Stock Code:4953

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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

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Independent Auditors' Report

To the Board of Directors of Wistron Information Technology and Services Corporation:

Opinion

We have audited the financial statements of Wistron Information Technology and Services 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of accounts receivable

Please refer to Note 4(f) "Financial Instruments" for accounting policy, Note 5 for accounting assumptions, judgments and estimation uncertainty of accounts receivable and Note 6(b) for the disclosure of the valuation of accounts receivable to the parent company only financial statements.

Description of key audit matters

The Company engages in the information technology service industry. Resulting in significant judgment being applied in the management's assessment of the recoverability of accounts receivable. Consequently, the valuation of accounts receivable is identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing the adequacy of the formula of the calculation for expected loss rate; testing the adequacy of aging report by tracing to related vouchers; evaluating the appropriateness of loss allowance and expected credit loss by testing if the loss allowance was made by expected loss rate; assessing if the evaluation document of loss allowance for accounts receivable was compliance with the Company's accounting policy; evaluating the adequacy of the disclosure of loss allowance for accounts receivable prepared by management.

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 Huang, Ming-Hung and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 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’ audit 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’ audit 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 INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 362,557	9	136,048	4
1140	Current contract assets (note 6(o))	651	-	522	-
1170	Accounts receivable, net (notes 6(b) and (o))	320,813	8	288,137	8
1180	Accounts receivable－related parties, net (notes 6(b), (o) and 7)	38,539	1	58,342	2
1200	Other receivables	304	-	10	-
1210	Other receivables－related parties (note 7)	1,097	-	3,725	-
1410	Prepayments	2,759	-	2,501	-
1470	Other current assets	715	-	2,380	-
	Total current assets	727,435	18	491,665	14
	Non-current assets:				
1550	Investments accounted for using equity method (notes 6(c), (m) and 7)	2,860,078	70	2,481,916	71
1600	Property, plant and equipment (notes 6(d) and 7)	487,335	12	500,179	15
1755	Right-of-use assets (note 6(e))	940	-	1,714	-
1780	Intangible assets (notes 6(f) and 7)	4,013	-	8,362	-
1840	Deferred tax assets (note 6(k))	7,039	-	9,656	-
1920	Guarantee deposits paid (note 8)	1,366	-	578	-
	Total non-current assets	3,360,771	82	3,002,405	86
	Total assets	$ 4,088,206	100	3,494,070	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(g))	$ -	-	150,000	5
2130	Current contract liabilities (note 6(o))	11,957	-	13,115	-
2170	Accounts payable	2,775	-	2,536	-
2180	Accounts payable－related parties (note 7)	295	-	-	-
2200	Other payables (notes 6(h) and (p))	429,172	11	408,290	12
2220	Other payables－related parties (note 7)	1,538	-	21	-
2230	Current tax liabilities	30,232	1	28,642	1
2280	Current lease liabilities (note 6(i))	628	-	746	-
2399	Other current liabilities	8,594	-	15,232	-
	Total current liabilities	485,191	12	618,582	18
	Non-Current liabilities:				
2570	Deferred tax liabilities (note 6(k))	66,700	2	63,399	2
2640	Net defined benefit liability, non-current (note 6(j))	11,313	-	12,789	-
2580	Non-current lease liabilities (note 6(i))	267	-	920	-
	Total non-current liabilities	78,280	2	77,108	2
	Total liabilities	563,471	14	695,690	20
	Equity (notes 6(j), (l) and (m)):				
3100	Capital stock	728,277	18	671,523	19
3200	Capital surplus	1,269,314	31	791,658	23
3300	Retained earnings	1,706,530	42	1,449,437	41
3400	Other equity	(142,252)	(4)	(77,104)	(2)
3500	Treasury shares	(37,134)	(1)	(37,134)	(1)
	Total equity	3,524,735	86	2,798,380	80
	Total liabilities and equity	$ 4,088,206	100	3,494,070	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WISTRON INFORMATION TECHNOLOGY AND SERVICES 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 revenue (notes 6(o) and 7)**	$ 1,546,767	100	1,439,375	100
5000	**Cost of sales (notes 6(d), (f), (j), 7 and 12)**	(995,651)	(64)	(899,125)	(62)
	Gross profit	551,116	36	540,250	38
	Operating expenses (notes 6(d), (e), (f), (i), (j), (l), (m), (o), (p), 7 and 12):				
6100	Selling expenses	(42,816)	(3)	(32,875)	(2)
6200	Administrative expenses	(306,036)	(20)	(322,353)	(22)
6300	Research and development expenses	(12,108)	(1)	(6,642)	(1)
6450	Expected credit (gains) losses	(4)	-	138	-
	Total operating expenses	(360,964)	(24)	(361,732)	(25)
	Net operating income	190,152	12	178,518	13
	Non-operating income and expenses (notes 6(c), (i), (q) and 7):				
7100	Interest income	1,269	-	55	-
7010	Other income	240	-	54	-
7020	Other gains and losses	30,326	2	39,090	2
7070	Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	423,991	28	384,872	27
7050	Finance costs	(2,009)	-	(1,366)	-
	Total non-operating income and expenses	453,817	30	422,705	29
	Profit before tax	643,969	42	601,223	42
7951	**Income tax expenses (note 6(k))**	(55,996)	(4)	(47,021)	(3)
	Net profit	587,973	38	554,202	39
8300	**Other comprehensive income (notes 6(j), (k) and (l)):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	2,462	-	1,821	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	2,462	-	1,821	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(9,159)	-	3,330	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(55,989)	(4)	26,619	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(65,148)	(4)	29,949	2
8300	**Other comprehensive (loss) income**	(62,686)	(4)	31,770	2
	Total comprehensive income	**$ 525,287**	**34**	**585,972**	**41**
	Earnings per share (in New Taiwan dollars) (note 6(n))				
9750	**Basic earnings per share**	**$ 8.49**		**8.33**	
9850	**Diluted earnings per share**	**$ 8.40**		**8.19**	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Capital stock		Retained earnings				Other equity		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
Balance at January 1, 2022	$ 669,211	770,877	176,669	81,212	940,306	1,198,187	(107,053)	(73,500)	2,457,722
Net profit	-	-	-	-	554,202	554,202	-	-	554,202
Other comprehensive income	-	-	-	-	1,821	1,821	29,949	-	31,770
Total comprehensive income	-	-	-	-	556,023	556,023	29,949	-	585,972
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	45,710	-	(45,710)	-	-	-	-
Special reserve	-	-	-	25,841	(25,841)	-	-	-	-
Cash dividends	-	-	-	-	(304,773)	(304,773)	-	-	(304,773)
Compensation cost of treasury shares transferred to employees	-	3,487	-	-	-	-	-	-	3,487
Treasury shares transferred to employees	-	(394)	-	-	-	-	-	36,366	35,972
New share issued through employees' profit sharing bonus	2,312	17,688	-	-	-	-	-	-	20,000
Balance at December 31, 2022	671,523	791,658	222,379	107,053	1,120,005	1,449,437	(77,104)	(37,134)	2,798,380
Net profit	-	-	-	-	587,973	587,973	-	-	587,973
Other comprehensive income	-	-	-	-	2,462	2,462	(65,148)	-	(62,686)
Total comprehensive income	-	-	-	-	590,435	590,435	(65,148)	-	525,287
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	55,602	-	(55,602)	-	-	-	-
Cash dividends	-	-	-	-	(333,342)	(333,342)	-	-	(333,342)
Reversal of special reserve	-	-	-	(29,949)	29,949	-	-	-	-
Cash capital increase	55,000	448,410	-	-	-	-	-	-	503,410
Remuneration costs incurred from share option	-	11,000	-	-	-	-	-	-	11,000
New share issued through employees' profit sharing bonus	1,754	18,246	-	-	-	-	-	-	20,000
Balance at December 31, 2023	**$ 728,277**	**1,269,314**	**277,981**	**77,104**	**1,351,445**	**1,706,530**	**(142,252)**	**(37,134)**	**3,524,735**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent 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 generated from (used in) operating activities:		
Profit before tax	$ 643,969	601,223
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	20,491	20,711
Amortization expense	4,349	7,676
Expected credit losses (gains)	4	(138)
Interest expense	2,009	1,366
Interest income	(1,269)	(55)
Remuneration cost arising from share-based payments	5,860	2,162
Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	(423,991)	(384,872)
Gain on disposal of property, plant and equipment	(29)	(14)
Total adjustments to reconcile loss	(392,576)	(353,164)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in contract assets	(133)	4,606
Increase in accounts receivable, net	(32,676)	(20,569)
Decrease (increase) in accounts receivable－related parties	19,803	(20,227)
Decrease in other receivables	1	-
Decrease (increase) in other receivables－related parties	2,628	(3,708)
Increase in prepayments	(258)	(938)
Decrease (increase) in other current assets	916	(13)
Total changes in operating assets	(9,719)	(40,849)
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(1,158)	8,281
Increase (decrease) in accounts payable	239	(572)
Increase in accounts payable－related parties	295	-
Increase in other payables	25,958	90,623
Increase (decrease) in other payables－related parties	1,517	(176)
(Decrease) increase in other current liabilities	(6,638)	8,677
Increase (decrease) in net defined benefit liability	986	(563)
Total changes in operating liabilities	21,199	106,270
Net changes in operating assets and liabilities	11,480	65,421
Total adjustments	(381,096)	(287,743)
Cash generated from operations	262,873	313,480
Interest received	974	46
Interest paid	(2,085)	(1,303)
Income taxes paid	(48,488)	(57,762)
Net cash flows generated from operating activities	213,274	254,461
Cash flows generated from (used in) investing activities:		
Acquisition of property, plant and equipment	(6,898)	(11,652)
Proceeds from disposal of property, plant and equipment	29	214
(Increase) decrease in refundable deposits	(39)	701
Acquisition of intangible assets	-	(4,749)
Dividends received	821	-
Net cash flows used in investing activities	(6,087)	(15,486)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	1,400,000	1,480,000
Repayments of short-term loans	(1,550,000)	(1,430,000)
Repayments of the principal portion of lease liabilities	(746)	(757)
Cash dividends paid	(333,342)	(304,773)
Capital increase by cash, less issuance costs	503,410	-
Treasury shares transferred to employees	-	35,972
Net cash flows generated from (used in) financing activities	19,322	(219,558)
Net increase in cash and cash equivalents	226,509	19,417
Cash and cash equivalents at beginning of year	136,048	116,631
Cash and cash equivalents at end of year	**$ 362,557**	**136,048**

