

Wistron Corporation

2021 Annual General Shareholders' Meeting Meeting Agenda (Translation)

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DISCLAIMER

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Wistron Corporation
Rules and Procedures of Shareholders' Meeting

- Article 1. The Shareholders' Meeting (the "Meeting") of Wistron Corporation ("Wistron"), except as otherwise provided by law, regulation, or the articles of incorporation, shall be conducted in accordance with these Rules and Procedures.
- Article 2. The Company shall be set forth in the meeting notice the shareholder sign-in time, location of the meeting and other precautions.
- The shareholder sign-in time should be at least thirty minutes prior to the start of the meeting; the reception post should be clearly marked and adequately qualified personnel sent to handle the sign-in.
- Shareholders attending the Meeting shall sign in. The sign-in procedure is performed by submitting an attendance card. The number of shares represented by attending shareholders shall be calculated in accordance with the attendance card submitted by shareholders, plus the shares voted in writing or electronically.
- Shareholders or their proxies (hereinafter referred to as "shareholders") with an attendance card shall be allowed to attend the Meeting; registered proxy solicitors shall also bring identification documents for verification.
- Article 3. The presence of shareholders at the Meeting and their voting at the Meeting shall be calculated in accordance with the number of shares.
- Article 4. The Meeting shall be held at the domicile of Wistron or at any other appropriate place that is convenient for the presence of shareholders. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
- Article 5. If the Meeting is called by the Board of Directors ("BOD"), the Board's Chairman shall preside at the Meeting. In case the Chairman is on leave of absence, or cannot exercise his powers and authority, the Vice Chairman shall act in his place. If there is no Vice Chairman, or the Vice Chairman is also on leave of absence, or cannot exercise his powers and authority, the Chairman shall designate a director to act in his place. If the Chairman does not designate a director, the directors shall elect one from among themselves to act in lieu of the Chairman. The director acting as Chairman of the Meeting shall have held office for more than six months and understand the financial and business conditions of the Company, likewise if the acting Chairman is a representative of a juristic person. If the Meeting is called by any person other than the BOD, who has the right to call the Meeting, said person shall preside at that Meeting.
- Article 6. Wistron may appoint designated counsel, CPA or other related persons to attend the Meeting.
- Article 7. The Company shall record the proceedings of the Meeting entirely in audio or video from the shareholders' sign-in through the meeting discussions and the vote counting process; this recording shall be continuous and uninterrupted and the Company shall retain the recording for at least one year. However, if a shareholder lawsuit has been instituted in accordance with Article 189 of the Company Act, the proceedings of the meeting shall be preserved by the Company until the legal proceedings of the lawsuit have been concluded.
- Article 8. The Chairman shall call the Meeting to order at the time scheduled for the Meeting, provided, however, that if the shareholders present do not represent a majority of the

total number of issued shares (“quorum”), the Chairman may postpone the Meeting, provided, however, that the postponement of the Meeting shall be limited to two times, and the total time of the overall postponement shall not exceed one hour. If the Meeting has been postponed twice, but the shareholders present still do not represent a quorum, a tentative resolution may be adopted by shareholders representing one-third of the total amount of issued shares, in accordance with Paragraph 1 of Article 175 of the Company Act. Before the close of the Meeting, if the shareholders present represent a quorum, the Chairman may present the tentative resolution so adopted to the Meeting for resolution in accordance with the provisions of Article 174 of the Company Act.

- Article 9. If the Meeting is convened by the BOD, the agenda of the Meeting shall be set by the BOD. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. During the Meeting, the Chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the Meeting, the Chairman may not announce adjournment of the Meeting before the Meeting is finished. If the Chairman announces the adjournment in violation of these Rules and Procedures, the shareholders may, by majority of the votes represented by the shareholder present at the Meeting, designate one person as the Chairman to continue the Meeting.
- Article 10. A shareholder wishing to speak at the Meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder and his name, and the Chairman shall determine his order of giving a speech. A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the Chairman and the said shareholder, and the Chairman shall prevent others from interrupting.
- Article 11. A shareholder shall not speak more than two times for one motion, unless he has obtained the prior consent from the Chairman, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the Chairman may prevent him from continuing.
- Article 12. Any legal entity designated as proxy by shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one of the representatives so designated may speak on any one motion.
- Article 13. After a shareholder has given a speech, the Chairman may respond personally or designate a relevant person to respond.
- Article 14. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; When the Chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution and arrange adequate voting time.
- Article 15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting. After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes.

In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received by each. The ballots for the election shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year.

Article 16. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. At the time of a vote, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

Article 17. If there is an amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 18. The Chairman may direct disciplinary personnel (or security personnel) to maintain the order of the Meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 19. In case of incident of force majeure, the Chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will be resumed, or may, by resolution of shareholders present at the Meeting, resume the Meeting within five days without further notice or public announcement.

Article 20. This Procedure was enacted on June 7, 2002.
The 1st amendment was made on June 21, 2012.
The 2nd amendment was made on June 14, 2013.
The 3rd amendment was made on June 18, 2020.

Meeting Procedures

- (1) Declaration of the Commencement of the Meeting
- (2) The Chairman in Position
- (3) Opening Remarks by the Chairman
- (4) Report Items
- (5) Ratification Items and Discussion Items I

Note: After discussions on all ratification and discussion items are completed, every item shall be voted by ballot and tallied separately and simultaneously.

- (6) Election Items
- (7) Discussion Item II
- (8) Extemporary Motion
- (9) Adjournment

Meeting Agenda

Time: 9:00a.m., June 17, 2021

Venue: Chang Yung-Fa Foundation International Convention Center
(No. 11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan, R.O.C.)

I. Report Items

1. Report the business of 2020.
2. Audit Committee's Review Report.
3. Report the compensation for employees and directors of 2020.

II. Ratification Items and Discussion Items I

1. Ratification of the Business Report and Financial Statements of 2020.
2. Ratification of the proposal for distribution of 2020 profits.
3. Discussion of the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement.
4. Discussion of amendments to the "Articles of Incorporation."
5. Discussion of amendments to the "Rules and Procedures of Shareholders' Meeting."
6. Discussion of amendments to the "The Election Regulations of Directors."

III. Election Item

Election of the 9th Directors, including Independent Directors.

IV. Discussion Item II

Discussion of the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

V. Extemporaneous Motions

VI. Adjournment

Report Items

1. Business Report of 2020. (Please refer to Appendix 1, pages 24-26)
2. Audit Committee's Review Report. (Please refer to Appendix 2, page 43)
3. Report the compensation for employees and directors of 2020.

Description:

- (1) According to Article 16 of the "Articles of Incorporation":

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

- A. No less than five percent (5%) of profit as employees' compensation. The Company may distribute in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive compensation shall be determined by the Board of Directors.
- B. No more than one percent (1%) of profit as the compensation in cash to the Directors.

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

- A. The employees' compensation was NT\$1,546,639,430 and the appropriation rate was 15%, distributed in cash.
- B. The directors' compensation was NT\$102,078,210 and the appropriation rate was 0.99%, distributed in cash.

Ratification Items and Discussion Items I

ITEM 1: Ratification of the Business Report and Financial Statements of 2020

Proposal: Submission (by the BOD) of the Company's 2020 business report and financial statements for ratification.

Explanatory Notes:

1. The Company's business report and financial statements for the year 2020 (Appendix 1: including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been approved by Audit Committee and Board of Directors via resolution. (Please refer to Appendix 1, pages 24-46.)
2. Submission for ratification.

ITEM 2: Ratification of the proposal for distribution of 2020 profits

Proposal: Submission (by the BOD) of the proposal for 2020 earnings distribution for ratification.

Explanatory Notes:

1. The unappropriated retained earnings at the beginning of 2020 is NT\$6,030,766,175, after deducting the remeasurements of defined benefit obligation of NT\$208,765,487, changes in ownership interests in subsidiaries of NT\$4,486,851 and disposal of investments in equity instruments designated at fair value through other comprehensive income of NT\$339,706,228, then adding up the changes in equity of associates accounted for using equity method of NT\$6,871,975 and 2020 net profit of NT\$8,681,762,397 and set aside legal reserve of NT\$813,567,581 and special reserve of NT\$3,310,396,850, therefore the total amount of retained earnings available for distribution is NT\$10,042,477,550. The dividends and bonus proposed to be distributed to the shareholders shall be NT\$6,258,654,710 in cash (NT\$2.2 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, the power with respect to setting the ex-dividend date and other relevant matters is reserved for the Chairman.
3. In the event that, before the ex-dividend date, the proposed earnings distribution plan is affected due to revisions to relevant laws or regulations, or upon the request of the competent authorities, or a change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, unsecured convertible bonds converting into common shares, capital increase by cash and capital increase by issuance of GDR, cancellation of part of Employee Restricted Stock Awards etc.), which results in changes in shareholders' allotment of cash dividend, it is proposed that the Chairman is authorized to duly adjust dividend payout rates.
4. Please refer to the Profit Appropriation Statement for 2020 (Appendix 3, page 44).
5. Submission for ratification.

