

Wistron Corporation

2020 Annual General Shareholders' Meeting Meeting Agenda (Translation)

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DISCLAIMER

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Table of Contents

Meeting Procedures	4
Meeting Agenda	5
Report Items	6
Ratification Items and Discussion Items	8
ITEM 1: Ratification of the Business Report and Financial Statements of 2019	8
ITEM 2: Ratification of the proposal for distribution of 2019 profits	9
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.....	10
ITEM 4: Discussion of issuance of restricted stock awards to key employees.....	14
ITEM 5: Discussion of amendments to the “Articles of Incorporation”.....	16
ITEM 6: Discussion of amendments to the “Rules and Procedures of Shareholders’ Meeting”	17
Appendices	
1. Business Report and Financial Statements for 2019.....	19
2. Audit Committee’s Review Report.....	38
3. Comparison Between Original and Amendments to “Ethical Corporate Management Best Practice Principles”	39
4. Ethical Corporate Management Best Practice Principles.....	44
5. The Rules of 1st Repurchase of the Company’s Shares Transferred to Employees in 2020	51
6. Profit Appropriation Statement for 2019	53
7. Articles of Incorporation	54
8. Comparison Between Original and Amendments to “Rules and Procedures of Shareholders’ Meeting”	61
9. Shareholdings of Directors.....	65

Wistron Corporation
Rules and Procedures of Shareholders' Meeting

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

- Article 8 The Chairman shall call the Meeting to order at the time scheduled for the Meeting, provided, however, that if the shareholders present do not represent a majority of the total number of issued shares (“quorum”), the Chairman may postpone the Meeting, provided, however, that the postponement of the Meeting shall be limited to two times, and the total time of the overall postponement shall not exceed one hour. If the Meeting has been postponed twice, but the shareholders present still do not represent a quorum, a tentative resolution may be adopted by shareholders representing one-third of the total amount of issued shares, in accordance with Paragraph 1 of Article 175 of the Company Act. Before the close of the Meeting, if the shareholders present represent a quorum, the Chairman may present the tentative resolution so adopted to the Meeting for resolution in accordance with the provisions of Article 174 of the Company Act.
- Article 9 If the Meeting is convened by the BOD, the agenda of the Meeting shall be set by the BOD. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. During the Meeting, the Chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the Meeting, the Chairman may not announce adjournment of the Meeting before the Meeting is finished. If the Chairman announces the adjournment in violation of these Rules and Procedures, the shareholders may, by majority of the votes represented by the shareholder present at the Meeting, designate one person as the Chairman to continue the Meeting.
- Article 10 A shareholder wishing to speak at the Meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder and his name, and the Chairman shall determine his order of giving a speech. A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the Chairman and the said shareholder, and the Chairman shall prevent others from interrupting.
- Article 11 A shareholder shall not speak more than two times for one motion, unless he has obtained the prior consent from the Chairman, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the Chairman may prevent him from continuing.
- Article 12 Any legal entity designated as proxy by shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one of the representatives so designated may speak on any one motion.
- Article 13 After a shareholder has given a speech, the Chairman may respond personally or designate a relevant person to respond.
- Article 14 When the Chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15 The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting. After the completion of

the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes.

In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received by each.

- Article 16 Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.
- Article 17 If there is an amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary. The shareholders who voted in writing or electronically shall be deemed to have waived his/her/its voting power with respect to any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders' Meeting.
- Article 18 The Chairman may direct disciplinary personnel (or security personnel) to maintain the order of the Meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel."
- Article 19 In case of incident of force majeure, the Chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will be resumed, or may, by resolution of shareholders present at the Meeting, resume the Meeting within five days without further notice or public announcement.
- Article 20 Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and the Article of Incorporation of Wistron.
- Article 21 This Procedure was enacted on June 7, 2002.
The 1st amendment was made on June 21, 2012.
The 2nd amendment was made on June 14, 2013.

Meeting Procedures

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

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

- (6) Extemporary Motion
- (7) Adjournment

Meeting Agenda

Time: 9:00a.m., June 18, 2020

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

I. Report Items

1. Report the business of 2019.
2. Audit Committee's Review Report.
3. Report the compensation for employees and directors of 2019.
4. Report the amendments to the "Ethical Corporate Management Best Practice Principles."
5. Report the status of treasury stocks buyback.

II. Ratification Items and Discussion Items

1. Ratification of the Business Report and Financial Statements of 2019.
2. Ratification of the proposal for distribution of 2019 profits.
3. Discussion of the issuance of new common shares for cash to sponsor the issuance of GDR and/or the issuance of new common shares for cash through public offering and/or the issuance of new common shares for cash through private placement and/or the issuance of new common shares for cash to sponsor the issuance of GDR through private placement.
4. Discussion of issuance of restricted stock awards to key employees.
5. Discussion of amendments to the "Articles of Incorporation."
6. Discussion of amendments to the "Rules and Procedures of Shareholders' Meeting."

III. Extemporaneous Motions

IV. Adjournment

Report Items

1. Business Report of 2019. (Please refer to Appendix 1, pages 19-21)
2. Audit Committee's Review Report. (Please refer to Appendix 2, page 38)
3. Report the compensation for employees and directors of 2019.

Description:

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

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

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

- (2) The Company's 4th term 9th Compensation Committee Meeting and 1st Board Meeting of 2020 resolved the employees' and directors' compensation of 2019 in accordance with the "Articles of Incorporation."

- A. The employees' compensation was NT\$1,164,750,830 and the appropriation rate was 15%, distributed in cash.
- B. The directors' compensation was NT\$76,873,560 and the appropriation rate was 0.99%, distributed in cash.

4. Report of amendments to the "Ethical Corporate Management Best Practice Principles."

Description:

In order to comply with government rules and regulations and to meet the operational needs, the Company approved amendments to the "Ethical Corporate Management Best Practice Principles" at the 7th board meeting of 2019. Please refer to Appendix 3, pages 39-43 for the comparison between the original and the amendments, and Appendix 4, pages 44-50 for the amended version.

5. Report the status of treasury stocks buyback.

Description:

- (1) In accordance with Article 28-2 of the Securities and Exchange Act to report the implementation of repurchase the Company's common shares in the most recent shareholders meeting:

As of April 30, 2020

Term of Repurchase	1st Repurchase of 2020
Date of board resolution	2020/03/24
Purpose of repurchase	To transfer to employees
Planned period for the repurchase	2020/03/25~2020/05/23
Number of shares to be repurchased	60,000,000 shares
Price range of the shares to be repurchased	NT\$16 to NT\$30 per share If the market price falls below the lowest range, the company is still authorized to purchase the shares.
Type and number of the shares already repurchased	23,069,000 shares of common shares
Monetary amount of the shares already repurchased	NT\$611,432,497
Average repurchase price per share	NT\$26.50
Accumulated number of company shares held	23,069,000 shares
Percentage of total company shares held (%)	0.81%

- (2) Please refer to Appendix 5, pages 51-52 for the "The Rules of 1st Repurchase of the Company's Shares Transferred to Employees in 2020."

Ratification Items and Discussion Items

ITEM 1: Ratification of the Business Report and Financial Statements of 2019

Proposal: Submission (by the BOD) of the Company's 2019 business report and financial statements for ratification.

Details:

1. The Company's business report and financial statements for 2019 (Appendix 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 Appendix 1, pages 19-37.)
2. Submission for ratification.

ITEM 2: Ratification of the proposal for distribution of 2019 profits

Proposal: Submission (by the BOD) of the proposal for 2019 earnings distribution for ratification.

Details:

1. The unappropriated retained earnings at the beginning of 2019 is NT\$5,496,430,722, after deducting the effect of the adoption of IFRSs 16 of NT\$54,346,157, remeasurements of defined benefit obligation of NT\$92,206,898, changes in ownership interests in subsidiaries of NT\$161,932,560 and disposal of investments in equity instruments designated at fair value through other comprehensive income of NT\$188,755,383, then adding up the 2019 net profit of NT\$6,800,767,919, and set aside legal reserve of NT\$680,076,792 and adding up the reversal in special reserve of NT\$592,109,424, therefore the total amount of retained earnings available for distribution is NT\$11,711,990,275. The dividends and bonus proposed to be distributed to the shareholders shall be NT\$5,681,224,100 in cash (NT\$2.0 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, the power with respect to setting the ex-dividend date and other relevant matters is reserved for the Chairman.
3. In the event that, before the ex-dividend date, the proposed earnings distribution plan is affected due to revisions to relevant laws or regulations, or upon the request of the competent authorities, or a change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, unsecured convertible bonds converting into common shares, capital increase by cash and capital increase by issuance of GDR etc.), which results in changes in shareholders' allotment of cash dividend, it is proposed that the Chairman is authorized to duly adjust dividend payout rates.
4. Please refer to the Profit Appropriation Statement for 2019 (Appendix 6, page 53).
5. Submission for ratification.