See accompanying notes to parent company only financial statements.

(1) Company history

Mirrors International, Inc. was incorporated on June 1, 1992 as a company limited by shares under the laws of the Republic of China (R.O.C); and in July 2004, it changed its name to Wistron Information Technology and Services Corporation (the "Company"). The Company is primarily engaged in the development and maintenance of the IT system, IT consulting and outsourcing services.

(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 5, 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. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 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 IAS 21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The material accounting policies presented in the parent company only financial statements are summarized as follows. And the accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

(a) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the net defined benefit liabilities are measured at the present value of the defined benefit obligation less fair value of the plan assets, and the effect of the asset ceiling explained in note 4(o), the parent company only financial statements have been prepared on the historical cost basis.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the 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.

(ii) Foreign operations

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

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant 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 monetary items 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; or

(iv) The asset is cash or a cash equivalent unless the asset is 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.

(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; or

(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.

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(e) Cash and cash equivalents

Cash comprises of cash on hand and demand 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

Accounts receivable is initially recognized when it is 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 an accounts 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 (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) 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. 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.

1) Financial assets measured at amortized cost

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

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

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

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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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, accounts receivable, other receivables, other financial assets and guarantee deposit), and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full.

ECL are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(Continued)

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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.

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.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Treasury shares

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

2) Other financial liabilities

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.

3) Derecognition of financial liabilities

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

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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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.

4) 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.

(g) 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.

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

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures： 5 to 50 years

2) Computers and other equipment： 1 to 6 years

3) Office equipment： 6 years

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

(i) Leases

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

(i) As a lessee

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

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

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

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 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 assessment on whether it will exercise an option to purchase the underlying asset; or

4) there is a change in the assessment on lease term as to whether it will exercise an extension or terminated option; or

5) there are any lease modifications to the assets, scope and other terms of the lease.

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less 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.

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(j) Intangible assets

Other intangible assets, excluding goodwill, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred. 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.

The Company's intangible assets are mainly computer software and are recognized in profit or loss on a straight-line basis over the estimated useful lives of 1~6 years.

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

(k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than contract assets 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.

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.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

For assets other than goodwill, 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.

(l) 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 probable 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.

(m) Revenue from contracts with customers

Revenue is measured based 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:

(Continued)

(i) IT consulting and outsourcing services

The Company provides IT consulting and outsourcing services. Revenue is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the costs incurred to date as a proportion of the total estimated costs of the transaction.

Some contracts include multiple deliverables, such as system development and maintenance service. In most cases, an integration service is not included, and the transaction price will be allocated based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognized at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(ii) Financing components

The Company does not expect to have any 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.

(n) Government grants

In accordance with IAS No. 20 “Accounting for Government Grants and Disclosure of Government Assistance”, the Company recognizes government grants when there is reasonable assurance that the Company will follow the conditions and the grant will be received. The Company recognizes government grants in profit or loss according to a reasonable and systematic method to match its related costs during the period.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(Continued)

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(ii) Defined benefit plans

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. 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.

(p) 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 the expected and the actual outcomes.

The grant date for employee stock option and the date when the Board of Directors approves the exercise price and the shares to which employees can subscribe are the same. In addition, the grant date of the share-based payment award and the date when the Company inform its employees about the exercise price and the shares to which they can subscribe are the same.

(Continued)

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(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations, or are 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 shall not be recognized for the below exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company discloses its basic and diluted earnings per share attributable to its ordinary shareholders 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 the weighted-average number of ordinary shares outstanding; while 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 employee remuneration and employees' profit sharing bonus.

(s) Operating segment

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 statements.

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

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

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

The Company is likely to be facing economic uncertainties, such as natural disasters, international political uncertainties, and inflation. Those events may have significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about critical judgments in applying the accounting policies that do not have significant effects 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 is as follows. Those assumptions and estimation have been updated to reflect the valuation of accounts receivable to reflect the impact of economic uncertainties.

The Company has estimated the loss allowance of accounts receivable based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions, and forward-looking information, at the reporting date to determine the expected credit loss rate to be used in calculating the impairments.

However, in the face of future economic trends, the Company may cause changes in the expected credit loss rate, and may cause losses in the future or reverse the recognized credit losses.

The allowance loss for accounts receivable please refer to note 6(b).

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(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 120	90
Demand deposits	82,437	135,958
Time deposits	280,000	-
Cash and cash equivalents in the parent company only statement of cash flows	$ 362,557	136,048

Please refer to note 6(r) for the currency rate risk and sensitivity analysis of the financial assets of the Company.

(b) Accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Accounts receivable	$ 320,813	288,137
Accounts receivable-related parties	38,539	58,342
Less: Loss allowance	-	-
	$ 359,352	346,479

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and days past due, as well as the incorporated forward-looking information.

The loss allowance provision was determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average expected credit loss rate	Lifetime expected credit loss allowance
Not overdue	$ 321,138	0%	-
Overdue within 30 days	30,547	0%	-
Overdue 31~60 days	2,636	0%	-
Overdue 61~120 days	4,478	0%	-
Overdue 121~180 days	357	0%	-
Overdue 181~365 days	196	0%	-
Overdue more than 365 days	-	0%	-
	$ 359,352		-

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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	December 31, 2022		
	Gross carrying amount	Weighted-average expected credit loss rate	Lifetime expected credit loss allowance
Not overdue	$ 319,869	0%	-
Overdue within 30 days	19,360	0%	-
Overdue 31~60 days	2,441	0%	-
Overdue 61~120 days	4,377	0%	-
Overdue 121~180 days	380	0%	-
Overdue 181~365 days	52	0%~17.79%	-
Overdue more than 365 days	-	100%	-
	$ 346,479		-

The movements in the allowance for accounts receivable were as follow:

	2023	2022
Balance on January 1 (December 31)	$ -	-

As of December 31, 2023 and 2022, accounts receivable were not discounted and pledged.

