WISTRON CORPORATION

2019 ANNUAL GENERAL SHAREHOLDERS' MEETING MINUTES

(Translation)

Time: 9:00a.m., June 12, 2019

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

Total outstanding shares of Wistron Corporation: 2,817,759,950 shares. (Excluding the treasury shares 24,362,000 shares).

Total shares represented by shareholders present in person or by proxy: 1,518,027,219 shares

Percentage of outstanding shares held by shareholders present in person or by proxy: 53.87%

Chairman: Simon Lin, Chairman of the Board of Directors

Directors present: Robert Huang, Philip Peng, Jack Chen, S. J. Paul Chien, C.H. Chen, Sam Lee.

Recorder: Steven Wang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Address (omitted)

I. Report Items

1. Report the business of 2018. (Please refer to Attachment 1)

2. Audit Committee's Review Report. (Please refer to Attachment 2)

3. Report the compensation for employees and directors of 2018. (Please refer to Meeting Agenda)

4. Report the amendments to the "Rules and Procedures of Board of Directors Meeting." (Please refer to Meeting Agenda)

5. Report the amendments to the "Codes of Ethical Conduct." (Please refer to Meeting Agenda)

II. Ratification Items and Discussion Items

ITEM 1: Ratification of the Business Report and Financial Statements of 2018

Proposal: Submission (by the BOD) of the Company's 2018 business report and financial statements for ratification.

Details:

1. The Company's business report and financial statements for 2018 (Attachment 1: including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been adopted by the BOD with resolution and examined by the Audit Committee, and are hereby submitted for ratification. (Please refer to Attachment 1.)

2. Submission for ratification.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,141,524,923 (including 1,012,863,945 votes through e-voting)	75.20	1,869,649 (including 1,869,649 votes through e-voting)	0.12	0	0	374,632,647 (including 374,354,711 votes through e-voting)	24.68

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 2: Ratification of the proposal for distribution of 2018 profits

Proposal: Submission (by the BOD) of the proposal for 2018 earnings distribution for ratification.

Details:

1. The unappropriated retained earnings at the beginning of 2018 is NT$5,326,348,352, after deducting remeasurements of defined benefit obligation of NT$118,682,370 and treasury stock transactions of NT$152,908,088 and changes in ownership interests in subsidiaries of NT$150,701,477 and disposal of investments in equity instruments designated at fair value through other comprehensive income of NT$122,127,184, then adding up effect of adoption of IFRSs 9 of NT$641,116,951 and changes in equity of associates accounted for using equity method of NT$378,776 and the 2018 net profit of NT$4,908,471,903 and deducting the legal

reserve of NT$490,847,190 and special reserve of NT$117,979,026, therefore the total amount of retained earnings available for distribution is NT$9,723,070,647. The dividends and bonus proposed to be allocated to the shareholders amount to NT$4,226,639,925 in cash dividend (NT$1.5 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 the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the 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 etc.), which results in changes in shareholders' allotment of cash dividend, the Chairman is to be authorized to make necessary adjustments at its full discretion.

4. Please refer to Attachment 3 for the Profit Appropriation Statement for 2018.

5. Submission for ratification.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,155,535,892 (including 1,026,874,914 votes through e-voting)	76.12	1,468,383 (including 1,468,383 votes through e-voting)	0.10	0	0	361,022,944 (including 360,745,008 votes through e-voting)	23.78

RESOLVED, that the above proposal be and hereby was approved as proposed.

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 260 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.

Details:

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 260 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 260 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 8.38%. 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

It is proposed to authorize the Board of Directors to issue up to 260 million common shares and the par value of the new common shares to be issued per share is NT$10. It is also proposed to authorize the Board of Directors to choose either of the following methods to sell the new shares via public offering through the underwriter(s):

A. By book-building

a. Except for the 10% to 15% of the new shares which must be offered to employees in accordance with Article 267, Paragraph 1 of the Company Act, the remaining 85% to 90% of the shares will be proposed to the shareholders meeting to approve that 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 and will comply with "Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms." 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. According to the "Self-Disciplinary Rules for Securities Underwriters Assistant Issuing Company to Subscribe and Issue Marketable Securities," the issuing price of new common shares shall not be lower than 90% of the simple arithmetic mean of the share's closing price one, three, or five business days prior to the pricing date after adjustment for any distribution of stock and cash dividends or capital reduction. The Board of Directors authorizes the Chairman to determine the final issue price with the underwriter(s) based on the overall book building situation and market conditions.

B. By public subscription

a. Except for the 10% to 15% of the new shares which must be offered to employees in accordance with Article 267, Paragraph 1 of the Company Act, it is proposed that 10% of the new shares will be sold to the public through the underwriter(s) and the remaining 75% to 80% of the 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 existing shareholders of the Company will be sold to the person(s) designated by the Chairman of the Company at the issue price.
b. According to the "Self-Disciplinary Rules for Securities Underwriters Assistant Issuing Company to Subscribe and Issue Marketable Securities," the issuing price of new common shares shall not be lower than 70% of the simple arithmetic mean of the share's closing price one, three, or five business days prior to the pricing date after adjustment for any distribution of stock and cash dividends or capital reduction. The Board of Directors authorized Chairman to determine the final issue price with the underwriter(s) based on relevant laws, regulations and market conditions.

(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 80% 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 being 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 260 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.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,098,135,005 (including 969,474,027 votes through e-voting)	72.34	58,861,913 (including 58,861,913 votes through e-voting)	3.88	0	0	361,030,301 (including 360,752,365 votes through e-voting)	23.78

RESOLVED, that the above proposal be and hereby was approved as proposed.

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."

Details:

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the "Articles of Incorporation." Please see below for a comparison table of the original provisions and amendments.

2. Please discuss.

Comparison between Original and Amendments to "Articles of Incorporation"

Items	Original Version	Amended Version	Reason
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 WISTRON CORPORATION.	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.	To comply with the Regulation update of the "Company Act."
Article 6-2	(newly added)	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.	To comply with the Regulation update of the "Company Act."
Article 7	The shares in the Company will be registered shares duly certified by three or more of the directors of 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.	The shares in the Company will be registered shares duly certified by ~~three or more of~~ the directors representing ~~of~~ 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.	To comply with the Regulation update of the "Company Act."

Items	Original Version	Amended Version	Reason
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 may purchase liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties. ……	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 ~~may~~ ~~purchase~~ liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties. ……	To comply with the Regulation update of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers"
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. The company may create an audit committee, nominating committee, remuneration committee or other functional committees.	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.	To comply with the Company's operational needs.
Article 14	The Company will have one chief executive officer, one general manager and a number of vice 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.	The Company will have ~~one chief executive officer, one general manager and~~ a number of ~~vice~~ 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.	To comply with the Company's operational needs.
Article 19	…… The 20th amendment was made on June 14, 2017.	…… The 20th amendment was made on June 14, 2017.	Correspondence to the amendment date.

Items	Original Version	Amended Version	Reason
		The 21st amendment was made on June 12, 2019.	

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,122,993,851 (including 994,332,873 votes through e-voting)	73.98	1,427,365 (including 1,427,365 votes through e-voting)	0.09	0	0	393,606,003 (including 393,328,067 votes through e-voting)	25.93

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 5: **Discussion of amendments to the "Procedures of Asset Acquisition and Disposal"**

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company's "Procedures of Asset Acquisition and Disposal".

Details:

1. In order to comply with government rules and regulations, it is proposed to make amendments to the "Procedures of Asset Acquisition and Disposal." Please refer to Attachment 4 for the comparison between the original and the amendments.

2. Please discuss.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,122,933,037 (including 994,284,557 votes through e-voting)	73.97	1,492,229 (including 1,492,229 votes through e-voting)	0.10	0	0	393,601,953 (including 393,311,519 votes through e-voting)	25.93

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 6: **Discussion of amendments to the "Procedures Governing Loaning of Funds"**

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company's "Procedures Governing Loaning of Funds".

Details:

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the "Procedures Governing Loaning of Funds." Please see below for a comparison table of the original provisions and amendments.

2. Please discuss.

Comparison between Original and Amendments to "Procedures Governing Loaning of Funds"

Items	Original Version	Amended Version	Reason
Article 5	…… The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or its subsidiaries' to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries. However, the limit of foreign subsidiaries which the Company directly and indirectly holds 100% of the voting shares shall be limited to not exceed the net worth of the latest financial report of the Company. ……	…… The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or its subsidiaries' to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries. However, the limit <u>on total loan amount and respective parties' loan amount between two</u> ~~of~~ foreign subsidiaries <u>and between foreign subsidiaries and the Company</u>, <u>the foreign subsidiaries means</u> ~~which~~ the Company directly and indirectly holds 100% of the voting shares, shall ~~be limited to~~ not exceed the net worth of the latest financial report of the Company. ……	To comply with the Regulation update.
Article 7	The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies and their directly or indirectly held subsidiaries any matters that such subsidiary is required to announce and report pursuant to the third subparagraph of the	<u>3.</u> The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies and their directly or indirectly held subsidiaries any matters that such subsidiary is required to announce and report pursuant to the third subparagraph of the	To comply with the Company's operational needs.