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

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

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 250 million common shares, depending on the market conditions and the Company's need, to choose appropriate timing and fund raising methods in accordance with the applicable laws and regulations, according to the following fund raising method and handling principles.

2. Fund raising methods and handling principles:

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

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

B. Upon the limit of 250 million common shares for the issuance of GDR through the issuance of new common shares by capital increase, the original shareholders' equity will be diluted by a maximum of 8.8%. 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 250 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 preemptive 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 85% of the reference price. The reference price is set as the higher of the following two basis prices:
 - (i) The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - (ii) The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- b. The pricing date, actual reference price, theoretical price, and actual issuance price are proposed to be authorized to the Board of Directors to determine within the range approved by the shareholders meeting, after taking into consideration the market status, objective conditions, and qualification of specific parties. Considering that the Securities and Exchange Act has set the restrictions on transfers of the privately placed securities for three full years, the price determination above shall be reasonable.

B. The method to determine specific parties:

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

C. The necessity of private placement:

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

3. Use of proceeds, schedule and projected benefit:

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

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

Board of Directors to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from governmental authorities.

5. The new common shares to be issued to sponsor issuance of GDR, the new common shares to be issued in public offering, the new common shares in private placement and/or the new common shares to sponsor issuance of GDR in private placement will be issued in scripless form. However the new common shares in private placement and the new common shares to sponsor issuance of GDR are subject to the selling restrictions within three years after the delivery date under Article 43-8 of the Securities and Exchange Act, the new common shares to be issued to sponsor the GDR and the new common shares to be issued in public offering, new common shares in private placement and new common shares to sponsor issuance of GDR in private placement will have the same rights and obligations as the Company's existing issued and outstanding common shares.
6. It is proposed to authorize the Chairman or the Chairman's designee, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of new common shares to sponsor issuance of GDR and/or issuance of new common shares in public offering and/or issuance of new common shares in private placement and/or issuance of new common shares to sponsor issuance of GDR in private placement.
7. The Board is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations.
8. Please discuss.

ITEM 4: Discussion of issuance of restricted stock awards to key employees

Proposal: Submission (by the BOD) of a proposal to approve the issuance of restricted stock awards to key employees.

Details:

1. To award and retain outstanding key employees, it is proposed to issue restricted stock awards pursuant to Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” released by the Financial Supervisory Commission.
2. The issuance of restricted stock awards may be submitted in installments to the competent authority for registration within one year of the resolution of the Annual General Shareholders’ Meeting. In accordance with practical needs, the Chairman of the Board shall be authorized to decide the actual Issue Date(s) in one tranche or in installments within one year following the date of receipt of the approval effective registration from the competent authority.
3. The following terms and conditions are included for the issuance of restricted stock awards:
 - (1) Issue amount: Not exceeding 2.22% of the outstanding shares of the Company, with 63,000,000 shares tentatively allotted.
 - (2) The conditions of issuance:
 - A. Issue price: Granted to employees for free.
 - B. Vesting conditions: Qualified with both time-based and performance-based requirements set by the issuance rules of restricted stock awards.
 - C. Type of shares: the Company’s common shares.
 - D. Measures to be taken when employees fail to meet the vesting conditions or in the event of bequeathal: The shares shall be forfeited and written off.
 - (3) Qualifications for employees and the shares granted:
 - A. The full-time employees of the Company and its subsidiary companies who had joined the Company more than three months and who have special contribution to the Company will be approved by Chairman.
 - B. The restricted stock awards shall have a lock-up period of two years, and vesting shall take place over three years, to be conditioned each year first on the Company’s overall performance and then on the employee’s individual performance indicators, as measured at the annual performance evaluation.
 - a. Base on the most recent fiscal year’s Consolidated Financial Statements after the expiration of the Company’s vested period, which is audited and attested by the CPA, each of the following two indicators is given a weight of 50% and is issued on the basis of the weighted average of the integrated points. However, if the company has a significant impact due to international or industrial conditions, it may be subject to the proposal of the Company’s compensation committee to adjust the performance indicators or the distribution ratio, and to be issued after the resolution of the board of directors. The performance-based indicators are as follows:
 - ① Earnings per share (EPS) increased by more than 10% (inclusive) from its average for the previous three years.

②The growth rate of Return on Equity (ROE) is better than peer average.

(*)The Company's peers are Quanta Computer Inc., Compal Electronics, Inc., Pegatron Corporation and Inventec Corporation. If the list of peers is adjusted, it shall be approved by the compensation committee.

b. Individual Performance-based Indicators:

Grant Period	Performance Review Result and Grant Ratio		
	Excellent and above	Grade A	Grade B
2 years after grant date	34%	80% of 34%	0
3 years after grant date	33%	80% of 33%	0
4 years after grant date	33%	80% of 33%	0

c. If the shares granted cannot be allocated into three portions equally as stated above, then the appropriation principle will be descending (for example: total granted shares: 7,000. The qualifier of the first year can receive 3,000 shares. The qualifier of the second year can receive 2,000 shares and the qualifier of the third year can receive the rest of 2,000 shares.)

d. The above-mentioned shares vested shall be rounded off to the nearest 1,000 units.

(4)The reasons necessitating the issuance of restricted stock awards: To attract and retain talents, enhance employees' cohesion and sense of belonging to the Company, and foster the best interests of the Company and its shareholders.

(5)The estimated expense amount: Based on the Company's closing price before the Board Meeting held on March 24, 2020 of NT\$19.20 per share, and taking into account factors such as employees' vesting conditions, stock price volatility, and risk-free, etc., and substituting it into the option evaluation model, the annual amortization of the expense amount for 2020, 2021, 2022, 2023, and 2024 shall be NT\$44,405 thousand, NT\$176,172 thousand, NT\$151,766 thousand, NT\$66,723 thousand, and NT\$21,980 thousand.

(6)The dilution of Wistron's earnings per share (EPS) and other impacts on shareholders' equity: Based on the Company's closing price before the Board Meeting held on March 24, 2020 of NT\$19.20 per share and outstanding shares of 2,840,612,050 shares, the dilution of Wistron's earnings per share for 2020, 2021, 2022, 2023, and 2024 shall be NT\$0.02, NT\$0.06, NT\$0.05, NT\$0.02, and NT\$0.01 respectively.

(7)Concluding from the preceding evaluation, there shall be limited effects on dilution of Wistron's future EPS, and there is no material impact on existing shareholders' equity.

4. If some revision or adjustment must be made in response to a competent authority's instruction, amendment to the laws and regulations, financial market conditions, or other objective circumstances, it is proposed that at the Annual General Shareholders' Meeting, the Board of Directors be authorized with full power and authority to handle all issues regarding the issuance of the restricted stock awards.

5. The restricted stock awards issued may be held in a security trust account.

6. With respect to the issuance of restricted stock awards, the relevant restrictions, important agreements, and any other matters not set forth here shall be dealt with in accordance with applicable laws and regulations and the issuance rules set by the Company.

7. Please discuss.

ITEM 5: 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 the change of government name in Chinese and rules and regulations update, it is proposed to make amendments to the “Articles of Incorporation.”
2. Please discuss.

Comparison between Original and Amendments to “Articles of Incorporation”

Items	Original Version	Amended Version	Reason
Article 5	The head office of the Company is located in the Hsinchu Science Park. Subject to the approval by board of directors and governmental authority, the Company may set up branch offices at other proper location(s).	The head office of the Company is located in the Hsinchu Science Park. Subject to the approval by board of directors and governmental authority, the Company may set up branch offices at other proper location(s).	In response to name amendment of the Science Park in Chinese (no changes in English translation)
Article 16-1	If the Company has net profit as a result of the yearly accounting closing, the Company shall first offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The board of directors may propose the distribution for approval in the shareholders’ meeting.	If the Company has <u>earnings at the end of the fiscal year</u> net profit as a result of the yearly accounting closing , the Company shall first <u>pay all relevant taxes</u> , offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The board of directors may propose the distribution for approval in the shareholders’ meeting.	To comply with the Regulation update.
Article 19 The 21 st amendment was made on June 12, 2019. The 21 st amendment was made on June 12, 2019. <u>The 22th amendment was made on June 18, 2020.</u>	Correspondence to the amendment date.

ITEM 6: Discussion of amendments to the “Rules and Procedures of Shareholders’ Meeting”

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

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 “Rules and Procedures of Shareholders’ Meeting.” (Please refer to Appendix 8, pages 61-64 for the comparison between the original and the amendments.)
2. Please discuss.

Voting by Poll

Extemporaneous Motion

Adjournment

Appendix 1

Wistron Corporation Business Report

2019 was a year with rapid changes. While the global economy had lackluster performance and trade wars became more intense, Wistron's business continuously performed well.