(c) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Subsidiaries	$ 2,860,078	2,481,916

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) The investments accounted for using equity method were not pledged.

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(d) Property, plant and equipment

The movements in cost and accumulated depreciation of property, plant and equipment were as follows:

		Land	Buildings and structures	Computers and other equipment	Office equipment	Total
Cost：						
Balance as of January 1, 2023	$	190,856	319,812	61,099	8,815	580,582
Additions		-	-	6,866	32	6,898
Disposals		-	-	(6,114)	-	(6,114)
Balance as of December 31, 2023	$	**190,856**	**319,812**	**61,851**	**8,847**	**581,366**
Balance as of January 1, 2022	$	190,856	319,812	52,333	8,779	571,780
Additions		-	-	11,480	172	11,652
Disposals		-	-	(2,714)	(136)	(2,850)
Balance as of December 31, 2022	$	**190,856**	**319,812**	**61,099**	**8,815**	**580,582**
Accumulated depreciation：						
Balance as of January 1, 2023	$	-	33,331	41,889	5,183	80,403
Depreciation		-	9,976	8,394	1,372	19,742
Disposals		-	-	(6,114)	-	(6,114)
Balance as of December 31, 2023	$	**-**	**43,307**	**44,169**	**6,555**	**94,031**
Balance as of January 1, 2022	$	-	23,355	35,777	3,961	63,093
Depreciation		-	9,976	8,627	1,357	19,960
Disposals		-	-	(2,515)	(135)	(2,650)
Balance as of December 31, 2022	$	**-**	**33,331**	**41,889**	**5,183**	**80,403**
Carrying value：						
Balance as of December 31, 2023	$	**190,856**	**276,505**	**17,682**	**2,292**	**487,335**
Balance as of December 31, 2022	$	**190,856**	**286,481**	**19,210**	**3,632**	**500,179**
Balance as of January 1, 2022	$	**190,856**	**296,457**	**16,556**	**4,818**	**508,687**

As of December 31, 2023 and 2022, the property, plant and equipment were not pledged.

(e) Right-of-use assets

The Company leases buildings and structures and transportation equipment. The movements in right-of-use assets were as follows:

		Buildings and structures	Transportation equipment	Total
Cost:				
Balance as of January 1, 2023	$	918	1,355	2,273
Decrease		(25)	-	(25)
Balance as of December 31, 2023	$	**893**	**1,355**	**2,248**
Balance as of January 1, 2022	$	918	1,323	2,241
Additions		-	1,355	1,355
Decrease		-	(1,323)	(1,323)
Balance as of December 31, 2022	$	**918**	**1,355**	**2,273**

(Continued)

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		Buildings and structures	Transportation equipment	Total
Accumulated depreciation:				
Balance as of January 1, 2023	$	408	151	559
Depreciation		298	451	749
Balance as of December 31, 2023	**$**	**706**	**602**	**1,308**
Balance as of January 1, 2022	$	102	1,029	1,131
Depreciation		306	445	751
Decrease		-	(1,323)	(1,323)
Balance as of December 31, 2022	**$**	**408**	**151**	**559**
Carrying amount:				
Balance as of December 31, 2023	**$**	**187**	**753**	**940**
Balance as of December 31, 2022	**$**	**510**	**1,204**	**1,714**
Balance as of January 1, 2022	**$**	**816**	**294**	**1,110**

(f) Intangible assets

The movements in intangible assets were as follows:

		Software
Cost：		
Balance as of January 1, 2023	$	32,613
Balance as of December 31, 2023	**$**	**32,613**
Balance as of January 1, 2022	$	46,807
Additions		4,749
Disposals		(18,943)
Balance as of December 31, 2022	**$**	**32,613**
Accumulated amortization：		
Balance as of January 1, 2023	$	24,251
Amortization		4,349
Balance as of December 31, 2023	**$**	**28,600**
Balance as of January 1, 2022	$	35,518
Amortization		7,676
Disposals		(18,943)
Balance as of December 31, 2022	**$**	**24,251**
Carrying value：		
Balance as of December 31, 2023	**$**	**4,013**
Balance as of December 31, 2022	**$**	**8,362**
Balance as of January 1, 2022	**$**	**11,289**

For the years ended December 31, 2023 and 2022, the amortization of intangible assets is included in the cost of sales and operating expenses in the statement of comprehensive income.

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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(g) Short-term borrowings

	December 31, 2022			
	Currency	**Range of interest rates**	**Expiration year**	**Amount**
Unsecured bank loans	NTD	1.725%	2023	$ **150,000**
Unused bank credit lines				$ **850,000**

As of December 31, 2023, the Company's unused bank credit lines were $1,100,000.

(h) Other payables

	December 31, 2023	**December 31, 2022**
Accrued payroll and bonus	$ 224,424	237,077
Accrued employees' and directors' remuneration	138,066	107,097
Business tax payable	11,557	11,951
Others	55,125	52,165
	$ **429,172**	**408,290**

(i) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2023	**December 31, 2022**
Current	$ **628**	**746**
Non-current	$ **267**	**920**

For the maturity analysis, please refer to note 6(r).

The amounts recognized in profit or loss were as follows:

	2023	**2022**
Interest expenses on lease liabilities	$ **13**	**13**
Expenses relating to short-term leases	$ **251**	**649**
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	$ **420**	**406**

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

	2023	2022
Total cash outflow for leases	$ 1,430	1,825

(i) Leases of buildings and structures

The Company leases buildings and structures for its office space, and the leases of office space typically run for a period of 3 years.

(ii) Other leases

The Company leases some office space and equipment. These leases are short-term or leases of low-value items. The Company has selected not to recognize right-of-use assets and lease liabilities for these leases.

(j) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 38,638	41,788
Fair value of plan assets	(27,325)	(28,999)
Net defined benefit liabilities	$ 11,313	12,789

The Company makes defined benefit plan contributions to the pension fund account in the Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary prior to six months of retirement.

1) Composition of plan assets

The Company allocates 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 the Bank of Taiwan amounted to $27,325 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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2) Movements at present value of the defined benefit obligations

For the years ended December 31, 2023 and 2022, the movements at present value of the defined benefit obligations for the Company were as follows:

		2023	2022
Defined benefit obligations at January 1	$	41,788	42,487
Current service costs and interest costs		2,708	1,466
Remeasurements of the net defined benefit liability:			
－Actuarial loss arising from changes in financial assumptions		496	-
－Actuarial loss (gain) arising from experience adjustments		(2,822)	376
Benefits paid from plan assets		(2,704)	(1,129)
Benefits paid directly by the Company		(828)	(1,412)
Defined benefit obligations at December 31	**$**	**38,638**	**41,788**

3) Movements at fair value of the defined benefit plan assets

For the years ended December 31, 2023 and 2022, the movements at fair value of the defined benefit plan assets for the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	28,999	27,314
Expected return on plan assets		474	159
Remeasurements of the net defined benefit liability:			
－Return on plan assets		136	2,197
Amounts contributed to plan		420	458
Benefits paid from plan assets		(2,704)	(1,129)
Fair value of plan assets at December 31	**$**	**27,325**	**28,999**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2023	2022
Current service costs	$	2,014	1,213
Interest cost		694	253
Expected return on plan assets		(474)	(159)
	$	**2,234**	**1,307**

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WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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	2023	2022
Cost of sales	$ 1,152	670
Selling expenses	294	116
Administration expenses	788	521
	$ 2,234	**1,307**

5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

For the years ended December 31, 2023 and 2022, the remeasurements of the net defined benefit liability recognized in other comprehensive income were as follows:

	2023	2022
Accumulated amount at January 1	$ 3,875	5,696
Recognized during the period	(2,462)	(1,821)
Accumulated amount at December 31	**$ 1,413**	**3,875**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.625 %	1.750 %
Future salary increase rate	4.000 %	4.000 %

Expected contribution to the defined benefit pension plan of the Company for the one-year period after the reporting date is $387. The weighted average lifetime of the defined benefit plans is 14.95 years.

