

Wistron Information Technology and Services Corp.

Handbook

For 2020 Annual Shareholders' Meeting

Date: June 22, 2020

Venue: 1F., No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei City

DISCLAIMER

This is a translation of the agenda for the 2020 annual shareholders' meeting (the "agenda") of Wistron Information Technology and Services Corp. (the "Company"). This translation is intended for reference only and no other purpose. The Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

INDEX

Rules of Procedure for Shareholders' Meeting	1
Meeting Procedures	5
Meeting Agenda	6
Report Items	7
Ratification and Discussion Items	9
ITEM 1: Ratification of the Business Report and Financial Statements of 2019.....	9
ITEM 2: Ratification of the proposal for distribution of 2019 profits	9
ITEM 3: Approval of amendments to the “Articles of Incorporation”.....	10
ITEM 4: Approval of amendments to the “Procedures for Acquisition and Disposal of Assets” .	10
ITEM 5: Approval of amendments to the “Rules of Procedure for Shareholders' Meeting”	10
Appendices	
1. Business Report and Financial Statements for 2019.....	12
2. Audit Committee's Review Report	30
3. Rules of Transferring Repurchased Shares to Employees for 2020-1st.....	31
4. Profit Appropriation Statement for 2019	33
5. Comparison Between Original and Amendments to “Articles of Incorporation”	34
6. Articles of Incorporation.....	39
7. Comparison Between Original and Amendments to “Procedures for Acquisition and Disposal of Assets”	44
8. Procedures for Acquisition and Disposal of Assets	52
9. Comparison Between Original and Amendments to “Rules of Procedure for Shareholders’ Meeting”	69
10. Shareholdings of Directors.....	74

Wistron Information Technology and Services Corp.
Rules of Procedure for Shareholders' Meeting

- Article 1 The procedures for the Company's shareholders' meeting (The "Meeting") shall be implemented in accordance with these Rules.
- Article 2 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the Meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- Shareholders attending the Meeting shall sign in. The sign-in procedure is performed by submitting a sign-in cards. The number of shares in attendance shall be calculated according to sign-in cards handed.
- Shareholders and their proxies (collectively, "shareholders") shall attend the Meetings based on attendance cards. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- Article 3 Attendance and voting at the Meeting shall be calculated based on the number of shares.
- Article 4 The venue for the Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the Meeting. The Meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 When the attending shareholders represent a majority of the total number of issued shares, the chair shall call the Meeting to order.
- If the quorum is not met over the meeting time, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, pursuant to Article 175 of the Company Act, a tentative resolution may be adopted by agreement of a majority of the votes represented by the attending shareholders.
- When, prior to conclusion of the Meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may call the Meeting to order at any time, and resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.
- Article 6 If the Meeting is convened by the Board of Directors, the Meeting shall be chaired by the Chairman of the Board of Directors. In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not

make such a designation, the directors shall select from among themselves one person to serve as chair. When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. If the Meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting.

Article 7 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend the Meeting in a non-voting capacity.

Staff handling administrative affairs of the Meeting shall wear identification cards or arm bands.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 If the Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Meeting.

The provisions of the preceding paragraph apply the same to the Meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the Meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Meeting.

When the Meeting is in progress, the chair may announce a break based on time considerations. In case of no conclusion reached at the Meeting, a resolution may be adopted at the Meeting to defer or resume the Meeting within 5 days, and no service of notice or public announcement is required.

After the Meeting adjourned, shareholders shall not elect other chair to resume the Meeting at the same or other venue.

Article 10 Before speaking, the chair or staff shall ask an attending shareholder specify on a speaker's slip the subject of the speech, his/her shareholder account number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

- Article 11 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
- When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the Meeting. When a juristic person shareholder appoints two or more representatives to attend the Meeting, only one of the representatives so appointed may speak on the same proposal.
- If the shareholder's speech violates the rules in the preceding 2 paragraphs, exceeds the scope of the agenda item, or is out of order, the chair may stop or terminate the speech. After an attending shareholder has spoken, the chair may respond in person or designate relevant personnel to respond.
- Article 12 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
- Article 13 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for meeting proposals or elections shall be conducted in public at the place of the Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the Meeting, and a record made of the vote. For the election of directors and independent directors, the voting results shall be announced on-site immediately, including the names of those elected as directors and independent directors and the numbers of votes with which they were elected.
- Article 14 Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- A proposal will be deemed as passed and has effect as it is passed by votes if no shareholders object it after chair's consultation. A shareholder shall be entitled to one vote for each share held. In case a shareholder appoints a proxy to attend the Meeting, with the exception of a trust enterprise, when one person is concurrently appointed as proxy by two or more shareholders at the same time, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- Article 15 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 16 The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

- Article 17 In case of incident of force majeure such as air strike alarm, the Meeting shall be stopped and evacuated, and the Meeting be resumed one hour after the termination of the alarm.
- Article 18 Matters not prescribed under these Rules shall be in accordance with the Company Act and Article of Incorporation of the Company.
- Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.
- Article 20 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

The Rules were enacted on June 28, 2002

The 1st amendment was made on April 26, 2010

The 2nd amendment was made on October 8, 2010

The 3th amendment was made on June 25, 2013

Meeting Procedures

1. Declaration of the Commencement of the Meeting
2. The Chair in Position
3. Opening Remarks by the Chair
4. Report Items
5. Ratification 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. Extemporaneous Motion
7. Adjournment

Meeting Agenda

Time: 9:00a.m., June 22, 2020

Venue: Multi-Purpose Auditorium

(1F., No.15, Ln. 168, Xingshan Rd., Neihu Dist., Taipei City)

1. Report Items

- (1) The Business Report of 2019.
- (2) Audit Committee's Review Report.
- (3) To report distribution of employees' profit sharing bonus and directors' remuneration.
- (4) To report the implementation status of share repurchase.

2. Ratification 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) Approval of amendments to the "Articles of Incorporation."
- (4) Approval of amendments to the "Procedures for Acquisition and Disposal of Assets."
- (5) Approval of amendments to the "Rules of Procedure for Shareholders' Meeting."

3. Extemporaneous Motions

4. Adjournment

Report Items

1. The Business Report of 2019. (Please refer to Appendix 1, pages 12-13)
2. Audit Committee's Review Report. (Please refer to Appendix 2, page 30)
3. To report distribution of employees' profit sharing bonus and directors' remuneration.

Description:

- (1) In accordance with Article 21 of the "Articles of Incorporation":

If the Company has profit (referred to the profit before tax, excluding the employees' profit sharing bonus and directors' remuneration) as a result of the yearly accounting closing, the profit shall be distributed in accordance with the following provisions provided. However, the Company's accumulated losses shall have been covered:

A. No less than 10% of profit from current year as employees' profit sharing bonus. The Company may distribute profit sharing bonus in the form of shares or in cash to employees, including the employees of subsidiaries of the company meeting certain specific requirements which determined by the Board of Directors.

B. No more than 2% of profit from current year as directors' remuneration in cash.

- (2) The Company's 1st Compensation Committee Meeting of 2020 and 1st Board Meeting of 2020 resolved the employees' profit sharing bonus and directors' remuneration of 2019 in accordance with the "Articles of Incorporation."

A. The employees' profit sharing bonus was NT\$49,582,147, of which NT\$29,582,147 distributed in cash and NT\$20,000,000 distributed by shares.

B. The directors' remuneration was NT\$9,800,000 distributed in cash.

- (3) The Company will distribute employees' profit sharing bonus in the amount of NT\$20,000,000 in the form of shares. The new shares issued will be 307,219 shares, which were calculated based on the closing price NT\$65.1 prior to the date of 1st Board Meeting of 2020. Par value per share is NT\$10, and employees' profit sharing bonus of NT\$43, which is less than one share, shall be distributed in cash.

- (4) The newly issued shares from the capital increase possess identical obligations and rights as the original shares. The Chairman is authorized to carry out the matter regarding the setting of the record date for new shares from capital increase.

4. To report the implementation status of share repurchase.

As of May 14, 2020 (up to the date of publication of this Handbook)

Treasury stocks batch order	2020-1st
Date of Board resolution	2020/3/27
Purpose of the repurchase	To transfer to employees
Period for the repurchase	2020/3/30~2020/5/29
Number of shares expected to be repurchased	1,500,000 shares
Price range	NT\$45 to NT\$80 per share The Company will still execute the repurchase should the price falls below the lower limit.
Types and number of shares repurchased	Common stock, 750,000 shares
Total amount of shares repurchased	NT\$57,867,806
Average repurchase price per share	NT\$77.16
Shares cancelled/transferred	0 shares
Cumulative number of own shares held	750,000 shares
Ratio of cumulative number of own shares held to the total number of the Company's issued shares	1.13%

Description:

- (1) Up to the date of publication of this Handbook, the share repurchase has not been completed. When the repurchase be completed, the actual status of execution of the repurchase will be announced on MOPS and described in the Shareholders' Meeting.
- (2) Please refer to Appendix 3, pages 31-32 for "Rules of Transferring Repurchased Shares to Employees for 2020-1st."

Ratification and Discussion Items

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

Proposal: Submission (by the Board of Directors) of the Company's 2019 Business Report and Financial Statements for ratification.

Details: 1. The Company's Financial Statements for 2019, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows, were audited by independent auditors, Ms. Chen, Ya-Ling and Mr. Huang, Ming-Hung, of KPMG.

2. Please refer to Appendix 1, pages 12-29 for the Company's Business Report, Independent Auditors' Report, and the aforementioned Financial Statements.

3. Submission for ratification.

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

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

Details: 1. Net income after tax is NT\$413,122,520, after adding up remeasurements of the defined benefit obligation of NT\$228,000, and deducting legal reserve of NT\$41,335,052 and special reserve of NT\$49,191,682, then adding up inappropriate retained earnings at the beginning of 2019 of NT\$254,271,110, therefore the total amount of retained earnings available for distribution is NT\$577,094,896. The dividends to be distributed to the shareholders amount to NT\$212,483,532 in cash (NT\$3.2 per share).

2. After the adoption of the resolution at the Shareholders' Meeting, the Board of Directors is authorized to carry out the matter regarding the setting of the ex-dividend date and other relevant matters.

3. In the event that, before the ex-dividend date, the proposed earnings distribution plan is affected due to the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, issuance of new shares to its employees as a result of their exercise of stock options, unsecured convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR, cancellation of part of Employee Restricted Stock Awards and capitalization of employees' profit sharing bonus through issuance of new shares etc.), which results in changes in shareholder's allotment of dividend-payout ratio, the Board of Directors is authorized to make necessary adjustments at its full discretion.

4. Please refer to Appendix 4, page 33 for the Profit Appropriation Statement for 2019.
5. Submission for ratification.

ITEM 3: Approval of amendments to the “Articles of Incorporation”

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

Details: 1. To comply with regulations and the Company’s operational needs, it is proposed to make amendments to the “Articles of Incorporation.” (Please refer to Appendix 5, pages 34-38 for the comparison between the original and the amendments).

2. Please discuss.

ITEM 4: Approval of amendments to the “Procedures for Acquisition and Disposal of Assets”

Proposal: Submission (by the Board of Directors) of a proposal to amend certain parts of the Company’s “Procedures for Acquisition and Disposal of Assets.”

Details: 1. To comply with regulations and the Company’s operational needs, it is proposed to make amendments to the “Procedures for Acquisition and Disposal of Assets.” (Please refer to Appendix 7, pages 44-51 for the comparison between the original and the amendments).

2. Please discuss.

ITEM 5: Approval of amendments to the “Rules of Procedure for Shareholders’ Meeting”

Proposal: Submission (by the Board of Directors) of a proposal to amend certain parts of the Company’s “Rules of Procedure for Shareholders’ Meeting”.

Details: 1. To comply with regulations and the Company’s operational needs, it is proposed to make amendments to the “Rules of Procedure for Shareholders’ Meeting”. (Please refer to Appendix 9, pages 69-73 for the comparison between the original and the amendments).