ITEM 3: Discussion of the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement.

Proposal: Submission (by the BOD) of a proposal to approve the issuance of new common shares to sponsor the issuance of GDR, the issuance of new common shares through public offering, the issuance of new common shares through private placement and/or the issuance of new common shares to sponsor the issuance of GDR through private placement of up to 250 million common shares for capital increase in order to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement.

Explanatory Notes:

1. Fund raising purpose and size:

For the purpose of fulfilling the funding needs of the Company to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement, it is proposed to authorize the Board of Directors to issue up to 250 million common shares, depending on the market conditions and the Company's need, to choose appropriate timing and fund raising methods in accordance with the applicable laws and regulations, according to the following fund raising method and handling principles.

2. Fund raising methods and handling principles:

(1) Issuance of new common shares for cash to sponsor issuance of GDR

A. In accordance with the existing provisions of the "Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities issued by the Taiwan Securities Association," the issue price of the new common shares for cash capital increase for the issuance of GDR may not be lower than the closing price of the Company's common shares on the Taiwan Stock Exchange or 90% of the average closing price of the common shares of the Company in one, three, or five business days prior to the pricing date after adjustment for any distribution of stock and cash dividends or capital reduction. In case of any changes to the relevant domestic laws, the pricing method shall be adjusted accordingly. In view of the severe short-term fluctuations in domestic market price, it is proposed to authorize the Chair to determine the final issue price, within the scope of the said requirement under the Disciplinary Rules, after negotiation with the lead underwriter depending on international capital markets, domestic market price and the overall book building situations, to improve the subscription of international investors, so the pricing method should be reasonable.

B. Upon the limit of 250 million common shares for the issuance of GDR through the issuance of new common shares by capital increase, the original shareholders' equity will be diluted by a maximum of 8.61%. The implementation of the fundraising plan will enhance the Company's competitiveness and benefit the shareholders; the determination of the issue price of the GDRs will be based on the fair trading price of common shares formed in the domestic market. Existing shareholders may still be able to purchase common stock in domestic stock market at the price closing to the issue price of GDR without bearing the exchange risks and liquidity risks, and may take into account their interests.

- C. Except for 10% to 15% of new common shares shall be allocated for the employees' subscription in accordance with applicable law, it is proposed for the shareholders meeting to approve that the rights to the remaining 85% to 90% of the issuance shall be waived by the shareholders and shall be offered to the public under Article 28-1 of Securities and Exchange Act as the underlying shares of GDR to be sold. It is proposed to authorize the Chairman, depending on the market needs, to allot the new common shares not subscribed by employees of the Company as underlying shares of GDR.
- (2) Issuance of new common shares for cash in public offering
- A. The par value of the new common shares to be issued per share is NT\$10. It is proposed to authorize the Chairman of the Company to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the Taiwan Securities Association's Self-regulatory Rules Governing the Provision of Advisory Services by Underwriter Members to Issuing Companies for Offering and Issuing Securities and the market conditions and the issue price shall be reported to, and accepted by the regulatory authority before issuance.
- B. It is proposed to authorize the Board to choose either of the following methods to sell the new shares in the public offering through the underwriter(s):
- a. Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed for the shareholders meeting to approve the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders in accordance with Article 28-1 of the Securities and Exchange Act and such remaining shares will be offered to the public via book building. It is proposed that any new common shares not subscribed by employees of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
- b. Except for 10% to 15% of the new shares must be offered to employees in accordance with Article 267, Paragraph I of the Company Act, it is proposed that 10% of the new shares to be sold to the public through the underwriter(s) in accordance with Article 28-1, Paragraph 2 of the Securities and Exchange Act and the remaining shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
- (3) Issuance of new common shares for cash in private placement and/or issuance of new common shares for cash to sponsor issuance of GDR in private placement
- A. The basis and rationale to determine the private placement price:
- a. The common stock price per share shall be set at no less than 85% of the reference price. The reference price is set as the higher of the following two basis prices:
- (i) The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- (ii) The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- b. The pricing date, actual reference price, theoretical price, and actual issuance price are proposed to be authorized to the Board of Directors to determine within the range approved by the shareholders meeting, after taking into consideration the market status, objective conditions, and qualification of specific parties. Considering that the

Securities and Exchange Act has set the restrictions on transfers of the privately placed securities for three full years, the price determination above shall be reasonable.

B. The method to determine specific parties:

The strategic investors have the priority to be considered as specific parties for private placement if they may be qualified for the rules in Article 43-6, Securities and Exchange Act and other letters from government authorities and should also have direct or indirect benefit to the Company, and can recognize the Company's operating strategy. The company currently has not arranged the specific parties. It is proposed to authorize the Company's Board of Directors to determine the specific parties for private placement.

C. The necessity of private placement:

- a. The Company plans to invite strategic investors and strengthen competitiveness through private placement. Because of the restrictions on transfers for three full years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. And also considering the effectiveness and feasibility to raise capital, the Company proposes to raise capital through private placement, rather than public offering.
- b. The amount of the private placement: up to 250 million common shares.
- c. The use of proceeds and projected benefits of private placement: The Company plans to do private placement at one time or several times (no more than 3 times) based on market conditions and specific parties. The capital raised will be used to purchase overseas materials, or increase working capital, or repay bank borrowings or other needs for its future development. The private placement will expand the scale of operations and invite strategic investors and will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.

3. Use of proceeds, schedule and projected benefit:

The Company plans to use the fund raising from capital increase to purchase overseas materials, or increase working capital, or repay bank borrowings or other needs for its future development. The fund raising plan will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.

4. It is proposed to authorize the Board of Directors to determine, proceed or revise the issuance plan of new common shares to be issued to sponsor the GDR and the new common shares to be issued in public offering, new common shares in private placement and/or new common shares to sponsor issuance of GDR in private placement, including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize the Board of Directors to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from governmental authorities.

5. The new common shares to be issued to sponsor issuance of GDR, the new common shares to be issued in public offering, the new common shares in private placement and/or the new common shares to sponsor issuance of GDR in private placement will be issued in scripless form. However the new common shares in private placement and the new common shares to sponsor issuance of GDR are subject to the selling restrictions within three years after the delivery date under Article 43-8 of the Securities and Exchange Act, the new common shares to be issued to sponsor the GDR and the new common shares to be issued in public offering, new common shares in private placement and new common shares to sponsor issuance of GDR in private placement will have the same rights and obligations as the Company's existing issued and outstanding common shares.

6. It is proposed to authorize the Chairman or the Chairman's designee, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of new common shares to sponsor issuance of GDR and/or issuance of new common shares in public offering and/or issuance of new common shares in private placement and/or issuance of new common shares to sponsor issuance of GDR in private placement.
7. The Board is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.
8. Please discuss.

ITEM 4: Discussion of amendments to the “Articles of Incorporation”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Articles of Incorporation.”

Explanatory Notes:

1. In order to comply with the regulations update, it is proposed to make amendments to the “Articles of Incorporation.”
2. Please discuss.

Comparison between Original and Amendments to “Articles of Incorporation”

Items	Original Version	Amended Version	Reason
Article 2	The business items of the Company are set out as follows: 9. F401021 Import trading business of restricted radio frequency machinery, with permission only for radio transmitters, 10. CC01101 Manufacture of restricted radio frequency machinery, with permission only for radio transmitters. 11. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing 12. JA02010 Electric appliance and products Repairing (can only be conducted outside Hsinchu Science Park) 13. J101090 Waste Disposition (can only be conducted outside Hsinchu Science Park) 14. CF01011 Medical equipment manufacturing 15. CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park) 16. F218010 Retail Sale of Computer Software (can only be conducted outside Hsinchu Science Park) 17. I301020 Data Processing Services 18. I301030 Digital Information Supply Services	The business items of the Company are set out as follows: 9. F401021 Import trading business of restricted radio frequency machinery, with permission only for radio transmitters, 9.10.CC01100CC01101 Manufactur e of restricted radio frequency machinery, with permission only for radio transmitters. 10.11. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing 11.12. JA02010 Electric appliance and products Repairing (can only be conducted outside Hsinchu Science Park) 12.13. J101090 Waste Disposition (can only be conducted outside Hsinchu Science Park) 13.14. CF01011 Medical equipment manufacturing 14.15. CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park) 15.16. F218010 Retail Sale of Computer Software (can only be conducted outside Hsinchu Science Park) 16.17. I301020 Data Processing Services 17.18. I301030 Digital Information Supply Services	In order to comply with the regulations update

Items	Original Version	Amended Version	Reason
Article 19	<p>.....</p> <p>The 22nd amendment was made on June 18, 2020.</p>	<p>.....</p> <p>The 22nd amendment was made on June 18, 2020.</p> <p><u>The 23rd amendment was made on June 17, 2021.</u></p>	Correspondence to the amendment date.