7) Sensitivity analysis

As of December 31, 2023, and 2022, the changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

	Influences on defined benefit obligations	
	Increase	Decrease
December 31, 2023		
Discount rate (0.25%)	$ (973)	1,004
Future salary increase rate (0.25%)	960	(934)
December 31, 2022		
Discount rate (0.25%)	(1,103)	1,148
Future salary increase rate (0.25%)	1,099	(1,066)

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

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(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 Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of Labor Insurance without the payment of additional legal or constructive obligations.

The Company set aside $52,748 and $46,539 of the pension under the pension plan costs to the Bureau of Labor Insurance for the years ended December 31, 2023 and 2022, respectively.

(k) Income tax

(i) Income tax expense

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

	2023	2022
Current tax expense	$ 50,078	49,367
Deferred tax expense (benefit)	5,918	(2,346)
Income tax expense	**$ 55,996**	**47,021**

There is no income tax recognized directly in equity or other comprehensive income for the years ended December 31, 2023 and 2022.

Reconciliations of income tax expenses and profit before tax for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Profit before tax	$ 643,969	601,223
Estimated income tax calculated using the Company's domestic tax rate	128,794	120,245
Prior-period tax adjustments	(837)	(554)
Change in unrecognized temporary differences	(82,030)	(76,088)
Additional tax on undistributed earnings	9,524	3,425
Others	545	(7)
	$ 55,996	**47,021**

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WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ 2,180,246	1,770,092
Unrecognized deferred tax liabilities	$ 436,049	354,019

2) Unrecognized deferred tax assets

There are no significant unrecognized deferred tax assets for the years ended December 31, 2023 and 2022.

3) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities were as follows:

Deferred Tax Assets:

	Defined benefit plans	Accrued expense	Provisions	Others	Total
Balance as of January 1, 2023	$ 2,066	3,839	1,386	2,365	9,656
Recognized in profit or loss	197	272	(1,386)	(1,700)	(2,617)
Balance as of December 31, 2023	$ 2,263	4,111	-	665	7,039
Balance as of January 1, 2022	$ 1,896	3,259	-	1,464	6,619
Recognized in profit or loss	170	580	1,386	901	3,037
Balance as of December 31, 2022	$ 2,066	3,839	1,386	2,365	9,656

Deferred Tax Liabilities:

	Recognized share of gain of subsidiaries accounted for equity method	Others	Total
Balance as of January 1, 2023	$ 63,388	11	63,399
Recognized in profit or loss	3,312	(11)	3,301
Balance as of December 31, 2023	$ 66,700	-	66,700
Balance as of January 1, 2022	$ 62,687	21	62,708
Recognized in profit or loss	701	(10)	691
Balance as of December 31, 2022	$ 63,388	11	63,399

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(iii) Income tax assessments

The Company's corporate income tax returns for all years through 2021 were assessed by the local tax authority.

(l) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized common stock were 120,000 thousand shares with a par value of NT$10 per share, amounting to $1,200,000, of which 72,828 thousand shares and 67,152 thousand shares, respectively, were issued. And the actual share capital amount were $728,277 and $671,523. All proceeds from shares issued have been collected.

Reconciliations of shares issued for the years ended December 31, 2023 and 2022 were as follows:

	Common stock (in thousands)	
	2023	**2022**
Balance as of January 1	67,152	66,921
New share issued through employees' profit sharing bonus	176	231
Cash capital increase	5,500	-
Balance as of December 31	**72,828**	**67,152**

(i) Common stock

The Company conducted a cash capital increase, wherein $20,000 (consisting of 176 thousand shares) of the total amount had been distributed as employee profit-sharing bonus, with the base date for the capital increase set on August 10, 2023, based on a resolution decided during the board meeting held on March 6, 2023, with the approval of the Financial Supervisory Commission. All relevant registration procedures had been completed.

After a resolution had been decided during the board meeting held on May 9, 2023, the Company conducted a cash capital increase by issuing 5,500 thousand new shares, at a par value of NT$10 per share, with the base date set on July 25, 2023, approved by the Securities and Futures Bureau, Financial Supervisory Commission on June 14, 2023. Thereafter, the issuance price for the above shares had been decided during the board meeting held on June 27, 2023 to be NT$92 per share. The total amount of $503,410 (net of issuance costs $2,590), which was collected during the period. All relevant registration procedures had been completed. In addition, the Company is required to recognize the remuneration cost of cash capital increase to retain the shares for employee subscription, please refer to note 6(m) for details.

The Company conducted a cash capital increase, wherein $20,000 (consisting of 231 thousand shares) of the total amount had been distributed as employee profit-sharing bonus, with the base date for the capital increase set on August 9, 2022, based on a resolution decided during the board meeting held on March 8, 2022, with the approval of the Financial Supervisory Commission. All relevant registration procedures had been completed.

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(ii) Capital surplus

The details of capital surplus at the reporting date were as follows:

	December 31, 2023	December 31, 2022
A premium issuance of common shares for cash	$ 1,242,991	765,335
Transaction of treasury shares	26,297	26,297
Earnings from donated assets received	26	26
	$ 1,269,314	791,658

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

On March 6, 2023, and March 8, 2022, the Company's Board of Directors meeting approved a resolution to distribute employees' profit sharing bonus consisting of 176 thousand shares and 231 thousand shares. The amount of stock premium was $18,246 and $17,688, respectively.

On May 9, 2023, the Company’s Board of Directors meeting approved to issue 5,500 thousand new shares through a cash capital increase, with a premium issuance of common shares for cash $448,410. The portion reserved for subscription by employees had been recognized as salary expenses of $11,000 based on the fair value of the stock options, including subscription by employees of subsidiaries $5,140 (recognized as investments accounted for using equity method). At the same time, it had been recorded as capital surplus－employee stock options, and had been transferred to capital surplus－a premium issuance of common shares for cash after the cash capital increased.

(iii) Retained earning

The Company's Articles of Incorporation stipulate that the Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's capital; and also set aside special 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 5% of the remaining earnings. The Company's appropriations of earnings are approved in the meeting of the Board of Directors and are presented for approval in the Company's shareholders' meeting.

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WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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The Company considers that the current industrial development of the Company is in a stage of stable growth. In order to cooperate with the Company's long-term capital planning for sustainable operation and stable growth, the Company adopts the residual dividend policy, wherein the annual cash dividends paid shall not be less than 10% of the total cash and stock dividends.

1) Legal reserve

When a company incurs no loss, the meeting of shareholders may decide on the distribution of the legal reserve either by new shares or by cash of up to 25% of the actual share capital.

2) Special reserve

In accordance with the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the total net reduction of current period of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to 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.

3) Appropriations of earnings

The appropriations of earning for 2022 and 2021 had been approved by the shareholders' meetings held on May 30, 2023 and May 26, 2022, respectively. The appropriations and dividends were as follows:

	2022	2021
Common stock dividends		
Cash	$ 333,342	304,773

4) Treasury shares

a) The Company repurchased 958 thousand shares of its own common stock as treasury shares, at the amount of $73,500, in order to motivate, and improve the operating performance of, its employees in accordance with the requirements under article 28(2) of the Securities and Exchange Act. The repurchased period was from March 30 to May 29, 2020. Out of the 958 thousand shares mentioned above, 474 thousand shares were transferred to its employees, resulting in the Company to hold the remaining 484 thousand shares as of December 31, 2023 and 2022, respectively. In addition, the employee remuneration expense of $3,487, including that of its subsidiaries amounting to $1,325, had been recognized in 2022.