2. Please discuss.

Extemporary Motion

Adjournment

Wistron Information Technology and Services Corp.

Business Report

A. A review of 2019

The year 2019 has been a good year for Wistron ITS. We were able to quickly respond to all the challenges we faced in 2019 during the turbulent economy, and were able to achieve a new overall revenue record, reaching more than NT\$5 billion overall. Compared to 2018, we showed a 60% growth. Compared to the compound annual growth rate of 4% of the global IT service market, Wistron ITS showed an impressive 35% annual revenue growth.

The main reason for this increase in revenue lies in the emerging demand of new digital services, the need for digital transformation of current companies, as well as continuously increasing demand for product localization. The overall growth in China, Taiwan, Japan and US, if broken down by industries, shows that Wistron ITS still excels in the fields of IT high-tech, finance, telecommunication and manufacturing.

B. 2019 Financial Performance

Consolidated revenue reached NT\$5,323 million in 2019, an increase of 35 percent over NT\$3,953 million in 2018. Net income was NT\$413 million, increased 63 percent from the 2018 level of NT\$253 million. Basic earnings per share were NT\$6.23 in 2019.

Gross profit margin was 24.5 percent compared with 23.5 percent in 2018, while operating profit margin was 8.2 percent compared with 5.2 percent a year earlier. Net profit margin was 7.8 percent, an increase of 1.4 percentage points from 6.4 percent in 2018.

C. R&D Status

Aside from traditional mainstream technology demands from our clients, currently we are also involved in innovative technologies such as AI, big data, fintech, IoT and 5G applications, etc.

Following through the big data strategy, Wistron ITS continues to work in the field of big data storage, assisting our clients in digital behavioral analysis, optimizing digital procedures, developing digital channels, and offering personalized finance services, thus realizing the idea where digital drives the decision. With fintech becoming the latest trend, Wistron ITS assists clients in developing systems that focus on the use of big data, Open API, as well as corporate middle-platform set up. The Company seeks to break through current myths, and thinks outside the current structure finance institutions are in. This allows us to rapidly conduct innovative application development, and adjust in accordance to data received through market feedback, this ensures that the offerings, including the functions and services, fully satisfies the clients' needs, thus enhance their power of digital services.

In the field of AI technology, Wistron ITS has been in the field of smart healthcare for many years. We have practical applications of AI medical imaging, where we assist clients in setting up deep-learning models and algorithms, with detects and dissects organ images, vastly improving the positive reading rate of liver diseases. Aside from algorithm learning, AI software application development, Wistron ITS has also started to apply AI in researches such as smart tagging, segregated algorithms, as well as detection of lesions, specifically for the field of medical imaging data screening and tagging, that currently requires high manpower efforts. This allows us to lead the clients towards the new era of technology assisted healthcare.

D. Outlook of 2020

Looking towards 2020, the global economy is under waves of setbacks. Wistron ITS will continue to face these challenges with a positive but diligent and cautious attitude, with full risk assessments and control in place to ensure the continued development of our company.

In terms of mid-to-long-term plans, the Company still thinks there is more to be gained from the IT service markets. New technological breakthroughs are brought forth in the fields of AI, big data, fintech, IoT, and 5G technologies in both development and application. Digital transformation is also still a main issue for businesses, where they apply digital capabilities to improve their operation abilities, optimize user experience, and develop innovative business models. Such varied and strong demands are perfect for Wistron ITS who has been working in the fields for years, where we can, with our rich talent pool, successfully meet the growing demands of the market.

In 2020, the action plan of Wistron ITS is to 'enhance our own robustness, and obtain steady gains in profit'. We will continue our work in the four main markets of Taiwan, China, Japan and the US, where we will collaborate with quality clients on quality projects, and enrich our collaboration with existing major clients. With the challenge ahead being the global economy status being uncertain, we will continue to improve the robustness of Wistron ITS. Both 'talent' and 'competitiveness' are the foundation of the continuous growth of Wistron ITS. We consider the IT service business as a holistic 'human resource' business. We plan to further offer education and training to our employees, offering them a stage to grow and develop, and a sense of belonging. We hope to see that all our employees continue to improve in all aspects relating to clients, professionalism, IT technology, as well as service models, and thus increase the competitiveness of Wistron ITS in general. Only fully prepared, will we be able to grasp the opportunity, and create even better performance.

We would like to once again express our gratitude to your constant support and encouragement. It is with you, that the Company has been able to continue to grow. We will continue to create maximum profit available for our shareholders.

Sincerely Yours,
and with warm regards,

Chairman: Ching Hsiao

President: Ching Hsiao

Controller: Phoebe Chang

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Wistron Information Technology and Services 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 Accounts, 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 Auditor's 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(l) "Revenue" for accounting policy and Note 6(o) to the consolidated financial statements for the disclosure of revenue recognition.

Description of key audit matter

The Group is a listed company in related to public interest, and the investors are highly expecting the financial performance, resulting in revenue recognition is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluating if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the difference between the actual number and the same period last year; assessing and testing the sale transaction voucher to confirm the accurately of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

2. Valuation of accounts receivable

Please refer to Note 4(g) “Financial Instruments” for accounting policy, Note 5 for accounting assumptions, judgments and estimation uncertainty of accounts receivable and Note 6(c) for the disclosure of the valuation of accounts receivable to the consolidated financial statements.

Description of key audit matter

The Group engaged in the information technology service industry. Resulting in significant judgment being applied in the management’s assessment of the recoverability of accounts receivable. Consequently, this is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

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

Other Matter

Wistron information technology and services 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.

Auditor's 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 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 consolidated financial statements.

As part of an audit in accordance with the 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 auditor's 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 Ming-Hung Huang.

KPMG

Taipei, Taiwan (The Republic of China)
March 27, 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' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WISTRON INFORMATION TECHNOLOGY AND SERVICES 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						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 875,113	26	1,295,230	44	2100	Short-term loans	\$ -	-	44,755	2
1140	Current contract assets	53,785	2	44,594	2	2130	Current contract liabilities	14,480	-	24,017	1
1170	Notes and accounts receivable, net	1,375,045	41	1,113,996	37	2170	Accounts payable	165,617	5	157,603	5
1180	Accounts receivable—related parties, net	19,476	1	19,567	1	2180	Accounts payable—related parties	6,060	-	-	-
1200	Other receivables	179	-	410	-	2219	Other payables	697,494	21	653,889	22
1220	Current tax assets	-	-	387	-	2220	Other payables—related parties	126	-	-	-
1410	Prepayments	14,495	-	39,538	1	2230	Current tax liabilities	42,609	1	12,462	-
1470	Other current assets	1,222	-	4,599	-	2399	Other current liabilities	26,449	1	24,437	1
	Total current assets	<u>2,339,315</u>	<u>70</u>	<u>2,518,321</u>	<u>85</u>	2280	Current lease liabilities	38,696	1	-	-
	Non-current assets:					2320	Long-term liabilities, current portion	45,873	2	6,902	-
1517	Non-current financial assets at fair value through other comprehensive income	13,212	-	13,072	-		Total current liabilities	<u>1,037,404</u>	<u>31</u>	<u>924,065</u>	<u>31</u>
1600	Property, plant and equipment	853,356	25	58,210	2		Non-Current liabilities:				
1755	Right-of-use assets	64,579	2	-	-	2540	Long-term loans	71,320	2	81,498	3
1780	Intangible assets	32,036	1	26,388	1	2570	Deferred tax liabilities	108,072	3	115,497	4
1840	Deferred tax assets	22,448	1	21,469	1	2580	Non-current lease liabilities	20,526	1	-	-
1900	Other non-current assets	36,748	1	326,170	11	2640	Net defined benefit liability, non-current	15,375	-	15,368	-
	Total non-current assets	<u>1,022,379</u>	<u>30</u>	<u>445,309</u>	<u>15</u>		Total non-current liabilities	<u>215,293</u>	<u>6</u>	<u>212,363</u>	<u>7</u>
							Total liabilities	<u>1,252,697</u>	<u>37</u>	<u>1,136,428</u>	<u>38</u>
							Equity:				
						3100	Capital stock	664,011	20	602,137	20
						3200	Capital surplus	736,051	22	717,711	24
						3300	Retained earnings	834,032	25	583,258	20
						3400	Other equity	(125,097)	(4)	(75,904)	(2)
							Total equity	<u>2,108,997</u>	<u>63</u>	<u>1,827,202</u>	<u>62</u>
							Total liabilities and equity	<u>\$ 3,361,694</u>	<u>100</u>	<u>2,963,630</u>	<u>100</u>
	Total assets	<u>\$ 3,361,694</u>	<u>100</u>	<u>2,963,630</u>	<u>100</u>						

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
**WISTRON INFORMATION TECHNOLOGY AND SERVICES 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 revenue	\$ 5,323,464	100	3,953,321	100
5000	Cost of sales	<u>(4,020,905)</u>	<u>(76)</u>	<u>(3,023,926)</u>	<u>(76)</u>
	Gross profit	<u>1,302,559</u>	<u>24</u>	<u>929,395</u>	<u>24</u>
	Operating expenses				
6100	Selling expenses	(123,700)	(2)	(191,690)	(5)
6200	Administrative expenses	(711,873)	(13)	(520,509)	(14)
6300	Research and development expenses	(8,273)	-	(1,698)	-
6450	Expected credit loss	<u>(20,114)</u>	<u>(1)</u>	<u>(8,280)</u>	<u>-</u>
	Total operating expenses	<u>(863,960)</u>	<u>(16)</u>	<u>(722,177)</u>	<u>(19)</u>
	Net operating income	<u>438,599</u>	<u>8</u>	<u>207,218</u>	<u>5</u>
	Non-operating income and expenses :				
7010	Other income	25,560	1	42,179	1
7020	Other gains and losses	1,742	-	26,331	1
7050	Finance costs	<u>(7,757)</u>	<u>-</u>	<u>(1,166)</u>	<u>-</u>
	Total non-operating income and expenses	<u>19,545</u>	<u>1</u>	<u>67,344</u>	<u>2</u>
	Profit before tax	458,144	9	274,562	7
7950	Income tax expenses	<u>(45,021)</u>	<u>(1)</u>	<u>(21,372)</u>	<u>(1)</u>
	Net profit	<u>413,123</u>	<u>8</u>	<u>253,190</u>	<u>6</u>
8300	Other comprehensive income :				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	228	-	(2,278)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	140	-	3,458	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>368</u>	<u>-</u>	<u>1,180</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(49,333)	(1)	(9,121)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(49,333)</u>	<u>(1)</u>	<u>(9,121)</u>	<u>-</u>
8300	Other comprehensive income (loss)	<u>(48,965)</u>	<u>(1)</u>	<u>(7,941)</u>	<u>-</u>
	Total comprehensive income	<u>\$ 364,158</u>	<u>7</u>	<u>245,249</u>	<u>6</u>
	Earnings per share (in dollars)				
9750	Basic earnings per share	<u>\$ 6.23</u>		<u>4.75</u>	
9850	Diluted earnings per share	<u>\$ 6.17</u>		<u>4.67</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
WISTRON INFORMATION TECHNOLOGY AND SERVICES 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										
	Capital stock	Retained earnings					Other equity				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance at January 1, 2018	\$ 438,783	255,502	54,262	20,566	322,549	397,377	(44,455)	(25,786)	(70,241)	(11,742)	1,009,679
Net profit	-	-	-	-	253,190	253,190	-	-	-	-	253,190
Other comprehensive income	-	-	-	-	(2,278)	(2,278)	(9,121)	3,458	(5,663)	-	(7,941)
Total comprehensive income	-	-	-	-	250,912	250,912	(9,121)	3,458	(5,663)	-	245,249
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	10,924	-	(10,924)	-	-	-	-	-	-
Special reserve	-	-	-	27,675	(27,675)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(21,677)	(21,677)	-	-	-	-	(21,677)
Stock dividends	43,354	-	-	-	(43,354)	(43,354)	-	-	-	-	-
Cash subscription	120,000	432,000	-	-	-	-	-	-	-	-	552,000
Treasury shares transferred to employees	-	(1,070)	-	-	-	-	-	-	-	11,742	10,672
Treasury shares transferred to employees recognized the cost of compensation	-	21,646	-	-	-	-	-	-	-	-	21,646
Employee stock option compensation costs	-	9,633	-	-	-	-	-	-	-	-	9,633
Balance at December 31, 2018	602,137	717,711	65,186	48,241	469,831	583,258	(53,576)	(22,328)	(75,904)	-	1,827,202
Net profit	-	-	-	-	413,123	413,123	-	-	-	-	413,123
Other comprehensive income	-	-	-	-	228	228	(49,333)	140	(49,193)	-	(48,965)
Total comprehensive income	-	-	-	-	413,351	413,351	(49,333)	140	(49,193)	-	364,158
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	25,319	-	(25,319)	-	-	-	-	-	-
Special reserve	-	-	-	27,663	(27,663)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(102,363)	(102,363)	-	-	-	-	(102,363)
Stock dividends	60,214	-	-	-	(60,214)	(60,214)	-	-	-	-	-
New share issued through employees' profit sharing bonus	1,660	18,340	-	-	-	-	-	-	-	-	20,000
Balance at December 31, 2019	\$ 664,011	736,051	90,505	75,904	667,623	834,032	(102,909)	(22,188)	(125,097)	-	2,108,997

See accompanying notes to financial statements.