Furthermore, we restructured our internal organization during this critical year and divided the company into three business entities: (1) Wistron Technologies, (2) Wistron Smart Devices, and (3) Growth Incubator. We also kicked off the management transition to the next generation, actively developing and promoting outstanding younger managers to fulfill the company's future needs.

Hereby, I would like to briefly summarize Wistron's 2019 business results, business plan for 2020, and the company's future development strategy as follows.

2019 Financial and Operation Results

In 2019, our consolidated revenue reached NT\$878.26 billion, and net profit attributable to owners of parent was NT\$6,801 million, with earnings per share (EPS) of NT\$2.40. Consolidated revenue for the previous year was NT\$889.5 billion, net profit attributable to owners of parent was NT\$4,908 million, and EPS was NT\$1.76. Gross margin in 2019 was 4.8%, compared with 4.2% in 2018, and operating margin improved to 1.51% from 1.2% one year earlier.

In 2019 among our product lines, server, display, smart device, and components module businesses enjoyed growth. While the traditional consumer products (e.g. notebook, and desktop computer) suffered slower demand, their sales either remained at the same level or experienced a decline compared with the previous year.

Honors and Awards: In 2019, Wistron received the MSCI ACWI ESG rating of AA. The Company was also ranked in the top 5% in the 5th Corporate Governance Evaluation implemented by the Taiwan Stock Exchange (TWSE) and was selected as a constituent stock in the FTSE4Good TIP Taiwan ESG Index. Wistron also received the Commonwealth Magazine Excellence in Corporate Social Responsibility award in the large enterprise category for ten consecutive years.

2020 Business and Operation Focus

The COVID-19 pandemic which began sweeping around the world starting in the first quarter seriously affected the resumption of work and transportation activities of Chinese factories and supply chains. However, the company began to initiate several contingency measures and expects that the production level will gradually recover in the second quarter.

Even with this disruption, Wistron still focuses on the effective execution of our operating strategies and continues to focus on the five major operating directions which are as follows:

(1) Optimizing global footprints

To cope with ever-changing environment with rapid change of customer needs, we are enhancing our global footprints including the extension of new manufacturing plants. We are also developing cloud technology and platforms to improve overall management and operational efficiency across global footprints.

(2) Build technology services and innovation value

In addition to improving the satisfaction of existing ODM/OEM customers, we are committed to providing a high-quality business customer experience and developing new businesses and technologies such as industrial computers, professional displays, and consumer and smart devices to increase our profitability by adjusting the product portfolio.

(3) Aggressively invest, develop and acquire key technologies

We continue to invest and seek cooperation opportunities with partners, pre-arrange the application needs of industrial value chains such as artificial intelligence (AI) and 5G, and accumulate intellectual property rights and breakthrough technologies.

(4) Making positive impacts from digital transformation

In order to optimize internal management systems, establish a high-performance team, and provide more mature products and services, Wistron actively drives the integration of digitalization, analytics, and artificial intelligent (AI). We expect to make positive impacts throughout data-driven execution.

(5) Pursuing sustainable value for better engagement on ESG

Wistron has setup an ESG (Environment, Society, and Governance) Committee in 2019. Corporate sustainability and social responsibilities were upgraded to board level to establish the top-down strategic direction. We will closely engage with stakeholders to respond to their enquiries while promoting Wistron's ESG visibility.

Outlook for the Future

While we approach a path toward our third decade, Wistron will continue to accelerate the pace of global footprints with a diversified approach, strengthen forward-looking investments in technology and patents, implement digital transformation with artificial intelligence (AI) applications, and promote corporate sustainability with ESG performance to maintain our competitive advantage.

At the same time, Wistron will continue to develop corporate sustainability with the management philosophy of altruism, driving us to the digital vision of being “the technology powerhouse for better life and environment.”

Thank you for all your support and encouragement to Wistron over the years. Looking ahead, the company's management team and all employees will continue to act smart to create the greatest value for the company and shareholders.

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



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the financial statements of Wistron Corporation (“the Company”), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants Ruling No.1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2018 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. Trade receivables valuation

Please refer to Note 4(f) “Financial Instruments” for accounting policy, Note 5(a) for accounting assumption, judgments and estimation uncertainty of trade receivables and Note 6(d) for the disclosure of the valuation of trade receivables to the financial statements.

Description of key audit matter

Trade receivable valuation is one of the key judgmental areas for our audit, particularly in respect of the great influence of given the challenging industry climate, significant judgment being applied in the management’s assessment of recoverability of trade receivables.



How the matter was addressed in our audit

Our principal audit procedures included reviewing if the evaluation of trade receivables is accordance with the Company's accounting policy and recognizes loss allowances for expected credit losses; examining the records of customers' credit evaluation, and also historical data from the company's previous collection experience; assessing the collection of accounts receivables subsequently. We also considered the adequacy of the company's disclosures in this area.

2. Inventory valuation

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

Description of key audit matter

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

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included 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. We also considered the adequacy of the Company's disclosure in this area.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

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

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2020

Notes to Readers

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

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

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

WISTRON CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

	2019		2018	
	Amount	%	Amount	%
4000 Net revenues (notes 6(s) and 7)	\$ 735,742,458	100	750,900,387	100
5000 Cost of sales (notes 6(f)(h)(i)(j)(m)(n)(o)(u), 7 and 12)	715,395,847	97	734,976,713	98
5900 Gross profit	20,346,611	3	15,923,674	2
5910 Unrealized profit from sales	(488,515)	-	(164,564)	-
5950 Net gross profit	19,858,096	3	15,759,110	2
6000 Operating expenses (notes 6(d)(e)(h)(i)(j)(k)(m)(n)(o)(u), 7 and 12):				
6100 Selling	3,016,676	-	2,627,029	-
6200 Administrative	2,144,835	-	2,222,854	-
6300 Research and development	12,306,433	3	11,171,040	2
Total operating expenses	17,467,944	3	16,020,923	2
6900 Operating income (loss)	2,390,152	-	(261,813)	-
7000 Non-operating income and expenses (notes 6(g)(k)(m)(n)(t)(v), 7 and 12):				
7010 Other income	596,035	-	311,483	-
7020 Other gains and losses	631,315	-	1,142,002	-
7050 Finance costs	(2,973,387)	-	(3,050,803)	-
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method	5,879,266	1	5,780,462	1
Total non-operating income and expenses	4,133,229	1	4,183,144	1
7900 Profit before tax	6,523,381	1	3,921,331	1
7950 Less: Income tax benefit(note 6(p))	(277,387)	-	(987,141)	-
Net profit	6,800,768	1	4,908,472	1
8300 Other comprehensive income (notes 6(g)(o)(p)(q)(v))				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Losses on remeasurements of defined benefit plans	(96,910)	-	(160,648)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,983,210	-	(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	(22,733)	-	(552,356)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(53,900)	-	(54,304)	-
	1,917,467	-	(984,717)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(1,434,415)	-	1,849,277	-
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	(171,990)	-	(422,729)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(86)	-	20	-
	(1,606,319)	-	1,426,528	-
8300 Other comprehensive income	311,148	-	441,811	-
8500 Total comprehensive income	\$ 7,111,916	1	5,350,283	1
Earnings per share (in dollars) (note 6(r))				
9750 Basic earnings per share	\$ 2.40		1.76	
9850 Diluted earnings per share	\$ 2.36		1.73	

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

Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity				Total equity	
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriate d retained earnings	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		Treasury shares
Balance at January 1, 2018	\$ 27,486,880	22,076,225	7,591,125	-	13,735,404	21,326,529	(2,740,965)	(1,269,290)	(1,753,005)	65,126,374
Effects of retrospective application	-	-	-	-	641,117	641,117	-	(2,069,890)	-	(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)	1,269,290	(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)	-	441,811
Total comprehensive income	-	-	-	-	4,789,789	4,789,789	1,448,373	(887,879)	-	560,494
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 shares 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	-	-
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)	(533,236)	68,945,197
Effects of retrospective application	-	-	-	-	(54,346)	(54,346)	-	-	-	(54,346)
Balance at January 1, 2019 after adjustments	28,421,220	22,863,619	7,979,677	4,010,255	10,277,550	22,267,482	(1,292,592)	(2,835,642)	(533,236)	68,890,851
Net profit	-	-	-	-	6,800,768	6,800,768	-	-	-	6,800,768
Other comprehensive income	-	-	-	-	(92,207)	(92,207)	(1,659,589)	2,062,944	-	311,148
Total comprehensive income	-	-	-	-	6,708,561	6,708,561	(1,659,589)	2,062,944	-	7,111,916
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	490,847	-	(490,847)	-	-	-	-	-
Special reserve	-	-	-	117,979	(117,979)	-	-	-	-	-
Cash dividends	-	-	-	(4,226,640)	(4,226,640)	-	-	-	-	(4,226,640)
Changes in equity of associates and joint ventures accounted for using equity method	-	(29,038)	-	-	-	-	-	-	-	(29,038)
Treasury shares retired	(15,099)	(17,904)	-	-	-	-	-	-	33,003	-
Treasury shares transferred to employees	-	(51,852)	-	-	-	-	-	-	500,233	448,381
Changes in ownership interests in subsidiaries	-	1,800,464	-	-	(161,933)	(161,933)	-	-	-	1,638,531
Share-based payments transaction	-	116,583	-	-	-	-	-	-	-	116,583
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(188,755)	(188,755)	-	188,755	-	-
Balance at December 31, 2019	\$ 28,406,121	24,681,872	8,470,524	4,128,234	11,799,957	24,398,715	(2,952,181)	(583,943)	-	73,950,584