Items	Original Version	Amended Version	Reason
	preceding paragraph.	preceding paragraph.	
Article 10	…… The limits of a subsidiary on total loan amount and respective parties' loan amount should calculate based on subsidiary's net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount and term for loans under Paragraph 1 of Article 3 and Article 4 of this Procedure do not apply to a foreign subsidiary in which the Company directly and indirectly holds 100 percent of the voting shares, but should not exceed the net worth of the Company and should meet the term for loans set in the procedure by foreign subsidiary.	…… The limits of a subsidiary on total loan amount and respective parties' loan amount should calculate based on subsidiary's net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount and term for loans under Paragraph 1 of Article 3 and Article 4 of this Procedure do not apply ~~to a~~ between two foreign subsidiaries and between foreign subsidiaries and the Company, the foreign subsidiaries means ~~in which~~ the Company directly and indirectly holds 100 percent of the voting shares, but the limits of total loan amount and respective parties' loan amount should not exceed the net worth of the Company and should meet the term for loans set in the procedure by foreign subsidiary.	To comply with the Regulation update.
Article 14	Before the effectiveness of the Procedure, the present outstanding loan of funds of the Company shall submit to the Board of Directors for confirmation and handle the matters in accordance to the Procedure thereafter. If there is any exceeding portion of loaning funds, the Company should recover them in installment.	~~Before the effectiveness of the Procedure, the present outstanding loan of funds of the Company shall submit to the Board of Directors for confirmation and handle the matters in accordance to the Procedure thereafter. If there is any exceeding portion of loaning funds, the Company should recover them in installment.~~ 1. If the Company plans to provide significant loan to other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution. 2. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
		directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. 3. The Audit Committee members and the Board of Directors members in this Article and Article 15 will only calculate the members in present position.	
~~Article 14-1~~	If the Company plans to provide significant loan to other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members in first paragraph and the Board of Directors members in preceding paragraph will only calculate the members in present position.	~~If the Company plans to provide significant loan to other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution.~~ ~~If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.~~ ~~The Audit Committee members in first paragraph and the Board of Directors members in preceding paragraph will only calculate the members in present position.~~	The contents of Article 14-1 moved to the Article 14.
Article 15	The Procedure, as well as any revision thereto, shall be approved by the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by shareholders' meeting. If a director holds dissenting opinions and there are records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and report to the shareholders' meeting for discussion.	1. The Procedure, as well as any revision thereto, shall be approved by more than half members of all the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by shareholders' meeting. ~~If a director holds dissenting opinions and there are records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and report to the shareholders' meeting for~~	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
		~~discussion.~~ 2. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.	
Article 17	…… The 7th amendment was made on June 14, 2018.	…… The 7th amendment was made on June 14, 2018. The 8th amendment was made on June 12, 2019.	Correspondence to the amendment date.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,122,738,244 (including 994,077,266 votes through e-voting)	73.96	1,687,067 (including 1,687,067 votes through e-voting)	0.11	0	0	393,601,908 (including 393,323,972 votes through e-voting)	25.93

RESOLVED, that the above proposal be and hereby was approved as proposed.

ITEM 7: Discussion of amendments to the "Procedures Governing Endorsements and Guarantees"

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company's "Procedures Governing Endorsements and Guarantees."

Details:

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the "Procedures Governing Endorsements and Guarantees." Please see below for a comparison table of the original provisions and amendments.

2. Please discuss.

Comparison between Original and Amendments to "Procedures Governing Endorsements and Guarantees"

Items	Original Version	Amended Version	Reason
Article 10	1. The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days: …… (3)The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement audited or reviewed by the accountant. ……	1. The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days: …… (3)The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>book value of equity-accounted investees</u> ~~investment of a long-term nature in~~, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement audited or reviewed by the accountant. ……	To comply with the Regulation update.
Article 14	…… 3. When the Company submits the Procedures for Endorsements/Guarantees to discuss in the board of directors and makes endorsements/guarantees for the Board of Directors' approval, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.	…… 3. When the Company <u>makes endorsements/guarantees for others and</u> submits the Procedures for Endorsements/Guarantees to discuss in the board of directors ~~and makes endorsements/guarantees for the Board of Directors' approval~~, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.	To comply with the Company's operational needs.
Article 15	If the Company makes the	<u>1.</u> If the Company makes the	To comply with

Items	Original Version	Amended Version	Reason
	endorsement and/or guarantee later becomes unqualified under Article 2, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess within a designated period pursuant to an internal plan and enforce the plan accordingly. The above timeframe shall be reported to the Audit Committee and Board of Directors. If the Company makes the endorsement and/or guarantee and later the endorsement and/or guarantee amount exceeds the limit under the Procedure due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount in excess within a designated period pursuant to an internal plan and enforce the plan accordingly. The above timeframe shall be reported to the Audit Committee and the Board of Directors.	endorsement and/or guarantee later becomes unqualified under Article 2, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess within a designated period pursuant to an internal plan and enforce the <u>rectification</u> plan accordingly. The above timeframe shall be reported to the Audit Committee and Board of Directors. <u>2.</u> If the Company makes the endorsement and/or guarantee and later the endorsement and/or guarantee amount exceeds the limit under the Procedure due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount in excess within a designated period pursuant to an internal plan and enforce the <u>rectification</u> plan accordingly. The above timeframe shall be reported to the Audit Committee and the Board of Directors.	the Company's operational needs.
	If the Company plans to provide significant endorsement and/or significant guarantee for other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members in first paragraph and the Board of Directors members in	<u>1.</u> If the Company plans to provide significant endorsement and/or significant guarantee for other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution. <u>2.</u> If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. <u>3.</u> The Audit Committee members ~~in first paragraph~~ and the Board	To comply with the Regulation update and the Company's operational needs.

Items	Original Version	Amended Version	Reason
	preceding paragraph will only calculate the members in present position.	of Directors members in this Article and Article 17 ~~preceding paragraph~~ will only calculate the members in present position.	
Article 17	The Procedures, as well as any revision thereto, shall be approved by the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by the shareholders' meeting. If a director holds dissenting opinions and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and the shareholders' meeting for discussion.	1. The Procedures, as well as any revision thereto, shall be approved by more than half members of all the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by the shareholders' meeting. ~~If a director holds dissenting opinions and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and the shareholders' meeting for discussion.~~ 2. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.	To comply with the Regulation update.
Article 18	…… The 9th amendment was made on June 14, 2018.	…… The 9th amendment was made on June 14, 2018. The 10th amendment was made on June 12, 2019.	Correspondence to the amendment date.

Resolution:

Voting results: Shares present at the time of voting: 1,518,027,219

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,122,726,775 (including 994,065,797 votes through e-voting)	73.96	1,658,043 (including 1,658,043 votes through e-voting)	0.11	0	0	393,642,401 (including 393,364,465 votes through e-voting)	25.93

RESOLVED, that the above proposal be and hereby was approved as proposed.

III. Extemporary Motion: None.

IV. Meeting Adjourned: 10:10 a.m., June 12, 2019.

Attachment 1

Wistron Corporation
Business Report

With various issues including U.S.-China trade war, extreme weather, and cyber-attacks, 2018 was a year of changes and challenges which greatly influenced the company's operations. However, Wistron continued optimizing our customer and product portfolio, deepening our digital transformation to improve internal operational efficiency. The company also worked closely with supply chain partners, resulting in annual revenue growth slightly better than the previous year.

I would hereby like to report our 2018 business results, 2019 strategic business focus and outlook for Wistron's future directions as follows:

2018 Financial and Operation Results

Wistron's consolidated revenue reached NT$889.5 billion in 2018, an increase of 6.4% from the previous year, with a gross margin of 4.2% and consolidated operating profit was NT$10.766 billion. The consolidated profit before tax was NT$9.659 billion and profit attributable to Owners of the Company was NT$4.908 billion. Meanwhile, the earnings per share was NT$1.76.

In 2018, Wistron's key growth drivers were data center, internet phone, desktop, and components module businesses, while other product lines maintained the same level or a slight decline compared with the previous year.

While pursuing growth and financial performance, Wistron is also dedicated to improving corporate governance as a top priority, devoting efforts to corporate sustainability and fulfilling social responsibilities.

In addition to strengthening our internal control and auditing, we are committed to complying with environmental and energy regulations that are associated with our activities, products, and services, as well as customer requirements to reduce the impact of our operations on the environment.

Recently, with frequent reports of major information security incidents, we examined our own security protection systems, elevating our colleagues' awareness of information security and implementing related tests and practices. In addition, we actively strengthened self-protection systems and quick emergency response capabilities.

In the meanwhile, in response to the EU's General Data Protection Regulation officially launched in May 2018, we also invited external experts to conduct various assessments (organization~~s~~, systems, procedures, safety management measures, etc.). We prioritized the action items and invested resources for improvements.

<u>2019 Business and Operation Focus</u>

The Company's organization is adjusted to enhance the efficiency and agility of operations, to accelerate digital transformation for continuously providing high-quality service and satisfaction to customers, and to promote and cultivate the talents within our organization. The new organization is (1) Wistron Technologies, (2) Wistron Smart Devices, and (3) Growth Incubator.

Wistron Technologies will focus on personal computers, display products, servers, internet phones, and after-sales services. In order to optimize core competitiveness, Wistron Technologies will aim to pursue profitable growth while continuously adjusting customer and product portfolios, improving operational efficiency, and increasing capacity utilization.

To expand into the innovative market segments of IoT and smart home, Wistron Smart Devices will focus on providing smart IoT devices, solution services, and CEM services, including vertical industrial handheld device, smart audio, smart phone, smart accessory, and display components.

For Growth Incubator, we expect to establish our intelligent solutions through building platforms and micro-services with big data application and artificial intelligence technology. Wistron Medical Technology Corporation will focus on medical device manufacturing, medical AI, and big data services. Wiedu Corporation provides school and business digital education and training services. Wiadvance Corporation provides enterprise cloud services and smart manufacturing services.

In addition, the primary goal of Wistron's digital transformation initiative is to establish high-performance teams and achieve healthy business growth of our businesses. We will continue to accelerate the digital operation improvement initiatives, including the enhancement of Industry 4.0 capabilities, further improving R&D efficiency and strengthening the competitiveness of smart manufacturing.

Outlook for the Future

Looking ahead, the world is no doubt in a state of turmoil. Global economic growth may slow and will be uncertain, resulting from various geopolitical and trade disputes.
In addition to maintaining the core competitiveness of products and services, the company will reduce the impact of market uncertainties by adopting more flexible implementation of our business processes across our design, production and supply chain operations. In the meanwhile, to cope with trade wars with corresponding risk management, we will also enhance the distribution and balance of our global operation sites.