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WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
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b) In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(iv) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	
	The Company	**Subsidiaries**
Balance as of January 1, 2023	$ (19,457)	(57,647)
Foreign currency translation differences	(9,159)	(55,989)
Balance as of December 31, 2023	**$ (28,616)**	**(113,636)**
Balance as of January 1, 2022	$ (22,787)	(84,266)
Foreign currency translation differences	3,330	26,619
Balance as of December 31, 2022	**$ (19,457)**	**(57,647)**

(m) Share-based payment

On May 9, 2023, the Company's Board of Directors meeting approved to issue 5,500 thousand new shares through a cash capital increase. In accordance with Article 267 of R.O.C. Company Act, 10% of these shares, totaling 550 thousand shares, with a value of NT$20 per share, should be reserved for employee stock option, which also entitles those qualified employees of the Company's subsidiaries. For those shares given up for subscription or undersubscribed shares, the Chairman of the Company will be authorized to contact a specific person to subscribe the entire shares at the issuance price. Furthermore, the fair value of awarded equity interest on the grant date shall be measured in accordance with provisions of IFRS 2 "Share-Based Payment". In addition, the remuneration costs incurred from share option of $11,000, including those that have been subscribed by the subsidiaries' employees of $5,140 (recognized as investments accounted for using equity method), were recognized at the grant date for the year ended December 31, 2023 as follows:

	Cash capital increase reserved for employees stock option
Grant date	June 27, 2023
Grant volume (in thousand shares)	550
Recipients	Employees of the Company and its subsidiaries
Vesting Conditions	Immediately vested

There was no such transaction for the year ended December 31, 2022.

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The Company adopted the Black Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	2023
	Cash capital increase reserved for employee stock option
Fair value at the grant date (NT$)	20
Share price at the grant date (NT$)	112
Exercise price (NT$)	92
The expected life (days)	24
The risk-free rate (%)	1.16
Stock return volatility (%)	36.092

(n) Earnings per share ("EPS")

(i) Basic earnings per share

	2023	2022
Net profit belonging to common shareholders	$ 587,973	554,202
Weighted average common stock outstanding (in thousands shares)	69,223	66,539
Basic earnings per share (in dollars)	$ 8.49	8.33

(ii) Diluted earnings per share

	2023	2022
Net profit belonging to common shareholders	$ 587,973	554,202
Weighted average common stock outstanding (in thousands shares)	69,223	66,539
Effect of potentially dilutive common stock (in thousands shares)		
Employees' profit sharing bonus	668	915
Employees' profit sharing bonus of subsidiaries	137	213
Weighted average number of common stock (diluted) (in thousands shares)	70,028	67,667
Diluted earnings per share (in dollars)	$ 8.40	8.19

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(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets:		
Taiwan	$ 1,466,968	1,321,671
Japan	23,077	13,719
Others	56,722	103,985
	$ 1,546,767	**1,439,375**
Major products:		
IT service revenue	**$ 1,546,767**	**1,439,375**

(ii) Balance of contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (including related parties)	**$ 359,352**	**346,479**	**305,683**
Contract assets	$ 671	538	5,144
Less: loss allowance	(20)	(16)	(154)
	$ 651	**522**	**4,990**

The movements in the allowance for contract assets were as follow:

	2023	2022
Balance as of January 1	$ 16	154
Impairment losses recognized (reversed)	4	(138)
Balance as of December 31	**$ 20**	**16**

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	**$ 11,957**	**13,115**	**4,834**

For details of accounts receivable and loss allowance, please refer to note 6(b).

The Company uses a simplified approach to contract assets to estimate expected credit losses based on the loss rate method.

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liabilities balance at the beginning of the year was $13,050 and $4,169, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes during the period.

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(p) Remunerations to employees and directors

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of remunerations to employees and directors), it shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) The Company shall allocate not less than 10% of annual profit as employee's remuneration. The Company may distribute in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company, depends on certain specific requirement determined by the Board of Directors.

(ii) The Company shall allocate not more than 2% of annual profit as the remuneration to directors in cash.

The Company's estimated of employees' and directors' remuneration (including transferred to subsidiary employees) were as follows:

	2023	2022
Employees' remuneration	$ 89,080	83,250
Directors' remuneration	9,250	9,250
	$ 98,330	92,500

The amounts are 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 excluding the part of subsidiaries are accounted for under operating expense 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. If the Company's Board of Directors approved to distribute employee's remuneration by shares, the number of shares were calculated based on the closing price of the Company's common stock, one day before the date of the meeting of Board of Directors. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2023 and 2022.

(q) Non-operating income and expenses

(i) Interest income

	2023	2022
Interest income	$ 1,269	55

(ii) Other income

	2023	2022
Rental income	$ 240	50
Government grants	-	4
	$ 240	54

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(iii) Other gains and losses

	2023	2022
Foreign exchange gains, net	$ 716	3,136
Management services revenue	29,544	42,363
Gains on disposals of property, plant and equipment, net	29	14
Compensation losses	-	(6,929)
Others	37	506
	$ 30,326	**39,090**

(iv) Finance costs

	2023	2022
Interest expenses	**$ (2,009)**	**(1,366)**

(r) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

When financial commodity trading is relatively concentrated on a few trading partners, or not but the trading objects are mostly engaged in similar commercial activities and have similar economic characteristics, so when the ability to perform the contract is similarly affected by economic or other conditions, a significant concentration of credit risk occurs.

As of December 31, 2023 and 2022, 44% and 50%, respectively, of accounts receivable was concentrated on 4 specific customers. Thus, credit risk is significantly centralized.

The Company regularly assesses the possibility of recovering accounts receivable and provides appropriate allowance for impairment losses within the management's expectations. The Company periodically evaluates its customers' financial position and the possibility of recovery of receivables. Therefore, the Company assesses that credit risk can be reduced.

3) Receivables and contract assets securities

For credit risk exposure of accounts receivables, please refer to note 6(b). For the detail and impairment of contract assets, please refer to note 6(o).

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(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, including estimated interest payments:

		Carrying amount	Contractual cash flows	Within 1 year	1-2 years	Over 2 years
As of December 31, 2023						
Non-derivative financial liabilities						
Accounts payable (including related parties)	$	3,070	3,070	3,070	-	-
Other payables (including related parties)		430,710	430,710	430,710	-	-
Lease liabilities (current and non-current)		895	902	634	268	-
	$	**434,675**	**434,682**	**434,414**	**268**	**-**
As of December 31, 2022						
Non-derivative financial liabilities						
Short-term loans	$	150,000	150,113	150,113	-	-
Accounts payable		2,536	2,536	2,536	-	-
Other payables (including related parties)		408,311	408,311	408,311	-	-
Lease liabilities (current and non-current)		1,666	1,687	760	659	268
	$	**562,513**	**562,647**	**561,720**	**659**	**268**

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Company's significant exposure to foreign currency risk were as follows:

		December 31, 2023			December 31, 2022		
		Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets							
Monetary items							
USD	$	424	30.735	13,059	450	30.708	13,805
Non-monetary items							
USD		85,894	30.735	2,639,957	73,750	30.708	2,264,702
JPY		696,507	0.2169	151,072	633,770	0.2307	146,211
HKD		16,939	3.9340	66,640	16,528	3.9382	65,091

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2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties) that are denominated in foreign currency. A weakening or strengthening 5% of (depreciation) appreciation of the NTD against the foreign currency for the years ended December 31, 2023 and 2022 would have increased (decreased) the net profit after tax by $706 and $690, respectively. The analysis assumes that all other variables remain constant.

3) Foreign exchange gain and loss on monetary items

The Company's exchange gain or loss, including realized and unrealized portions, of monetary items convert to amount of functional currency, information about exchange rate is as below:

	2023		2022	
	Exchange gain (loss)	**Average exchange rate**	**Exchange gain (loss)**	**Average exchange rate**
NTD	$ 716	-	3,136	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Company's net income would have decreased / increased by $1,500 for the year ended December 31, 2022, with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates.

The Company has no variable interest rate borrowing as of December 31, 2023.

(v) Fair value information - Categories and fair values of financial instruments

The carrying amount of the financial assets and liabilities is reasonably close to the fair value, so the disclosure of the fair value information is not required.

(s) Management of financial risk

(i) Overview

The Company is exposed to the extent of the risks arising from financial instruments as below:

1) Credit risk

2) Liquidity risk

3) Market risk

Detailed information about the Company's objectives, policies and processes for measuring and managing the above mentioned risks was listed below. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The highest responsible unit for risk management in the Company is the Board of Directors, who approves the risk management policies and related norms, overseeing the overall implementation of risk management to ensure effective risk control. At various organizational levels, the CEO, business units, and functional units, regularly assess all related risks during operational meetings and develop countermeasures and reviews. Unit managers are responsible for risk management and must analyze, monitor, and report, the relevant risks in their units. They are also responsible for implementing risk control mechanisms and procedures.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet it contractual obligations that arises principally from the Company's accounts receivable.