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

WISTRON CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows generated from operating activities:		
Profit before tax	\$ 6,523,381	3,921,331
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	483,091	392,397
Amortization expense	259,422	272,300
Expected credit loss	274,597	11,882
Net loss on financial assets or liabilities at fair value through profit or loss	389,089	45,797
Interest expense	2,973,387	3,050,803
Interest income	(80,735)	(105,172)
Dividend income	(474,301)	(145,125)
Compensation cost arising from share-based payments	116,583	-
Recognized share of associates and joint ventures accounted for equity method	(5,879,266)	(5,780,462)
Gain on disposal of property, plant and equipment	(46)	(439)
Property, plant and equipment reclassified as expenses	2,778	1,023
Other assets reclassified as expenses	9	2,395
Gain on disposal of investments	(12,475)	(5,887)
Other investment loss	13,597	-
Unrealized profit from sales	488,515	164,564
Lease modification loss	590	-
Loss (gain) on foreign currency exchange arising from loans and guarantee deposits	(686,620)	1,423,880
Total adjustments to reconcile profit	(2,131,785)	(672,044)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and trade receivables	1,366,986	(22,123,003)
Decrease in trade receivables - related parties	7,187,656	37,235,614
Increase in other receivable - related parties	(191,910)	(162,282)
Decrease (increase) in inventories	(4,183,272)	4,931,112
Increase in other current assets	(1,392,416)	(3,391,241)
Total changes in operating assets	2,787,044	16,490,200
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	345,282	(529,963)
Decrease in notes and trade payables	(161,339)	(563,912)
Decrease in trade payables - related parties	(6,242,623)	(28,022,793)
Increase (decrease) in other payables - related parties	(6,189,992)	5,124,038
Increase in current refund liability	1,259,621	1,020,320
Increase in other current liabilities	6,731,190	6,413,454
Decrease in other non-current liabilities	(219,837)	(36,870)
Total changes in operating liabilities	(4,477,698)	(16,595,726)
Net changes in operating assets and liabilities	(1,690,654)	(105,526)
Total changes in operating assets and liabilities	(3,822,439)	(777,570)
Cash inflow used in operations	2,700,942	3,143,761
Interest received	84,035	96,921
Dividends received	2,137,816	775,051
Interest paid	(3,086,266)	(2,986,287)
Income taxes paid	471,738	(13,542)
Net cash flows generated from operating activities	2,308,265	1,015,904
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(185,520)	(150,152)
Proceeds from disposal of financial assets at fair value through other comprehensive income	24,189	13,630
Return of financial assets at fair value through other comprehensive income	43,794	37,045
Acquisition of financial assets at fair value through profit or loss	(145,662)	(301,135)
Proceeds from disposal of financial assets at fair value through profit or loss	1,914	351,289
Decrease (increase) in other receivable - related parties	(752,650)	522,340
Addition to equity - accounted investees	(219,943)	(6,765,306)
Proceeds from disposal of equity - accounted investees	-	13,812
Proceeds from capital reduction of investments accounted for using equity method	-	586,316
Acquisition of property, plant and equipment	(532,630)	(397,159)
Proceeds from disposal of property, plant and equipment	27,957	158,136
Increase in refundable deposits	(131,293)	-
Increase in intangible assets	(88,134)	(316,343)
Increase in other non-current assets	(87,545)	(85,975)
Net cash flows used in investing activities	(2,045,523)	(6,333,502)
Cash flows used in financing activities:		
Increase in short-term loans	563,978,583	484,141,756
Repayments of short-term loans	(576,166,055)	(499,972,986)
Increase in long-term loans	8,819,755	16,158,205
Repayments of long-term loans	(5,071,489)	(10,579,610)
Increase (decrease) in guarantee deposits received	(63,804)	335,445
Payment of lease liabilities	(187,331)	-
Cash dividends paid	(4,226,640)	(3,208,199)
Treasury shares transferred to employees	448,381	761,447
Net cash flows used in financing activities	(12,468,600)	(12,363,942)
Net decrease in cash and cash equivalents	(12,205,858)	(17,681,540)
Cash and cash equivalents at beginning of year	15,244,305	32,925,845
Cash and cash equivalents at end of year	\$ 3,038,447	15,244,305



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the consolidated financial statements of Wistron Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Ruling No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2018 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. Trade receivables valuation

Please refer to Note 4(g) "Financial Instruments" for accounting policy, Note 5(a) for accounting assumption, judgments and estimation uncertainty of trade receivables and Note 6(d) for the disclosure of the valuation of trade receivables to the consolidated financial statements.



Description of key audit matter

Trade receivable valuation is one of the key judgmental areas for our audit, particularly in respect of the great influence of given the challenging industry climate, significant judgment being applied in the management's assessment of recoverability of trade receivables.

How the matter was addressed in our audit

Our principal audit procedures included reviewing if the evaluation of trade receivables is accordance with the Group's accounting policy and recognizes loss allowances for expected credit losses; examining the records of customers' credit evaluation, and also historical data from the group's previous collection experience; assessing the collection of accounts receivables subsequently. We also considered the adequacy of the group's disclosures in this area.

2. Inventory valuation

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

Description of key audit matter

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

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures included 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. We also considered the adequacy of the group's disclosures in this area.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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

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



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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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



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

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

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2020.

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (note 6(a))	\$ 47,411,947	14	43,529,023	13	2100	\$ 57,377,794	16	61,012,704
1110 Current financial assets at fair value through profit or loss (note 6(b))	59,430	-	67,755	-	2120	75,225	-	74,336
1170 Notes and trade receivables, net (notes 6(d)(i))	131,405,830	38	118,293,955	35	2130	2,429,134	1	1,601,713
1180 Trade receivable - related parties (notes 6(d)(ii) and 7)	479,432	-	58,988	-	2170	137,536,000	40	138,389,226
1210 Other receivables - related parties (notes 6(e) and 7)	4,455	-	2,845	-	2180	909,293	-	1,078,008
1220 Current tax assets	565,117	-	1,111,267	-	2220	26,113	-	36,290
130X Inventories (note 6(f))	85,570,281	25	89,614,023	26	2280	644,586	-	-
1470 Other current assets (notes 6(d)(e)(f))	13,251,260	4	22,749,288	7	2322	6,177,579	2	4,917,958
Total current assets	<u>278,747,752</u>	<u>81</u>	<u>275,427,144</u>	<u>81</u>	<u>2365</u>	<u>31,346,070</u>	<u>9</u>	<u>32,768,654</u>
Non-current assets:								
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	220,256	-	438,871	-	2399	238,928,971	69	239,878,889
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	5,555,156	2	3,219,465	1		15,752,275	5	20,234,382
1550 Equity - accounted investees (note 6(g))	6,727,285	2	6,514,305	2	2540	2,591,022	1	3,209,855
1600 Property, plant and equipment (notes 6(i) and 7)	40,673,093	12	42,868,387	13	2570	923,848	-	-
1755 Right-of-use assets (notes 6(j) and 7)	4,016,639	1	-	-	2580	2,079,145	1	2,247,867
1780 Intangible assets (note 6(k))	957,532	-	1,077,197	-	2600	21,346,290	7	25,692,104
1840 Deferred tax assets (note 6(l))	5,820,351	2	5,776,897	2		260,275,261	76	265,570,993
1900 Other non-current assets (notes 6(d)(f) and 8)	1,458,271	-	3,780,309	1				
Total non-current assets	<u>65,428,583</u>	<u>19</u>	<u>63,675,431</u>	<u>19</u>		<u>28,406,121</u>	<u>8</u>	<u>28,421,220</u>
Total assets	<u>\$ 344,176,335</u>	<u>100</u>	<u>\$ 339,102,575</u>	<u>100</u>		<u>\$ 344,176,335</u>	<u>100</u>	<u>\$ 339,102,575</u>
Liabilities and Equity								
Current liabilities:								
Short-term loans (notes 6(m)(aa) and 8)								
Current financial liabilities at fair value through profit or loss (note 6(b))								
Current contract liabilities (note 6(o))								
Notes and trade payables								
Trade payables - related parties (note 7)								
Other payables - related parties (note 7)								
Current lease liabilities (notes 6(d)(aa) and 7)								
Current portion of long-term loans (notes 6(m)(aa))								
Current refund liability (note 6(p))								
Other current liabilities								
Total current liabilities								
Non-current liabilities:								
Long-term loans (notes 6(m)(aa))								
Deferred tax liabilities (note 6(q))								
Non-current lease liabilities (notes 6(p)(aa) and 7)								
Other non-current liabilities (notes 6(p)(aa))								
Total non-current liabilities								
Total liabilities								
Equity attributable to owners of parent (notes 6(c)(r)):								
Ordinary shares					3110			
Capital surplus					3200			
Retained earnings					3300			
Other equity					3400			
Treasury shares					3500			
Total equity attributable to owners of parent								
Non-controlling interests (notes 6(h)(r)(s))					36XX			
Total equity								
Total liabilities and equity								
	<u>\$ 344,176,335</u>	<u>100</u>	<u>\$ 339,102,575</u>	<u>100</u>		<u>\$ 344,176,335</u>	<u>100</u>	<u>\$ 339,102,575</u>