With the wave of intelligence gathering and utilization, enterprise management must move from digital to intelligent operation mode. As we are strengthening our company DNA, culture, and vision, we can improve in areas such as quality, efficiency, and costs so that the company has the ability to build more energy and undertake greater economic growth in the future.

While confronting global market changes, Wistron will continue to develop corporate sustainability with the philosophy of altruism and the corporate vison of being “the technology powerhouse for better life and environment.”

Finally, I would like to thank all shareholders for your support and attention over the years. Incorporating the corporate culture and core values, the management team and all employees of the company will continue to create maximum value for shareholders based on the execution attitude of “Think Great and Act Smart.”

Chairman: Simon Lin   President: Robert Hwang   Controller: Stone Shih

KPMG

安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 (2) 8101 6666
Fax 傳真 + 886 (2) 8101 6667
Internet 網址 kpmg.com/tw

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, 2018 and 2017, the statements of comprehensive income, changes in equity and cash flows for the years ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 (refund liability)**

   Please refer to Note 4(q), Note 5(a), and Note 6(u) of the parent company only 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 valuated sales return and allowance.

KPMG

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 their differences, as well as assessing the appropriateness in applying accounting policies to revenue recognition process. Also, in respect of the accrual for rebates and returns, our audit involved testing the 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), Note 5(b), and Note 6(h).

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 selecting samples to examine their net realizable values to verify the accuracy of inventory aging report; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company' s historical accuracy of judgments with reference to inventory valuation and comparing them with the current year' s calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

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

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent company only 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.

KPMG

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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 Lily Lu and Chia-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2019

Notes to Readers

The accompanying parent company only financial statementsfinancial statements are intended only to present the parent company only financial statementsstatement of financial position, financial performance and its 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 statementsfinancial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statementsfinancial 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 auditors' report and parent company only financial statementsfinancial statements, the Chinese version shall prevail.

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

WISTRON CORPORATION

Parent Company Only Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 15,244,305	4	32,925,845	9
1110	Current financial assets at fair value through profit or loss (note 6(b))	63,908	-	10,112	-
1125	Current available-for-sale financial assets (note 6(d))	-	-	200,682	-
1170	Notes and accounts receivable, net (note 6(f)(u))	70,492,726	19	48,381,604	13
1180	Accounts receivable - related parties (notes 6(f)(u) and 7)	160,521,861	44	197,757,475	51
1210	Other receivables - related parties (notes 6(g) and 7)	410,814	-	770,872	-
1220	Current tax assets	717,038	-	656,953	-
130X	Inventories (note 6(h))	12,312,926	4	17,244,038	5
1470	Other current assets (notes 6(f)(g)(l))	12,962,996	4	9,570,306	2
	Total current assets	272,726,574	75	307,517,887	80
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	382,766	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	2,519,185	1	-	-
1523	Non-current available-for-sale financial assets (note 6(d))	-	-	2,114,393	1
1543	Non-current financial assets carried at cost (note 6(e))	-	-	1,336,488	-
1550	Equity - accounted investees (note 6(i))	78,951,951	22	66,525,303	17
1600	Property, plant and equipment (notes 6(j) and 7)	4,747,740	1	4,821,377	1
1780	Intangible asset (note 6(k))	941,498	-	897,455	-
1840	Deferred tax asset (note 6(q))	3,822,855	1	3,023,263	1
1900	Other non-current asset (notes 6(l) and 8)	258,240	-	254,984	-
	Total non-current assets	91,624,235	25	78,973,263	20
	Total assets	$ 364,350,809	100	386,491,150	100

	Liabilities and Equity	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current liabilities:				
2100	Short-term loans (notes 6(m)(aa))	$ 34,434,687	10	49,100,421	13
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	74,336	-	218,195	-
2130	Current contract liabilities (note 6(u))	1,219,899	-	-	-
2170	Notes and accounts payable	54,896,358	15	55,460,270	14
2180	Accounts payable - related parties (note 7)	153,757,872	42	181,780,665	47
2220	Other payables - related parties (note 7)	7,045,748	2	1,921,710	-
2250	Provisions (note 6(n))	-	-	1,749,862	1
2322	Current portion of long-term loans (note 6(m))	-	-	8,133,960	2
2365	Current refund liability (note (u))	4,917,958	1	-	-
2300	Other current liabilities (note 6(n))	19,084,954	5	17,160,805	5
	Total current liabilities	275,431,812	75	315,525,888	82
	Non-Current liabilities:				
2540	Long-term loans (notes 6(m)(aa))	14,712,146	4	733,316	-
2570	Deferred tax liabilities (note 6(q))	3,137,665	1	3,432,915	1
2600	Other non-current liabilities (note 6(p))	2,123,989	1	1,672,657	-
	Total non-current liabilities	19,973,800	6	5,838,888	1
	Total liabilities	295,405,612	81	321,364,776	83
	Equity (notes 6(c)(q)(r)(s)) :				
3110	Capital stock	28,421,220	8	27,486,880	7
3200	Capital surplus	22,863,619	6	22,076,225	6
3300	Retained earnings	22,321,828	6	21,326,529	5
3400	Other equity interest	(4,128,234)	(1)	(4,010,255)	(1)
3500	Treasury shares	(533,236)	-	(1,753,005)	-
	Total equity	68,945,197	19	65,126,374	17
	Total liabilities and equity	$ 364,350,809	100	386,491,150	100

See accompanying notes to parent company only financial statements.

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

WISTRON CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

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

		2018		2017	
		Amount	%	Amount	%
4000	Net revenues (notes 6(n)(u)(v) and 7)	$ 750,900,387	100	765,438,943	100
5000	Cost of sales (notes 6(h)(j)(k)(o)(p)(w), 7 and 12)	734,976,713	98	745,603,066	97
5900	Gross profit	15,923,674	2	19,835,876	3
5910	Unrealized profit from sales	(164,564)	-	(134,440)	-
5950	Net gross profit	15,759,110	2	19,701,436	3
6000	Operating expenses (notes 6(f)(j)(k)(o)(p)(w), 7 and 12):				
6100	Selling	2,627,029	-	2,579,863	-
6200	Administrative	2,222,854	-	2,192,499	-
6300	Research and development	11,171,040	2	11,531,810	2
	Total operating expenses	16,020,923	2	16,304,172	2
6900	Operating income (loss)	(261,813)	-	3,397,264	1
7000	Non-operating income and expenses (notes 6(i)(l)(o)(v)(x), 7 and 12):				
7010	Other income	311,483	-	306,847	-
7020	Other gains and losses	1,142,002	-	430,094	-
7050	Finance costs	(3,050,803)	-	(1,682,720)	-
7070	Recognized share of subsidiaries, associates and joint ventures accounted for equity method	5,780,462	1	1,532,313	-
	Total non-operating income and expenses	4,183,144	1	586,534	-
7900	Profit before tax	3,921,331	1	3,983,798	1
7950	Less: income tax expenses (benefit) (note 6(q))	(987,141)	-	98,282	-
	Net profit	4,908,472	1	3,885,516	1
8300	Other comprehensive income (notes 6(i)(p)(q)(r)(x)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(160,648)	-	(71,738)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(326,017)	-	-	-
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	(552,356)	-	2,237	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(54,304)	-	(12,195)	-
		(984,717)	-	(57,306)	-
8360	Other components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,849,277	-	(4,456,411)	(1)
8362	Unrealized losses on valuation of available-for-sale financial assets	-	-	(716,022)	-
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	(422,729)	-	353,668	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	20	-	(58,383)	-
		1,426,528	-	(4,760,382)	(1)
8300	Total other comprehensive income, net of tax	441,811	-	(4,817,688)	(1)
8500	Total comprehensive income	$ 5,350,283	1	(932,172)	
	Earnings per share (in dollars) (note 6(t))				
9750	Basic earnings per share	$ 1.76		1.44	
9850	Diluted earnings per share	$ 1.73		1.41	

See accompanying notes to parent company only financial statements.