1) Accounts receivable

The Company's credit risk exposures are influenced mainly by each customer. According to the Company's credit policy, the credit rating of individual customers must be analyzed before the payment terms and credit limit are given. The Company continues to evaluate the customers' credit rating and credit limit via automatic finance system to manage the credit exposure.

The Company set up the allowance for doubtful accounts to reflect the expected credit loss of accounts receivable.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments is 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 and companies, there are no incompliance issues and therefore no significant credit risk.

3) Guarantees

The Company only provides endorsement or guarantee for the companies defined in its policy - "Procedures Governing Endorsements and Guarantees". The company did not provide guarantees to non-consolidated subsidiaries as of December 31, 2023 and 2022.

(iv) Liquidity risk

Liquidity risk is a risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

In addition, As of December 31, 2023 and 2022, the Company has unused credit facilities for bank loans of $1,100,000 and $850,000, respectively.

(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company's entities. The currencies used in these transactions are denominated in USD.

The Company collects information of currency to monitor the trend of currency rate and keeps connection with the foreign currency department of banks to collect the market information and determine the exchange rate appropriately for securing the currency risk.

2) Interest risk

To reduce the exposure to interest rate risk, the choice of a variable interest rate or a fixed interest rate was based on the Company's evaluation of the global economic environment and the trend in market interest rates. The Company maintains an appropriate proportion of the fixed and variable interest rate instruments to mitigate the interest rate risk.

3) Other market price risk

The Company monitors the risk arising from its security instruments, which are held for monitoring cash flow requirements and unused capital. The management of the Company monitors the combination of investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of directors.

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(t) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, issue new shares, or sell assets to settle any liabilities. The Company uses the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital.

For the year ended December 31, 2023, the Company's capital management strategy is consistent with 2022. The Company's debt-to-equity ratio at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 563,471	695,690
Less: cash and cash equivalents	(362,557)	(136,048)
Net debt	**$ 200,914**	**559,642**
Total equity	$ 3,524,735	2,798,380
Adjustment	-	-
Total capital	**$ 3,524,735**	**2,798,380**
Debt-to-equity ratio	**5.70 %**	**20.00 %**

The cash capital increase conducted by the Company resulted in its debt-to-equity ratio to decrease as of December 31, 2023.

(u) Investing and Financing activities not affecting current cash flow

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

		Cash flows		Non-cash changes	
	January 1, 2023	**Proceeds from loans**	**Repayments of loans and lease liabilities**	**Changes in lease payments**	**December 31, 2023**
Short-term loans	$ 150,000	1,400,000	(1,550,000)	-	-
Lease liabilities (current and non-current)	1,666	-	(746)	(25)	895
	$ 151,666	**1,400,000**	**(1,550,746)**	**(25)**	**895**

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

	January 1, 2022	Cash flows: Proceeds from loans	Cash flows: Repayments of loans and lease liabilities	Non-cash changes: New lease	December 31, 2022
Short-term loans	$ 100,000	1,480,000	(1,430,000)	-	150,000
Lease liabilities (current and non-current)	1,068	-	(757)	1,355	1,666
	$ 101,068	**1,480,000**	**(1,430,757)**	**1,355**	**151,666**

(7) Related-party transactions

(a) Names and relationship with related parties

The following are entities that have transactions with the Company during the periods covered in the financial statements and the Company's subsidiaries.

Name of related party	Relationship with the Company
Wistron Information Technology and Services Inc. (WIBI)	The Subsidiary
WITS (Hong Kong) Limited (WIHK)(Note 1)	The Subsidiary
Wistron Information Technology and Services (Japan) Inc. (WIJP)(Note 2)	The Subsidiary
WITS AMERICA, CORP. (WIUS)	The Subsidiary
WITS Taiwan, Inc. (WISS)	The Subsidiary
Wistron ITS (Hong Kong) Limited (WIHH)	The Subsidiary
Wistron ITS (Beijing) Inc. (WIBJ)	The Subsidiary
Beijing Enovation Technology Co.,Ltd. (WIYC)	The Subsidiary
Wistron ITS (Wuhan) Co. (WIWZ)	The Subsidiary
Hai Kou Enovation Technology Co.,Ltd. (WIYN) (Note 3)	The Subsidiary
Wistron ITS (Hangzhou) Ltd. (WIHZ)	The Subsidiary
Wistron ITS (Dalian) Ltd. (WIDL) (Note 4)	The Subsidiary
Wistron Corporation (Wistron)	The entity with significant influence over the Company
Wistron Digital Technology Holding Company (WDH)	Corporate director of the Company
Wistron Medical Technology Corporation (WMT)	Other related party
Wiwynn Corporation (Wiwynn)	Other related party
WiAdvance Technology Corporation (AGI)	Other related party
Wistron NeWeb Corporation (WNC)	Other related party
Wiedu Corporation (WETW)	Other related party

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(Note 1): WIHK originally named "Wistron Information Technology and Services Limited" was renamed to "WITS (Hong Kong) Limited" in the 4th quarter of 2023.

(Note 2): The Company was renamed to WITS JAPAN INC. in February, 2024.

(Note 3): The capital had been injected in January 2024.

(Note 4): The Company was set up in the 1st quarter of 2023.

(b) Significant transactions with related parties

(i) Provide service to related parties

	Revenue		Accounts receivable -related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Subsidiaries	$ 37,223	69,125	2,418	2,617
Entity with significant influence over the Company- Wistron	268,239	297,722	32,759	52,690
Other related parties	18,701	12,466	3,362	3,035
	$ 324,163	**379,313**	**38,539**	**58,342**

The selling price for related parties approximated the market price. The credit terms ranged from one to three months. Accounts receivable from related parties were uncollateralized, and no expected credit loss was required after the assessment by the management.

(ii) Service expense and payable to related parties

	Cost of sales		Accounts payable -related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Subsidiaries	**$ 2,705**	**-**	**295**	**-**

Subsidiaries provide IT services to the Company's business with normal commercial terms and conditions, which were not significantly different from those of non-related parties.

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Management services

	Other income		Other receivables-related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary－WIHK	$ 29,424	42,313	924	3,655
Subsidiary－WISS	120	50	32	16
	$ 29,544	42,363	956	3,671

(iv) Operating expenses

	Operating expenses		Other payables-related parties	
	2023	2022	December 31, 2023	December 31, 2022
The entity with significant influence over the Company	$ 240	-	-	-
Corporate director of the Company	231	-	-	-
Other related parties	253	262	149	21
	$ 724	262	149	21

The prices, with payment terms within one to three months, offered to related parties, are not significantly different from those of the third party vendors.

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

	Rental income		Other receivables -related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary-WISS	$ 240	50	63	16

(vi) Guarantee revenues and its outstanding balances were as follows:

	Other price		Other receivables -related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary-WISS	$ 67	-	-	-

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(vii) Property transactions

(1) Disposals of property, plant and equipment

	Disposal price		Other receivables -related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary-WISS	$ -	196	-	-

(2) Acquisitions of other assets

	Transaction amount		Other payables -related parties	
	2023	2022	December 31, 2023	December 31, 2022
Other related parties	$ -	44	-	-

(viii) Other receivables

	Other receivables -related parties	
	December 31, 2023	December 31, 2022
Subsidiary-WIHH	$ 76	-
Subsidiary-WISS	2	6
Subsidiary-WIHK	-	32
	$ 78	38

(ix) Other payables

	Other payables -related parties	
	December 31, 2023	December 31, 2022
Other related parties	$ 1,389	-

(x) Dividends received

In 2023, the Company received the dividends from its subsidiary, WISS, of $821. There was no such transaction in 2022.

(xi) Guarantee

As of December 31, 2023 and 2022, the Company had provided guarantees for loans taken out by subsidiaries, wherein amounting to $1,026,115 and $1,110,196, respectively.