(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, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2019		2018	
	Amount	%	Amount	%
4000 Net revenues (notes 6(u) and 7)	\$ 878,255,078	100	889,536,347	100
5000 Cost of sales (notes 6(f)(i)(j)(n)(o)(p)(s)(w), 7 and 12)	836,096,528	95	851,977,091	96
5900 Gross profit	42,158,550	5	37,559,256	4
Operating expenses (notes 6(d)(e)(i)(j)(k)(n)(o)(p)(s)(w), 7 and 12):				
6100 Selling	9,243,449	1	9,226,027	1
6200 Administrative	3,417,109	1	3,163,616	-
6300 Research and development	16,198,147	2	14,403,597	2
Total operating expenses	28,858,705	4	26,793,240	3
Operating income	13,299,845	1	10,766,016	1
Non-operating income and expenses (notes 6(g)(n)(o)(v)(x) and 7):				
7010 Other income	2,588,732	-	1,342,857	-
7020 Other gains and losses	1,358,737	-	1,888,282	-
7050 Finance costs	(4,810,821)	-	(4,747,543)	-
7060 Recognized share of associates and joint ventures accounted for equity method	339,573	-	409,226	-
Total non-operating income and expenses	(523,779)	-	(1,107,178)	-
7900 Profit before tax	12,776,066	1	9,658,838	1
7950 Less: Income tax expenses (note 6(q))	3,049,823	-	2,373,649	-
8200 Net profit	9,726,243	1	7,285,189	1
8300 Other comprehensive income (notes 6(g)(p)(q)(r)(x))				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
8310 Losses on remeasurements of defined benefit plans	(110,406)	-	(157,918)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,995,704	-	(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	(3,516)	-	(3,361)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(34,799)	-	(32,278)	-
	<u>1,916,581</u>	<u>-</u>	<u>(984,714)</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8360 Exchange differences on translation of foreign financial statements	(1,665,881)	-	1,543,718	-
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	2,586	-	(40,048)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(86)	-	20	-
	<u>(1,663,209)</u>	<u>-</u>	<u>1,503,650</u>	<u>-</u>
Total other comprehensive income, net of tax	253,372	-	518,936	-
8500 Total comprehensive income	\$ 9,979,615	1	7,804,125	1
Net profit attributable to (notes 6(h)(r)):				
8610 Owners of parent	\$ 6,800,768	1	4,908,472	1
8620 Non-controlling interests	2,925,475	-	2,376,717	-
	<u>\$ 9,726,243</u>	<u>1</u>	<u>7,285,189</u>	<u>1</u>
Comprehensive income attributable to (notes 6(h)(r)):				
8710 Owners of parent	\$ 7,111,916	1	5,350,283	1
8720 Non-controlling interests	2,867,699	-	2,453,842	-
	<u>\$ 9,979,615</u>	<u>1</u>	<u>7,804,125</u>	<u>1</u>
Earnings per share (in dollars) (note 6(f))				
9750 Basic earnings per share	\$ 2.40		1.76	
9850 Diluted earnings per share	\$ 2.36		1.73	

(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, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings					Other equity						
Share capital	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2018	28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	(1,292,592)	(2,835,642)	(4,128,234)	(533,236)	68,945,197	4,586,385	73,531,582
Effects of retrospective application	-	-	-	-	(54,346)	-	-	-	-	(54,346)	(938)	(55,284)
Balance at January 1, 2018 after adjustments	28,421,220	22,863,619	7,979,677	4,010,255	10,277,550	(1,292,592)	(2,835,642)	(4,128,234)	(533,236)	68,890,851	4,585,447	73,476,298
Net profit	-	-	-	-	6,800,768	6,800,768	2,062,944	-	-	6,800,768	2,925,475	9,726,243
Other comprehensive income	-	-	-	-	(92,207)	(92,207)	2,062,944	-	-	311,148	(57,776)	253,372
Total comprehensive income	-	-	-	-	6,708,561	6,708,561	2,062,944	-	-	7,111,916	2,867,699	9,979,615
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	490,847	-	(490,847)	-	-	-	-	-	-	-
Special reserve	-	-	-	117,979	(117,979)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,226,640)	(4,226,640)	-	-	-	(4,226,640)	-	(4,226,640)
Changes in equity of associates and joint ventures accounted for using equity method	-	(29,038)	-	-	-	-	-	-	-	(29,038)	-	(29,038)
Treasury shares retired	(15,099)	(17,904)	-	-	-	-	-	-	33,003	-	-	-
Treasury shares transferred to employees	-	(51,852)	-	-	-	-	-	-	500,233	448,381	-	448,381
Changes in ownership interests in subsidiaries	-	1,800,464	-	-	(161,933)	(161,933)	-	-	-	1,638,531	-	1,638,531
Share-based payment transactions	-	116,583	-	-	-	-	-	-	-	116,583	-	116,583
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(188,755)	(188,755)	188,755	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,497,344	2,497,344
Balance at December 31, 2019	\$ 28,406,121	24,681,872	8,470,524	4,128,234	11,799,957	(2,952,181)	(583,941)	(3,536,124)	-	73,950,584	9,950,490	83,901,074
Balance at January 1, 2019	27,486,880	22,076,225	7,591,125	-	13,735,404	(2,740,965)	(2,069,890)	(4,010,255)	(1,753,005)	65,126,374	1,294,688	66,421,062
Effects of retrospective application	-	-	-	-	641,117	641,117	1,269,290	-	-	(159,483)	-	(159,483)
Balance at January 1, 2018 after adjustments	27,486,880	22,076,225	7,591,125	-	14,376,521	(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)	(887,879)	-	-	441,811	77,125	518,936
Total comprehensive income	-	-	-	-	4,789,789	4,789,789	(887,879)	-	-	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)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	409,906	-	-	-	-	-	-	-	711,308	-	711,308
Treasury shares retired	(169,112)	359,615	-	-	379	379	-	-	371,819	359,994	-	359,994
Treasury shares transferred to employees	-	(129,116)	-	-	(73,591)	(73,591)	-	-	847,950	761,447	-	761,447
Changes in ownership interests in subsidiaries	-	(7,186)	-	-	(79,317)	(79,317)	-	-	-	3,473	-	3,473
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	154,175	-	-	(150,702)	(150,702)	122,127	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	(122,127)	(122,127)	-	-	-	-	-	-
Balance at December 31, 2018	28,421,220	22,863,619	7,979,677	4,010,255	10,331,896	(1,292,592)	(2,835,642)	(4,128,234)	(533,236)	68,945,197	4,586,385	73,531,582
Effects of retrospective application	-	-	-	-	(54,346)	-	-	-	-	(54,346)	(938)	(55,284)
Balance at January 1, 2019 after adjustments	28,421,220	22,863,619	7,979,677	4,010,255	10,277,550	(1,292,592)	(2,835,642)	(4,128,234)	(533,236)	68,890,851	4,585,447	73,476,298
Net profit	-	-	-	-	6,800,768	6,800,768	2,062,944	-	-	6,800,768	2,925,475	9,726,243
Other comprehensive income	-	-	-	-	(92,207)	(92,207)	2,062,944	-	-	311,148	(57,776)	253,372
Total comprehensive income	-	-	-	-	6,708,561	6,708,561	2,062,944	-	-	7,111,916	2,867,699	9,979,615
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	490,847	-	(490,847)	-	-	-	-	-	-	-
Special reserve	-	-	-	117,979	(117,979)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,226,640)	(4,226,640)	-	-	-	(4,226,640)	-	(4,226,640)
Changes in equity of associates and joint ventures accounted for using equity method	-	(29,038)	-	-	-	-	-	-	-	(29,038)	-	(29,038)
Treasury shares retired	(15,099)	(17,904)	-	-	-	-	-	-	33,003	-	-	-
Treasury shares transferred to employees	-	(51,852)	-	-	-	-	-	-	500,233	448,381	-	448,381
Changes in ownership interests in subsidiaries	-	1,800,464	-	-	(161,933)	(161,933)	-	-	-	1,638,531	-	1,638,531
Share-based payment transactions	-	116,583	-	-	-	-	-	-	-	116,583	-	116,583
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(188,755)	(188,755)	188,755	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,497,344	2,497,344
Balance at December 31, 2019	\$ 28,406,121	24,681,872	8,470,524	4,128,234	11,799,957	(2,952,181)	(583,941)	(3,536,124)	-	73,950,584	9,950,490	83,901,074