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

WISTRON CORPORATION

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Capital stock		Retained earnings				Other equity interest						
	Common stock	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	Unrealized gains (losses) / on available-for-sale financial assets	Other unearned compensation for restricted employee share of stock	Total	Treasury shares	Total equity
Balance at January 1, 2017	$ 26,503,165	21,353,585	7,295,015	-	14,049,157	21,344,172	1,201,427	-	(451,300)	(113,721)	636,406	(2,592,278)	67,245,050
Net profit	-	-	-	-	3,885,516	3,885,516	-	-	-	-	-	-	3,885,516
Other comprehensive income	-	-	-	-	(57,306)	(57,306)	(3,942,392)	-	(817,990)	-	(4,760,382)	-	(4,817,688)
Total comprehensive income	-	-	-	-	3,828,210	3,828,210	(3,942,392)	-	(817,990)	-	(4,760,382)	-	(932,172)
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	296,110	-	(296,110)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,042,169)	(3,042,169)	-	-	-	-	-	-	(3,042,169)
Stock dividends	760,542	-	-	-	(760,542)	(760,542)	-	-	-	-	-	-	-
New share issued through employees' compensation	234,900	380,540	-	-	-	-	-	-	-	-	-	-	615,440
Changes in equity of associates and joint ventures accounted for using equity method	-	38,934	-	-	-	-	-	-	-	-	-	-	38,934
Treasury shares transferred to employees	-	(23,391)	-	-	(41,924)	(41,924)	-	-	-	-	-	839,273	773,958
Changes in ownership interests in subsidiaries	-	953	-	-	(2,904)	(2,904)	-	-	-	-	-	-	(1,951)
Share-based payment transactions	(11,727)	325,604	-	-	1,686	1,686	-	-	-	113,721	113,721	-	429,284
Balance at December 31, 2017	27,486,880	22,076,225	7,591,125	-	13,735,404	21,326,529	(2,740,965)	-	(1,269,290)	-	(4,010,255)	(1,753,005)	65,126,374
Effects of retrospective application	-	-	-	-	641,117	641,117	-	(2,069,890)	1,269,290	-	(800,600)	-	(159,483)
Balance at January 1, 2018 after adjustments	27,486,880	22,076,225	7,591,125	-	14,376,521	21,967,646	(2,740,965)	(2,069,890)	-	-	(4,810,855)	(1,753,005)	64,966,891
Net profit	-	-	-	-	4,908,472	4,908,472	-	-	-	-	-	-	4,908,472
Other comprehensive income	-	-	-	-	(118,683)	(118,683)	1,448,373	(887,879)	-	-	560,494	-	441,811
Total comprehensive income	-	-	-	-	4,789,789	4,789,789	1,448,373	(887,879)	-	-	560,494	-	5,350,283
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	388,552	-	(388,552)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,010,255	(4,010,255)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,208,199)	(3,208,199)	-	-	-	-	-	-	(3,208,199)
Stock dividends	802,050	-	-	-	(802,050)	(802,050)	-	-	-	-	-	-	-
New share issued through employees' compensation	301,402	409,906	-	-	-	-	-	-	-	-	-	-	711,308
Changes in equity of associates and joint ventures accounted for using equity method	-	359,615	-	-	379	379	-	-	-	-	-	-	359,994
Treasury shares retired	(169,112)	(129,116)	-	-	(73,591)	(73,591)	-	-	-	-	-	371,819	-
Treasury shares transferred to employees	-	(7,186)	-	-	(79,317)	(79,317)	-	-	-	-	-	847,950	761,447
Changes in ownership interests in subsidiaries	-	154,175	-	-	(150,702)	(150,702)	-	-	-	-	-	-	3,473
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(122,127)	(122,127)	-	122,127	-	-	122,127	-	-
Balance at December 31, 2018	$ 28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	22,321,828	(1,292,592)	(2,835,642)	-	-	(4,128,234)	(533,236)	68,945,197

See accompanying notes to parent company only financial statements.

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

WISTRON CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows used in operating activities:		
Profit before tax	$ 3,921,331	3,983,798
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	392,397	1,092,762
Amortization expense	272,300	274,517
Expected credit loss / provision (reversal of provision) for bad debt expense	11,882	(43,095)
Net loss on financial assets or liabilities at fair value through profit or loss	45,797	443,290
Interest expense	3,050,803	1,682,720
Interest income	(105,172)	(98,522)
Dividend income	(145,125)	(132,225)
Compensation cost arising from share-based payments	-	427,935
Recognized share of associates and joint ventures accounted for equity method	(5,780,462)	(1,532,313)
Gain on disposal of property, plan and equipment	(439)	(422)
Property, plan and equipment reclassified as expenses	1,023	7
Other assets reclassified as expenses	2,395	3,285
Gain on disposal of investments	(5,887)	(288,310)
Unrealized profit from sales	164,564	134,440
Other investment loss	-	13,521
Impairment loss on assets	-	98,682
Total adjustments to reconcile profit	(2,095,924)	2,076,272
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	(22,123,003)	4,121,960
Decrease (increase) in accounts receivable - related parties	37,235,614	(70,185,524)
Decrease (increase) in other receivable - related parties	(162,282)	47,266
Decrease (increase) in inventories	4,931,112	(6,479,280)
Increase in other current assets	(3,391,241)	(3,675,755)
Total changes in operating assets	16,490,200	(76,171,333)
Changes in operating liabilities:		
Decrease in current contract liabilities	(529,963)	-
Increase (decrease) in notes and accounts payable	(563,912)	5,075,272
Increase (decrease) in accounts payable - related parties	(28,022,793)	30,212,004
Increase in other payable - related parties	5,124,038	66,374
Decrease in provisions	-	(340,806)
Increase in current refund liability	1,020,320	-
Increase in other current liabilities	6,413,454	3,248,406
Decrease in other non-current liabilities	(36,870)	(22,732)
Total changes in operating liabilities	(16,595,726)	38,238,518
Net changes in operating assets and liabilities	(105,526)	(37,932,815)
Total changes in operating assets and liabilities	(2,201,450)	(35,856,543)
Cash inflow (outflow) used in operations	1,719,881	(31,872,745)
Interest received	96,921	103,240
Dividends received	775,051	523,960
Interest paid	(2,986,287)	(1,611,117)
Income taxes paid	(13,542)	(1,500,472)
Net cash flows used in operating activities	(407,976)	(34,357,134)
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(150,152)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	13,630	-
Return of financial assets at fair value through other comprehensive income	37,045	-
Acquisition of financial assets at fair value through profit or loss	(301,135)	-
Proceeds from disposal of financial assets at fair value through profit or loss	351,289	-
Decrease in other receivable - related parties	522,340	3,109,048
Acquisition of available - for - sale financial assets	-	(723,731)
Proceeds from disposal of available-for-sale financial assets	-	292,377
Acquisition of financial assets carried at cost	-	(186,788)
Return of capital of financial assets carried at cost	-	28,366
Additon to equity - accounted investees	(6,765,306)	(1,404,757)
Proceeds from disposal of equity - accounted investees	13,812	111,681
Proceeds from capital reduction of investments accounted for using equity method	586,316	1,813,038
Acquisition of property, plant and equipment	(397,159)	(283,830)
Proceeds from disposal of property, plant and equipment	158,136	105,839
Increase in intangible assets	(316,343)	(113,097)
Increase in other non-current assets	(85,975)	(48,580)
Net cash flows generated from (used in) investing activities	(6,333,502)	2,699,566
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	484,141,756	447,252,812
Repayments of short-term loans	(498,807,490)	(414,408,568)
Increase in long-term loans	16,158,205	10,872,489
Repayments of long-term loans	(10,313,335)	(15,014,093)
Increase (decrease) in guarantee deposits received	327,554	(269,207)
Cash dividends paid	(3,208,199)	(3,040,820)
Treasury shares transferred to employees	761,447	773,958
Net cash flows generated from (used in)financing activities	(10,940,062)	26,166,571
Net decrease in cash and cash equivalents	(17,681,540)	(5,490,997)
Cash and cash equivalents at beginning of year	32,925,845	38,416,842
Cash and cash equivalents at end of year	$ 15,244,305	32,925,845

See accompanying notes to parent company only financial statements.

安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 (2) 8101 6666
Fax 傳真 + 886 (2) 8101 6667
Internet 網址 kpmg.com/tw

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, 2018 and 2017, 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 at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants 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(p), Note 5(a), and Note 6(v) of the consolidated 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 valuated sales return and allowance.

KPMG

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 their differences, as well as assessing the appropriateness in applying accounting policies to revenue recognition process. Also, audit work, in respect of the accrual for rebates and returns, our audit involved testing the 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), Note 5(b) , and Note 6(h).

Description of key audit matter

Inventories are stated at the lower of cost or realizablevalue 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 selecting samples to examine their net realizable values to verify the accuracy of inventory aging report; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and comparing them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2018 and 2017, on which we have issued an unqualified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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.

KPMG

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 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 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 remain solely responsible for our audit opinion.

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.

KPMG

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 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 Lily Lu and Chia-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2019

Notes to Readers

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

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

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

WISTRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 43,529,023	13	65,986,117	20
1110	Current financial assets at fair value through profit or loss (note 6(b))	67,755	-	51,475	-
1125	Current available-for-sale financial assets (note 6(d))	-	-	242,666	-
1170	Notes and accounts receivable, net (notes 6(f)(v))	118,293,955	35	94,600,289	29
1180	Accounts receivable - related parties (notes 6(f)(v) and 7)	58,988	-	51,462	-
1210	Other receivables - related parties (notes 6(g) and 7)	2,845	-	10,115	-
1220	Current tax assets	1,111,267	-	1,018,582	-
130X	Inventories (note 6(h))	89,614,023	26	92,240,622	28
1476	Other current financial assets	-	-	275,540	-
1470	Other current assets (notes 6(f)(g)(m))	22,749,288	7	15,728,794	6
	Total current assets	275,427,144	81	270,205,662	83
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	438,871	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	3,219,465	1	-	-
1523	Non-current available-for-sale financial assets (note 6(d))	-	-	2,634,133	1
1543	Non-current financial assets carried at cost (note 6(e))	-	-	1,545,840	-
1550	Equity - accounted investees (note 6(i))	6,514,305	2	6,120,725	2
1600	Property, plant and equipment (notes 6(k) and 7)	42,868,387	13	36,653,350	11
1780	Intangible assets (note 6(l))	1,077,197	-	1,057,624	-
1840	Deferred tax assets (note 6(r))	5,776,897	2	4,913,434	2
1900	Other non-current assets (notes 6(m)(q) and 8)	3,780,309	1	3,522,614	1
	Total non-current assets	63,675,431	19	56,447,720	17
	Total assets	$ 339,102,575	100	326,653,382	100

	Liabilities and Equity	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current liabilities:				
2100	Short-term loans (notes 6(n)(ab) and 8)	$ 61,012,704	18	82,594,681	25
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	74,336	-	222,241	-
2130	Current contract liabilities (note 6(v))	1,601,713	-	-	-
2170	Notes and accounts payable	138,389,226	41	132,133,770	40
2180	Accounts payable - related parties (note 7)	1,078,008	-	976,766	-
2220	Other payables - related parties (note 7)	36,290	-	13,326	-
2250	Provisions (note 6(o))	-	-	1,940,586	1
2322	Current portion of long-term loans (notes 6(n)(ab) and 8)	-	-	8,133,960	3
2365	Current refund liability (note 6(v))	4,917,958	1	-	-
2399	Other current liabilities (note 6(o))	32,768,654	10	28,176,344	9
	Total current liabilities	239,878,889	70	254,191,674	78
	Non-current liabilities:				
2540	Long-term loans (notes 6(n)(ab) and 8)	20,234,382	6	733,316	-
2570	Deferred tax liabilities (note (r))	3,209,855	1	3,456,536	1
2600	Other non-current liabilities (note (q))	2,247,867	1	1,850,794	1
	Total non-current liabilities	25,692,104	8	6,040,646	2
	Total liabilities	265,570,993	78	260,232,320	80
	Equity attributable to owners of parent (notes 6(c)(r)(s)(t)):				
3110	Capital stock	28,421,220	8	27,486,880	8
3200	Capital surplus	22,863,619	7	22,076,225	7
3300	Retained earnings	22,321,828	7	21,326,529	7
3400	Other equity interest	(4,128,234)	(1)	(4,010,255)	(1)
3500	Treasury shares	(533,236)	-	(1,753,005)	(1)
	Total equity attributable to owners of parent	68,945,197	21	65,126,374	20
36XX	**Non-controlling interests (note 6(j))**	4,586,385	1	1,294,688	-
	Total equity	73,531,582	22	66,421,062	20
	Total liabilities and equity	$ 339,102,575	100	326,653,382	100

See accompanying notes to financial statements.