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

Consolidated 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 (used in) operating activities:		
Profit before tax	\$ 458,144	274,562
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	81,225	20,357
Amortization expense	5,819	6,333
Expected credit loss	20,114	8,280
Interest expense	7,757	1,166
Interest income	(3,824)	(4,629)
Dividend income	(714)	(1,168)
Compensation cost arising from share – based payments	-	31,279
Loss on disposal of property, plant and equipment	11,572	4,497
Loss on disposal of intangible assets	8	-
Gain on lease modification	(2,384)	-
Total adjustments to reconcile profit	119,573	66,115
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current contract assets	(10,676)	23,887
Increase in notes and accounts receivable, net	(320,353)	(496,897)
Increase in accounts receivable – related parties	(35)	(8,096)
Increase in other receivable	(106)	-
Decrease in inventories	-	137
Decrease (increase) in prepayments	24,218	(22,773)
Increase in other current assets	(370)	(2,554)
Total changes in operating assets	(307,322)	(506,296)
Changes in operating liabilities:		
Decrease in contract liabilities	(9,104)	(24,224)
Increase in accounts payable	12,255	22,584
Increase in accounts payable – related parties	6,223	-
Increase in other payables	77,712	177,041
Increase in other payable – related parties	126	-
Increase (decrease) in other current liabilities	2,388	(293)
Increase (decrease) in net defined benefit liability	235	(224)
Total changes in operating liabilities	89,835	174,884
Net changes in operating assets and liabilities	(217,487)	(331,412)
Total changes in operating assets and liabilities	(97,914)	(265,297)
Cash generated from operations	360,230	9,265
Interest received	4,161	5,884
Interest paid	(11,266)	(1,975)
Income taxes paid	(21,380)	(2,937)
Net cash flows generated from operating activities	331,745	10,237
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(522,348)	(39,997)
Proceeds from disposal of property, plant and equipment	3,622	34
Increase in refundable deposits	(1,293)	(12,491)
Acquisition of intangible assets	(8,624)	(3,169)
Decrease in other financial assets	269	90,267
Increase in other non-current assets	(1,188)	(294,449)
Dividends received	714	1,168
Net cash flows used in investing activities	(528,848)	(258,637)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	684,308	664,494
Repayments of short-term loans	(729,055)	(662,520)
Increase in long-term loans	-	91,261
Repayments of long-term loans	(11,431)	(1,132)
Repayments of the principal portion of lease liabilities	(43,446)	-
Cash dividends paid	(102,363)	(21,677)
Proceeds from issuing shares	-	552,000
Treasury shares transferred to employees	-	10,672
Net cash flows generated from (used in) financing activities	(201,987)	633,098
Effect of exchange rate changes on cash and cash equivalents	(21,027)	(194)
Net increase (decrease) in cash and cash equivalents	(420,117)	384,504
Cash and cash equivalents at beginning of year	1,295,230	910,726
Cash and cash equivalents at end of year	\$ 875,113	1,295,230

See accompanying notes to financial statements.

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Wistron Information Technology And Services Corporation (“the Company”), which comprise the balance sheets as of December 31, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(l) “Revenue” for accounting policy and Note 6(o) to the parent company only financial statements for the disclosure of revenue recognition.

Description of key audit matter

The Company is a listed company in related to public interest, and the investors are highly expecting the financial performance, resulting in revenue recognition is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluating if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the difference between the actual number and the same period last year; assessing and testing the sale transaction voucher to confirm the accurately of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

2. Valuation of accounts receivable

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

Description of key audit matters

The Company engaged in the information technology service industry. Resulting in significant judgment being applied in the management's assessment of the recoverability of accounts receivable. Consequently, this is one of the key judgmental areas of our audit.

How the matter was addressed in our audit

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

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

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

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

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

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 the 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 Ming-Hung Huang.

KPMG

Taipei, Taiwan (The Republic of China)
March 27, 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 INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only 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	\$ 291,445	12	715,812	34	2130	Current contract liabilities	\$ 2,924	-	2,470	-
1140	Current contract assets	13,015	1	19,719	1	2170	Accounts payable	8,068	-	23,570	1
1170	Accounts receivable, net	209,608	9	151,107	7	2180	Accounts payable – related parties	1,518	-	1,482	-
1180	Accounts receivable – related parties, net	32,702	1	105,213	5	2200	Other payables	227,620	9	192,388	9
1200	Other receivables	75	-	143	-	2220	Other payables – related parties	126	-	-	-
1210	Other receivables – related parties	9,049	-	7,231	-	2230	Current tax liabilities	19,131	1	-	-
1220	Current tax assets	-	-	386	-	2280	Current lease liabilities	425	-	-	-
1410	Prepayments	1,397	-	47	-	2399	Other current liabilities	6,454	-	6,091	-
1470	Other current assets	1,221	-	809	-		Total current liabilities	266,266	10	226,001	10
	Total current assets	558,512	23	1,000,467	47		Non-Current liabilities:				
Non-current assets:						2570	Deferred tax liabilities	60,137	3	58,722	3
1517	Non-current financial assets at fair value through other comprehensive income	13,212	1	13,072	1	2640	Net defined benefit liability, non-current	15,375	1	15,368	1
1550	Investments accounted for using equity method	1,336,069	55	1,003,294	47	2580	Non-current lease liabilities	722	-	-	-
1600	Property, plant and equipment	519,985	21	16,407	1		Total non-current liabilities	76,234	4	74,090	4
1755	Right-of-use assets	1,176	-	-	-		Total liabilities	342,500	14	300,091	14
1780	Intangible assets	7,210	-	5,555	-	3100	Equity :				
1840	Deferred tax assets	6,233	-	6,583	-	3200	Capital stock	664,011	27	602,137	28
1900	Other non-current assets	9,100	-	81,915	4	3300	Capital surplus	736,051	30	717,711	34
	Total non-current assets	1,892,985	77	1,126,826	53	3400	Retained earnings	834,032	34	583,258	27
							Other equity	(125,097)	(5)	(75,904)	(3)
							Total equity	2,108,997	86	1,827,202	86
Total assets		\$ 2,451,497	100	2,127,293	100	Total liabilities and equity		\$ 2,451,497	100	2,127,293	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		2019		2018	
		Amount	%	Amount	%
4000	Net revenue	\$ 912,368	100	800,085	100
5000	Cost of sales	<u>(568,105)</u>	<u>(62)</u>	<u>(524,518)</u>	<u>(65)</u>
	Gross profit	<u>344,263</u>	<u>38</u>	<u>275,567</u>	<u>35</u>
	Operating expenses :				
6100	Selling expenses	(19,810)	(2)	(15,173)	(2)
6200	Administrative expenses	(263,966)	(29)	(242,377)	(30)
6450	Expected credit (loss) reversal of provision	629	-	692	-
6300	Total operating expenses	<u>(283,147)</u>	<u>(31)</u>	<u>(256,858)</u>	<u>(32)</u>
	Net operating income	<u>61,116</u>	<u>7</u>	<u>18,709</u>	<u>3</u>
	Non-operating income and expenses :				
7010	Other income	1,882	-	2,206	-
7020	Other gains and losses	31,479	3	50,153	6
7070	Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	342,108	38	193,361	24
7050	Finance costs	<u>(306)</u>	<u>-</u>	<u>(161)</u>	<u>-</u>
	Total non-operating income and expenses	<u>375,163</u>	<u>41</u>	<u>245,559</u>	<u>30</u>
	Profit before tax	<u>436,279</u>	<u>48</u>	<u>264,268</u>	<u>33</u>
7951	Income tax expenses	<u>(23,156)</u>	<u>(3)</u>	<u>(11,078)</u>	<u>(1)</u>
	Net profit	<u>413,123</u>	<u>45</u>	<u>253,190</u>	<u>32</u>
8300	Other comprehensive income :				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	228	-	(2,278)	-
8312	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	140	-	3,458	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	<u>368</u>	<u>-</u>	<u>1,180</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(1,253)	-	3,799	1
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(48,080)	(5)	(12,920)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	<u>(49,333)</u>	<u>(5)</u>	<u>(9,121)</u>	<u>(1)</u>
8300	Other comprehensive income (loss)	<u>(48,965)</u>	<u>(5)</u>	<u>(7,941)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 364,158</u>	<u>40</u>	<u>245,249</u>	<u>31</u>
	Earnings per share (in dollars)				
9750	Basic earnings per share	<u>\$ 6.23</u>		<u>4.75</u>	
9850	Diluted earnings per share	<u>\$ 6.17</u>		<u>4.67</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Capital stock		Retained earnings				Other equity				Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	
Balance at January 1, 2018	\$ 438,783	255,502	54,262	20,566	322,549	397,377	(44,455)	(25,786)	(70,241)	(11,742)	1,009,679
Net profit	-	-	-	-	253,190	253,190	-	-	-	-	253,190
Other comprehensive income	-	-	-	-	(2,278)	(2,278)	(9,121)	3,458	(5,663)	-	(7,941)
Total comprehensive income	-	-	-	-	250,912	250,912	(9,121)	3,458	(5,663)	-	245,249
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	10,924	-	(10,924)	-	-	-	-	-	-
Special reserve	-	-	-	27,675	(27,675)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(21,677)	(21,677)	-	-	-	-	(21,677)
Stock dividends	43,354	-	-	-	(43,354)	(43,354)	-	-	-	-	-
Cash subscription	120,000	432,000	-	-	-	-	-	-	-	-	552,000
Treasury shares transferred to employees	-	(1,070)	-	-	-	-	-	-	-	11,742	10,672
Treasury shares transferred to employees recognized the cost of compensation	-	21,646	-	-	-	-	-	-	-	-	21,646
Employee stock option compensation costs	-	9,633	-	-	-	-	-	-	-	-	9,633
Balance at December 31, 2018	602,137	717,711	65,186	48,241	469,831	583,258	(53,576)	(22,328)	(75,904)	-	1,827,202
Net profit	-	-	-	-	413,123	413,123	-	-	-	-	413,123
Other comprehensive income	-	-	-	-	228	228	(49,333)	140	(49,193)	-	(48,965)
Total comprehensive income	-	-	-	-	413,351	413,351	(49,333)	140	(49,193)	-	364,158
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	25,319	-	(25,319)	-	-	-	-	-	-
Special reserve	-	-	-	27,663	(27,663)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(102,363)	(102,363)	-	-	-	-	(102,363)
Stock dividends	60,214	-	-	-	(60,214)	(60,214)	-	-	-	-	-
New share issued through employees' profit sharing bonus	1,660	18,340	-	-	-	-	-	-	-	-	20,000
Balance at December 31, 2019	\$ 664,011	736,051	90,505	75,904	667,623	834,032	(102,909)	(22,188)	(125,097)	-	2,108,997