(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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows generated from operating activities:		
Profit before tax	\$ 12,776,066	9,658,838
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	9,783,921	7,938,345
Amortization expense	300,039	311,116
Expected credit loss	299,462	55,411
Net loss on financial assets or liabilities at fair value through profit or loss	383,430	98,188
Interest expense	4,810,821	4,747,543
Interest income	(2,009,432)	(1,071,586)
Dividend income	(483,430)	(149,758)
Compensation cost arising from share-based payments	281,579	105,898
Recognized share of associates and joint ventures accounted for equity method	(339,573)	(409,226)
Loss on disposal of property, plant and equipment	41,412	13,819
Property, plant and equipment reclassified as expenses	5,677	48,303
Other non-current assets reclassified as expenses	17,395	70,051
Gain on disposal of investments	(193,365)	(106,370)
Other investment loss (income)	13,597	(94,394)
Lease modification loss	2,134	-
Total adjustments to reconcile profit	<u>12,913,667</u>	<u>11,557,340</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and trade receivables	(14,734,428)	(22,772,441)
Increase in trade receivables - related parties	(421,539)	(26,174)
Decrease (increase) in other receivable - related parties	(1,624)	23,839
Decrease in inventories	2,501,700	4,377,793
Decrease (increase) in other current assets	403,016	(7,065,234)
Total changes in operating assets	<u>(12,252,875)</u>	<u>(25,462,217)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	827,420	(338,873)
Increase in notes and trade payables	790,748	3,969,628
Increase (decrease) in trade payables - related parties	(156,117)	232,131
Increase (decrease) in other payables - related parties	(14,153)	72,714
Increase in current refund liability	1,259,621	1,020,320
Increase in other current liabilities	7,709,075	8,018,766
Decrease in other non-current liabilities	(197,900)	(93,126)
Total changes in operating liabilities	<u>10,218,694</u>	<u>12,881,560</u>
Net changes in operating assets and liabilities	<u>(2,034,181)</u>	<u>(12,580,657)</u>
Total changes in operating assets and liabilities	<u>10,879,486</u>	<u>(1,023,317)</u>
Cash generated from operations	23,655,552	8,635,521
Interest received	2,142,126	1,265,370
Dividends received	879,384	526,962
Interest paid	(5,160,731)	(4,840,306)
Income taxes paid	(2,920,769)	(1,431,460)
Net cash generated from operating activities	<u>18,595,562</u>	<u>4,156,087</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(410,463)	(725,898)
Proceeds from disposal of financial assets at fair value through other comprehensive income	24,189	21,344
Return of financial assets at fair value through other comprehensive income	44,382	91,464
Acquisition of financial assets at fair value through profit or loss	(37,968,045)	(17,644,212)
Proceeds from disposal of financial assets at fair value through profit or loss	37,783,409	17,992,587
Addition to equity - accounted investees	(352,166)	(200,264)
Proceeds from disposal of equity - accounted investees	248,112	329,228
Acquisition of property, plant and equipment	(6,610,228)	(8,565,871)
Proceeds from disposal of property, plant and equipment	102,267	33,479
Increase in refundable deposits	(126,822)	(8,899)
Increase in intangible assets	(185,619)	(330,052)
Decrease (increase) in other receivable - related parties	1,634	(3,886)
Increase in other non-current assets	(1,324,851)	(5,215,276)
Net cash flows used in investing activities	<u>(8,774,201)</u>	<u>(14,226,256)</u>
Cash flows used in financing activities:		
Increase in short-term loans	725,995,118	614,004,234
Repayments of short-term loans	(728,625,680)	(637,235,698)
Increase in long-term loans	8,819,755	21,590,472
Repayments of long-term loans	(10,593,725)	(10,539,915)
Increase (decrease) in guarantee deposits received	(66,975)	327,888
Repayments of lease liabilities	(710,956)	-
Cash dividends paid	(4,226,640)	(3,208,199)
Treasury shares transferred to employees	448,381	761,447
Change in non-controlling interests	3,878,374	735,017
Net cash flows used in financing activities	<u>(5,082,348)</u>	<u>(13,564,754)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(856,089)</u>	<u>1,177,829</u>
Net increase (decrease) in cash and cash equivalents	3,882,924	(22,457,094)
Cash and cash equivalents at beginning of year	43,529,023	65,986,117
Cash and cash equivalents at end of year	<u>\$ 47,411,947</u>	<u>43,529,023</u>

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2019 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 24, 2020

Appendix 3

**Comparison between Original and Amendments to
“Ethical Corporate Management Best Practice Principles”**

Items	Original Version	Amended Version	Reason
Article 2	<p>Prohibition of unethical conduct When engaging in commercial activities, directors, executive level management, employees, mandataries of the Company or persons having substantial control over the Company (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other stakeholders.</p>	<p>Prohibition of unethical conduct When engaging in commercial activities, directors (<u>including independent director</u>), executive level management, employees, mandataries of the Company, or persons having substantial control over the Company (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other stakeholders.</p>	To comply with the Company’s operational needs.
Article 6	<p>Prevention measure The Company is advised to, in accordance with the operational philosophies and policies prescribed in the preceding article, establish its own ethical corporate management best practice principle comprehensive measures to forestall unethical conduct (hereunder referred to as the “prevention measure”), including operational procedures, guidelines, and training.</p>	<p>Prevention <u>program</u> measure The Company is advised to, in accordance with the operational philosophies and policies prescribed in the preceding article, establish its own ethical corporate management best practice principle comprehensive <u>programs</u> measures to forestall unethical conduct (hereunder referred to as the “prevention <u>program</u> measure “), including operational procedures, guidelines, and training.</p>	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
	This prevention program should be in compliance with the relevant laws of the Republic of China.	This prevention program <u>measure</u> should be in compliance with the relevant laws of the Republic of China.	
Article 7	<p>The range of prevention measure</p> <p>When establishing the prevention measure, the Company shall analyze which business activities within their business scope which may be at a higher risk of being involved in unethical conduct, and strengthen the preventive measures.</p> <p>The prevention measure established by the Company shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 	<p>The range of prevention <u>program</u> <u>measure</u></p> <p>When <u>utilizing the risk assessment mechanisms against unethical conduct</u> establishing the prevention measure, the Company shall analyze <u>and assess on a regular basis the</u> which-business activities scope which may be at a higher risk of being involved in unethical conduct. <u>The Company shall establish a prevention program accordingly and evaluate the adequacy and effectiveness of this prevention program on a regular basis.</u> and strengthen the preventive measures.</p> <p>The prevention program <u>measure</u> established by the Company includes preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. <u>Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u> 6. <u>Engaging in unfair competitive practices.</u> 7. <u>Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</u> 	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 8	<p>Commission and implement The Company and business groups clearly specify ethical management policy in internal rules and external documents. The board of directors and the executive level management also shall undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities.</p>	<p>Commitment and implementation <u>The company requests the directors and executive level management to issue a statement of compliance with the ethical management policy and all employees are bound by employment contract to comply with ethical management policy.</u> The Company and business groups clearly specify ethical management policy in internal rules, external documents, <u>and on the company website.</u> The board of directors and the executive level management also shall <u>thoroughly implement this ethical management policy in</u> undertake to rigorously and thoroughly enforce such policies for internal management and external commercial activities. <u>The Company shall compile and document these ethical management policies, statements, commitments, and implementation methods and store the documents properly.</u></p>	To comply with the Regulation update.
Article 17	<p>Organization and responsibility The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive program and continually make adjustments so as to ensure thorough implementation of its ethical management policy. To achieve sound ethical corporate management, the Administration and Human Resource Department is delegated to take charge of establishing and supervising the implementation of the ethical</p>	<p>Organization and responsibility The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the prevention program, and continually make adjustments so as to ensure thorough implementation of its ethical management policy. To achieve sound ethical corporate management, the Administration and Human Resource Department is delegated to take charge of establishing and supervising the implementation of the ethical</p>	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
	<p>corporate management policy and prevention measure, and it shall report to the Board of Directors on a regular basis.</p>	<p>management policy and prevention <u>program</u> measure, and shall report to the board of directors on a regular basis (<u>at least once a year</u>).</p>	
Article 18	<p>Compliance with applicable laws or regulations when conducting business The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention measure when conducting business.</p>	<p>Compliance with applicable laws or regulations when conducting business The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention <u>program</u> measure when conducting business.</p>	To comply with the Regulation update.
Article 21	<p>Training and assessment The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention measure and the consequences of committing unethical conduct. The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	<p>Training and assessment The Company shall periodically organize training and awareness programs for directors, executive level management, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention <u>program</u> measure, and the consequences of committing unethical conduct. The Company shall apply the ethical management policy when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</p>	To comply with the Regulation update.
Article 22	<p>Reporting and Discipline The company adopts a concrete whistle-blowing system which includes the following: 1. An appropriate reporting channel to allow company insiders and outsiders to submit reports. 2. The dedicated personnel or the dedicated unit appointed to handle the whistleblowing system shall report any tip</p>	<p>Reporting and <u>Whistleblowing System Discipline</u> The company adopts a concrete whistleblowing system which includes the following: 1. An appropriate reporting channel to allow company insiders and outsiders to submit reports. 2. The dedicated personnel or the dedicated unit appointed to handle the whistleblowing</p>	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
	<p>involving a director or executive level management to the independent directors or the highest manager of the Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>3. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>4. Confidentiality of the identity of whistleblowers and the content of reported cases.</p> <p>5. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.</p> <p>6. Whistleblowing incentive measures.</p>	<p>system shall report any tip involving a director or executive level management to the independent directors or the highest manager of the Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p><u>3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>43. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>54. Confidentiality of the identity of whistleblowers and the content of reported cases.</p> <p>65. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.</p> <p>76. Whistleblowing incentive measures.</p>	
Article 26	<p>The Principles were enacted on March 15, 2014. The 1st amendment was made on November 11, 2016.</p>	<p>The Principles were enacted on March 15, 2014. The 1st amendment was made on November 11, 2016. <u>The 2nd amendment was made on December 19, 2019.</u></p>	Correspondence to the amendment date.