ITEM 5: Discussion of amendments to the “Rules and Procedures of Shareholders’ Meeting”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Rules and Procedures of Shareholders’ Meeting.”

Explanatory Notes:

1. In order to comply with the regulations update, it is proposed to make amendments to the “Rules and Procedures of Shareholders’ Meeting.” (Please refer to Appendix 5, pages 52-53 for the comparison between the original and the amendments.)
2. Please discuss.

ITEM 6: Discussion of amendments to the “The Election Regulations of Directors”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “The Election Regulations of Directors.”

Explanatory Notes:

1. In order to comply with the regulations update, it is proposed to make amendments to the “The Election Regulations of Directors.” (Please refer to Appendix 6, pages 54-56 for the comparison between the original and the amendments.)
2. Please discuss.

Voting by Poll

Election Item

ITEM: Election of Directors.

Proposal: Submission (by the Board of Directors, “BOD”) of the proposal for election of the Company’s 9th Board of Directors (including Independent Directors)

Explanatory Notes:

- The Company’s 8th BOD, with 9 Directors (including 5 Independent Directors), has its term until June 13, 2021. In accordance with Article 195 of the Company Act, in case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. In this connection, the election of the 9th BOD (including 5 Independent Directors) is scheduled in the 2021 Annual General Shareholders’ Meeting.
- To implement corporate governance best practices, the Company has established the Audit Committee, the Compensation Committee, Nominating Committee and ESG Committee. In this connection, 9 Directors (including 5 Independent Directors) will be elected at the Annual General Shareholders’ Meeting in accordance with the Articles of Incorporation, with their three-year term extending from June 17, 2021 to June 16, 2024. They may then be eligible for re-election. All the Independent Directors will constitute the Audit Committee.
- The directors shall be elected by the candidate nomination system as specified in Article 192-1 of Company Act. The below list of the candidates for the 9 Directors (including Independent Directors):

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
Director	Simon Lin (Hsien-Ming Lin)	<ul style="list-style-type: none"> ▪ Bachelor Degree from National Chiao Tung University ▪ President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Chairman & CSO of Wistron Corp. (listed Company) ▪ Chairman of Wiwynn Corp. (listed Company) ▪ Director of Gamania Digital Entertainment Co., Ltd. (TPEX Listed Company) ▪ Independent Director of Taiwan IC Packaging Corp. (TPEX Listed Company) ▪ Independent Director of Elan Microelectronics Corp. (listed Company) ▪ Independent Director of Powerchip Semiconductor Manufacturing Corp.(Emerging Stocks) ▪ Chairman of Wistron Digital Technology Holding Company 	42,599,252
Director	Robert Huang (Po-Tuan Huang)	<ul style="list-style-type: none"> ▪ Executive MBA Training Program at National Cheng-Chi University ▪ Bachelor Degree in Industrial Engineering from Ta-Tung Institute of Technology ▪ Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Vice Chairman & President of New Business of Wistron Corp. (listed Company) ▪ Chairman of WiAdvance Technology Corporation ▪ Chairman of WiEdu Corp. ▪ Chairman of Wistron Medical Technology Corporation ▪ Chairman of Wistron Medical Tech Holding Company 	9,757,628

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
Director	Legal Representative of Wistron NeWeb Corporation: Haydn Hsieh (Hong-Po Hsieh)	<ul style="list-style-type: none"> ▪ Bachelor Degree in electrical engineering from Ta-Tung Institute of Technology ▪ Senior Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Director of Wistron Corp.(listed Company) ▪ Chairman & CSO of Wistron NeWeb Corp. (listed Company) ▪ Director of Apacer Technology Inc. (listed Company) ▪ Independent Director of Raydium Semiconductor Corp. (Emerging Stocks) ▪ Director of aEnrich Technology Corp. 	28,796,209
Director	Philip Peng (Chin-Bing Peng)	<ul style="list-style-type: none"> ▪ Master Degree in business administration from National Chengchi University ▪ Senior Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Director of Wistron Corp. (listed Company) ▪ Director of Wistron NeWeb Corp. (listed Company) ▪ Director of Wistron Information Technology& Services Corp. (TPEX Listed Company) ▪ Independent Director of AU Optronics Corp. (listed Company) ▪ Independent Director of Apacer Technology Inc. (listed Company) ▪ Chairman of Smart Capital Corp. ▪ Director of Zigong Art Sharing Co., Ltd. ▪ Supervisor of Allxon Inc. 	360,870
Independent Director	Jack Chen (Yu-Liang Chen)	<ul style="list-style-type: none"> ▪ Bachelor Degree in electrical engineering from National Taiwan University ▪ Chairman of Spirox Corp. ▪ Chairman of RDC Semiconductor Co., Ltd. 	<ul style="list-style-type: none"> ▪ Independent Director of Wistron Corp. (listed Company) ▪ Chairman of Spirox Corp. (listed Company) ▪ Director of RDC Semiconductor Co., Ltd. (TPEX Listed Company) ▪ Director of Taiwan Oasis Technology Co., Ltd. (TPEX Listed Company) ▪ Director of Browave Corp. (TPEX Listed Company) 	0
Independent Director	S. J. Paul Chien (Shyur-Jen Chien)	<ul style="list-style-type: none"> ▪ Master Degree in Chemical Engineering from Massachusetts Institute of Technology ▪ Chairman of Vanguard International Semiconductor Corp. 	<ul style="list-style-type: none"> ▪ Independent Director of Wistron Corp. (listed Company) ▪ Independent Director of Nan Ya Printed Circuit Board Corp. (listed Company) ▪ Chairman of FUCHU General Contractor Corp. ▪ Chairman of FUCHU Investment Corp. 	0
Independent Director	Christopher Chang (Liang-Chi Chang)	<ul style="list-style-type: none"> ▪ Bachelor Degree in college of law from National Chengchi University ▪ Chairman of Continental Development Corp. 	<ul style="list-style-type: none"> ▪ Independent Director of Wistron Corp. (listed Company) ▪ Director of Continental Holdings Corp. (listed Company) ▪ Chairman of Continental Development Corp. ▪ Chairman of CEC Commercial Development Corp. ▪ Director of Grand River Development Limited ▪ Director of Sanlien Educational Foundation 	0
Independent Director	Sam Lee (Ming-Shan Lee)	<ul style="list-style-type: none"> ▪ Master Degree in business administration from National Chengchi University ▪ Executive vice president of Yuanta Securities Co., Ltd. ▪ Managing Director of Citigroup Global Markets Securities 	<ul style="list-style-type: none"> ▪ Independent Director of Wistron Corp. (listed Company) ▪ Director of Nien Made Enterprise Co., Ltd. (listed Company) ▪ Director of Ta Liang Technology Co., Ltd. (listed Company) ▪ Director of DFI Inc. (listed Company) ▪ Independent Director of Dafeng TV Ltd. (listed Company) ▪ Director of Bafang Yunji International Co., Ltd. (Emerging Stocks) ▪ Chairman of ILI Technology Corp. 	0

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
			<ul style="list-style-type: none"> ▪ Chairman of MagiCapital (Taiwan) Ltd. ▪ Chairman of MagiCap Venture Capital Co., Ltd. ▪ Chairman of Sin Sih Investments Limited ▪ Chairman of Sih Gao Investments Limited ▪ Chairman of Deus Investments Limited ▪ Chairman of Belos Investments Limited 	
Independent Director	Peipei Yu (Pei-Pei Yu)	<ul style="list-style-type: none"> ▪ Master Degree in college of Business Administration from University of British Columbia ▪ Bachelor Degree in college of Money and Banking from National Chengchi University ▪ Managing Director of Goldman Sachs (Asia) L.L.C. 	<ul style="list-style-type: none"> ▪ Chairman of Zoyi Venture Capital Co., Ltd. ▪ Supervisor of ELTA Technology Co., Ltd. (Emerging Stocks) ▪ Director of Vigor Kobo Co., Ltd. (Emerging Stocks) ▪ Director of Zoyi Capital Fund I GP, Ltd. ▪ Director of Zoyi Capital, Ltd. (Cayman) 	0

Note1: As of the current position on March 23, 2021

Note2: As per the actual reported number of shares on April 19, 2021

Result:

Discussion Item II

Discussion of the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

Proposal: Submission (by the BOD) of a proposal to release the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

Explanatory Notes:

- Pursuant to Article 209 of the Company Act, “A director engaging, either for himself or on behalf of another person, in activities that are within the scope of the company's business, shall explain at the shareholder meetings the essential details of such activities and secure its approval.” It is hereby proposed to release the prohibition on newly-elected directors and their corporate representatives, who participate in the operations of another company that engages in the same or similar business scope as the Company, from participation in the competitive business.
- Under the premise that such actions will not impair the Company’s competitive advantage, it is proposed to grant approval at the shareholders’ meeting for the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business. Items proposed to be released are shown below.