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
WISTRON INFORMATION TECHNOLOGY AND SERVICES CORPORATION

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 436,279	264,268
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	14,195	8,681
Amortization expense	4,121	5,780
Expected credit loss (reversal of provision)	(629)	(692)
Interest expense	306	161
Interest income	(1,168)	(1,038)
Dividend income	(714)	(1,168)
Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	(342,108)	(193,361)
Compensation cost arising from share-based payments	-	31,279
Loss on disposal of property, plant and equipment	1,087	7
Total adjustments to reconcile loss	(324,910)	(150,351)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in current contract assets	6,911	41,760
Increase in notes and accounts receivables, net	(58,079)	(38,972)
Decrease (increase) in accounts receivable—related parties	72,511	(86,920)
Increase in other receivable—related parties	(1,818)	(1,055)
Decrease (increase) in prepayments	(1,350)	67
Decrease (increase) in other current assets	(591)	425
Total changes in operating assets	17,584	(84,695)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	454	(19,950)
Decrease in accounts payables	(15,502)	(28,178)
Increase in accounts payable—related parties	36	252
Increase in other payables	15,232	40,635
Increase in other payable—related parties	126	-
Increase in other current liabilities	363	1,159
Increase (decrease) in net defined benefit liability	235	(224)
Total changes in operating liabilities	944	(6,306)
Net changes in operating assets and liabilities	18,528	(91,001)
Total changes in operating assets and liabilities	(306,382)	(241,352)
Cash generated from operations	129,897	22,916
Interest received	1,236	1,009
Interest paid	(306)	(161)
Income taxes refund (paid)	(1,874)	2,838
Net cash flows generated from operating activities	128,953	26,602
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(451,396)	(8,408)
Proceeds from disposal of property, plant and equipment	105	34
Decrease (increase) in refundable deposits	5,393	(3,784)
Acquisition of intangible assets	(5,776)	(2,233)
Decrease (increase) in other financial assets	179	(179)
Increase in other non-current assets	-	(67,422)
Dividends received	714	1,168
Net cash flows used in investing activities	(450,781)	(80,824)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	128,374	206,000
Repayments of short-term loans	(128,374)	(206,000)
Repayments of the principle portion of lease liabilities	(176)	-
Cash dividends paid	(102,363)	(21,677)
Proceeds from issuing shares	-	552,000
Treasury shares transferred to employees	-	10,672
Net cash flows generated from (used in) financing activities	(102,539)	540,995
Net increase (decrease) in cash and cash equivalents	(424,367)	486,773
Cash and cash equivalents at beginning of year	715,812	229,039
Cash and cash equivalents at end of year	\$ 291,445	715,812

See accompanying notes to parent company only financial statements.

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 ITS'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 ITS Corp.. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Wistron ITS Corp.

Convener of the Audit Committee : Frank Juang
March 23, 2020

Wistron Information Technology and Services Corp.

Rules of Transferring Repurchased Shares to Employees for 2020-1st

Article 1: Purpose

To motivate employees and to build cohesion among the employees, in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the “Securities and Exchange Act” and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by Securities and Futures Bureau, Financial Supervisory Commission R.O.C., the Company adopts “Rules of Transferring Repurchased Shares to Employees for 2020-1st”(The “Rules”). Except for those regulated by relevant laws or regulations, all shares repurchased and transferred to employees of the Company shall be implemented in compliance with the Rules.

Article 2: Content of the rights of shares to be transferred and restrictions on such rights

The shares to be transferred to employees are common shares. Rights and obligations are the same as other common shares outstanding, except for those regulated by relevant laws or regulations or in the Rules.

Article 3: Transfer period

The repurchased shares can be transferred to employees in one time or various times within 5 years from the date of share-repurchase in accordance with the Rules.

Article 4: Eligibility requirements for transferees

For full-time employees of the Company and its domestic and overseas subsidiaries who have joined the Company for more than three months on the subscription record date and who have special contribution to the Company being approved by Chairman are entitled to subscribe the amount specified in Article 5 of the Rules. A target transferee who quits employment (or is in long-term leave without pay) during the period starting from the subscription record date to the ending date for payment period of the subscription forfeits the eligibility of subscription.

The subsidiaries mentioned above are the companies over 50% of the common stocks of which are held directly or indirectly by the Company and with effective control.

Article 5: The determination of the numbers of shares to be subscribed by employees

The number of shares to be subscribed by the employees shall be determined by the Company in consideration of employee's position, special contribution, and long-term development with the Company, and then report to the Chairman for approval.

Article 6: Procedures for transfer of shares

1. According to the resolution of the Board to make the announcement and filings and repurchase the shares of the Company within the execution period.

2. The Chairman is authorized in accordance with the Rules to establish and announce the subscription record date, the standard for subscription amount, the transfer price, the payment period of the subscription, the content of rights, the conditions of restrictions, and etc.
3. Calculate the actual number of shares being paid with subscription and process the registration of the transfer of shares.
4. Details will be specified in the Enforcement Rules for the above procedures, and then report to Chairman for approval and announcement.

Article 7: Transfer price per share

For the repurchased shares being transferred to the employees, the transfer price will be determined by the average price of shares purchased. If the Company's outstanding common shares increase or decrease before the transfer, it may be adjusted according to the increase or decrease ratio of the issued shares.

Formula for transfer price adjustment:

Adjusted transfer price= average actual repurchase price per share *(Total number of outstanding common shares at the time of filing the repurchase of shares /Total number of outstanding common shares prior to the transfer of the repurchase shares to the employees)

Article 8: Rights and obligations after transfer

After the repurchased shares 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: Others

These Rules shall be effective from the date it is approved by Board of Directors, and reported to the Shareholders' Meeting. The same applies for amendment.

The Rules are enacted on March 27, 2020.

Wistron Information Technology and Services Corp.

Profit Appropriation Statement for 2019

Unit: NT\$

Item	Amount
Unappropriated retained earnings at the beginning of the year	254,271,110
Plus(Less):	
Net amount transition to IFRS	0
Adjusted unappropriated retained earnings at the beginning of the year	254,271,110
Plus(Less):	
Remeasurements of the defined benefit obligation	228,000
Net Income After Tax	413,122,520
Legal Reserve	(41,335,052)
Special Reserve	(49,191,682)
Retained Earnings Available for Distribution	577,094,896
Distribution Items:	
Cash Dividends to Common Shareholders	(212,483,532)
Unappropriated retained earnings at the end of the year	364,611,364

Note: Cash dividend: NT\$3.2 per share, and the cash dividend is rounded down to the nearest NT dollars; the amount rounded off will be credited to other income of Wistron ITS.

Chairman: Ching Hsiao

President: Ching Hsiao

Controller: Phoebe Chang

Wistron Information Technology and Services Corp.

Comparison between Original and Amendments to “Articles of Incorporation”

Items	Original Version	Amended Version	Reason
Article 4	The Company follows Article 28 of the Company Act pertaining to its announcements.	(Delete)	Delete redundant article.
Article 8	The entries in the shareholders’ roster shall be processed in accordance with Article 165 of the Company Act.	(Delete)	Delete redundant article.
Article 8-4	All matters concerning shares of the Company shall be handled in accordance with Company Act and “Regulations Governing Administration of Shareholder Services of Public Companies” except for those regulated by legal or securities authorities.	All matters concerning shares of the Company shall be handled in accordance with Company Act and “Regulations Governing Administration of Shareholder Services of Public Companies”, except for those regulated by legal or securities authorities.	Adjust number of the article.
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 with sign or seal . All matters concerning proxies for attendance at shareholder meetings shall be handled in accordance with “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” issued by the authority, except for those regulated by Article 177 to Article 177-2 of the Company Act.	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. All matters concerning proxies for attendance at shareholder meetings shall be handled in accordance with “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” issued by the authority, except for those regulated by Article 177 of the Company Act.	To comply with the Company’s operational needs.

Items	Original Version	Amended Version	Reason
Article 11	Except in the circumstances otherwise provided in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession. The Company's shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting, and the method of exercising voting power shall be described in the shareholders' meeting notice.	Except in the circumstances otherwise provided in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession. The Company's shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting, and the method of exercising voting power shall be described in the shareholders' meeting notice.	Chinese Wording adjustment
Article 12-1	The shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the proxy shall act on his/her behalf in accordance with Article 208 of the Company Act.	(Delete)	Delete redundant article.
Article 12-2-1	Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission. The Company may distribute the minutes of shareholders' meeting by means of a public notice in accordance with the laws and regulations.	Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission. The Company may distribute the minutes of shareholders' meeting by means of a public notice in accordance with the laws and regulations.	Adjust number of the article.

Items	Original Version	Amended Version	Reason
Article 13	The Company will have a Board of Directors consisting of five to nine Directors, who will be elected by the shareholders' meeting from among the persons with disposing capacity via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company shall purchase liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties.	The Company will have a Board of Directors consisting of five to nine Directors, who will be elected by the shareholders' meeting from among the <u>director candidate list</u> via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company shall purchase liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties.	To comply with the Regulation.
Article 13-1	The Board of Directors shall be composed of at least 3 Independent Directors and not less than one-fifth of the total number of directors, who will be elected via the candidate nomination system in accordance with Article 192-1 of the Company Act. With respect to the Independent Director's professional qualifications, restrictions on shareholdings and concurrent positions held, nomination and election method and other matters shall be implemented in compliance with relevant regulations issued by the securities authority.	The Board of Directors shall be composed of at least 3 Independent Directors, <u>who will be elected by the shareholders' meeting from among the independent director candidate list.</u> With respect to the Independent Director's professional qualifications, restrictions on shareholdings and concurrent positions held, nomination and election method and other matters shall be implemented in compliance with relevant regulations issued by the securities authority.	To comply with the Company's operational needs.
Article 15	The Board of Directors shall be composed of directors and the directors shall elect a Chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a Vice Chairman of the Board. The	The Board of Directors shall be composed of directors and the directors shall elect a Chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a Vice Chairman of the Board. The	To comply with the Company's operational needs.

Items	Original Version	Amended Version	Reason
	Chairman internally presides the shareholders' meeting and the meeting of the Board of Directors, and externally represent the Company.	Chairman internally presides the shareholders' meeting and the meeting of the Board of Directors, and externally represent the Company. <u>The company may set up functional committees for any functions.</u>	
Article 17	In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the proxy shall act on his/her behalf in accordance with Article 208 of the Company Act. If a director is on leave or absent for a Board meeting, may consign another director to be his/her proxy. Only one proxy could be consigned, and the proxy shall act on his/her behalf in accordance with Article 205 of the Company Act.	In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the proxy shall act on his/her behalf in accordance with Article 208 of the Company Act. If a director is on leave or absent for a Board meeting, may consign another director to be his/her proxy <u>with an appointment form.</u> Only one proxy could be consigned.	To comply with the Company's operational needs.
Article 17-1	When the number of vacancies in the Board of Directors of the Company equals to one third of the total number of directors, the Board of Directors shall exercise in accordance with Article 201 of the Company Act.	(Delete)	Delete redundant article.
Article 18	Remuneration and transportation allowances paid to the Company's directors shall be determined by the Board of Directors' resolution based on the suggestions provided by Remuneration Committee and the overall standards among the industry. The remuneration and transportation allowances will be paid whether the Company has profit or suffered loss.	Remuneration and transportation allowances paid to the Company's directors shall be <u>reported by Remuneration Committee to the Board of Directors</u> based on the overall standards among the industry, <u>and determined by the Board of Directors' resolution.</u> The remuneration and transportation allowances will be paid whether the Company has profit or suffered loss.	To comply with the Company's operational needs.

