33,448	35,292	21,610	13,682	12,741	-10,831	-11,699	-2.29
71	960736	KOE	KAOSIUNG OPTO-ELECTRONICS INC.	1,387,830	6,636,486	3,901,369	2,735,117	7,705,338	522,640	486,924	3.51
72	960740	WGEH	Wistron Green Energy Holding Company	280,000	263,420	1,399	262,021	0	-5,925	-18,072	NA
73	960990	WYSMX	Wiwynn Technology Service Mexico SA De CV	73,332	65,538	0	65,538	0	-16	-5,031	-0.13
74	960743	WAEI	Wistron Automotive Electronics (India) Private Limited	14,233	14,897	0	14,897	689	689	689	0.17
75	960746	AIS	AiSails Power Inc.	75,000	65,442	7,055	58,387	0	-16,258	-15,802	2.11
76	960745	WTKS	Wistron Green Recycling Technology (Kunshan) Co., Ltd.	25,946	305,371	267,598	37,772	489,648	16,545	12,043	NA
77	960643	HCL	HERACLES ENTERPRISES LIMITED	106,363	107,355	67	107,288	0	-150	-1,909	-3601.89
78	960645	FPTC	FORMOSA PROSONIC TECHNOLOGY SDN BHD	100,343	107,404	5,374	102,030	0	-3,972	-1,760	-0.12

8.1.2 Consolidated Financial Statements Covering Affiliated Enterprises

Please refer to the annual report (p.204-329)

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

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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