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(xii) Receivables and payables to related parties were as follows:

	December 31, 2023	December 31, 2022
Receivables－related parties:		
Accounts receivable	$ 38,539	58,342
Other receivables	1,097	3,725
	$ 39,636	62,067
Payables－related parties:		
Accounts payable	$ 295	-
Other payables	1,538	21
	$ 1,833	21

(c) Key management personnel compensation

Key management personnel compensation comprised

	2023	2022
Short-term employee benefits	$ 32,858	21,633
Post-employment benefits	357	271
	$ 33,215	21,904

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Refundable deposits－other non-current assets	Performance guarantee	$ 1,366	578

(9) Significant commitments and contingencies: None.

(10) Losses due to major disasters: None.

(11) Subsequent events

(a) The appropriation of earnings of 2023 that was approved at the board of directors meeting on March 5, 2024 was as follows:

	2023
Common stock dividends	
Cash	$ 361,719

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(12) Other

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function	2023			2022		
By item	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salaries	785,084	248,918	1,034,002	712,088	257,348	969,436
Labor and health insurance	87,516	16,597	104,113	76,968	13,952	90,920
Pension	47,354	7,628	54,982	41,000	6,846	47,846
Directors' profit sharing bonus	-	17,090	17,090	-	16,251	16,251
Others	30,358	8,263	38,621	27,485	6,770	34,255
Depreciation	2,262	18,229	20,491	2,621	18,090	20,711
Amortization	257	4,092	4,349	239	7,437	7,676

In 2023 and 2022, the additional information for employee numbers and employee benefits were as follows:

	2023	2022
Employee numbers	1,238	1,133
Directors' numbers without serving concurrently as employee	8	8
Average employee benefits	$ 1,001	1,016
Average employee salaries	$ 841	862
Average adjustment rate of employee salaries	-2.44%	5.12%
Supervisor remuneration	$ 0	0

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

The remunerations to directors and supervisors are in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter” , which are reviewed by the Remuneration Committee.

The compensation of the Company's supervisors includes fixed items such as salary and benefits, as well as variable items such as bonuses, profit sharing bonus (cash/stock) and stock options and is mainly based on variable items. The fixed items are based on the principle of maintaining the Company's competitiveness within the industry; the variable items take the Company's performance and individual's appraisal into consideration.

The employee remuneration includes salary, subsidy and bonus. The salary is determined based on academic experience, professional skills, the value of the position held and the salary level of the industry. The bonus is decided based on the Company's annual operating status and departmental and personal performance. Remuneration of employees shall be in accordance with Article 21 of the Articles of Association of the Company.

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2023:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: Please refer to Table 1.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 2.

(viii) Accounts receivable from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(ix) Trading in derivative instruments: None.

(b) Information on investees (excluding information on investees in Mainland China): Please refer to Table 3.

(c) Information on investment in Mainland China: Please refer to Table 4.

(d) Information on major shareholders: Please refer to Table 5.

(14) Segment information

Please refer to the consolidated financial statement for the year ended December 31, 2023.

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Notes to the Parent Company Only Financial Statements

Guarantees and endorsements for other parties

December 31, 2023

Table 1

No.	Endorsement/ guarantee provider	Counter - party of guarantee and endorsement: Name	Counter - party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement / guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China	Notes
0	The Company	WIWZ	2	1,762,367	704,332	638,462	-	-	18.11 %	3,524,735	Y	N	Y	-
0	The Company	WIBJ	2	1,762,367	88,992	43,243	-	-	1.23 %	3,524,735	Y	N	Y	-
0	The Company	WIUS	2	1,762,367	64,838	61,470	-	-	1.74 %	3,524,735	Y	N	N	-
0	The Company	WIHK	2	1,762,367	129,676	122,940	-	-	3.49 %	3,524,735	Y	N	N	-
0	The Company	WISS	2	1,762,367	160,000	160,000	2,000	-	4.54 %	3,524,735	Y	N	N	-

(Note 1): The total amount for guarantees and endorsements provided by the Company shall not exceed the Company's net worth, which was audited by Certified Public Accountant.

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth, which was audited by Certified Public Accountant. The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's net worth, which was audited by Certified Public Accountant.

The amount for guarantees and endorsements provided by the Company and its subsidiaries to other entities shall not exceed the Company's net worth, which was audited by Certified Public Accountant.

Except for the subsidiary which was owned more than 90% by the guarantor which the total amount for guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth, which was audited by Certified Public Accountant. The amount for guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth, was audited by Certified Public Accountant.

(Note 2): Relationship with the Company:

1. Ordinary business relationship.
2. Subsidiary which was owned more than 50% by the guarantor.
3. An investee which was owned more than 50% in total by both the guarantor and its subsidiary.
4. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Notes to the Parent Company Only Financial Statements

Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

December 31, 2023

Table 2

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchases/Sales	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)	Notes
The Company	Wistron	The entity with significant influence over the Company	Sales	(268,239)	(17.34)%	Not significantly different from the transactions of the third-parties	Not significantly different from the transactions of the third-parties	Not significantly different from the transactions of the third-parties	32,759	9.12%	-
WIWZ	WIHK	The same parent company	Sales	(318,771)	(5.27)%	〃	〃	〃	25,001	1.23%	-
WIWZ	WIBJ	Parent - subsidiary company	Sales	(434,337)	(7.18)%	〃	〃	〃	12,116	0.60%	-
WIHK	WIUS	The same parent company	Sales	(132,332)	(31.84)%	〃	〃	〃	21,797	33.33%	-
WIDL	WIWZ	Parent - subsidiary company	Sales	(831,157)	(67.72)%	〃	〃	〃	67,862	30.52%	-
WIHK	WIWZ	The same parent company	Purchases	318,771	86.78%	〃	〃	〃	(25,001)	(87.15)%	-
WIBJ	WIWZ	Parent - subsidiary company	Purchases	434,337	83.75%	〃	〃	〃	(12,116)	(59.08)%	-
WIUS	WIHK	The same parent company	Purchases	132,332	73.31%	〃	〃	〃	(21,797)	(90.79)%	-
WIWZ	WIDL	Parent - subsidiary company	Purchases	831,157	91.40%	〃	〃	〃	(67,862)	(87.77)%	-

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements
Information on investees (excluding information on investees in Mainland China)
December 31, 2023

Table 3

Name of investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (losses) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	WIBI	B.V.I	Professional investment enterprise	294,184	294,184	180,000,000	100.00 %	2,605,771	408,516	408,516	-
The Company	WIJP	Japan	Research, develop, design of software, and information consulting service	29,564	29,564	1,960	100.00 %	151,072	13,921	13,921	-
The Company	WIHK	Hong Kong	Research, develop, design of software, and information consulting service	44	44	10,000	100.00 %	66,640	1,638	1,638	-
The Company	WIUS	U.S.A	Research, develop, design of software, and information consulting service	7,586	7,586	250,000	100.00 %	34,186	2,638	2,638	-
The Company	WISS	Taiwan	Research, develop, design of software, and information consulting service	5,000	5,000	500,000	100.00 %	2,409	(2,722)	(2,722)	-
WIBI	WIHH	Hong Kong	Professional investment enterprise	3,012	3,012	62,773,559	100.00 %	2,605,644	408,600	408,600	-

(Continued)

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION
Notes to the Parent Company Only Financial Statements
Information on investment in Mainland China
December 31, 2023

Table 4

1. Information on investment in Mainland China:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Direct/ indirect shareholding (%) by the Company	Investment income (losses) (Note 2)	Carrying value as of December 31, 2023 (Note 2)	Accumulated inward remittance of earnings as of December 31, 2023	Notes
					Outflow	Inflow							
WIBJ	Research, develop, design of software, and information consulting service	1,723,429	(Note 1) 1.	169,420	-	-	169,420	408,668 (Note 3)	100.00 %	408,668 (Note 3)	2,602,919	-	(Note 7)
WIWZ	Research, develop, design of software, and information consulting service	932,328	(Note 1) 2.	-	-	-	-	431,373 (Note 3)	100.00 %	431,373 (Note 3)	1,697,909	-	(Note 8)
WIYC	Research, develop, design of software, and information consulting service	24,449	(Note 1) 2.	-	-	-	-	493 (Note 3)	100.00 %	493 (Note 3)	18,570	-	-
WIHZ	Research, develop, design of software, and information consulting service	218	(Note 1) 2.	-	-	-	-	124 (Note 3)	100.00 %	124 (Note 3)	339	-	-
WIDL	Research, develop, design of software, and information consulting service	22,245	(Note 1) 2.	-	-	-	-	91,178 (Note 3)	100.00 %	91,178 (Note 3)	114,571	-	-

2. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Note 4) (Note 6)	Upper Limit on Investment (Note 5)
219,182 (USD 7,131,356)	1,796,810 (USD 58,461,356)	2,114,841

(Continued)

(Note 1) Ways to invest in Mainland China:

1. Indirect investment in Mainland China company through the company established in a third region.
2. Indirect investment in Mainland China company through Mainland China company.