Items	Original Version	Amended Version	Reason
Article 21-1	<p>If the Company has positive-current profit after tax, shall first pay taxes and dues and cover accumulated losses, and then set aside ten percent of such profits as a legal reserve (not applied if the legal reserve amounts to the paid-in capital). Afterwards, set aside or reverse special reserve in accordance with laws and regulations enacted by authorities. The remaining balance will combine with unappropriated retained earnings at beginning and serve as distributable earnings. No less than 5% of the distributable earnings shall be appropriated as shareholders' dividends and bonuses. Proposal for distribution of earnings shall be proposed by Board of Directors and submit to shareholders' meeting for ratification.</p> <p>(omitting)</p>	<p>If the Company has <u>surplus profit</u>, shall first pay <u>all</u> taxes and dues and cover accumulated losses, and then set aside ten percent of such profits as a legal reserve (not applied if the legal reserve amounts to the paid-in capital). Afterwards, set aside or reverse special reserve in accordance with laws and regulations enacted by authorities. The remaining balance will combine with unappropriated retained earnings at beginning and serve as distributable earnings. No less than 5% of the distributable earnings shall be appropriated as shareholders' dividends and bonuses. Proposal for distribution of earnings shall be proposed by Board of Directors and submit to shareholders' meeting for ratification.</p> <p>(omitting)</p>	To comply with the Regulation and adjust Chinese wording
Article 22-1	<p>The organization policies and enforcement rules will be prescribed by Board of Directors.</p>	(Delete)	Delete redundant article.

Wistron Information Technology and Services Corp.
ARTICLES OF INCORPORATION

Chapter I General Provisions

- Article 1 The Company is incorporated in accordance with the provisions under the Company Law by the name of Wistron Information Technology and Services Corporation.
- Article 2 Our Company engages in the following businesses:
I301010 Software Design Services
I301030 Digital Information Supply Services
I301020 Data Processing Services
E605010 Computing Equipments Installation Construction
F118010 Wholesale of Computer Software
F218010 Retail Sale of Computer Software
I199990 Other Consultancy
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company is not subject to Article 13 of the Company Act pertaining to the restrictions for re-investment amount.
- Article 2-2 The Company may engage in external endorsements and guarantees to meet business and investment needs.
- Article 3 The head office of the Company is located in New Taipei City. Subject to the approval by Board of Directors, the Company may set up branch offices at home and abroad when necessary.
- Article 4 The Company follows Article 28 of the Company Act pertaining to its announcements.

Chapter II Share Capital

- Article 5 The total capital amount of the Company is 1,200 Million New Taiwan Dollars (NTD1,200,000,000), which is divided into 120 Million (120,000,000) 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 Board of Directors. An amount of 120 Million New Taiwan Dollars (NTD120,000,000) from the above total capital amount divided into 12 Million (12,000,000) shares with a par value of Ten New Taiwan Dollars each (NTD10) are reserved for the issuance of employee stock options.
- Article 5-1 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 6 (Delete)

- Article 7 The issued shares of the Company are exempt from printing stocks, but the registration at the centralized securities depository enterprise is necessary; the same rule also applies to other securities.
- Article 8 The entries in the shareholders' roster shall be processed in accordance with Article 165 of the Company Act.
- Article 8-1 All matters concerning shares of the Company shall be handled in accordance with Company Act and "Regulations Governing Administration of Shareholder Services of Public Companies", except for those regulated by legal or securities authorities.

Chapter III Shareholders' Meeting

- Article 9 Shareholders' meetings of the Company are divided into Regular meetings and Special meetings. The Regular meetings will be duly convened within six months following the close of each fiscal year by Board of Directors in accordance with laws and regulations. Special meetings shall be convened, whenever deemed necessary in accordance with the laws and regulations.
- 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 with sign or seal. All matters concerning proxies for attendance at shareholder meetings shall be handled in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the authority, except for those regulated by Article 177 to Article 177-2 of the Company Act.
- Article 11 Except in the circumstances otherwise provided in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession. The Company's shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting, and the method of exercising voting power shall be described in the shareholders' meeting notice.
- Article 12 Resolutions at a shareholders' meeting shall, unless otherwise provided in the relevant laws or regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 12-1 The shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the proxy shall act on his/her behalf in accordance with Article 208 of the Company Act.
- Article 12-2 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission. The Company may distribute the minutes of shareholders' meeting by means of a public notice in accordance with the laws and regulations.

Chapter IV Directors and Audit Committee

- Article 13 The Company will have a Board of Directors consisting of five to nine Directors, who will be elected by the shareholders' meeting from among the persons with disposing capacity via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company shall purchase liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties.
- Article 13-1 The Board of Directors shall be composed of at least 3 Independent Directors and not less than one-fifth of the total number of directors, who will be elected via the candidate nomination system in accordance with Article 192-1 of the Company Act. With respect to the Independent Director's professional qualifications, restrictions on shareholdings and concurrent positions held, nomination and election method and other matters shall be implemented in compliance with relevant regulations issued by the securities authority.
- Article 13-2 In accordance with Article 14-4 of "Securities and Exchange Act", the Company shall establish an Audit Committee, which shall be composed of the entire number of Independent Directors. The authority of the Audit Committee and the other compliance issues shall be implemented in compliance with the Company Act, the Securities and Exchange Act, other relevant laws and regulations, and the company by laws.
- Article 14 In calling a meeting of the Board of Directors, a notice shall set forth therein the subject(s) to be discussed at the meeting and shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The aforesaid meeting notice may be prepared in writing or by way of electronic transmission.
- Article 15 The Board of Directors shall be composed of directors and the directors shall elect a Chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a Vice Chairman of the Board.
The Chairman internally presides the shareholders' meeting and the meeting of the Board of Directors, and externally represent the Company.
- Article 16 (Delete)
- Article 17 In case the Chairman is on leave or absent or unable to exercise his power and authority for any cause, the proxy shall act on his/her behalf in accordance with Article 208 of the Company Act. If a director is on leave or absent for a Board meeting, may consign another director to be his/her proxy. Only one proxy could be consigned, and the proxy shall act on his/her behalf in accordance with Article 205 of the Company Act.
- Article 17-1 When the number of vacancies in the Board of Directors of the Company equals to one third of the total number of directors, the Board of Directors shall exercise in accordance with Article 201 of the Company Act.
- Article 18 Remuneration and transportation allowances paid to the Company's directors shall be determined by the Board of Directors' resolution based on the suggestions provided by Remuneration Committee and the overall standards among the industry. The remuneration and transportation allowances will be paid whether the Company has profit or suffered loss.

Chapter V Managerial Officers

Article 19 The company may have one or more managerial officers, whose appointment, discharge and remuneration will be determined in accordance with Article 29 of the Company Act. 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 20 The Board of Directors shall prepare the following statements and records after the end of the fiscal year:

1. Business report;
2. Financial statements;
3. Surplus earning distribution or loss off-setting proposals, which shall be submitted to Regular shareholders' meeting for approval in accordance with the laws and regulations.

Article 21 If the Company has profit (referred to the profit before tax, excluding the employees' profit sharing bonus and directors' remuneration) as a result of the yearly accounting closing, the profit shall be distributed in accordance with the following provisions provided. However, the Company's accumulated losses shall have been covered.

No less than 10% of the profit from current year as employees' profit sharing bonus. The Company may distribute profit sharing bonus in the form of shares or in cash to employees, including the employees of subsidiaries of the company meeting certain specific requirements which determined by the Board of Directors;

No more than 2% of the profit from current year as directors' remuneration in cash.

Article 21-1 If the Company has positive current profit after tax, shall first pay taxes and dues and cover accumulated losses, and then set aside ten percent of such profits as a legal reserve (not applied if the legal reserve amounts to the paid-in capital). Afterwards, set aside or reverse special reserve in accordance with laws and regulations enacted by authorities. The remaining balance will combine with unappropriated retained earnings at beginning and serve as distributable earnings. No less than 5% of the distributable earnings shall be appropriated as shareholders' dividends and bonuses. Proposal for distribution of earnings shall be proposed by Board of Directors and submit to shareholders' meeting for ratification. In consideration that the development of the Company is in its stable growing phase, the Company adopts residual dividend policy to meet its long-term investment plan for sustainable business and continuous growth. Dividend distributed by cash shall be no less than 10% of the sum of cash dividends and stock dividends.

Chapter VII Supplementary Provisions

Article 22 Matters not prescribed under the Articles of Incorporation shall be in accordance with the Company Act and the relevant rules and regulations.

Article 22-1 The organization policies and enforcement rules will be prescribed by Board of Directors.

Article 23 The Article of Incorporation was enacted on May 20, 1992

The 1st amendment was made on May 28, 1992

The 2nd amendment was made on August 1, 1992
The 3rd amendment was made on August 16, 1993
The 4th amendment was made on December 15, 1996
The 5th amendment was made on September 25, 1997
The 6th amendment was made on January 6, 1998
The 7th amendment was made on February 15, 1998
The 8th amendment was made on October 1, 1998
The 9th amendment was made on November 10, 1998
The 10th amendment was made on November 11, 1998
The 11st amendment was made on January 7, 1999
The 12nd amendment was made on August 17, 1999
The 13rd amendment was made on April 13, 2000
The 14th amendment was made on April 18, 2001
The 15th amendment was made on March 4, 2002
The 16th amendment was made on June 28, 2002
The 17th amendment was made on July 18, 2002
The 18th amendment was made on September 20, 2002
The 19th amendment was made on February 5, 2004
The 20th amendment was made on June 30, 2004
The 21st amendment was made on June 30, 2004
The 22nd amendment was made on June 14, 2005
The 23rd amendment was made on May 30, 2006
The 24th amendment was made on June 11, 2007
The 25th amendment was made on June 30, 2008
The 26th amendment was made on June 25, 2009
The 27th amendment was made on December 24, 2009
The 28th amendment was made on April 26, 2010
The 29th amendment was made on June 28, 2011
The 30th amendment was made on June 28, 2012
The 31st amendment was made on June 25, 2013
The 32nd amendment was made on June 18, 2014
The 33rd amendment was made on June 24, 2016.
The 34rd amendment was made on June 21, 2018.
The 35rd amendment was made on June 24, 2019.

Wistron Information Technology and Services Corp.
Comparison Between Original and Amendments to
“Procedures for Acquisition and Disposal of Assets”

Items	Original Version	Amended Version	Reason
Article 5	<p>Procedures for Ratification and Decision of Acquisition or Disposal of Assets</p> <p>1. (omitting)</p> <p>2. Level of Delegation/Authorization: Acquisition or disposal of assets of the Company, except for those regulated by Article 158 of the Company Act shall be submitted to shareholder’s meeting for approval, is authorized to the in-charge department for implementation, and the authorization level is as following:</p> <p>(1) Acquisition or disposal of securities: unless otherwise provided below, it shall be approved by Board of Directors:</p> <p>A. Chairman is authorized to decide and execute by Board of Directors for securities under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter.</p> <p>B. For the securities acquired or disposed on a centralized securities exchange market or OTC venue, chairman is authorized to decide and execute by Board of Directors for securities under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter. However, for</p>	<p>Procedures for Ratification and Decision of Acquisition or Disposal of Assets</p> <p>1. (omitting)</p> <p>2. Level of Delegation/Authorization: Acquisition or disposal of assets of the Company, except for those regulated by Article 158 of the Company Act shall be submitted to shareholder’s meeting for approval, is authorized to the in-charge department for implementation, and the authorization level is as following:</p> <p>(1) Acquisition or disposal of securities: unless otherwise provided below, it shall be approved by Board of Directors:</p> <p>A. Chairman is authorized to decide and execute by Board of Directors for securities under <u>NT\$100 million</u> (NT\$100,000,000) and the transaction shall be reported to Board of Directors thereafter.</p> <p>B. For the securities acquired or disposed on a centralized securities exchange market or OTC venue, chairman is authorized to decide and execute by Board of Directors for securities under <u>NT\$100 million</u> (NT\$100,000,000) and the transaction shall be reported to Board of Directors thereafter. However, for</p>	To comply with the Company’s operational needs.