(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, 2018 and 2017

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

		2018		2017	
		Amount	%	Amount	%
4000	Net revenues (notes 6(o)(v)(w) and 7)	$ 889,536,347	100	836,081,023	100
5000	Cost of sales (notes 6(h)(k)(l)(p)(q)(x), 7 and 12)	851,977,091	96	804,441,620	96
5900	Gross profit	37,559,256	4	31,639,403	4
	Operating expenses (notes 6(f)(k)(l)(p)(q)(x), 7 and 12):				
6100	Selling	9,226,027	1	8,181,473	1
6200	Administrative	3,163,616	-	2,843,082	-
6300	Research and development	14,403,597	2	14,701,037	2
	Total operating expenses	26,793,240	3	25,725,592	3
	Operating income	10,766,016	1	5,913,811	1
	Non-operating income and expenses (notes 6(i)(p)(w)(x) and 7):				
7010	Other income	1,342,857	-	1,314,145	-
7020	Other gains and losses	1,888,282	-	1,378,642	-
7050	Finance costs	(4,747,543)	-	(2,756,041)	-
7060	Recognized share of associates and joint ventures accounted for equity method	409,226	-	307,854	-
	Total non-operating income and expenses	(1,107,178)	-	244,600	-
7900	Profit before tax	9,658,838	1	6,158,411	1
7950	Less: income tax expense (note 6(r))	2,373,649	-	1,796,920	-
8200	Net profit	7,285,189	1	4,361,491	1
8300	Other comprehensive income (notes 6(i)(q)(r)(s)(y))				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(157,918)	-	(69,331)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(855,713)	-	-	-
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	(3,361)	-	96	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(32,278)	-	(11,929)	-
		(984,714)	-	(57,306)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,543,718	-	(3,932,360)	(1)
8362	Unrealized losses on valuation of available-for-sale financial assets	-	-	(836,636)	-
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	(40,048)	-	(84,862)	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	20	-	(90,091)	-
		1,503,650	-	(4,763,767)	(1)
	Total other comprehensive income, net of tax	518,936	-	(4,821,073)	(1)
8500	Total comprehensive income	$ 7,804,125	1	(459,582)	
	Net profit attributable to (note 6(j)):				
8610	Owners of parent	$ 4,908,472	1	3,885,516	1
8620	Non-controlling interests	2,376,717	-	475,975	-
		$ 7,285,189	1	4,361,491	1
	Comprehensive income attributable to (note 6(j)):				
8710	Owners of parent	$ 5,350,283	1	(932,172)	-
8720	Non-controlling interests	2,453,842	-	472,590	-
		$ 7,804,125	1	(459,582)	-
	Earnings per share (in dollars)(note 6(u))				
9750	Basic earnings per share	$ 1.76		1.44	
9850	Diluted earnings per share	$ 1.73		1.41	

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent														
	Capital stock		Retained earnings				Other equity								
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) / on available-for-sale financial assets	Other unearned compensation for restricted employee share of stock	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2017	$ 26,503,165	21,353,585	7,295,015	-	14,049,157	21,344,172	1,201,427	-	(451,300)	(113,721)	636,406	(2,592,278)	67,245,050	723,399	67,968,449
Net profit	-	-	-	-	3,885,516	3,885,516	-	-	-	-	-	-	3,885,516	475,975	4,361,491
Other comprehensive income	-	-	-	-	(57,306)	(57,306)	(3,942,392)	-	(817,990)	-	(4,760,382)	-	(4,817,688)	(3,385)	(4,821,073)
Total comprehensive income	-	-	-	-	3,828,210	3,828,210	(3,942,392)	-	(817,990)	-	(4,760,382)	-	(932,172)	472,590	(459,582)
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	296,110	-	(296,110)	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,042,169)	(3,042,169)	-	-	-	-	-	-	(3,042,169)	-	(3,042,169)
Stock dividends	760,542	-	-	-	(760,542)	(760,542)	-	-	-	-	-	-	-	-	-
New share issued through employees' compensation	234,900	380,540	-	-	-	-	-	-	-	-	-	-	615,440	-	615,440
Changes in equity of associates and joint ventures accounted for using equity method	-	38,934	-	-	-	-	-	-	-	-	-	-	38,934	-	38,934
Treasury shares transferred to employees	-	(23,391)	-	-	(41,924)	(41,924)	-	-	-	-	-	839,273	773,958	-	773,958
Changes in ownership interests in subsidiaries	-	953	-	-	(2,904)	(2,904)	-	-	-	-	-	-	(1,951)	-	(1,951)
Share-based payment transactions	(11,727)	325,604	-	-	1,686	1,686	-	-	-	113,721	113,721	-	429,284	-	429,284
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	98,699	98,699
Balance at December 31, 2017	27,486,880	22,076,225	7,591,125	-	13,735,404	21,326,529	(2,740,965)	-	(1,269,290)	-	(4,010,255)	(1,753,005)	65,126,374	1,294,688	66,421,062
Effects of retrospective application	-	-	-	-	641,117	641,117	-	(2,069,890)	1,269,290	-	(800,600)	-	(159,483)	-	(159,483)
Balance at January 1, 2018 after adjustments	27,486,880	22,076,225	7,591,125	-	14,376,521	21,967,646	(2,740,965)	(2,069,890)	-	-	(4,810,855)	(1,753,005)	64,966,891	1,294,688	66,261,579
Net profit	-	-	-	-	4,908,472	4,908,472	-	-	-	-	-	-	4,908,472	2,376,717	7,285,189
Other comprehensive income	-	-	-	-	(118,683)	(118,683)	1,448,373	(887,879)	-	-	560,494	-	441,811	77,125	518,936
Total comprehensive income	-	-	-	-	4,789,789	4,789,789	1,448,373	(887,879)	-	-	560,494	-	5,350,283	2,453,842	7,804,125
Appropriation and distribution of retained earnings:															
Legal reserve	-	-	388,552	-	(388,552)	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,010,255	(4,010,255)	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,208,199)	(3,208,199)	-	-	-	-	-	-	(3,208,199)	-	(3,208,199)
Stock dividends	802,050	-	-	-	(802,050)	(802,050)	-	-	-	-	-	-	-	-	-
New share issued through employees compensation	301,402	409,906	-	-	-	-	-	-	-	-	-	-	711,308	-	711,308
Changes in equity of associates and joint ventures accounted for using equity method	-	359,615	-	-	379	379	-	-	-	-	-	-	359,994	-	359,994
Treasury shares retired	(169,112)	(129,116)	-	-	(73,591)	(73,591)	-	-	-	-	-	371,819	-	-	-
Treasury shares transferred to employees	-	(7,186)	-	-	(79,317)	(79,317)	-	-	-	-	-	847,950	761,447	-	761,447
Changes in ownership interests in subsidiaries	-	154,175	-	-	(150,702)	(150,702)	-	-	-	-	-	-	3,473	-	3,473
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(122,127)	(122,127)	-	122,127	-	-	122,127	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	837,855	837,855
Balance at December 31, 2018	$ 28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	22,321,828	(1,292,592)	(2,835,642)	-	-	(4,128,234)	(533,236)	68,945,197	4,586,385	73,531,582