Title	Name	Current Positions (Note)
Director	Simon Lin (Hsien-Ming Lin)	<ul style="list-style-type: none"> ▪ Chairman of Wiwynn Corp. (listed Company) ▪ Director of Gamania Digital Entertainment Co., Ltd. (TPEX Listed Company) ▪ Independent Director of Taiwan IC Packaging Corp. (TPEX Listed Company) ▪ Independent Director of Elan Microelectronics Corp. (listed Company) ▪ Independent Director of Powerchip Semiconductor Manufacturing Corp. (Emerging Stocks) ▪ Chairman of Wistron Digital Technology Holding Company
Director	Robert Huang (Po-Tuan Huang)	<ul style="list-style-type: none"> ▪ Chairman of WiAdvance Technology Corporation ▪ Chairman of WiEdu Corp. ▪ Chairman of Wistron Medical Technology Corporation ▪ Chairman of Wistron Medical Tech Holding Company
Director	Legal Representative of Wistron NeWeb Corporation: Haydn Hsieh (Hong-Po Hsieh)	<ul style="list-style-type: none"> ▪ Chairman & CSO of Wistron NeWeb Corp. (listed Company) ▪ Director of Apacer Technology Inc. (listed Company) ▪ Independent Director of Raydium Semi-conductor Corp. (Emerging Stocks) ▪ Director of aEnrich Technology Corp.
Director	Philip Peng (Chin-Bing Peng)	<ul style="list-style-type: none"> ▪ Director of Wistron NeWeb Corp. (listed Company) ▪ Director of Wistron Information Technology & Services Corp. (TPEX Listed Company) ▪ Independent Director of AU Optronics Corp. (listed Company) ▪ Independent Director of Apacer Technology Inc. (listed Company) ▪ Chairman of Smart Capital Corp. ▪ Director of Zigong Art Sharing Co., Ltd. ▪ Supervisor of Allxon Inc.
Independent Director	Jack Chen (Yu-Liang Chen)	<ul style="list-style-type: none"> ▪ Chairman of Spirox Corp. (listed Company) ▪ Director of RDC Semiconductor Co., Ltd. (TPEX Listed Company) ▪ Director of Taiwan Oasis Technology Co., Ltd. (TPEX Listed Company) ▪ Director of Browave Corp. (TPEX Listed Company)

Title	Name	Current Positions (Note)
Independent Director	S. J. Paul Chien (Shyur-Jen Chien)	<ul style="list-style-type: none"> ▪ Independent Director of Nan Ya Printed Circuit Board Corp. (listed Company) ▪ Chairman of FUCHU General Contractor Corp. ▪ Chairman of FUCHU Investment Corp.
Independent Director	Christopher Chang (Liang-Chi Chang)	<ul style="list-style-type: none"> ▪ Director of Continental Holdings Corp. (listed Company) ▪ Chairman of Continental Development Corp. ▪ Chairman of CEC Commercial Development Corp. ▪ Director of Grand River Development Limited ▪ Director of Sanlien Educational Foundation
Independent Director	Sam Lee (Ming-Shan Lee)	<ul style="list-style-type: none"> ▪ Director of Nien Made Enterprise Co., Ltd. (listed Company) ▪ Director of Ta Liang Technology Co., Ltd. (listed Company) ▪ Director of DFI Inc. (listed Company) ▪ Independent Director of Dafeng TV Ltd. (listed Company) ▪ Director of Bafang Yunji International Co., Ltd. (Emerging Stocks) ▪ Chairman of ILI Technology Corp. ▪ Chairman of MagiCapital (Taiwan) Ltd. ▪ Chairman of MagiCap Venture Capital Co., Ltd. ▪ Chairman of Sin Sih Investments Limited ▪ Chairman of Sih Gao Investments Limited ▪ Chairman of Deus Investments Limited ▪ Chairman of Belos Investments Limited
Independent Director	Peipei Yu (Pei-Pei Yu)	<ul style="list-style-type: none"> ▪ Chairman of Zoyi Venture Capital Co., Ltd. ▪ Supervisor of ELTA Technology Co., Ltd. (Emerging Stocks) ▪ Director of Vigor Kobo Co., LTD. (Emerging Stocks) ▪ Director of Zoyi Capital Fund I GP, Ltd. ▪ Director of Zoyi Capital, Ltd. (Cayman)

Note: As of the current position on March 23, 2021

3. Please discuss.

Result:

Extemporany Motion

Adjournment

Appendix 1

Wistron Corporation Business Report

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

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

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

2020 Financial and Operation Results

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

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

Corporate Sustainability and Social Responsibility

In 2019, Wistron established an ESG Committee under the Board of Directors to deepen its vision of sustainable development and put into practice its corporate social responsibility. The ESG Committee spares no effort in implementing policies in the areas of environmental protection, social

inclusion, corporate governance and innovative value. In 2020, Wistron was ranked in the top 5 percent of the 6th Corporate Governance Evaluation and was awarded CommonWealth magazine's Corporate Citizen Award for the eleventh time. Wistron also received an A- rating from Carbon Disclosure Project (CDP), and garnered an AA rating from MSCI (Morgan Stanley Capital Investment) ACWI (All Country World Index) ESG for the fourth consecutive year.

2021 Business and Operational Focus

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

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

Future Outlook

As we celebrate our 20th year, Wistron has begun its enterprise architecture comprising the three main business entities. Business volume and profit are performing stably with steady growth.

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

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

Chairman: Simon Lin President: Jeff Lin and David Shen Controller: Stone Shih

Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the parent company only financial statements of Wistron Corporation (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants' Ruling No.1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Provision of sales return and allowance (current refund liability)

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

Description of key audit matter

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

How the matter was addressed in our audit

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

2. Inventory valuation

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

Description of key audit matter

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

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included the examining the inventory aging report, analyzing the variation in inventories, and evaluating the selling price used for the Company's inventory valuation and the changes on fair values of the inventories subsequently; selecting samples to assess the reasonableness of the net realizable values by comparing them to the original documents; as well as considering the adequacy of the Company's disclosure in this area.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2021

Notes to Readers

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

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

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

Parent Company Only Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019				
	Amount	%	Amount	%	Amount	%	Amount	%			
	Assets				Liabilities and Equity						
	Current assets:				Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 3,907,196	1	3,038,447	1	2100	Short-term loans (notes 6(l)(z))	\$ 67,173,137	20	21,865,014	6
1110	Current financial assets at fair value through profit or loss (note 6(b))	227,834	-	58,927	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	8,577	-	68,043	-
1170	Note and trade receivables, net (notes 6(d)(t))	51,569,866	16	68,863,387	20	2130	Current contract liabilities (note 6(t))	1,735,880	1	1,565,181	-
1180	Trade receivable - related parties (notes 6(d)(t) and 7)	130,624,237	40	153,326,860	44	2170	Note and trade payables	40,633,266	12	54,735,019	16
1210	Other receivables - related parties (notes 6(e) and 7)	3,526,025	1	1,361,738	-	2180	Trade payable - related parties (note 7)	89,464,575	27	147,515,249	42
1220	Current tax assets	19,967	-	26,488	-	2220	Other payables - related parties (note 7)	953,995	-	855,756	-
130X	Inventories (note 6(f))	24,867,124	7	16,496,198	5	2280	Current lease liabilities (notes 6(m)(z))	193,487	-	153,748	-
1460	Non-current assets classified as held for sale (note 6(g))	12,018,229	4	-	-	2322	Current portion of long-term loans (notes 6(l)(z))	-	-	2,407,177	1
1470	Other current assets (notes 6(d)(e)(k))	4,192,805	1	5,329,824	2	2365	Current refund liability (note 6(t))	9,560,522	3	6,177,579	2
	Total current assets	230,953,283	70	248,501,869	72	2399	Other current liabilities	22,697,262	7	17,349,065	5
	Non-current assets:						Total current liabilities	232,420,701	70	252,691,831	72
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	-	-	136,114	-		Non-current liabilities:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	4,733,601	2	4,618,902	1	2540	Long-term loans (notes 6(l)(z))	20,332,308	6	15,752,275	5
1550	Equity - accounted investees (note 6(g))	80,060,468	24	82,823,693	24	2570	Deferred tax liabilities (note 6(p))	2,721,023	1	2,484,701	1
1600	Property, plant and equipment (notes 6(b) and 7)	6,184,970	2	5,039,467	2	2580	Non-current lease liabilities (notes 6(m)(z))	285,193	-	239,052	-
1755	Right-of-use assets (note 6(i))	481,232	-	397,347	-	2600	Other non-current liabilities (notes 6(o)(z))	1,636,651	1	1,933,799	1
1780	Intangible assets (notes 6(j) and 7)	813,574	-	770,210	-		Total non-current liabilities	24,975,175	8	20,409,827	7
1840	Deferred tax assets (note 6(p))	5,256,727	2	4,384,962	1		Total liabilities	257,395,876	78	273,101,658	79
1900	Other non-current assets (notes 6(k) and 8)	477,798	-	379,678	-		Equity (notes 6(C)(Q)):				
	Total non-current assets	98,008,370	30	98,550,373	28	3110	Ordinary shares	28,406,121	9	28,406,121	8
						3200	Capital surplus	25,760,011	8	24,681,872	7
						3300	Retained earnings	26,853,167	8	24,398,715	7
						3400	Other equity	(7,846,263)	(3)	(3,536,124)	(1)
						3500	Treasury shares	(1,607,259)	-	-	-
							Total equity	71,565,777	22	73,950,584	21
	Total assets	\$ 328,961,653	100	\$ 347,052,242	100		Total liabilities and equity	\$ 328,961,653	100	\$ 347,052,242	100

See accompanying notes to parent company only financial statements.