Appendix 4

Wistron Corporation

Ethical Corporate Management Best Practice Principles

Article 1 **Purpose of adoption and scope of application**

Ethical Corporate Management Best Practice Principles is promulgated to assist Wistron Corporation (hereunder referred to as “the Company”) to strengthen a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

Except for juridical persons or institutions who already set up their Ethical Corporate Management Best Practice Principles (hereunder referred to as “the Principles”) or other internal rules, the Principles of the Company are applicable to its business groups and organizations of the Company. Wistron’s business groups and organization are comprised of subsidiaries and any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation (“business group”).

Article 2 **Prohibition of unethical conduct**

When engaging in commercial activities, directors (including independent director), executive level management, employees, mandataries of the Company, or persons having substantial control over the Company (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other stakeholders.

Article 3 **Types of benefits**

“Benefits” in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

- Article 4 **Compliance with applicable laws or regulations**
The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Intellectual Properties Laws, TWSE/GTSM-listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
- Article 5 **The policy**
The Company shall abide by the operational philosophies of honesty, transparency, and responsibility. Policies are based on the principle of good faith. The Company establishes good corporate governance, risk control, and management mechanisms so as to create an operational environment for sustainable development.
- Article 6 **Prevention program**
The Company is advised to, in accordance with the operational philosophies and policies prescribed in the preceding article, establish its own ethical corporate management best practice principle comprehensive programs to forestall unethical conduct (hereunder referred to as the “prevention program”), including operational procedures, guidelines, and training.
This prevention program should be in compliance with the relevant laws of the Republic of China.
- Article 7 **The range of prevention program**
When utilizing the risk assessment mechanisms against unethical conduct, the Company shall analyze and assess on a regular basis the business activities which may be at a higher risk of being involved in unethical conduct. The Company shall establish a prevention program accordingly and evaluate the adequacy and effectiveness of this prevention program on a regular basis.
The prevention program established by the Company includes preventive measures against the following:
1. Offering and acceptance of bribes.
 2. Illegal political donations.
 3. Improper charitable donations or sponsorship.
 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
 6. Engaging in unfair competitive practices.
 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.
- Article 8 **Commitment and implementation**

The company requests the directors and executive level management to issue a statement of compliance with the ethical management policy and all employees are bound by employment contract to comply with ethical management policy.

The Company and business groups clearly specify ethical management policy in internal rules, external documents, and on the company website. The board of directors and the executive level management also shall thoroughly implement this ethical management policy in internal management and external commercial activities.

The company shall compile and document these ethical management policies, statements, commitments, and implementation methods and store the documents properly.

Article 9 **Commercial transactions in ethical**

Prior to any commercial transactions, the Company will take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and its records of unethical conduct, if any. It is advisable not to have any dealings with persons who have any records of unethical conduct.

Article 10 **Prohibition of bribery**

When conducting business, the directors, executive level management, employees, mandataries and substantial controllers of the Company shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public officials, or other stakeholders.

Article 11 **Prohibition of offering illegal political donations**

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the directors, executive level management, employees, mandataries, and substantial controllers of the Company shall comply with the Political Donations Act and its own relevant internal operational procedures and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 **Prohibition of improper donations and sponsorship**

When making or offering donations and sponsorship, the directors, executive level management, employees, mandataries and substantial controllers of the Company shall comply with relevant laws and regulations and internal operational procedures and shall not surreptitiously engage in bribery.

Article 13 **Prohibition of unreasonable presents, service, hospitality or other improper benefits**

The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall not directly or indirectly offer or accept any unreasonable presents, hospitality, or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 **Prohibition of Intellectual Property Right Infringement**

The directors, executive level management, employees, mandataries and substantial controllers of the Company shall comply with applicable laws and regulations concerning intellectual property, the Company's internal operational procedures. They may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights owner.

Article 15 **Prohibition of conducting unfair competition behavior**

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output or quotas restrictions, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 **Preventing product or service from damaging interested party**

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the directors, executive level management, employees, mandataries, and substantial controllers of the Company shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and the safety of, its products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in operations, with a view to preventing products and services of the Company from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 17 **Organization and responsibility**

The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the prevention program, and continually make adjustments so as to ensure thorough implementation of its ethical management policy.

To achieve sound ethical corporate management, the Administration and Human Resource Department is delegated to take charge of establishing and supervising the implementation of the ethical management policy and prevention program, and shall report to the board of directors on a regular basis (at least once a year).

Article 18 **Compliance with applicable laws or regulations when conducting business**

The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention program when conducting business.

Article 19 **Avoiding conflicts of interest of directors and executive level management**

The Company shall adopt policies for preventing conflicts of interest and offer appropriate means for directors, executive level management, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with interests of the company. Detailed regulations are written in “Codes of Ethical Conduct” of the Company.

The Company’s directors, executive level management and other stakeholders attending or present at board meetings shall exercise a high degree of self-discipline. Directors may express their opinions and respond to questions in regards to meeting agendas that have interest relationships with themselves or their proxy, which may conflict with the company's interest. Under such circumstances, Directors may not participate in discussions and exercise their voting rights, and they should recuse themselves from such discussions and execution of voting rights. The directors shall practice self-discipline and must not support one another in improper dealings.

The directors, executive level management, employees, mandataries, and substantial controllers of the Company shall not take advantage of their positions in the company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.

Article 20 **Operational procedures and guidelines**

The Company shall establish operational procedures and guidelines in accordance with Article 6 to guide directors, executive level management, employees, mandataries and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients, and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of the Principles.
8. Disciplinary measures on offenders.

Article 21 **Training and assessment**

The Company shall periodically organize training and awareness programs for directors, executive level management, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention program, and the consequences of committing unethical conduct.

The Company shall apply the ethical management policy when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 22 **Reporting and Whistleblowing System**

The company adopts a concrete whistleblowing system which includes the following:

1. An appropriate reporting channel to allow company insiders and outsiders to submit reports.
2. The dedicated personnel or the dedicated unit appointed to handle the whistleblowing system shall report any tip involving a director or executive level management to the independent directors or the highest manager of the Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistleblowers and the content of reported cases.
6. Measures for protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.
7. Whistleblowing incentive measures.

Article 23 **Information disclosure**

The Company shall disclose the status of the enforcement of the principles on its company websites and within annual reports and prospectuses.

Article 24 **Review and improvement of the principles**

The Company shall enhance effectiveness of ethical management based on monitoring the development of relevant local and international regulations concerning ethical corporate management and encouraging directors, executive level management, and employees to make suggestions to review and improve the principles.

Article 25 **Enforcement**

The Principles and any amendments will be implemented after adoption by resolution of the board of directors and will be reported to shareholders at the shareholders meeting.