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows used in operating activities:		
Profit before tax	$ 9,658,838	6,158,411
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	7,938,345	7,592,580
Amortization expense	311,116	315,209
Expected credit loss / Provision (reversal of provision) for bad debt expense	55,411	(42,378)
Net loss on financial assets or liabilities at fair value through profit or loss	98,188	404,559
Interest expense	4,747,543	2,756,041
Interest income	(1,071,586)	(1,078,725)
Dividend income	(149,758)	(137,054)
Compensation cost arising from share-based payments	105,898	443,049
Recognized share of associates and joint ventures accounted for equity method	(409,226)	(307,854)
Loss on disposal of property, plan and equipment	13,819	80,668
Property, plan and equipment reclassified as expenses	48,303	6,162
Other non-current assets reclassified as expenses	70,051	56,585
Gain on disposal of investments	(106,370)	(351,953)
Other investment loss (income)	(94,394)	14,049
Impairment loss on assets	-	54,876
Total adjustments to reconcile profit	11,557,340	9,805,814
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable	(22,772,441)	(7,574,170)
Increase in accounts receivable - related parties	(26,174)	(105,200)
Decrease (increase) in other receivable - related parties	23,839	(144,784)
Decrease (increase) in inventories	4,377,793	(30,823,106)
Increase in other current assets	(7,065,234)	(5,407,885)
Total changes in operating assets	(25,462,217)	(44,055,145)
Changes in operating liabilities:		
Decrease in current contract liabilities	(338,873)	-
Increase in notes and accounts payable	3,969,628	14,528,775
Increase (decrease) in accounts payable - related parties	232,131	(871,283)
Increase (decrease) in other payable - related parties	72,714	(184,507)
Decrease in provisions	-	(199,958)
Increase in current refund liability	1,020,320	-
Increase in other current liabilities	8,018,766	5,339,079
Increase (decrease) in other non-current liabilities	(93,126)	41,395
Total changes in operating liabilities	12,881,560	18,653,501
Net changes in operating assets and liabilities	(12,580,657)	(25,401,644)
Total changes in operating assets and liabilities	(1,023,317)	(15,595,830)
Cash generated from (used in) operations	8,635,521	(9,437,419)
Interest received	1,265,370	1,175,540
Dividends received	526,962	505,361
Interest paid	(4,840,306)	(2,710,909)
Income taxes paid	(1,431,460)	(2,671,559)
Net cash generated from (used in) operating activities	4,156,087	(13,138,986)
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(725,898)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	21,344	-
Return of financial assets at fair value through other comprehensive income	91,464	-
Acquisition of financial assets at fair value through profit or loss	(17,644,212)	-
Proceeds from disposal of financial assets at fair value through profit or loss	17,992,587	-
Acquistion of available-for-sale financial assets	-	(14,237,984)
Proceeds from disposal of available-for-sale financial assets	-	14,341,468
Increase in financial assets carried at cost	-	(198,112)
Return of capital of financial assets carried at cost	-	35,558
Additon to equity - accounted investees	(200,264)	(360,427)
Proceeds from disposal of equity - accounted investees	329,228	18
Acquistion of property, plant and equipment	(8,565,871)	(7,411,710)
Proceeds from disposal of property, plant and equipment	33,479	118,694
Decrease (increase) in refundable deposits	(8,899)	17,102
Increase in intangible assets	(330,052)	(126,666)
Decrease (increase) in other receivable- related parties	(3,886)	1,859
Increase in other current financial assets	-	(25,250)
Increase in other non-current assets	(5,215,276)	(2,337,614)
Net cash flows used in investing activities	(14,226,256)	(10,183,064)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	614,004,234	590,436,868
Repayments of short-term loans	(637,235,698)	(550,538,763)
Increase in long-term loans	21,590,472	10,872,489
Repayments of long-term loans	(10,539,915)	(15,014,094)
Increase (decrease) in guarantee deposits received	327,888	(263,782)
Cash dividends paid	(3,208,199)	(3,040,820)
Treasury shares transferred to employees	761,447	773,958
Change in non-controlling interests	735,017	194,622
Net cash flows generated from (used in) financing activities	(13,564,754)	33,420,478
Effect of exchange rate changes on cash and cash equivalents	1,177,829	(1,673,361)
Net increase (decrease) in cash and cash equivalents	(22,457,094)	8,425,067
Cash and cash equivalents at beginning of year	65,986,117	57,561,050
Cash and cash equivalents at end of year	$ 43,529,023	65,986,117

See accompanying notes to financial statements.

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 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 25, 2019

Attachment 3

Wistron Corporation

Profit Appropriation Statement for 2018

Unit: NT$

Unappropriated retained earnings at the beginning of the year		**5,326,348,352**
Plus(Less):		
Effect of Adoption of IFRSs 9	641,116,951	
Remeasurements of defined benefit obligation	(118,682,370)	
Treasury stock transactions	(152,908,088)	
Changes in equity of associates accounted for using equity method	378,776	
Changes in ownership interests in subsidiaries	(150,701,477)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(122,127,184)	
Net Profit of 2018	4,908,471,903	
Less:		
Legal Reserve	(490,847,190)	
Special Reserve	(117,979,026)	
Retained Earnings Available for Distribution		**9,723,070,647**
Distribution Items:		
Stock Dividends to Common Shareholders	0	
Cash Dividends to Common Shareholders	(4,226,639,925)	(4,226,639,925)
Unappropriated Retained Earnings		**5,496,430,722**

Note 1: Stock dividend: NT$0.

Note 2: Cash dividend: NT$1.5 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

Attachment 4

Comparison between Original and Amendments to "Procedures of Asset Acquisition and Disposal"