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

WISTRON CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Net revenues (notes 6(t) and 7)	\$ 687,686,152	100	735,742,458	100
5000 Cost of sales (notes 6(f)(h)(i)(j)(m)(o)(v), 7 and 12)	666,864,786	97	715,395,847	97
5900 Gross profit	20,821,366	3	20,346,611	3
5910 Unrealized profit from sales	(146,080)	-	(488,515)	-
5950 Net gross profit	20,675,286	3	19,858,096	3
6000 Operating expenses (notes 6(d)(e)(h)(i)(j)(k)(m)(o)(v), 7 and 12):				
6100 Selling	2,915,782	-	3,016,676	-
6200 Administrative	2,527,625	-	2,144,835	-
6300 Research and development	13,564,223	2	12,306,433	3
Total operating expenses	19,007,630	2	17,467,944	3
6900 Operating income	1,667,656	1	2,390,152	-
7000 Non-operating income and expenses (notes 6(g)(k)(m)(n)(u)(w), 7 and 12):				
7100 Interest income	81,898	-	80,735	-
7010 Other income	118,941	-	515,300	-
7020 Other gains and losses	23,097	-	631,315	-
7050 Finance costs	(1,270,967)	-	(2,973,387)	-
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	8,041,587	1	5,879,266	1
Total non-operating income and expenses	6,994,556	1	4,133,229	1
7900 Profit before tax	8,662,212	2	6,523,381	1
7950 Less: Income tax benefit (note 6(p))	(19,550)	-	(277,387)	-
8200 Net profit	8,681,762	2	6,800,768	1
8300 Other comprehensive income (notes 6(g)(o)(p)(q)(w))				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Losses on remeasurements of defined benefit plans	(250,843)	-	(96,910)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(121,421)	-	1,983,210	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	69,763	-	(22,733)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(2,345)	-	(53,900)	-
	(300,156)	-	1,917,467	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(3,878,882)	(1)	(1,434,415)	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	320,170	-	(171,990)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	(86)	-
	(3,558,712)	(1)	(1,606,319)	-
Other comprehensive income	(3,858,868)	(1)	311,148	-
8500 Total comprehensive income	\$ 4,822,894	1	7,111,916	1
Earnings per share (in dollars) (note 6(s))				
9750 Basic earnings per share	\$ 3.10		2.40	
9850 Diluted earnings per share	\$ 3.03		2.36	

See accompanying notes to parent company only financial statements.

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

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity				Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation arising from issuance of restricted shares		Treasury shares
Balance at January 1, 2019	28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	(1,292,592)	(2,835,642)	-	(533,236)	68,945,197
Effects of retrospective application	-	-	-	-	(54,346)	-	-	-	-	(54,346)
Balance at January 1, 2019 after adjustments	28,421,220	22,863,619	7,979,677	4,010,255	10,277,550	(1,292,592)	(2,835,642)	-	(533,236)	68,890,851
Net profit	-	-	-	-	6,800,768	-	-	-	-	6,800,768
Other comprehensive income	-	-	-	-	(92,207)	(1,659,589)	2,062,944	-	-	311,148
Total comprehensive income	-	-	-	-	6,708,561	(1,659,589)	2,062,944	-	-	7,111,916
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	490,847	-	(490,847)	-	-	-	-	-
Special reserve	-	-	-	117,979	(117,979)	-	-	-	-	-
Cash dividends	-	-	-	-	(4,226,640)	-	-	-	-	(4,226,640)
Changes in equity of associates and joint ventures accounted for using equity method	(15,099)	(29,038)	-	-	-	-	-	-	-	(29,038)
Treasury shares retired	-	(17,904)	-	-	-	-	-	-	33,003	448,381
Treasury shares transferred to employees	-	(51,852)	-	-	-	-	-	-	500,233	1,638,531
Changes in ownership interests in subsidiaries	-	1,800,464	-	-	(161,933)	-	-	-	-	1,638,531
Share-based payment transactions	-	116,583	-	-	-	-	-	-	-	116,583
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(188,755)	-	188,755	-	-	-
Balance at December 31, 2019	28,406,121	24,681,872	8,470,524	4,128,234	11,799,957	(2,952,181)	(583,943)	-	(188,755)	73,950,584
Net profit	-	-	-	-	8,681,762	(208,765)	(76,501)	-	-	8,681,762
Other comprehensive income	-	-	-	-	(208,765)	(3,573,602)	(76,501)	-	-	(3,858,868)
Total comprehensive income	-	-	-	-	8,472,997	(3,573,602)	(76,501)	-	-	4,822,894
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	680,077	-	(680,077)	-	-	-	-	-
Special reserve	-	-	-	(592,110)	592,110	-	-	-	-	-
Cash dividends	-	-	-	-	(5,681,224)	-	-	-	-	(5,681,224)
Changes in equity of associates and joint ventures accounted for using equity method	-	(27,576)	-	-	6,872	-	-	-	-	(20,704)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(1,607,259)
Changes in ownership interests in subsidiaries	-	(15,028)	-	-	-	-	-	-	-	(19,515)
Share-based payment transactions	-	1,118,242	-	-	(4,487)	-	-	-	-	118,500
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(339,706)	-	339,706	-	-	-
Others	-	2,501	-	-	-	-	-	-	-	2,501
Balance at December 31, 2020	28,406,121	25,760,011	9,150,601	3,536,124	14,166,442	(6,525,783)	(320,738)	(999,742)	(1,607,259)	71,565,777

See accompanying notes to parent company only financial statements.

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

WISTRON CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the consolidated financial statements of Wistron Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Ruling No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Provision of sales return and allowance (refund liability)

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

Description of key audit matter

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

How the matter was addressed in our audit

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

2. Inventory valuation

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

Description of key audit matter

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

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included the examining the inventory aging report, analyzing the variation in inventories, and evaluating the selling price used for the Company's inventory valuation and the changes on fair values of the inventories subsequently; selecting samples to assess the reasonableness of the net realizable values by comparing them to the original documents; as well as considering the adequacy of the Company's disclosure in this area.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 23, 2021

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Net revenues (notes 6(w) and 7)	\$ 845,011,844	100	878,255,078	100
5000 Cost of sales (notes 6(f)(j)(k)(l)(p)(r)(u)(y), 7 and 12)	798,958,664	95	836,096,528	95
5900 Gross profit	46,053,180	5	42,158,550	5
Operating expenses (notes 6(d)(e)(j)(k)(l)(p)(r)(u)(y), 7 and 12):				
6100 Selling	8,866,295	1	9,243,449	1
6200 Administrative	3,666,552	-	3,417,109	1
6300 Research and development	19,049,271	2	16,198,147	2
Total operating expenses	31,582,118	3	28,858,705	4
6900 Operating income	14,471,062	2	13,299,845	1
Non-operating income and expenses (notes 6(h)(o)(p)(q)(x), 7 and 12):				
7100 Interest income	1,888,042	-	2,009,432	-
7010 Other income	210,312	-	579,300	-
7020 Other gains and losses	2,177,004	-	1,358,737	-
7050 Finance costs	(2,348,171)	-	(4,810,821)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	447,126	-	339,573	-
Total non-operating income and expenses	2,374,313	-	(523,779)	-
7900 Profit before tax	16,845,375	2	12,776,066	1
7950 Less: Income tax expenses (note 6(s))	3,937,479	-	3,049,823	-
8200 Net profit	12,907,896	2	9,726,243	1
Other comprehensive income (notes 6(h)(r)(s))				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
8310 Losses on remeasurements of defined benefit plans	(260,057)	-	(110,406)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(48,126)	-	1,995,704	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(2,664)	-	(3,516)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,282)	-	(34,799)	-
	(302,565)	-	1,916,581	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8360 Exchange differences on translation of foreign financial statements	(3,698,533)	-	(1,665,881)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(5,513)	-	2,586	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	(86)	-
	(3,704,046)	-	(1,663,209)	-
Total other comprehensive income, net of tax	(4,006,611)	-	253,372	-
8500 Total comprehensive income	\$ 8,901,285	2	9,979,615	1
Net profit attributable to (notes 6(i)(t)):				
8610 Owners of parent	\$ 8,681,762	1	6,800,768	1
8620 Non-controlling interests	4,226,134	1	2,925,475	-
	\$ 12,907,896	2	9,726,243	1
Comprehensive income attributable to (notes 6(i)(t)):				
8710 Owners of parent	\$ 4,822,894	1	7,111,916	1
8720 Non-controlling interests	4,078,391	1	2,867,699	-
	\$ 8,901,285	2	9,979,615	1
Earnings per share (in dollars)(note 6(v))				
9750 Basic earnings per share	\$ 3.10		2.40	
9850 Diluted earnings per share	\$ 3.03		2.36	

See accompanying notes to financial statements.