Article 26 The Principles were enacted on March 15, 2014.
The 1st amendment was made on November 11, 2016.
The 2nd amendment was made on December 19, 2019.

Appendix 5

Wistron Corporation

The Rules of 1st Repurchase of the Company's Shares Transferred to Employees in 2020

Article 1: To motivate employees and in accordance with Article 28-2-1-1 of Securities and Exchange Law and regulation of Financial Supervisory Commission, R.O.C. on "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies", the Company adopts these "The Rules of 1st Repurchase of the Company's Shares Transferred to Employees in 2020". The repurchased shares will be transferred to employees according to related laws and these Rules.

Article 2: The shares transferred to employees for the common stock, rights and obligations of the Act and these Regulations except as otherwise provided, are the same as other ordinary shares outstanding.

Article 3: According to this procedure, the phases repurchased shares to employees one time or various times in five years starting from the date of repurchase period.

Article 4: For full-time employees of the Company and its domestic and overseas subordinate companies who have joined the Company more than three months and who have special contribution to the Company being approved by Chairman are entitled to subscribe the amount specified in Article 5 of this procedure.

The subordinate company referred to in the preceding paragraph is recognized in accordance with the standards of Article 369-2, paragraph 1, of the Company Law.

Article 5: To set the standard for share subscription according to employee's rank and special contribution to the Company, and will submit the standard to the chairman for approval.

Article 6: The transfer procedure of this phase's share repurchase program:

1. According to the board resolution, make announcement and execute company share repurchase during the repurchase period.
2. The Chairman is authorized under this procedure to establish and announce the subscription record date, the standard for subscription amount, the payment period, and the rights contents and restrictions etc.
3. Calculate the actual share amount with payment and transfer the shares accordingly.
4. The detailed contents of the above operation procedures will be submitted to the company's chairman for approval after the implementation rules are separately formulated and announced separately.

Article 7: The transfer price will be determined by the average price of shares purchased and the cost of capital could be included. If the Company's numbers of common shares increase or decrease before the share transfer, then the transfer price will be adjusted accordingly. Formula for transfer price adjustment:

Adjusted transfer price=average actual repurchase price per share × (total number of common stock shares after the repurchase has been executed by Wistron ÷ total number of common stock shares prior to Wistron's transfer of the repurchased shares to employees)

Article 8: After the repurchased shares are being transferred and registered under employees' names, unless otherwise specified, the rights and obligations of the shares are the same as the other common shares.

Article 9: This rule will go into effect after approval at a Meeting of the Board of Directors and should be reported in the Shareholder's meeting. This shall apply to any amendments.

The Rule was enacted on March 24, 2020.

The 1st amendment was made on May 13, 2020.

Appendix 6

Wistron Corporation
Profit Appropriation Statement for 2019

Unit: NT\$

Unappropriated retained earnings at the beginning of the year		5,496,430,722
Plus (Less):		
Effect of Adoption of IFRSs 16	(54,346,157)	
Remeasurements of defined benefit obligation	(92,206,898)	
Changes in ownership interests in subsidiaries	(161,932,560)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(188,755,383)	
Net Profit of 2019	6,800,767,919	
Set aside Legal Reserve	(680,076,792)	
Reversal in special reserve	592,109,424	
Retained Earnings Available for Distribution		11,711,990,275
Distribution Items:		
Stock Dividends to Common Shareholders	0	
Cash Dividends to Common Shareholders	(5,681,224,100)	(5,681,224,100)
Unappropriated Retained Earnings		6,030,766,175

Note 1: Stock dividend: NT\$0.

Note 2: Cash dividend: NT\$2.0 per share, and the cash dividend is rounded down to the nearest NT dollar; the amount rounded off will be credited to other income of Wistron.

Chairman: Simon Lin

President: Robert Hwang

Controller: Stone Shih

Wistron Corporation
Articles of Incorporation

Chapter I General Provisions

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

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

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

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

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

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

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

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

Chapter II Share Capital

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

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

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

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

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

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

Article 7 The shares in the Company will be registered shares duly certified by the directors representing the Company, numbered and issued in accordance with laws. The Company may adopt book-entry transfer of shares, instead of issuance of share certificates; as well as with other securities of the Company.

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

Chapter III Shareholders' Meeting

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

Article 10 A shareholder unable to personally attend the shareholders' meeting for whatever cause may vote by proxy with a duly executed appointment form issued by the Company specifying the authorized powers. Except for securities trust enterprises or stock agencies approved by the competent authority, a person who acts as a proxy for two or more shareholders are not entitled to vote when the represented shares exceed three percent (3%) of the total voting rights of the outstanding shares of the Company. An appointment of a proxy is effective when a signed appointment form is received by the Company five (5) days before the shareholders' meeting. Where two or more appointment forms are received by the Company, the first one received shall govern.

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

Chapter IV Directors and Audit Committee

Article 11 The Company will have a Board of Directors consisting of seven to nine Directors, who will be elected by the shareholders' meeting from the director candidate list via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company should obtain liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties. The compensation or transportation allowance paid to the Directors shall be determined by the Board of Directors' resolution according to the industry standard, no matter whether the Company has profit or suffered loss.

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

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

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

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

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

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

Chapter V Managerial Officers

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

Chapter VI Accounting

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

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

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

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

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

Chapter VII Supplementary Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix 8

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

Items	Original Version	Amended Version	Reason
Article 1	The Shareholders’ Meeting (the “Meeting”) of Wistron Corporation (“Wistron”) shall be conducted in accordance with these Rules and Procedures.	The Shareholders’ Meeting (the “Meeting”) of Wistron Corporation (“Wistron”), <u>except as otherwise provided by law, regulation, or the articles of incorporation,</u> shall be conducted in accordance with these Rules and Procedures.	Merge the content of Article 20 and make some wording corrections.
Article 14	When the Chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.	<u>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders;</u> When the Chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution and arrange adequate voting time.	To comply with the Regulation update and the Company’s operational needs.
Article 15	The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting. After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes. In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received	The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders’ Meeting. After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes. In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received	To comply with the Regulation update and the Company’s operational needs.

Items	Original Version	Amended Version	Reason
	by each.	by each. <u>The ballots for the election shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year.</u>	
Article 16	Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.	<p><u>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</u></p> <p><u>When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</u></p> <p><u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic</u></p>	To comply with the Regulation update and the Company's operational needs.

Items	Original Version	Amended Version	Reason
		<p><u>means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p> <p>Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. <u>At the time of a vote, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.</u></p>	
Article 17	If there is an amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary. The	If there is an amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary. The shareholders—	The deleted part is incorporated into the amended Article 16.

Items	Original Version	Amended Version	Reason
	shareholders who voted in writing or electronically shall be deemed to have waived his/her/its voting power with respect to any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders' Meeting.	who voted in writing or electronically shall be deemed to have waived his/her/its voting power with respect to any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders' Meeting.	
Article 18	The Chairman may direct disciplinary personnel (or security personnel) to maintain the order of the Meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel."	The Chairman may direct disciplinary personnel (or security personnel) to maintain the order of the Meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel." <u>At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.</u> <u>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</u>	To comply with the Regulation update and the Company's operational needs.
Article 20	Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and the Article of Incorporation of Wistron.	Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and the Article of Incorporation of Wistron.	This article is deleted and incorporated into the amended Article 1.
Article 2021 The 2 nd amendment was made on June 14, 2013. The 2 nd amendment was made on June 14, 2013. <u>The 3rd amendment was made on June 18, 2020.</u>	Correspondence to the amendment date.

Appendix 9**Wistron Corporation**
Shareholdings of Directors

(As of April 20, 2020)

Title	Name	Number of Shares
Chairman	Simon Lin (Hsien-Ming Lin)	43,599,252
Vice Chairman	Robert Huang (Po-Tuan Huang)	10,217,628
Director	Wistron NeWeb Corp. Representative: Haydn Hsieh (Hong-Po Hsieh)	28,796,209
Director	Philip Peng (Chin-Bing Peng)	92,870
Independent Director	Jack Chen (YuLiang Chen)	0
Independent Director	S. J. Paul Chien (Shyur-Jen Chien)	0
Independent Director	C.H. Chen (Che-Hsiung Chen)	0
Independent Director	Christopher Chang (Liang-Chi Chang)	0
Independent Director	Sam Lee (Ming-Shan Lee)	0
Total		<u>82,705,959</u>

The total issued common shares of Wistron are 2,840,612,050 shares. Pursuant to Article 2 of the “Examination and Implementation Rules for Shareholding Percentage of Directors and Supervisors of Public Offering Companies,” elected independent directors of the Company (5 seats) are more than half of all directors (9 seats), and in accordance with the law regarding establishment of the Audit Committee, the shareholding of the directors and supervisors does not need to follow the minimum holding requirement.



wistron