Items	Original Version	Amended Version	Reason
Article 2	The term "assets" as used in the Procedures including: …… 2.Real estate (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. …… 7.Other important assets.	The term "assets" as used in the Procedures including: …… 2.Real estate (including land, houses and buildings, investment property,~~ rights to use land~~, and construction enterprise inventory) and equipment. …… 7. Right-of-use assets. 8~~7~~.Other important assets.	To comply with the Regulation update.
Article 3	Definitions 1."Derivative Products" means forward contracts, options, futures, leverage contracts, swaps contracts, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests, and the hybrid contracts consisted by the above products, etc. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2."Assets Acquired or Disposed by Mergers, Splits, Acquisition or Shares Transference Pursuant to Laws" means assets acquired or disposed by mergers, splits, acquisition or shares transference pursuant to Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law or other laws or share transference from other companies (hereinafter referred to as "share transference") by issuing new shares pursuant to	Definitions 1."Derivative Products" means forward contracts, options, futures, leverage contracts, swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, ~~assets, interest rates,~~ foreign exchange rate, index~~es~~ of prices or rates, credit rating or credit index, or other variable~~ interests~~; and the hybrid contracts ~~consisted by the above products, etc.~~ combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. 2."Assets Acquired or Disposed by Mergers, Splits, Acquisition or Shares Transference Pursuant to Laws" means assets acquired or disposed by mergers, splits, acquisition or shares transference pursuant to	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 3	the eight paragraph of Article 156 of Company Law. ……	Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law or other laws or share transference from other companies (hereinafter referred to as "share transference") by issuing new shares pursuant to the ~~eight paragraph of~~ Article 156-3 of Company Law. …… 8.Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located. 9.Over-the-counter venue: "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.	To comply with the Regulation update.
Article 4	Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets …… 2. For acquisition or disposition of real estates, equipment, membership certificates, intangible assets, and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws, the operating department shall submit items such as the	Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets …… 2. For acquisition or disposition of real estates, equipment, membership certificates, intangible assets, right-of-use assets, and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws, the operating department shall submit items such as the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 4	reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. ……	reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. ……	To comply with the Regulation update.
Article 5	Procedures of Ratification and Decision for the Acquisition or Disposition of Assets 1.Manner and the Reference Basis for the Decision on Price (1)…… (2)The acquisition or disposition of real estate and equipment shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the announced present value, appraised present value, and actual transaction price in the vicinity. (3)…… (4) For the acquisition or disposition of intangible assets such as patent rights, copyrights, trademark rights, and franchises, the price shall be entirely determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legally protected conditions, circumstances of license and implementation, or production cost or implementation cost; in addition, the relevant elements of right owners and licensees shall also be integrally referred. 2. Amount and Level of License In-charge department of the Company shall decide within its	Procedures of Ratification and Decision for the Acquisition or Disposition of Assets 1.Manner and the Reference Basis for the Decision on Price (1)…… (2)The acquisition or disposition of real estate <u>or right-of-use assets</u> and equipment <u>or right-of-use assets</u> shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate <u>or right-of-use assets</u>, it shall be determined by reference to the announced present value, appraised present value, and actual transaction price in the vicinity. (3)…… (4) For the acquisition or disposition of intangible assets <u>or right-of-use assets</u> such as patent rights, copyrights, trademark rights, and franchises, the price shall be entirely determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legally protected conditions, circumstances of license and implementation, or production cost or implementation cost; in addition, the relevant elements of right owners and licensees shall also be integrally referred.	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 5	authority on the acquisition and disposition of assets in the following situations, provided, however, that matters governed by Article 185 of the Company Law shall be approved at the shareholders' meeting in advance: (1)…… (2) The acquisition or disposition of real estate shall be approved by the Board of Directors before its execution, except that the chairman of the board is authorized by the Board of Directors to execute a project that is not more than NT$300 million, and it will be reported to the Board of Directors thereafter. However, the acquisition or disposition of real property to a related party, is not in the scope of this authorization, but shall apply the provisions of Article 12 paragraph 2. (3) Acquisition or disposition of the Company and its subsidiary equipment used for operating purposes, to authorize the Chairman of the Board of Directors or its authorized personnel decisions NT$300 million, and afterwards would then be sent the most recent of the Board for ratification. Otherwise, the acquisition or disposition of equipment; for any projects the amount is more than NT$300 million, must be approved by the Board of Directors, the chairman of the Board or his authorized officers decides for other projects before its executions. (4) The acquisition or	2. Amount and Level of License In-charge department of the Company shall decide within its authority on the acquisition and disposition of assets in the following situations, provided, however, that matters governed by Article 185 of the Company Law shall be approved at the shareholders' meeting in advance: (1)…… (2) The acquisition or disposition of real estate or right-of-use assets shall be approved by the Board of Directors before its execution, except that the chairman of the board is authorized by the Board of Directors to execute a project that is not more than NT$300 million, and it will be reported to the Board of Directors thereafter. However, the acquisition or disposition of real property or right-of-use assets to a related party, is not in the scope of this authorization, but shall apply the provisions of Article 12 paragraph 2. (3) Acquisition or disposition of the Company and its subsidiary or transaction between the subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital of the Company equipment or right-of-use assets used for operating purposes and real property right-of-use assets used for operating purposes, to authorize the Chairman of the Board of Directors or its authorized personnel decisions NT$300 million, and afterwards would then	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 5	disposition of derivative products shall be authorized to relevant personnel in accordance with the "Rules and Procedures of Derivative Transactions," which set by the Company, and shall report to the soonest meeting of Board of Directors. 3.Operating Department The finance department is the operating department for securities and derivative product investments; the using department and the relevant in-charge department are the operating departments for investments in real estate, equipment, intangible assets, membership certificate and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.	be sent the most recent of the Board for ratification. Otherwise, the acquisition or disposition of equipment or right-of-use assets; for any projects the amount is more than NT$300 million, must be approved by the Board of Directors, the chairman of the Board or his authorized officers decides for other projects before its executions. (4)The acquisition or disposition of derivative products shall be authorized to relevant personnel in accordance with the "Rules and Procedures of Derivative Transactions," which formulated ~~set~~ by the Company, and shall report to the soonest meeting of Board of Directors. 3.Operating Department The finance department is the operating department for securities and derivative product investments; the using department and the relevant in-charge department are the operating departments for investments in real estate, equipment, intangible assets, membership certificate, right-of-use assets and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.	To comply with the Regulation update.
Article 6	Procedures of Announcement and Filing 1.The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the	Procedures of Announcement and Filing 1.The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 6	relevant data and information: (1)Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. (2)…… (3)Engaging in derivative products transactions and the loss reaching the upper limit loss amount of the total or individual contract prescribed in procedures which set by the Company, (4)Equipment that are categorized as assets acquired or disposed for business use, the transaction counterparty is not a related party, and the transaction amount has reached NT$1 billion or more. (5)Real estate acquired by the Company by the ways of mandating others to build on its land, engaging others to build on rented land, joint cooperatively building with others to split the units, cooperatively building with others to acquire the proportion of profits, or cooperatively building with others to separately sell the units, the transaction amount	relevant data and information: (1)Acquisition and disposition of real estate or right-of-use assets from a related party, or purchase or disposition of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. (2)…… (3)Engaging in derivative products transactions and the loss reaching the upper limit loss amount of the total or individual contract prescribed in procedures which formulated ~~set~~ by the Company, (4)Equipment or right-of-use assets that are categorized as assets acquired or disposed for business use, the transaction counterparty is not a related party, and the transaction amount has reached NT$1 billion or more. (5)Real estate acquired by the Company by the ways of mandating others to build on its land, engaging others to build on rented land, joint cooperatively building with others to split the units, cooperatively building with others to acquire the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 6	which the anticipated amount invested by the Company has exceeded NT$500 million. (6)Except for asset transactions provided in the preceding five items, or an investment in the mainland China area, where the transaction amount reaching 20% of the Company's paid-in capital or in exceeds NT$300 million; however, not included otherwise provided below: (a)purchase and sale of government bonds, (b)purchase and sale of bonds with put or call conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. 2.The transaction mounts in the preceding paragraph are calculated in accordance to the methods provided herein below: (1)each single transaction amount, (2)the transaction amount accumulated within one year with the same counterparty in the acquisition or disposition of the targeted assets with the same nature, (3)the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year of the acquisition or disposition of the same real estate in a development plan, (4)the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year in the acquisition or disposition of the same	proportion of profits, or cooperatively building with others to separately sell the units, <u>and furthermore the transaction counterparty is not a related party, then</u> the transaction amount which the anticipated amount invested by the Company has exceeded NT$500 million. (6)Except for asset transactions provided in the preceding five items, or an investment in the mainland China area, where the transaction amount reaching 20% of the Company's paid-in capital or in exceeds NT$300 million; however, not included otherwise provided below: (a)purchase and sale of <u>domestic</u> government bonds, (b)purchase and sale of bonds with put or call conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. 2.The transaction mounts in the preceding paragraph are calculated in accordance to the methods provided herein below: (1)each single transaction amount, (2)the transaction amount accumulated within one year with the same counterparty in the acquisition or disposition of the targeted assets with the same nature, (3)the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year of the acquisition or disposition of the same real estate <u>or right-of-use assets</u>	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 6	securities. ……	in a development plan, (4)the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year in the acquisition or disposition of the same securities. ……	To comply with the Regulation update.
Article 7	Scope and Amount of Acquisition or Disposition of Assets 1.Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on amounts are set forth as follows: (1)Total investment in real estate for non-business use shall not exceed 40% of the equity attributable to owners of the Company and long-term liabilities of the Company as the most recent financial report audited or reviewed by the accountant. …… 2.As to the Company subsidiaries not categorized as domestic public companies and their directly or indirectly held subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below: (1)Real estate shall not be purchased for non-business use. ……	Scope and Amount of Acquisition or Disposition of Assets 1.Apart from acquisition of assets for business use, the Company may invest or acquire ~~purchase~~ real estate or right-of-use assets and securities for non-business use, the limitations on amounts are set forth as follows: (1)Total investment in real estate or right-of-use assets for non-business use shall not exceed 40% of the equity attributable to owners of the Company and long-term liabilities of the Company as the most recent financial report audited or reviewed by the accountant. …… 2.As to the Company subsidiaries not categorized as domestic public companies and their directly or indirectly held subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below: (1)Real estate or right-of-use assets shall not be acquired ~~purchased~~ for non-business use. ……	To comply with the Regulation update.
Article 8	Control Management Process for Subsidiaries' Acquisition or Disposition of Assets …… 3. The Company's paid-in capital or total assets, audited by public accountants, shall be the	Control Management Process for Subsidiaries' Acquisition or Disposition of Assets …… 3. The Company's paid-in capital or total assets, audited by public accountants, shall be the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 8	standard for determining whether or not a subsidiary is subject to Article 6, paragraph 1, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets. ……	standard for determining whether or not a subsidiary is subject to Article 6, paragraph 1, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches ~~20 percent of~~ paid-in capital or ~~10 percent of~~ the total assets. ……	To comply with the Regulation update.
Article 10	Appraisal Report from Professional Appraisal Institutions In acquiring or disposing of real estates or equipment by the Company, unless otherwise transacting with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing the equipment for business use, and the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT$300 million, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report issued by a professional appraisal institutions, and comply with the following provisions: 1.Due to special circumstances, where a limited price, specified price or special price is deemed as the reference basis of the transaction price, this transaction shall be reported and decided by the Board of Directors for approval. If there is any change of the transaction conditions, the procedures herein above shall apply. ……	Appraisal Report from Professional Appraisal Institutions In acquiring or disposing of real estates, ~~or~~ equipment or right-of-use assets by the Company, unless otherwise transacting with a domestic government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing the equipment or right-of-use assets for business use, and the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT$300 million, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report issued by a professional appraisal institutions, and comply with the following provisions: 1.Due to special circumstances, where a limited price, specified price or special price is deemed as the reference basis of the transaction price, this transaction shall be reported and decided by the Board of Directors for approval. If there is any change of the transaction conditions, the procedures herein above shall apply. ……	To comply with the Regulation update.
Article 11	Certified Accountant's Opinions 1.For a public company acquiring or disposing of marketable securities, where the transaction	Certified Accountant's Opinions 1.The ~~For a public~~ Company acquiring or disposing of marketable securities, where the	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 11	amount reaches 20% of the Company's paid-in capital or exceeds NT$300 million, an accountant shall, prior to the date of occurrence of the event, be retained for opinions on the reasonableness of the transaction price. If the accountant needs to use the report of an expert as evidence, the accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply to the securities which are publicly quoted in an active market or otherwise provided by the regulations of FSC. According to FSC letter No. 1050044504 and the exception rule provided in the first paragraph of Article 10 the regulations Governing the Acquisition and Disposition of Assets by Public Company. Following times the Company is to proceed free from the aforementioned accountant checking procedure for acquiring or disposing securities. (1)Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with the Company Act, with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed. (2)…… (3) Participation in subscription to securities with cash capital	transaction amount reaches 20% of the Company's paid-in capital or exceeds NT$300 million, an accountant shall, prior to the date of occurrence of the event, be retained for opinions on the reasonableness of the transaction price. If the accountant needs to use the report of an expert as evidence, the accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply to the securities which are publicly quoted in an active market or otherwise provided by the regulations of FSC. According to FSC letter No. <u>1070331908</u>~~1050044504~~ and the exception rule provided in the first paragraph of Article 10 the regulations Governing the Acquisition and Disposition of Assets by Public Company. Following times the Company is to proceed free from the aforementioned accountant checking procedure for acquiring or disposing securities. (1)Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with the <u>law</u> ~~Company Act~~, with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed. (2)…… (3)Participation in subscription to securities with cash capital	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 11	increase issued by a 100% owned subsidiary. (4)…… (5)Government bonds, or bonds under repurchase or reverse purchase agreements. (6)Onshore or offshore publicly offered funds. (7)TWSE or TPEx listed stocks acquired or disposed of in accordance with the TWSE or TPEx rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities. (8)Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities. (9)…… 2.In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount reaching 20% of the Company's paid-in capital or in exceeding NT$300 million, except in transactions with a government agency, an accountant shall, prior to the date of occurrence of the event, be retained to express opinions on the reasonableness of the transaction price, and the accountant shall handle the matter pursuant to Article 13 of the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation. 3.If the public company acquired or disposed assets through court	increase issued by a direct or indirect 100% owned subsidiary, or 100% owned subsidiaries participate in subscribing cash capital increase to issue securities with each other. (4)…… (5)Domestic government bonds, or bonds under repurchase or reverse purchase agreements. (6)~~Onshore or offshore~~ Publicly offered funds. (7)TWSE or TPEx listed stocks acquired or disposed of in accordance with the TWSE or TPEx rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities. (8)Participation in subscription to shares issued by a domestic public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities. (9)…… 2.In acquiring or disposing membership certificate or intangible assets or right-of-use assets by the ~~a public~~ Company, and the transaction amount reaching 20% of the Company's paid-in capital or in exceeding NT$300 million, except in transactions with a government agency, an accountant shall, prior to the date of occurrence of the event, be retained to express opinions on the reasonableness of the transaction price, and the accountant shall handle the matter pursuant to Article 13 of	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 11	auction procedures, they may replace the appraisal report or accountant opinions with the certified documents issued by the court.	the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation. 3.If the ~~public~~ <u>C</u>ompany acquired or disposed assets through court auction procedures, they may replace the appraisal report or accountant opinions with the certified documents issued by the court.	To comply with the Regulation update.
Article 12	…… The Company must submit the information provided below to the Board of Directors for approval, upon first obtaining a consent from the Audit Committee, before its execution of the purchase or disposition of real estate from related parties, or acquisition or disposition of assets other than real property from or to related parties where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. The Company may not proceed to enter into a transaction contract or make a payment until receiving approval as discussed herein from the Board of Directors, including. …… 3. With respect to the acquisition of real property from a related party, relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to provisions of Articles 13 and 14;	…… The Company must submit the information provided below to the Board of Directors for approval, upon first obtaining a consent from the Audit Committee, before its execution of the <u>acquisition</u> ~~purchase~~ or disposition of real estate <u>or right-of-use assets</u> from related parties, or acquisition or disposition of assets other than real property <u>or right-of-use assets</u> from or to related parties where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. The Company may not proceed to enter into a transaction contract or make a payment until receiving approval as discussed herein from the Board of Directors, including. …… 3. With respect to the acquisition of real property <u>or right-of-use assets</u> from a related party, relevant information for evaluating the reasonableness of the anticipated transaction	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 12	…… With respect to the acquisition or disposition of business-use equipment between the Company and its subsidiaries, and when the transaction is within the authorized amount, the Chairman of the Board may, pursuant to Article 5, paragraph 2, subparagraph 3, decide such matters and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting.	conditions pursuant to provisions of Articles 13 and 14; …… With respect to the types of transactions listed below ~~acquisition or disposition of business-use equipment~~ when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital and when the transaction is within the authorized amount, the Chairman of the Board may, pursuant to Article 5, paragraph 2, subparagraph 3, decide such matters and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting: 1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2.Acquisition or disposal of real property right-of-use assets held for business use.	To comply with the Regulation update.
Article 13	The Company's purchases of real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: …… 3.Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above. 4.The Company's purchases of real estate from the related party, in addition to evaluating the cost of the cost of real estate pursuant to provisions prescribed in the preceding	The Company's acquisition of real estate or right-of-use assets from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: …… 3.Where the land and the buildings on the property are combined for the purchase or lease, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above. 4.The Company's acquisition of real estate or right-of-use assets from the related party, in addition to evaluating the cost of the cost of real estate or right-of-use assets pursuant to	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 13	three paragraphs, an accountant shall be retained to check and provide specific opinion. 5.Where one of the following occurrence exists in the Company's purchase of the real estate from the related party, the transaction is exempt from the application of the preceding four paragraphs; however, the Article 12 shall still apply: (1)The related party acquired real estate by inheritance or as a gift. (2)Between the signing date of the related party's receipt of the real estate and the signing date of the current transaction, 5 years has passed. (3)Acquiring real estate by a joint construction contract executed with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.	provisions prescribed in the preceding three paragraphs, an accountant shall be retained to check and provide specific opinion. 5.Where one of the following occurrence exists in the Company's acquisition of the real estate or right-of-use assets from the related party, the transaction is exempt from the application of the preceding four paragraphs; however, the Article 12 shall still apply: (1)The related party acquired real estate or right-of-use assets by inheritance or as a gift. (2)Between the signing date of the related party's receipt of the real estate or right-of-use assets and the signing date of the current transaction, 5 years has passed. (3)Acquiring real estate by a joint construction contract executed with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land. (4)The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.	To comply with the Regulation update.
Article14	Where the evaluations reached by the Company pursuant to the first to third paragraphs in preceding Article are consonantly lower than the transaction price, the provisions of Article 15 apply; however, if any of the circumstances below exists, accompanied by objective evidence provided by a	Where the evaluations reached by the Company pursuant to the first to third paragraphs in preceding Article are consonantly lower than the transaction price, the provisions of Article 15 apply; however, if any of the circumstances below exists, accompanied by objective evidence provided by a	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article14	professional real property appraiser's reasonableness opinion obtained and an accountant's specific opinion rendered, the restriction shall not apply: 1.Where the related party purchased a piece of undeveloped land or leased land for construction, and the evidence provided meets one of the following conditions: (1)…… (2) The transaction of the other floors/levels on the same property of nearby region consummated within one year by non-related parties, the area being similar and the transaction conditions being reasonable after reasonable appraisal of the price difference of floor/level or region in accordance with real estate sale transaction practice. (3) In the case of lease of non-related party of the other floors/levels of the object within one year, the transaction conditions being reasonable after reasonable appraisal of the price difference of floors/level or region in accordance with real estate lease transaction practice. 2.The Company provides evidence to prove that the transaction conditions for purchase of the real estate from the related party correspond with those of other transactions of non-related parties in the neighborhood and within one year, with a similar size. The transaction in the neighborhood in the preceding paragraph shall mean the transaction of	professional real property appraiser's reasonableness opinion obtained and an accountant's specific opinion rendered, the restriction shall not apply: 1.Where the related party purchased a piece of undeveloped land or leased land for construction, and the evidence provided meets one of the following conditions: (1)…… (2) The transaction of the other floors/levels on the same property of nearby region consummated within one year by non-related parties, the area being similar and the transaction conditions being reasonable after reasonable appraisal of the price difference of floor/level or region in accordance with real estate sale <u>or leasing</u> transaction practice. ~~(3) In the case of lease of non-related party of the other floors/levels of the object within one year, the transaction conditions being reasonable after reasonable appraisal of the price difference of floors/level or region in accordance with real estate lease transaction practice.~~ 2.The Company provides evidence to prove that the transaction conditions for purchase of the real estate <u>or obtaining real property right-of-use assets through leasing</u> from the related party correspond with those of other transactions of non-related parties in the neighborhood and within one year, with a similar size. The transaction in the neighborhood in the preceding	To comply with the Regulation update.