Items	Original Version	Amended Version	Reason
	<p>related party transactions subject to the Article 12 of the Procedures, the provisions of Article 12 shall prevail.</p> <p>C. For short-term idle funds invested in government bonds, domestic bond funds, financial bonds, U.S. Treasury Securities, overseas bond funds of good credit rating, and domestic money market funds, the chief financial officer is authorized to decide and execute when each transaction or daily total amount under NT\$50 million (NT\$50,000,000); and approval of chairman is required when the amount exceeding NT\$50 million (NT\$50,000,000).</p> <p>(2) For acquisition or disposal of real property or right-of-use assets thereof, unless that chairman is authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter, it shall be approved by Board of Directors. However, acquisition or disposal of real property or right-of-use assets thereof to related parties are not in the scope of this authorization, and shall be subject to the provisions of Article 12, Paragraph 2 of the Procedures.</p> <p>(3) For acquisition or disposal of the</p>	<p>related party transactions subject to the Article 12 of the Procedures, the provisions of Article 12 shall prevail.</p> <p>C. For short-term idle funds invested in government bonds, domestic bond funds, financial bonds, U.S. Treasury Securities, overseas bond funds of good credit rating, and domestic money market funds, the chief financial officer is authorized to decide and execute when each transaction or daily total amount under <u>NT\$100 million</u> (<u>NT\$100,000,000</u>); and approval of chairman is required when the amount exceeding <u>NT\$100 million</u> (<u>NT\$100,000,000</u>).</p> <p>(2) For acquisition or disposal of real property or right-of-use assets thereof, unless that chairman is authorized to decide and execute by Board of Directors for amount under <u>NT\$100 million</u> (<u>NT\$100,000,000</u>) and the transaction shall be reported to Board of Directors thereafter, it shall be approved by Board of Directors. However, acquisition or disposal of real property or right-of-use assets thereof to related parties are not in the scope of this authorization, and shall be subject to the provisions of Article 12, Paragraph 2 of the Procedures.</p> <p>(3) For acquisition or disposal of the</p>	

Items	Original Version	Amended Version	Reason
	<p>equipment or right-of-use assets thereof and real property right-of-use assets for business use between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be submitted to and ratified by the most recent Board of Directors thereafter. Acquisition or disposal of equipment or right-of-use assets thereof other than those mentioned in preceding part of this subparagraph, unless the transaction whose amount exceeding NT\$50 million (NT\$50,000,000) shall be approved by Board of Directors, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter.</p> <p>(4) The authorization of acquisition and disposal of derivatives shall be adopted based on the growth of the Company's revenue and the variation of the risk exposure, and come into force by approval</p>	<p>equipment or right-of-use assets thereof and real property right-of-use assets for business use between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under <u>NT\$100 million</u> (<u>NT\$100,000,000</u>) and the transaction shall be submitted to and ratified by the most recent Board of Directors thereafter. Acquisition or disposal of equipment or right-of-use assets thereof other than those mentioned in preceding part of this subparagraph, unless the transaction whose amount exceeding <u>NT\$100 million</u> (<u>NT\$100,000,000</u>) shall be approved by Board of Directors, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under <u>NT\$100 million</u> (<u>NT\$100,000,000</u>) and the transaction shall be reported to Board of Directors thereafter.</p> <p>(4) The acquisition and disposal of derivatives shall be <u>authorized to</u> the authorized personnel <u>in accordance with "Rules and Procedures for Derivatives Transactions"</u> of the Company,</p>	

Items	Original Version	Amended Version	Reason
	<p>of chairman or the authorized personnel, and be reported to the most recent Board of Directors.</p> <p>3. (omitting)</p>	<p>and be reported to the most recent Board of Directors.</p> <p>3. (omitting)</p>	
Article 7	<p>Scope and Amount of Acquisition or Disposal of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may acquire real property or right-of-use assets thereof and securities for non-business use, the limitations on amounts are set forth as follows:</p> <p>(1) Total amount of acquisition of real property or right-of-use assets thereof for non-business use shall not exceed 40 percent of total equity attributable to owners of parent of the Company and long-term liabilities as the most recent financial statement certified or reviewed by CPA.</p> <p>(2) Total amount of securities investments shall not exceed 200 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.</p> <p>(3) Amount of individual securities investments shall not exceed 40 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.</p> <p>2. As to the subsidiaries of the Company, acquisition or disposal of assets shall not exceed the limitation as following:</p> <p>(1) Real property or right-of-use</p>	<p>Scope and Amount of Acquisition or Disposal of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may acquire real property or right-of-use assets thereof and securities for non-business use, the limitations on amounts are set forth as follows:</p> <p>(1) Total amount of acquisition of real property or right-of-use assets thereof for non-business use shall not exceed 40 percent of total equity attributable to owners of parent of the Company and long-term liabilities as the most recent financial statement <u>audited</u> or reviewed by CPA.</p> <p>(2) Total amount of securities investments shall not exceed 200 percent of total equity attributable to owners of parent of the Company as the most recent financial statement <u>audited</u> or reviewed by CPA.</p> <p>(3) Amount of individual securities investments shall not exceed 40 percent of total equity attributable to owners of parent of the Company as the most recent financial statement <u>audited</u> or reviewed by CPA.</p> <p>2. As to the subsidiaries of the Company, acquisition or disposal of assets shall not exceed the limitation as following:</p> <p>(1) Real property or right-of-use</p>	<p>To comply with the Company's operational needs and adjust wording.</p>

Items	Original Version	Amended Version	Reason
	<p>assets thereof and securities for non-business use may not be acquired.</p> <p>(2) Total amount of securities investments shall not exceed total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.</p> <p>(3) Amount of individual securities investments shall not exceed 20 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.</p>	<p>assets thereof and securities for non-business use may not be acquired.</p> <p>(2) Total amount of securities investments shall not exceed total equity attributable to owners of parent of the Company as the most recent financial statement <u>audited</u> or reviewed by CPA.</p> <p>(3) Amount of individual securities investments shall not exceed <u>40</u> percent of total equity attributable to owners of parent of the Company as the most recent financial statement <u>audited</u> or reviewed by CPA.</p>	
Article 8	<p>Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries.</p> <p>1. For the acquisition and disposal of assets by subsidiaries invested by the Company, the “Procedures for Acquisition and Disposal of Assets” shall be enacted, and any amendments hereto, in accordance with regulations, approved by the Board of Directors of the subsidiaries, and submitted to Audit Committee and reported to shareholders’ meeting of the subsidiaries for approval. After approved by shareholders’ meeting of the subsidiaries, it shall be reported to the Board of Directors of the Company for filing.</p> <p>2. When the transaction amount of acquisition or disposal of assets by any subsidiaries of the Company that are not domestic public companies reaches the standards of announcement and filing set forth herein, it shall be</p>	<p>Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries.</p> <p>1. For the acquisition and disposal of assets by subsidiaries invested by the Company, the “Procedures for Acquisition and Disposal of Assets” shall be enacted, and any amendments hereto, in accordance with regulations, approved by the Board of Directors of the subsidiaries, and submitted to Audit Committee <u>or each supervisor</u> and reported to shareholders’ meeting of the subsidiaries for approval. After approved by shareholders’ meeting of the subsidiaries, it shall be reported to the Board of Directors of the Company for filing.</p> <p>2. When the transaction amount of acquisition or disposal of assets by any subsidiaries of the Company that are not domestic public companies reaches the standards of announcement and filing set forth herein, it shall be</p>	To comply with the Company’s operational needs and adjust Chinese wording.

Items	Original Version	Amended Version	Reason
	<p>announced and filed by the Company with copies to relevant authorities as prescribed in the Procedures.</p> <p>3. The paid-in capital or total assets of the Company certified by CPA shall be the standard applicable to the subsidiaries in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 6, Paragraph 1 of the Procedures.</p> <p>4. The Company shall supervise that subsidiaries adopt and implement its “Procedures for Acquisition and Disposal of Assets”, and audit their implementation.</p>	<p>announced and filed by the Company with copies to relevant authorities as prescribed in the Procedures.</p> <p>3. The paid-in capital or total assets of the Company <u>audited or reviewed</u> by CPA shall be the standard applicable to the subsidiaries in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 6, Paragraph 1 of the Procedures.</p> <p>4. The Company shall supervise that subsidiaries adopt and implement its “Procedures for Acquisition and Disposal of Assets”, and audit their implementation.</p>	
Article 11	<p>CPA’s Opinion</p> <p>1. When the transaction amount is 20 percent of the Company’s paid-in capital or NT\$300 million (NT\$300,000,000) or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of “Statement of Auditing Standards No. 20” published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(omitting)</p>	<p>CPA’s Opinion</p> <p>1. When the transaction amount of <u>acquisition and disposal of securities</u> is 20 percent of the Company’s paid-in capital or NT\$300 million (NT\$300,000,000) or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of “Statement of Auditing Standards No. 20” published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(omitting)</p>	Adjustment of wording

Items	Original Version	Amended Version	Reason
Article 28	<p>(omitting)</p> <p>10. The Company shall not give up capital increase in the future years on Wistron Information Technology and Service Inc.(referred to “WIBI”), Wistron Information Technology and Service(Japan) Inc.(referred to “WIJP”), and Wistron Information Technology and Service Limited. WIBI shall not give up capital increase in the future years on Wistron Information Technology and Services (Beijing) Inc. (referred to “WIBJ”) and Shanghai Booster Technologies Company Limited. WIJP shall not give up capital increase in the future years on Wistron Information Technology and Service (Japan) Inc.(2). WIBJ shall not give up capital increase in the future years on Beijing Enovation Technology co., Ltd. and Wistron ITS (Wuhan) Co. If in the future, each company is required on the basis of strategic alliances or consent granted from Taipei Exchange, it shall be approved by special resolutions of Board of Directors of the Company. Furthermore, if the Procedures are subsequently amended, the Company shall announce material information in Market Observation Post System and report to Taipei Exchange in the form of letter for recordation.</p>	<p>(omitting)</p> <p>10. The Company shall not give up capital increase in the future years on Wistron Information Technology and Service Inc.(referred to “WIBI”), Wistron Information Technology and Service(Japan) Inc.(referred to “WIJP”), and Wistron Information Technology and Service Limited (referred to “WIHK”). <u>The Company shall maintain directly or indirectly holding 100 percent of the issued shares to Wistron ITS (Hong Kong) Limited (referred to “WIHK(II))). WIBI and WIHK(II) shall maintain substantial control over Wistron Information Technology and Services (Beijing) Inc. (referred to “WIBJ”), Shanghai Booster Technologies Company Limited. (referred to “QT”), Beijing Enovation Technology co., Ltd. (referred to “WIYC”), and Wistron ITS (Wuhan) Co. (referred to “WIWZ”), and shall maintain directly or indirectly holding 90 percent or more of the issued shares to them. If in the future, on the basis of strategic alliances or other reasonable grounds, the Company is required to directly or indirectly hold issued shares to WIBI, WIJP, WIHK, and WIHK(II) lower than the percentage mentioned above; or WIBI and WIHK(II) are required to directly or indirectly hold issued shares to WIBJ, QT, WIYC, and WIWZ lower than the percentage mentioned above, it shall be</u></p>	Adjust commitment of listing on TPEX to comply with organization plan

Items	Original Version	Amended Version	Reason
		<p><u>granted consent from Taipei Exchange (referred as “TPEX”), and then</u> approved by special resolutions of Board of Directors of the Company. Furthermore, if the Procedures are subsequently amended, the Company shall announce material information in Market Observation Post System and report to <u>TPEX</u> in the form of letter for recordation.</p>	
Article 29	<p>The Procedures were enacted on June 10, 2003 The 1st amendment was made on February 5, 2004 The 2nd amendment was made on December 24, 2009 The 3rd amendment was made on June 28, 2012. The 4th amendment was made on June 25, 2013. The 5th amendment was made on June 18, 2014. The 6th amendment was made on June 22, 2017. The 7th amendment was made on June 24, 2019.</p>	<p>The Procedures were enacted on June 10, 2003 The 1st amendment was made on February 5, 2004 The 2nd amendment was made on December 24, 2009 The 3rd amendment was made on June 28, 2012. The 4th amendment was made on June 25, 2013. The 5th amendment was made on June 18, 2014. The 6th amendment was made on June 22, 2017. The 7th amendment was made on June 24, 2019. <u>The 8th amendment was made on June 22, 2020.</u></p>	Correspondence to the amendment date.

