

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