<table>
<tr><th>Items</th><th>Original Version</th><th>Amended Version</th><th>Reason</th></tr>
<tr><td>Article14</td><td>the real estate on the same or nearby street with a distance of less than 500 meters from the estate in question. The term “similar size” means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The “within one year” means dating back for one year from the date of acquiring this real estate.</td><td>paragraph shall mean the transaction of the real estate on the same or nearby street with a distance of less than 500 meters from the estate in question. The term “similar size” means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The “within one year” means dating back for one year from the date of acquiring this real estate <u>or right-of-use assets</u>.</td><td>To comply with the Regulation update.</td></tr>
<tr><td>Article 15</td><td>When the Company acquires real estate from the related party and the evaluations reached pursuant to the Articles 13 and 14 are consonantly lower than the transaction price, below items shall be followed:
1.Allocate the difference between the real estate transaction price and the evaluated cost as special reserve.
2.The independent director members of the Audit Committee handle the matter pursuant to Article 218 of the Company Act.
3.Report the handling condition of the first and second items to the shareholders’ meeting and disclose the detailed transaction content in the annual report and the prospectus.
Where the Company allocates a special reserve in accordance to the preceding paragraph, it shall not use such special reserve until and unless a devaluation loss on the asset purchased at high price has been rendered, or such asset has been disposed of, or proper compensation had been received, or the original status has been restored, or has been acquitted of the unreasonableness by other evidence and has been approved by the competent authorities.</td><td>When the Company acquires real estate <u>or right-of-use assets</u> from the related party and the evaluations reached pursuant to the Articles 13 and 14 are consonantly lower than the transaction price, below items shall be followed:
1.Allocate the difference between the real estate <u>or right-of-use assets</u> transaction price and the evaluated cost as special reserve.
2.The independent director members of the Audit Committee handle the matter pursuant to Article 218 of the Company Act.
3.Report the handling condition of the <u>preceding two subparagraphs</u> ~~first and second items~~ to the shareholders’ meeting and disclose the detailed transaction content in the annual report and the prospectus.
Where the Company allocates a special reserve in accordance to the preceding paragraph, it shall not use such special reserve until and unless a devaluation loss on the asset purchased <u>or leased</u> at high price has been rendered, or such asset has been disposed of, <u>or the leasing contract has been terminated,</u> or proper</td><td>To comply with the Regulation update.</td></tr>
</table>

Items	Original Version	Amended Version	Reason
Article 15		compensation had been received, or the original status has been restored, or has been acquitted of the unreasonableness by other evidence and has been approved by the competent authorities. When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's-length transaction.	To comply with the Regulation update.
Article 17	Where the Company engages in the transaction of derivative products, it shall perform the following risk management measures: …… 4.The positions held in the trading of derivative products shall be evaluated at least once a week, the hedging transaction made for business purposes shall be evaluated at least twice a month, and the evaluation reports shall be given to high-level manages authorized by the Board of Directors. ……	Where the Company engages in the transaction of derivative products, it shall perform the following risk management measures: …… 4.The positions held in the trading of derivative products shall be evaluated at least once a week, the hedging transaction made for business purposes shall be evaluated at least twice a month, and the evaluation reports shall be submitted ~~given~~ to high-level manages authorized by the Board of Directors. ……	To comply with the Regulation update.
Article 18	…… The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors: 1.Periodically evaluate whether the risk management measures currently being used are suitable and whether they conform with these Procedures and the “Rules and Procedures of Derivative Transactions” set by the Company. ……	…… The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors: 1.Periodically evaluate whether the risk management measures currently being used are suitable and whether they conform with these Procedures and the “Rules and Procedures of Derivative Transactions” formulated ~~set~~ by the Company. ……	To comply with the Regulation update.
Article 29	…… The 10th amendment was made on June 14, 2018.	…… The 10th amendment was made on June 14, 2018. The 11th amendment was made on	Correspondence to the amendment date.

Items	Original Version	Amended Version	Reason
		June 12, 2019.	