Wistron Information Technology and Services Corp.

Procedures for Acquisition and Disposal of Assets

- Article 1 Purpose and Legal Basis
- To comply with regulations and reinforce the Company’s management of “Procedures for Acquisition and Disposal of Assets” (the “Procedures”), the Procedures are amended in accordance with Article 36-1 of “Securities and Exchange Act” and relevant regulations issued by Financial Supervisory Commission (“FSC”).
- Article 2 The term “assets” as used in the Procedures includes the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 3. Memberships.
 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 5. Right-of-use assets.
 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 7. Derivatives.
 8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 9. Other major assets.
- Article 3 Definition
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the “Business Mergers and Acquisitions Act”, “Financial Holding Company Act”, “Financial Institution Merger Act” and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the “Company Act”.

3. The term “related party” and “subsidiary” as used in the Procedures shall be defined by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
4. The term “date of occurrence” as used in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
5. The term “professional appraiser” as used in the Procedures refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
6. The term “within the preceding year” as used in the Procedures refers to the year preceding the date of occurrence of the current acquisition or disposal of assets. Items had been publicly announced need not be counted toward the transaction amount.
7. The term “the most recent financial statement” as used in the Procedures refers to the publicly announced financial statement audited or reviewed by a certified public accountant (“CPA”) before the acquisition or disposal of assets by the Company as required by law.
8. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the “Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area”.
9. Securities exchange: Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
10. Over-the-counter venue (“OTC venue”, “OTC”): Domestic OTC venue refers to a venue for OTC trading provided by a securities firm in accordance with the “Regulations Governing Securities Trading on the Taipei Exchange”; foreign OTC venue refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Procedures for Evaluation and Operation of Acquisition or Disposal of Assets

1. The acquisition or disposal of securities
 - (1) For the securities acquired or disposed on a centralized securities exchange market or OTC venue, the operating department shall submit the purposes of acquisition or disposal, the subject matter and references of price to competent authority for approval.
 - (2) For the securities acquired or disposed on a centralized securities exchange market or OTC venue, the operating department shall submit the purposes of acquisition or disposal, the subject matter, the counterparties, the transfer price, receipt and payment term, and references of price to competent authority for approval.

2. For acquisition or disposal of real property, equipment, memberships, intangible assets, right-of-use assets, and assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law, the operating department shall submit the purposes of acquisition or disposal, the subject matter, the counterparties, the transfer price, receipt and payment term, and references of price to competent authority for approval.
3. For evaluation of derivatives, the chief financial officer shall regularly convene meetings with related persons to review operational strategies and performance. Generally, derivatives trading positions and performance shall be reported to chief financial officer every two weeks, and to chairman each quarter.
4. Relevant operations for acquisition or disposal of assets shall be implemented in compliance with the Company's Internal Control Systems.

Article 5 Procedures for Ratification and Decision of Acquisition or Disposal of Assets

1. Price determination and supporting reference materials:

- (1) For the securities acquired or disposed on a centralized securities exchange market or OTC venue, the price shall be determined by the market price at the time of transaction. For the securities not acquired or disposed on a centralized securities exchange market or OTC venue, the price shall be determined by reference to book value per share, profitability, potential development for future, and transaction price at the time.
- (2) The acquisition or disposal of real property or right-of-use assets thereof and equipment or right-of-use assets thereof, shall be carried out through price competition, price negotiation, or call for tenders. As to the price of real property or right-of-use assets thereof, it shall be determined by reference to the announced present value, appraised present value, and the actual transaction price in neighboring parcels.
- (3) For acquisition or disposal of memberships, the price shall be integrally evaluated by reference to expected future increment and benefit produced.
- (4) For acquisition or disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets or right-of-use assets thereof, the price shall be entirely determined by reference to future expected profit, technology development and innovation, legally protected conditions, license and implementation, and cost of production and implementation; in addition, price determination shall took the related element of right owners and licensees into consideration.

2. Level of Delegation/Authorization:

Acquisition or disposal of assets of the Company, except for those regulated by Article 158 of the Company Act shall be submitted to shareholder's meeting for approval, is authorized to the in-charge department for implementation, and the authorization level is as following:

- (1) Acquisition or disposal of securities: unless otherwise provided below, it shall be approved by Board of Directors:

- A. Chairman is authorized to decide and execute by Board of Directors for securities under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter.
- B. For the securities acquired or disposed on a centralized securities exchange market or OTC venue, chairman is authorized to decide and execute by Board of Directors for securities under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter. However, for related party transactions subject to the Article 12 of the Procedures, the provisions of Article 12 shall prevail.
- C. For short-term idle funds invested in government bonds, domestic bond funds, financial bonds, U.S. Treasury Securities, overseas bond funds of good credit rating, and domestic money market funds, the chief financial officer is authorized to decide and execute when each transaction or daily total amount under NT\$50 million (NT\$50,000,000); and approval of chairman is required when the amount exceeding NT\$50 million (NT\$50,000,000).
- (2) For acquisition or disposal of real property or right-of-use assets thereof, unless that chairman is authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter, it shall be approved by Board of Directors. However, acquisition or disposal of real property or right-of-use assets thereof to related parties are not in the scope of this authorization, and shall be subject to the provisions of Article 12, Paragraph 2 of the Procedures.
- (3) For acquisition or disposal of the equipment or right-of-use assets thereof and real property right-of-use assets for business use between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be submitted to and ratified by the most recent Board of Directors thereafter.
- Acquisition or disposal of equipment or right-of-use assets thereof other than those mentioned in preceding part of this subparagraph, unless the transaction whose amount exceeding NT\$50 million (NT\$50,000,000) shall be approved by Board of Directors, chairman or the authorized personnel are authorized to decide and execute by Board of Directors for amount under NT\$50 million (NT\$50,000,000) and the transaction shall be reported to Board of Directors thereafter.
- (4) The authorization of acquisition and disposal of derivatives shall be adopted based on the growth of the Company's revenue and the variation of the risk exposure, and come into force by approval of chairman or the authorized personnel, and be reported to the most recent Board of Directors.

3. Operating Department

The operating department for transaction of securities and derivatives is Finance Division; the operating department for real property, equipment, intangible assets, memberships, right-of-use assets, and assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law is application department and associated sectors.

Article 6 Procedures for Public Announcement and Filing

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million (NT\$300,000,000) or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the Company.
- (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million (NT\$500,000,000) or more.
- (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million (NT\$500,000,000) or more.
- (6) Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million (NT\$300,000,000) or more; provided, this shall not apply to the following circumstances:
 - A. Trading of domestic government bonds.
 - B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The amount of transactions above shall be calculated as follows:

- (2) The amount of any individual transaction.

- (3) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - (5) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
3. “Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.
 4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
 5. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days counting inclusively from the date of knowing of such error or omission.
 6. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
 7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

Article 7

Scope and Amount of Acquisition or Disposal of Assets

1. Apart from acquisition of assets for business use, the Company may acquire real property or right-of-use assets thereof and securities for non-business use, the limitations on amounts are set forth as follows:
 - (1) Total amount of acquisition of real property or right-of-use assets thereof for non-business use shall not exceed 40 percent of total equity attributable to owners of parent of the Company and long-term liabilities as the most recent financial statement certified or reviewed by CPA.

- (2) Total amount of securities investments shall not exceed 200 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.
 - (3) Amount of individual securities investments shall not exceed 40 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.
2. As to the subsidiaries of the Company, acquisition or disposal of assets shall not exceed the limitation as following:
- (1) Real property or right-of-use assets thereof and securities for non-business use may not be acquired.
 - (2) Total amount of securities investments shall not exceed total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.
 - (3) Amount of individual securities investments shall not exceed 20 percent of total equity attributable to owners of parent of the Company as the most recent financial statement certified or reviewed by CPA.

Article 8 Control Procedures for the Acquisition and Disposal of Assets by Subsidiaries.

1. For the acquisition and disposal of assets by subsidiaries invested by the Company, the “Procedures for Acquisition and Disposal of Assets” shall be enacted, and any amendments hereto, in accordance with regulations, approved by the Board of Directors of the subsidiaries, and submitted to Audit Committee and reported to shareholders’ meeting of the subsidiaries for approval. After approved by shareholders’ meeting of the subsidiaries, it shall be reported to the Board of Directors of the Company for filing.
2. When the transaction amount of acquisition or disposal of assets by any subsidiaries of the Company that are not domestic public companies reaches the standards of announcement and filing set forth herein, it shall be announced and filed by the Company with copies to relevant authorities as prescribed in the Procedures.
3. The paid-in capital or total assets of the Company certified by CPA shall be the standard applicable to the subsidiaries in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 6, Paragraph 1 of the Procedures.
4. The Company shall supervise that subsidiaries adopt and implement its “Procedures for Acquisition and Disposal of Assets”, and audit their implementation.

Article 9 Penalties for Violation of the Procedure

In the cases where Company’s employees or personnel violate the provisions in the Procedure, it shall be proceeded in accordance with the "Personnel Management Rules" of the Company and relevant measures.

Article 10 Appraisal Report from a Professional Institution

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million (NT\$300,000,000) or more, the Company, unless transacting with a domestic

government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion (NT\$1,000,000,000) or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of "Statement of Auditing Standards No. 20" published by the ROC Accounting Research and Development Foundation ("ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 11 CPA's Opinion

1. When the transaction amount is 20 percent of the Company's paid-in capital or NT\$300 million (NT\$300,000,000) or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of "Statement of Auditing Standards No. 20" published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

In accordance with FSC letter No. 1070331908 and the exception rule provided in the Article 10 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the following circumstances are exempt from the preceding provisions herein:

- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with regulation and law, with the further

requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed.

- (2) Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with the Company as a sponsor of the issue.
 - (3) Securities issued by the subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or between the subsidiaries in which it holds 100 percent of the issued shares carrying out a cash capital increase, with the Company as a sponsor of the issue.
 - (4) Securities listed and traded on the Taiwan Stock Exchange (“TWSE”) or the Taipei Exchange (“TPEX”) or emerging stocks.
 - (5) Domestic government bonds or bonds under repurchase and resale agreements.
 - (6) Mutual funds.
 - (7) TWSE or TPEX listed securities acquired or disposed of in accordance with the TWSE or TPEX rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
 - (8) Securities acquired through the Company’s sponsorship of a cash capital increase by a domestic public company or domestic corporate bonds (including financial bonds), when the securities acquired are not privately placed.
 - (9) Subscription to fund shares before the establishment of a fund in accordance with Article 11, Paragraph 1 of the “Securities Investment Trust and Consulting Act”, and subscription or redemption of domestic private funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a mutual fund.
2. Where the Company acquires or disposes of memberships or intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million (NT\$300,000,000) or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of “Statement of Auditing Standards No. 20” published by the ARDF.
 3. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 11-1 The calculation of the transaction amounts referred to in the preceding two articles shall be done in accordance with Article 6, Paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

Related Party Transactions

Article 12 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the Procedures, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with regulations.