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital					Retained earnings			Other equity		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred compensation arising from issuance of restricted shares	Treasury shares	Total equity attributable to owners of parent
Balance at January 1, 2019	28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	22,321,828	(1,292,592)	(2,835,642)	-	(533,236)	68,945,197
Effects of retrospective application	-	-	-	-	(54,346)	(54,346)	-	-	-	-	(54,346)
Balance at January 1, 2019 after adjustments	28,421,220	22,863,619	7,979,677	4,010,255	10,277,550	22,267,482	(1,292,592)	(2,835,642)	-	(533,236)	68,890,851
Net profit	-	-	-	-	6,800,768	6,800,768	-	-	-	-	6,800,768
Other comprehensive income	-	-	-	-	(92,207)	(92,207)	(1,659,589)	2,062,944	-	-	311,148
Total comprehensive income	-	-	-	-	6,708,561	6,708,561	(1,659,589)	2,062,944	-	-	7,111,916
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	490,847	-	(490,847)	-	-	-	-	-	-
Cash dividends	-	-	-	117,979	(117,979)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(4,226,640)	(4,226,640)	-	-	-	-	(4,226,640)
Treasury shares retired	(15,099)	(29,038)	-	-	-	-	-	-	-	33,003	(29,038)
Treasury shares transferred to employees	-	(17,904)	-	-	-	-	-	-	-	500,233	448,381
Changes in ownership interests in subsidiaries	-	(51,852)	-	-	(161,933)	(161,933)	-	-	-	-	1,638,531
Share-based payment transactions	-	1,800,464	-	-	-	-	-	-	-	-	116,583
Disposal of investments in equity instruments, designated at fair value through other comprehensive income	-	-	-	-	(188,755)	(188,755)	-	188,755	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	28,406,121	24,681,872	8,470,524	4,128,234	11,799,957	24,398,715	(2,952,181)	(583,943)	-	-	73,950,584
Net profit	-	-	-	-	8,681,762	8,681,762	(3,650,103)	(76,501)	-	-	8,681,762
Other comprehensive income	-	-	-	-	(208,765)	(208,765)	(3,573,602)	(76,501)	-	-	(3,858,868)
Total comprehensive income	-	-	-	-	8,472,997	8,472,997	(3,573,602)	(76,501)	-	-	4,822,894
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	680,077	(592,110)	(680,077)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(5,681,224)	(5,681,224)	-	-	-	-	(5,681,224)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	(27,576)	-	-	6,872	6,872	-	-	-	-	(20,704)
Changes in ownership interests in subsidiaries	-	(15,028)	-	-	(4,487)	(4,487)	-	-	(1,607,259)	-	(1,607,259)
Share-based payment transactions	-	1,118,242	-	-	-	-	-	-	(999,742)	-	118,500
Disposal of investments in equity instruments, designated at fair value through other comprehensive income	-	-	-	-	(339,706)	(339,706)	-	339,706	-	-	-
Others	-	2,501	-	-	-	-	-	-	-	-	2,501
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,668,579)
Balance at December 31, 2020	28,406,121	25,760,011	9,150,601	3,536,124	14,166,442	26,853,167	(6,525,783)	(999,742)	(1,607,259)	(1,607,259)	71,565,777
											83,926,079

See accompanying notes to financial statements.

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

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to financial statements.

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Wistron's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Wistron Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Wistron Corporation

Convener of the Audit Committee : 

March 23, 2021

Appendix 3

Wistron Corporation
Profit Appropriation Statement for 2020

Unit: NT\$

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

Note 1: Stock dividend: NT\$0.

Note 2: Cash dividend: NT\$2.2 per share, and the cash dividend is rounded down to the nearest NT dollar; the amount rounded off will be credited to other income of Wistron.

Chairman: Simon Lin

President: Robert Hwang

Controller: Stone Shih

Wistron Corporation
Articles of Incorporation

Chapter I General Provisions

Article 1 The Company is incorporated in accordance with the provisions under the Company Law pertaining to companies limited by shares by the name of 緯創資通股份有限公司 in the Chinese language, and WISTRON CORPORATION in the English language.

Article 2 The business items of the Company are set out as follows:

1. CC01110 Manufacture of computer and peripheral equipment,
2. CC01060 Manufacture of wire communication equipment,
3. CC01070 Manufacture of radio communication equipment,
4. CC01080 Manufacture of electronic components and parts,
5. I301010 Information technology service,
6. I501010 Product design service,
7. F401010 Import/export trading and dealer businesses,
8. CE01030 Manufacture of optical equipment,
9. F401021 Import trading business of restricted radio frequency machinery, with permission only for radio transmitters,
10. CC01101 Manufacture of restricted radio frequency machinery, with permission only for radio transmitters.
11. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
12. JA02010 Electric appliance and products Repairing (can only be conducted outside Hsinchu Science Park)
13. J101090 Waste Disposition (can only be conducted outside Hsinchu Science Park)
14. CF01011 Medical equipment manufacturing
15. CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park)
16. F218010 Retail Sale of Computer Software (can only be conducted outside Hsinchu Science Park)
17. I301020 Data Processing Services
18. I301030 Digital Information Supply Services
 - (1) R&D, development, design, manufacture (including module), testing and sales of PCs, portable PCs, motherboards, servers, file-transfer protocols, high performance multi-CPU computing systems, multimedia PCs, web PCs, consumer computing systems and professional computing systems, microprocessors, CD-ROM drivers, PDAs, tablet PCs, pocket PCs, interface

cards, and semi-manufactured, components and parts, and related products thereof.

- (2) R&D, development, design, manufacture (including module), testing and sales of video phones and web phones, video conference equipment and electronic communication apparatus, and semi-manufactured, components and parts, and related products thereof.
- (3) R&D, development, design, manufacture (including module), testing and sales of satellite TV receivers, set-top-boxes, video-conference decoders, and semi-manufactured, components and parts, and related products thereof.
- (4) R&D, development, design, manufacture (including module), testing and sales of digital cameras, video CDs, digital CDs, and semi-manufactured, components and parts, and related products thereof.
- (5) R&D, development, design, manufacture (including module), testing and sales of radio frequency machinery (mobile phones, wireless network cards, blue tooth module) and semi-manufactured, components and parts, and related products thereof.
- (6) Providing integrated information systems, including software and programming.
- (7) Import/export trading business related to the above businesses.
- (8) R&D, development, design, manufacture (including module), testing and sales of LCD TVs and other audiovisual electric products (can only be conducted outside Hsinchu Science Park).
- (9) Providing repairing, cleansing and maintenance services for electronic appliance and products (can only be conducted outside Hsinchu Science Park).
- (10) Recycling and disposition and removal of waste electronic products (can only be conducted outside Hsinchu Science Park).
- (11) R&D, development, design, production, manufacture, testing and sale of In-Vitro testing equipment / system / modules / platform, Treatment Appliance and Equipment, Smart Assistive Devices, General Diagnostic X-ray Imaging Device, physiological signal detection medical materials and medical information transmission system products, semi-finished products and their peripherals or components.
- (12) Production, manufacture and sale of various kinds of automotive electronic products (can only be conducted outside Hsinchu Science Park).

Article 3 The Company may engage in external guarantees to meet business or investment needs.

Article 4 The total investment amount by the Company is exempt from the cap amount provided in Section 13 of the ROC Company Law.

Article 5 The head office of the Company is located in the Hsinchu Science Park. Subject to the approval by board of directors and governmental authority, the Company may set up branch offices at other proper location(s).

Chapter II Share Capital

Article 6 The total capital amount of the Company is Forty Billion New Taiwan Dollars (NTD 40,000,000,000), which is divided into Four Billion (4,000,000,000) shares with a par value of Ten New Taiwan Dollars (NTD10) each and will be issued as common shares or preferred shares by installments by the Board of Directors.

An amount of Two Billion New Taiwan Dollars (NTD2,000,000,000) from the above total capital amount divided into 200,000,000 shares with a par value of Ten New Taiwan Dollars each (NTD10) are reserved for the issuance of employee stock options.