(Note 2) The amount of the net income (losses) and the investee company carrying value as of December 31, 2023 were recognized by the investment through subsidiaries established in a third region or Mainland China.

(Note 3) The financial statements of the investee company were audited by the Company auditor.

(Note 4) Translated using the ending rate on December 31, 2023, which was USD : NTD = 1 : 30.735.

(Note 5) According to the "Principles for the Review of Investment or Technical Joint Venture in Mainland China", cumulative investments into the Mainland shall not exceed 60% of the investor's net worth or consolidated net worth, whichever is higher or NTD 80 million dollars. In addition, the amount of capital increase from earnings does not account for accumulated investment in Mainland China.

(Note 6) USD 1,000,000 of the total amount had been invested in the dissolved subsidiary at Hangzhou due to its operating losses, wherein the investment amount can no longer be retrieved; moreover, USD 757,756 and USD 73,600 of the total amounts had been invested in the dissolved subsidiaries at Zhejiang and Shanghai, respectively.

(Note 7) WIBJ increased its capital of CNY 88,113 thousand and CNY 188,000 thousand from retained earnings based on the resolutions approved during its board meetings held on January 12, 2022 and October 4, 2022, resulting in its share capital to increase from CNY 111,887 thousand to CNY 200,000 thousand and CNY 200,000 thousand to CNY 388,000 thousand, respectively.

(Note 8) On November 7, 2023, the Company's Board of Directors approved WIBJ to participate in the cash capital increase its subsidiary, WIWZ, amounting to CNY 60,000 thousand. Thereafter, the paid in capital of WIWZ increased from CNY 150,000 thousand to CNY 210,000 thousand.

3. Significant transactions

For the year ended December 31, 2023, the significant transactions of the entities in Mainland China are disclosed in "Information on significant transactions".

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Notes to the Parent Company Only Financial Statements

Information on major shareholders

December 31, 2023

Table 5

Shareholder's Name	Shareholding	
	Shares	Percentage
Wistron Digital Technology Holding Company	16,756,254	23.00 %

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Cash and Cash Equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 120
Demand deposits		79,019
Foreign deposits (Note 1)	JPY3.00；USD98,291.04；EUR11,680.04	3,418
Time deposits		280,000
		$ 362,557

Note 1: The ending rates of foreign currency deposits on December 31, 2023 are as follows:

USD ：NTD =1：30.735

JPY ：NTD =1：0.2169

EUR ：NTD =1：33.9898

Statement of Accounts Receivable

Client's Name	Amount
Accounts receivable－non related parties	
101351	$ 84,996
100873	21,117
100943	18,023
100011	17,812
100104	17,644
Others (less than 5%)	161,221
Subtotal	320,813
Less: loss allowance	-
	$ 320,813

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Other Receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Interest receivables	**$ 304**

Statement of Prepayments

Item	Amount
Prepaid software and authorization fee	$ 2,102
Prepaid insurance fee	162
Other prepayments	495
	$ 2,759

Statement of Other Current Assets

Item	Amount
Temporary payments	$ 548
Refundable deposits	167
	$ 715

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Movement of Investments Accounted for Using the Equity Method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Increase		Decrease		Gains	Cumulative	Ending Balance			Market Value or Net Assets Value			
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	(losses) on investment	translation adjustment	Shares	Percentage of ownership	Amount	Unit price (In dollars)	Total amounts	Collateral	Notes
Using the Equity Method:															
Wistron Information Technology and Services Inc. (WIBI)	180,000,000	$ 2,233,144	-	20,100 (Note 2)	-	-	408,516	(55,989)	180,000,000	100.00	2,605,771	14.48	2,605,771	None	-
Wistron Information Technology and Services (Japan) Inc. (WIJP)	1,960	146,211	-	-	-	-	13,921	(9,060)	1,960	100.00	151,072	77,077.74	151,072	None	-
WITS (Hong Kong) Limited (WIHK)(Note 1)	10,000	65,091	-	-	-	-	1,638	(89)	10,000	100.00	66,640	6,663.98	66,640	None	-
WITS AMERICA CORP. (WIUS)	250,000	31,558	-	-	-	-	2,638	(10)	250,000	100.00	34,186	136.74	34,186	None	-
WITS Taiwan, Inc. (WISS)	500,000	5,912	-	40 (Note 3)	-	(821)(Note 4)	(2,722)	-	500,000	100.00	2,409	4.82	2,409	None	-
Total		$ 2,481,916		20,140		(821)	423,991	(65,148)			2,860,078		2,860,078		

Note 1: Wistron Information Technology and Services Limited changed its name to WITS (Hong Kong) Limited in the 4th quarter of 2023.

Note 2: The amount included the remuneration and the remuneration costs incurred from share option amounted to $15,000 and $5,100, respectively.

Note 3: The remuneration costs incurred from share option subscribed by employees of the Company's subsidiaries was $40.

Note 4: Cash dividends received from subsidiary amounted to $821.

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Refundable Deposits

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Performance bond	$ 1,366

Statement of Accounts Payable

Vendor's Name	Amount
101693	$ 690
Others (less than 5%)	2,085
	$ 2,775

Statement of Lease Liabilities

Item	Description	Lease term	Discount rate	Ending balance	Notes
Buildings and structures	Mainly for office	2021.09.01~2024.08.31	0.48%	$ 175	
Transportation equipment	Company car	2022.08.30~2025.08.29	1.175%	720	
				895	
Less: Current portion				(628)	
				$ 267	

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Other Current Liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Provision	$ 3,057
Other advances receivable	4,043
Withholding tax	1,488
Others (less than 5%)	6
	$ 8,594

Statement of Cost of Sales

For the year ended December 31, 2023

Item	Amount
Direct labor	$ 950,312
Other service costs	45,339
Cost of sales	**$ 995,651**

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Statement of Selling Expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Notes
Salary and wages expenses		$ 30,960	
Insurance expenses		5,074	
Others (less than 5%)		6,782	
		$ 42,816	

Statement of Administrative Expenses

Item	Description	Amount	Notes
Salary and wages expenses		$ 141,577	
Employee's profit sharing bonus		74,080	
Depreciation expenses		17,720	
Others (less than 5%)		72,659	
		$ 306,036	

WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Research and development expense

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Notes
Salary and wages expenses		$ 10,141	
Insurance expenses		1,007	
Others (less than 5%)		960	
		$ 12,108	

Statement of accounts receivable—related parties, other receivables—related parties, accounts payable—related parties, and other payables—related parties were disclosed in note 7.

Statement of other payables was disclosed in note 6(h).

Statement of contract assets and liabilities were disclosed in note 6(o).

Statement of movement of property, plant and equipment was disclosed in note 6(d).

Statement of movement of accumulated depreciation of property, plant and equipment was disclosed in note 6(d).

Statement of movement of right-of use assets was disclosed in note 6(e).

Statement of movement of accumulated depreciation of right-of use assets was disclosed in note 6(e).

Statement of movement of intangible assets was disclosed in note 6(f).

Statement of net defined benefit liability—non-current was disclosed in note 6(j).

Statement of deferred tax assets and liabilities were disclosed in note 6(k).

Statement of revenue was disclosed in note 6(o).

Statement of interest income, other income, other gains and losses and finance cost were disclosed in note 6(q).