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million (NT\$300,000,000) or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and ratified by the Audit Committee:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with this article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in this paragraph shall be made in accordance with Article 6, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and ratified by the Audit Committee need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, Chairman are authorized to decide and execute within a certain amount by Board of Directors pursuant to Article 5, Paragraph 2, Subparagraph 3, and the transaction shall be submitted to and ratified by the most recent Board of Directors thereafter.

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

Article 13

The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
3. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above.
4. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding three paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
5. Where a public company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 12, and the preceding four subparagraphs do not apply:
 - (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 14

When the results of the Company's appraisal conducted in accordance with subparagraph 1 to 3 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 15. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 15

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 13 and Article 14 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside against the difference between the transaction price of real property or right-of-use assets thereof and the appraised cost.
2. Independent Directors of Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Derivatives Transactions

Article 16 The Company engaging in derivatives trading shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into the Procedures:

1. Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
2. Risk management measures.
3. Internal audit system.
4. Regular evaluation methods and the handling of irregular circumstances.

Article 17 The Company engaging in derivatives trading shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
5. Other important risk management measures.

Article 18 Management principles of Board of Directors:

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

Management principles of senior management personnel authorized by the Board of Directors:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with "Rules and Procedures for Derivatives Transactions" set by the Company.

2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; an independent director shall be present at the meeting and express an opinion.

Article 19 The Company shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Article 17, subparagraph 4 and Article 18, Paragraph 1, Subparagraph 2 and Paragraph 2, Subparagraph 1 shall be recorded in detail in the log book.

The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to "Rules and Procedures for Derivatives Transactions", and prepare an audit report. If any material violation is discovered, Audit Committee shall be notified in writing.

Mergers, Demergers, Acquisitions, or Transfer of Shares

Article 20 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 21 The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to the preceding Article when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the Company or the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

Article 22 The Company shall convene a Board of Directors meeting and shareholders' meeting on the same day of the transaction to resolve matters relevant to the merger, demerger, acquisition, or transfer of shares with the companies participating in a merger, demerger,

acquisition, or transfer of shares, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

The Company shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation in the prescribed format and via the Internet-based information system.

Article 23 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares of the Company shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24 The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

- Article 25 The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- Article 26 After public disclosure of the information, if the Company intends further to carry out a merger, demerger, acquisition, or share transfer with another company, the Company shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and the Company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, may be exempted from calling another shareholders' meeting to resolve on the matter anew.
- Article 27 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 22, Article 23, and Article 26 of the Procedures.
- Article 28 Other Items
1. Matters not prescribed under the Procedures shall be in accordance with relevant law and regulations as well as the relevant rules and regulations of the Company. If the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" in the original order are amended by the competent authority, the Company shall apply the provisions in the new order.
 2. When the Procedures is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.
 3. When the Procedures are adopted they shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution, and then to a shareholders' meeting for approval; the same applies when the Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee.
 4. The matters, which shall be approved by Board of Directors in accordance with the Procedures or other law and regulations, if any director expresses dissent from and it is

contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to Audit Committee.

5. When the transaction of acquisition or disposal of assets in compliance with preceding paragraph is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' specific opinions of assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meeting.
6. Chairman may establish more conservative management principles in accordance with the Procedures. These principles shall be approved by vote of two-thirds of the directors at a Board of Directors meeting at which two-thirds of the directors are present; the same applies when the principles are amended.
7. When the Company intends to engage any transaction involving major assets or derivatives, it shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution.
8. If approval of one-half or more of all Audit Committee members as required in the Paragraph 3 and Paragraph 7 is not obtained, they may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.
9. The terms "all Audit Committee members" in Paragraph 7 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
10. The Company shall not give up capital increase in the future years on Wistron Information Technology and Service Inc.(referred to "WIBI"), Wistron Information Technology and Service(Japan) Inc.(referred to "WIJP"), and Wistron Information Technology and Service Limited. WIBI shall not give up capital increase in the future years on Wistron Information Technology and Services (Beijing) Inc. (referred to "WIBJ") and Shanghai Booster Technologies Company Limited. WIJP shall not give up capital increase in the future years on Wistron Information Technology and Service (Japan) Inc.(2). WIBJ shall not give up capital increase in the future years on Beijing Enovation Technology co., Ltd. and Wistron ITS (Wuhan) Co. If in the future, each company is required on the basis of strategic alliances or consent granted from Taipei Exchange, it shall be approved by special resolutions of Board of Directors of the Company. Furthermore, if the Procedures are subsequently amended, the Company shall announce material information in Market Observation Post System and report to Taipei Exchange in the form of letter for recordation.

Article 29

- The Procedures were enacted on June 10, 2003
The 1st amendment was made on February 5, 2004
The 2nd amendment was made on December 24, 2009
The 3rd amendment was made on June 28, 2012.
The 4th amendment was made on June 25, 2013.
The 5th amendment was made on June 18, 2014.
The 6th amendment was made on June 22, 2017.
The 7th amendment was made on June 24, 2019.

Wistron Information Technology and Services Corp.

Comparison Between Original and Amendments to “Rules of Procedure for Shareholders’ Meetings”

Items	Original Version	Amended Version	Reason
Article 1	The procedures for the Company’s shareholders’ meeting (The “Meeting”) shall be implemented in accordance with these Rules.	The procedures for the Company’s shareholders’ meeting (The “Meeting”), <u>except as otherwise provided by law, regulation, or the Company’s Articles of Incorporation,</u> shall be implemented in accordance with these Rules.	To comply with the Regulation.
Article 2	<p>The Company shall specify in its shareholders’ meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the Meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders attending the Meeting shall sign in. The sign-in procedure is performed by submitting a sign-in cards. The number of shares in attendance shall be calculated according to sign-in cards handed.</p>	<p>The Company shall specify in its shareholders’ meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the Meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders attending the Meeting shall sign in. The sign-in procedure is performed by submitting a sign-in cards. The number of shares in attendance shall be calculated according to sign-in cards handed <u>plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p>	To comply with the Regulation and the Company’s operational needs.

Items	Original Version	Amended Version	Reason
	<p>Shareholders and their proxies (collectively, "shareholders") shall attend the Meetings based on attendance cards. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p>	<p>Shareholders and their proxies (collectively, "shareholders") shall attend the Meetings based on attendance cards, <u>sign-in cards, or other certificates of attendance.</u> Solicitors soliciting proxy forms shall also bring identification documents for verification.</p>	
Article 5	<p>When the attending shareholders represent a majority of the total number of issued shares, the chair shall call the Meeting to order. If the quorum is not met over the meeting time, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, pursuant to Article 175 of the Company Act, a tentative resolution may be adopted by agreement of a majority of the votes represented by the attending shareholders.</p> <p>When, prior to conclusion of the Meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may call the Meeting to order at any time, and resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.</p>	<p>The chair shall call the meeting to order <u>at the appointed meeting time.</u> <u>However, when the attending shareholders do not represent a majority of the total number of issued shares,</u> the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met but the attending shareholders represent one third or more of the total number of issued shares, pursuant to Article 175, <u>paragraph 1</u> of the Company Act, a tentative resolution may be adopted by agreement of a majority of the votes represented by the attending shareholders. <u>All shareholders shall be notified of the tentative resolution and another meeting shall be convened within 1 month.</u></p> <p>When, prior to conclusion of the Meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Meeting pursuant to Article 174 of the Company Act.</p>	To comply with the Company's operational needs and adjust wording

Items	Original Version	Amended Version	Reason
Article 9	<p>If the Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Meeting. The provisions of the preceding paragraph apply the same to the Meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair may not declare the Meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Meeting.</p> <p>When the Meeting is in progress, the chair may announce a break based on time considerations. In case of no conclusion reached at the Meeting, a resolution may be adopted at the Meeting to defer or resume the Meeting within 5 days, and no service of notice or public announcement is required.</p> <p>After the Meeting adjourned, shareholders shall not elect other chair to resume the Meeting at the same or other venue.</p>	<p>If the Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Meeting. The provisions of the preceding paragraph apply the same to the Meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair may not declare the Meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Meeting. <u>If the chair declares the Meeting adjourned in violation of the Rules of procedure, may elect a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the Meeting.</u></p> <p>When the Meeting is in progress, the chair may announce a break based on time considerations. In case of no conclusion reached at the Meeting, a resolution may be adopted at the Meeting to defer or resume the Meeting within 5 days, and no service of notice or public announcement is required.</p> <p>After the Meeting adjourned, shareholders shall not elect other chair to resume the Meeting at the same or other venue.</p>	To comply with the Company's operational needs

Items	Original Version	Amended Version	Reason
Article 14	<p>Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p> <p>A proposal will be deemed as passed and has effect as it is passed by votes if no shareholders object it after chair's consultation. A shareholder shall be entitled to one vote for each share held. In case a shareholder appoints a proxy to attend the Meeting, with the exception of a trust enterprise, when one person is concurrently appointed as proxy by two or more shareholders at the same time, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</p>	<p>Except as otherwise provided by the Company Act or the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p> <p><u>At the time of a vote, each proposal (including extraordinary motions and amendments to original proposals) shall be called for a vote by the shareholders case-by-case.</u></p>	To comply with the Regulation and the Company's operational needs.
Article 15	<p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p>	<p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. <u>A shareholder exercising voting rights by correspondence or electronic means, whose rights with respect to</u></p>	To comply with the Regulation and the Company's operational needs.

Items	Original Version	Amended Version	Reason
		<u>the extraordinary motions and amendments to original proposals of the Meeting will be deemed to be abstentions.</u>	
Article 17	In case of incident of force majeure such as air strike alarm, the Meeting shall be stopped and evacuated, and the Meeting be resumed one hour after the termination of the alarm.	<u>If a force majeure event occurs, the chair may rule the Meeting temporarily suspended and announce a time when, in view of the circumstances, to resume the Meeting; or a resolution may be adopted at the Meeting to resume the Meeting within 5 days without notice and public announcement.</u>	To comply with the Company's operational needs.
Article 18	Matters not prescribed under these Rules shall be in accordance with the Company Act and Article of Incorporation of the Company.	(Delete)	Delete redundant article.
Article 19	These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.	(Delete)	Delete redundant article.
Article 20 <u>Article 18</u>	These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings. The Rules were enacted on June 28, 2002 The 1st amendment was made on April 26, 2010 The 2nd amendment was made on October 8, 2010 The 3th amendment was made on June 25, 2013	These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings. The Rules were enacted on June 28, 2002 The 1st amendment was made on April 26, 2010 The 2nd amendment was made on October 8, 2010 The 3th amendment was made on June 25, 2013 <u>The 4th amendment was made on June 22, 2020.</u>	Correspondence to the amendment date and adjust article number

Wistron Information Technology and Services Corp.

Shareholdings of Directors

(As of April 24, 2020)

Title	Name	Number of Shares
Chairman	Ching Hsiao	3,217,280
Director	WISTRON DIGITAL TECHNOLOGY HOLDING COMPANY Representative : Frank Lin	15,718,837
Director	Philip Peng	0
Director	Marty Chiou	241,000
Director	David Lee	0
Independent Director	Frank Juang	0
Independent Director	Allen Fan	0
Independent Director	C.K.Chieng	0
合	計	19,177,117

- (1) The common shares of Wistron ITS as of April 24, 2020 are 66,401,104 shares.
- (2) Pursuant to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shares shall be owned by all directors are 5,312,088 shares, which the directors of the Company meet requirement.
- (3) The Company establish an Audit Committee in accordance with the law, so the minimum requirement of shareholdings of the supervisors shall not apply.