Article 6-1 The Company issues registered Series A preferred shares with the rights, obligations and issuing terms set forth as follows:

1. The interest rate of the preferred shares dividend may not exceed 3.5% per annum.
2. The dividend of the preferred shares shall be made according to the offering price and offering days. Upon acknowledgement of the financial statements of the previous fiscal year at the annual general shareholders meeting and resolution to distribute earnings, the dividend will be made in cash in one payment. The BOD is authorized to determine the base ex-dividend date of the preferred share annual dividend.
3. The earnings of the Company (if any), upon annual closing will first be made to pay for taxes, make up for losses, appropriate to statutory reserves and special reserves. The remaining amount will then first be paid to distribute the preferred share dividend in priority over the dividends of the other shares.
4. Except for receiving a dividend as set out in Paragraph 1 herein, shareholders of Series A preferred shares may not participate in the distribution of common share earnings and capital surplus in the form of cash and capital injection.
5. In the event of no earnings or insufficient earnings to distribute the entire dividend of Series A preferred shares upon annual closing, the undistributed or under-distributed dividend of the year shall be accrued at a compound dividend interest rate until the year with earnings. The amount short will receive full payment with first seniority. However, the undistributed accrued preferred share dividend shall be paid out in full upon expiration of the offering terms.
6. The offering terms of the preferred shares shall not exceed 5 years. Upon expiration of the term, the total shares will be redeemed at the offering price together with the accrued dividend unpaid. In the event of matters beyond control or force majeure that the Company is unable to redeem all or part of the preferred shares, the rights of the shares unredeemed shall remain the same as set forth in the issuing terms until the Company makes a total redemption. The dividend will be calculated at the same interest rate for the extended term.
7. The preferred shares may not be converted to common shares during the term.

8. The preferred shares has seniority claim to the remaining assets of the company over common shares and the other preferred shares that are issued after the shares herein, however the amount shall not exceed the offering amount.
9. The shareholders of the preferred shares have voting rights and election rights at the common shareholders' meetings, and also the right to be elected as directors.
10. When the Company issues new share to raise cash capital, the preferred shareholders have senior stock option of the new shares as the common shareholders.
11. The BOD is authorized to govern the other related matters pursuant to the "Rules on Issuance of Series A Preferred Shares" prescribed at the time of offering.

Article 6-2 The employees entitled to receive shares, which bought back by the Company, or share subscription warrants, or restricted stock for employees, or reserved for subscription by employees when the Company issues new shares, may including the employees of subsidiaries of the Company meeting certain specific requirements which will be determined by the Board of Directors.

Article 7 The shares in the Company will be registered shares duly certified by the directors representing the Company, numbered and issued in accordance with laws.

The Company may adopt book-entry transfer of shares, instead of issuance of share certificates; as well as with other securities of the Company.

Article 8 The shareholders' meetings of the Company are divided into ordinary shareholders' meetings and extraordinary shareholders' meetings. The ordinary shareholders' meeting will be duly convened within six months following the close of each fiscal year in accordance with laws and regulations. Extraordinary shareholders' meetings may be convened when necessary in accordance with laws and regulations.

Chapter III Shareholders' Meeting

Article 9 Except as otherwise provided by the relevant laws or regulations, shareholders may take action on a matter at a shareholders' meeting if a quorum of fifty percent (50%) or more of the outstanding shares of the Company exists. If a quorum exists, action on a matter is approved if more than fifty percent (50%) votes being represented at a meeting favor the action.

Article 10 A shareholder unable to personally attend the shareholders' meeting for whatever cause may vote by proxy with a duly executed appointment form issued by the Company specifying the authorized powers. Except for securities trust enterprises or stock agencies approved by the competent authority, a person who acts as a proxy for two or more shareholders are not entitled to vote when the represented shares exceed three percent (3%) of the total voting rights of the outstanding shares of the Company.

An appointment of a proxy is effective when a signed appointment form is received by the Company five (5) days before the shareholders' meeting. Where two or more appointment forms are received by the Company, the first one received shall govern.

According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Chapter IV Directors and Audit Committee

Article 11 The Company will have a Board of Directors consisting of seven to nine Directors, who will be elected by the shareholders' meeting from the director candidate list via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company should obtain liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties.

The compensation or transportation allowance paid to the Directors shall be determined by the Board of Directors' resolution according to the industry standard, no matter whether the Company has profit or suffered loss.

Article 11-1 The Board of Directors shall be composed of at least 3 Independent Directors, who will be elected at the shareholders' meeting from the independent director candidate list via the candidate nomination system. With respect to the Independent Director's profession, holding shares, work restriction, nomination and election method and other matters, all should be preceded by relevant regulations set by the securities authority.

Article 11-2 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors. The authority of the Audit Committee and the other compliance issues shall be made according to the Company Act, the Securities and Exchange Act, other relevant laws and regulations and the company by laws.

Article 12 The chairperson of the Board of Directors represents the Company and is elected from among the directors by a majority of the directors present at a meeting with an attendance of two-thirds of the directors, and the Company may also elect a vice chairman of the Board of Directors in the same manner. The company may create an audit committee, nominating committee, remuneration committee or other functional committees.

Article 12-1 Each director shall be notified at least seven days in advance of the reasons for calling a Board of Directors meeting or Audit Committee meeting. In emergency circumstances, however, a meeting may be called on shorter notice.

The aforesaid meeting notice may be prepared in either written or electronic format.

Article 13 In case the chairperson of the Board of Directors is on leave or unable to represent the Company or perform his or her functions for whatever cause, he or she may appoint another director as proxy in accordance with Section 208 of the Company Law. If that director is not able to attend a meeting in person, he or she may appoint another director as proxy. A director may serve as proxy for only one other director.

Chapter V Managerial Officers

Article 14 The Company will have a number of general managers, whose appointment, discharge and remuneration will be determined in accordance with Section 29 of the Company Law. Subject to the authority prescribed by the board of directors, the officers shall be empowered to manage the operation of the company and to sign relevant business documents for the company.

Chapter VI Accounting

Article 15 The Board of Directors will prepare the documents set forth below after the end of the fiscal year for submission to the shareholders' meeting for approval.

1. Business report;
2. Financial statements;
3. Profit distribution proposal or loss making-up proposal.

Article 16 If the Company has profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation) such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.

1. No less than five percent (5%) of profit as employees' compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive compensation shall be determined by the Board of Directors;
2. No more than one percent (1%) of profit as the compensation in cash to the Directors.

Article 16-1 If the Company has earnings at the end of the fiscal year, the Company shall first pay all relevant taxes, offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The board of directors may propose the distribution for approval in the shareholders' meeting.

Chapter VII Supplementary Provisions

Article 17 In consideration that the Company is in a capital and technology-intensive industry and in consideration of the Company's expansion and for its continual and steady growth, a long-term investment plan needs to be adopted, therefore, the Company adopts the

residual dividend policy as its dividend policy. Dividends paid by cash shall not be less than ten percent (10%) of the total dividends.

Article 18 Matters not prescribed under the Articles of Incorporation shall be in accordance with the Company Law and the relevant rules and regulations.

Article 19 The Procedure was enacted on May 23, 2001.

The 1st amendment was made on June 16, 2001.

The 2nd amendment was made on November 3, 2001.

The 3rd amendment was made on December 17, 2001.

The 4th amendment was made on June 7, 2002.

The 5th amendment was made on June 17, 2003.

The 6th amendment was made on June 16, 2004.

The 7th amendment was made on June 16, 2004.

The 8th amendment was made on June 9, 2005.

The 9th amendment was made on June 8, 2006.

The 10th amendment was made on June 21, 2007.

The 11th amendment was made on June 25, 2008.

The 12th amendment was made on June 23, 2009.

The 13th amendment was made on June 18, 2010.

The 14th amendment was made on June 22, 2011.

The 15th amendment was made on June 21, 2012.

The 16th amendment was made on June 14, 2013.

The 17th amendment was made on June 11, 2014.

The 18th amendment was made on June 26, 2015.

The 19th amendment was made on June 15, 2016.

The 20th amendment was made on June 14, 2017.

The 21st amendment was made on June 12, 2019.

The 22nd amendment was made on June 18, 2020.

Appendix 5

**Comparison between Original and Amendments to
“Rules and Procedures of Shareholders’ Meeting”**

Items	Original Version	Amended Version	Reason
Article 8	<p>The Chairman shall call the Meeting to order at the time scheduled for the Meeting, provided, however, that if the shareholders present do not represent a majority of the total number of issued shares (“quorum”), the Chairman may postpone the Meeting, provided, however, that the postponement of the Meeting shall be limited to two times, and the total time of the overall postponement shall not exceed one hour. If the Meeting has been postponed twice, but the shareholders present still do not represent a quorum, a tentative resolution may be adopted by shareholders representing one-third of the total amount of issued shares, in accordance with Paragraph 1 of Article 175 of the Company Act. Before the close of the Meeting, if the shareholders present represent a quorum, the Chairman may present the tentative resolution so adopted to the Meeting for resolution in accordance with the provisions of Article 174 of the Company Act.</p>	<p>The Chairman shall call the Meeting to order at the time scheduled for the Meeting <u>and announce the relevant information such as the number of non-voting rights and the number of shares present</u>, provided, however, that if the shareholders present do not represent a majority of the total number of issued shares (“quorum”), the Chairman may postpone the Meeting, provided, however, that the postponement of the Meeting shall be limited to two times, and the total time of the overall postponement shall not exceed one hour. If the Meeting has been postponed twice, but the shareholders present still do not represent a quorum, a tentative resolution may be adopted by shareholders representing one-third of the total amount of issued shares, in accordance with Paragraph 1 of Article 175 of the Company Act. Before the close of the Meeting, if the shareholders present represent a quorum, the Chairman may present the tentative resolution so adopted to the Meeting for resolution in accordance with the provisions of Article 174 of the Company Act.</p>	<p>To comply with the Regulation update.</p>
Article 15	<p>The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting.</p>	<p>The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting.</p>	<p>To comply with the Regulation update.</p>

Items	Original Version	Amended Version	Reason
	<p>After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes.</p> <p>In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received by each. The ballots for the election shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year.</p>	<p>After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes.</p> <p>In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received by each <u>and the list of unelected directors and the number of voting rights obtained</u>. The ballots for the election shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year.</p>	
Article 20	<p>.....</p> <p>The 3rd amendment was made on June 18, 2020.</p>	<p>.....</p> <p>The 3rd amendment was made on June 18, 2020.</p> <p><u>The 4th amendment was made on June 17, 2021.</u></p>	Correspondence to the amendment date.

Appendix 6

**Comparison between Original and Amendments to
“The Election Regulations of Directors”**

Items	Original Version	Amended Version	Reason
Article 3	The Company’s directors shall be elected through single named cumulative voting. Each share shall be entitled to one vote for each director to be elected depends on its voting power. The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.	The Company’s directors shall be elected through single-named cumulative voting. Each share shall be entitled to one vote for each director to be elected depends on its voting power . The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.	To comply with the Regulation update.
Article 5	The elections of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately. The candidates who receive the most votes for the position will be elected independent directors and non-independent directors. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairman for each of the absentees. In the event none of the elected of the independent directors possess accounting or finance expertise, the votes of the candidates who possess accounting or finance expertise shall be calculated separately. The one who receive the most votes shall be elected. The other headcounts of the elected shall proceed as prescribed in the preceding paragraph.	The elections of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately. The candidates who receive the most votes for the position will be elected <u>sequentially</u> independent directors and non-independent directors. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairman for each of the absentees. In the event none of the elected of the independent directors possess accounting or finance expertise, the votes of the candidates who possess accounting or finance expertise shall be calculated separately. The one who receive the most votes shall be elected. The other headcounts of the elected shall proceed as prescribed in the preceding paragraph.	To comply with the Regulation update.
Article 7	The board of directors shall, upon preparing the ballots, have the ballots numbered in a series and enter the voting power on each ballot.	The board of directors <u>or other authorized conveners of shareholders’ meetings</u> shall, upon preparing the ballots <u>for directors in numbers corresponding to the directors to be elected</u> , have the ballots numbered in a series and enter	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
		the voting power on each ballot.	
Article 9	A ballot box shall be provided by the board of directors and shall be kept in public view by the monitor before the vote.	A ballot box shall be provided by the board of directors <u>or other authorized conveners of shareholders' meetings</u> and shall be kept in public view by the monitor before the vote.	To comply with the Regulation update.
Article 10	Voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's ROC Identification Card Number (or for foreigner candidates, the candidate's passport number); voters shall drop the ballots into the ballot box. In the event a legal entity is a candidate, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot.	(Deleted) Voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's ROC Identification Card Number (or for foreigner candidates, the candidate's passport number); voters shall drop the ballots into the ballot box. In the event a legal entity is a candidate, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot.	To comply with the Regulation update.
Article 11	A ballot shall be null and void if such ballot: a. Is not dropped into the ballot box, b. Is not on a ballot prepared by the Company, c. Is not filled out by voter or is blank, d. Contains the name of a candidate who is a shareholder, but his or her shareholder's account number and the name under which the shares are registered, do not comply with the register of shares, e. Contains any words or notations other than the candidate's name or the shareholder's account number, f. Contains any alteration to the candidate's name, shareholder's account number, or voting power, g. Contains words or marks which are illegible or unrecognizable, or	A ballot shall be null and void if such ballot: a. Is not dropped into the ballot box, b. Is not on a ballot prepared by the Company <u>or other authorized conveners of shareholders' meetings</u> , c. Is not filled out by voter or is blank, d. Contains the name of a candidate <u>whose name is entered in the ballot does not conform to the director candidate list.</u> who is a shareholder, but his or her shareholder's account number and the name under which the shares are registered, do not comply with the register of shares, e. Contains any words or notations other than <u>the number of voting rights allotted the candidate's name or the shareholder's account number</u> , f. Contains any alteration to the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
	h. Contains the name of a candidate, but fails to list the shareholder's account number, or his or her ROC Identification Card Number (or Passport Number) so as to identify such person.	candidate's name, shareholder's account number, or voting power, f.g. <u>Contains words or marks which are illegible or unrecognizable or has been altered, or</u> h. Contains the name of a candidate, but fails to list the shareholder's account number, or his or her ROC Identification Card Number (or Passport Number) so as to identify such person.	
Article 12	The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter.	The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter, <u>including the list of persons elected as directors and the numbers of votes with which they were elected.</u>	To comply with the Regulation update.
Article 20 The 3 rd amendment was made on June 18, 2020. The 3 rd amendment was made on June 18, 2020. <u>The 4th amendment was made on June 17, 2021.</u>	Correspondence to the amendment date.

Appendix 7

Wistron Corporation

The Election Regulations of Directors

- Article 1. Unless otherwise prescribed by relevant rules, the Company Act or the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's directors.
- Article 2. Company's directors shall be elected by a candidate nomination system whereby the shareholders elect directors from the nominees listed in the roster of director candidates that announced in a public notice by the Company.
- Article 3. The Company's directors shall be elected through single named cumulative voting. Each share shall be entitled to one vote for each director to be elected depends on its voting power. The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.
- Article 4. Unless otherwise prescribed by the Regulations, the Company's directors shall be elected from a roster of director candidates according to the quota of the directors to be elected. Candidates to whom the vote casts represent a prevailing number of votes shall be deemed directors elect.
- Article 5. The elections of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately. The candidates who receive the most votes for the position will be elected independent directors and non-independent directors. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairman for each of the absentees. In the event none of the elected of the independent directors possess accounting or finance expertise, the votes of the candidates who possess accounting or finance expertise shall be calculated separately. The one who receive the most votes shall be elected. The other headcounts of the elected shall proceed as prescribed in the preceding paragraph.
- Article 6. (Deleted)
- Article 7. The board of directors shall, upon preparing the ballots, have the ballots numbered in a series and enter the voting power on each ballot.
- Article 8. During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.
- Article 9. A ballot box shall be provided by the board of directors and shall be kept in public view by the monitor before the vote.
- Article 10. Voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's ROC Identification Card

Number (or for foreigner candidates, the candidate's passport number); voters shall drop the ballots into the ballot box. In the event a legal entity is a candidate, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot.

- Article 11. A ballot shall be null and void if such ballot:
- a. Is not dropped into the ballot box,
 - b. Is not on a ballot prepared by the Company,
 - c. Is not filled out by voter or is blank,
 - d. Contains the name of a candidate who is a shareholder, but his or her shareholder's account number and the name under which the shares are registered, do not comply with the register of shares,
 - e. Contains any words or notations other than the candidate's name or the shareholder's account number,
 - f. Contains any alteration to the candidate's name, shareholder's account number, or voting power,
 - g. Contains words or marks which are illegible or unrecognizable, or
 - h. Contains the name of a candidate, but fails to list the shareholder's account number, or his or her ROC Identification Card Number (or Passport Number) so as to identify such person.
- Article 12. The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter.
- Article 13. These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders' Meeting.
- Article 14. This Procedure was enacted on June 7, 2002.
The 1st amendment was made on June 23, 2009.
The 2nd amendment was made on June 21, 2012.

Appendix 8**Wistron Corporation**
Shareholdings of Directors

(As of April 19, 2021)

Title	Name	Number of Shares
Chairman	Simon Lin (Hsien-Ming Lin)	42,599,252
Vice Chairman	Robert Huang (Po-Tuan Huang)	9,757,628
Director	Wistron NeWeb Corp. Representative: Haydn Hsieh (Hong-Po Hsieh)	28,796,209
Director	Philip Peng (Chin-Bing Peng)	360,870
Independent Director	Jack Chen (YuLiang Chen)	0
Independent Director	S. J. Paul Chien (Shyur-Jen Chien)	0
Independent Director	C.H. Chen (Che-Hsiung Chen)	0
Independent Director	Christopher Chang (Liang-Chi Chang)	0
Independent Director	Sam Lee (Ming-Shan Lee)	0
Total		<u>81,513,959</u>

The total issued common shares of Wistron are 2,903,612,050 shares. Pursuant to Article 2 of the “Examination and Implementation Rules for Shareholding Percentage of Directors and Supervisors of Public Offering Companies,” elected independent directors of the Company (5 seats) are more than half of all directors (9 seats), and in accordance with the law regarding establishment of the Audit Committee, the shareholding of the directors and supervisors does not need to follow the minimum holding requirement.



wistron