

Wistron Information Technology and Services Corp.

Meeting Agenda

For 2021 Annual Shareholders Meeting

Date: May 31, 2021

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

DISCLAIMER

This is a translation of the agenda for the 2021 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.

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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. Election Items
6. 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.

7. Extemporaneous Motion
8. Adjournment

Meeting Agenda

Time: 9:00a.m., May 31, 2021

Venue: Multi-Purpose Auditorium

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

1. Report Items

- (1) The Business Report of 2020.
- (2) Audit Committee's Review Report.
- (3) To report distribution of employees' profit sharing bonus and directors' remuneration.
- (4) To report amendments to the "Code of Integrity."

2. Election Items

- (1) Election of one Independent Director of the 13th Board.

3. Ratification and Discussion Items

- (1) Ratification of the Business Report and Financial Statements of 2020.
- (2) Ratification of the proposal for distribution of 2020 profits.
- (3) Approval of amendments to the "Rules for Election of Directors."
- (4) Approval of amendments to the "Procedures for Governing Loaning of Funds."
- (5) Approval of release of the prohibition on Directors from participation in competitive business.

4. Extemporary Motions

5. Adjournment

Report Items

1. The Business Report of 2020. (Please refer to Attachment 1, pages 7-8)
2. Audit Committee's Review Report. (Please refer to Attachment 2, page 9)
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 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.

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

- (2) The Company's 1st Compensation Committee Meeting of 2021 and 1st Board Meeting of 2021 resolved the employees' profit sharing bonus and directors' remuneration of 2020 in accordance with the "Articles of Incorporation."

- A. The employees' profit sharing bonus was NT\$56,219,484, of which NT\$36,219,484 distributed in cash and NT\$20,000,000 distributed by shares.

- B. The directors' remuneration was NT\$11,240,000 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 212,765 shares, which were calculated based on the closing price NT\$94 prior to the date of 1st Board Meeting of 2021. Par value per share is NT\$10, and employees' profit sharing bonus of NT\$90, 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 amendments to the "Code of Integrity."

Description: To comply with regulations, the Company approved amendments to the "Code of Integrity" at the 6th Board Meeting of 2020. Please refer to Attachment 3, pages 10-15 for the comparison between the original and the amendments, and Attachment 4, page 16-20 for amended version.

Election Items

ITEM 1: Election of one Independent Director of the 13th Board.

Proposal: Submission (by the Board of Directors) of the proposal for electing one Independent Director of the Company's 13th Board.

Details: 1. The Company's 13th Board was elected in 2019 Annual Shareholders Meeting with 9 Directors (including 3 Independent Directors). Due to resignation of Director - Rick Chang, it is proposed to make adjustment to reelect one Independent Director for making up the vacancy to implement corporate governance best practices.

2. Term for reelected Independent Director will be the same as 13th Board, from May 31, 2021 to June 23, 2022.

3. Directors shall be elected by the candidate nomination system as specified in Article 192-1 of the Company Act. The below list of the candidate for one Independent Director:

Title/Name	Academic Qualifications	Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
Independent Director Yen Ling Fang	Doctor of Finance, Xiamen University Doctor of EMBA, NCCU	Certified Public Accountant of KPMG	CEO of Peace & Grace International Attorneys at Law	0

Note 1: As of the current position on March 10, 2021

Note 2: As per the actual reported number of shares on April 2, 2021

4. Submission for election.

Ratification and Discussion Items

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

Proposal: Submission (by the Board of Directors) of the Company's 2020 Business Report and Financial Statements for ratification.

Details: 1. The Company's Financial Statements for 2020, 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 Attachment 1, pages 7-8 for the Company's Business Report, and Attachment 5, pages 21-35 for Independent Auditors' Report, and the aforementioned Financial Statements.

3. Submission for ratification.

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

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

Details: 1. Net income after tax is NT\$465,889,399, after deducting remeasurements of the defined benefit obligation of NT\$141,000 and disposal of investments in equity instruments designated at fair value through other comprehensive income NT\$17,453,985, then deducting legal reserve of NT\$44,829,441, and adding up special reserve of NT\$43,884,007 and inappropriate retained earnings in prior years of NT\$364,611,364, therefore the total amount of retained earnings available for distribution is NT\$811,960,344. The dividends and bonuses proposed to be distributed to the shareholders amount to NT\$328,751,615 in cash (NT\$5 per share).

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

3. In the event that, before the ex-dividend record 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 Chairman is authorized to make necessary adjustments at its full discretion.

4. Please refer to Attachment 6, page 36 for the Profit Appropriation Statement for 2020.

5. Submission for ratification.

ITEM 3: Approval of amendments to the “Rules for Election of Directors.”

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

Details: 1. To comply with regulations and the Company’s operational needs, it is proposed to make amendments to the “Rules for Election of Directors.” (Please refer to Attachment 7, pages 37-39 for the comparison between the original and the amendments).

2. Please discuss.

ITEM 4: Approval of amendments to the “Procedures for Governing Loaning of Funds.”

Proposal: Submission (by the Board of Directors) of a proposal to amend certain parts of the Company’s “Procedures for Governing Loaning of Funds.”

Details: 1. To comply with regulations and the Company’s operational needs, it is proposed to make amendments to the “Procedures for Governing Loaning of Funds.” (Please refer to Attachment 8, pages 40-48 for the comparison between the original and the amendments).

2. Please discuss.

ITEM 5: Approval of release of the prohibition on Directors from participation in competitive business.

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

Details: 1. Pursuant to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.” In the event that, nominee of independent director participates in the operations of another company that engages in the same or similar business scope as the Company, as well as directors and their corporate representatives newly participate in the operations of another company that engages in the same or similar business scope as the Company, it is hereby proposed to release the prohibition on them from participation in the competitive business.

2. Please refer to Attachment 9, page 49 for the “List of Outside Directorships for Independent Director Nominee and Newly-added Outside Directorships for Directors (including Independent Directors).”

3. Please discuss.

Extemporary Motion

Adjournment

Wistron Information Technology and Services Corp.

Business Report

A. 2020: A Year in Review

The year 2020 has been a year full of challenges. With Covid-19 ravaging the world, Wistron ITS has been able to quickly initiate our response mechanism. We developed a healthcare system and initiated a disease prevention initiative that allowed us to return to work, whilst also caring for the health and safety of our employees. We also adapted to new, diverse working modes of our clients, maintaining our position as the backbone of their operations through this challenging time. With all these measures, our revenue quickly bounced back from its initial dip. Although our overall revenue had been slightly reduced due to both the pandemic as well as the deflation of US dollars, our optimization efforts in operation and management has helped us in achieving outstanding profits in 2020 nonetheless.

In 2020, Wistron ITS also achieved CMMI Level 5 certification, the highest level of Capability Maturity Model Integration (CMMI), demonstrating Wistron's capabilities in software development processes, organization, technology development, project management, and solution delivery at the highest international standards. This further demonstrates that Wistron has the soft power to prevent mishaps during project implementation and to proactively improve processes, utilize new technologies to achieve process optimization, making Wistron ITS more competitive in the international market.

B. Financial Performance

Wistron ITS reported a consolidated revenue of NT\$5,101 million, net profit of NT\$466 million and basic earnings per share of NT\$7.06 in 2020, compared to consolidated revenue of NT\$5,323 million, net profit of NT\$413 million and basic earnings per share of NT\$6.23 for the previous year. Gross margin rate was 25.8% in 2020, compared to 24.5%; operating profit rate was 9.5%, compared to 8.2%; and net profit rate was 9.1%, compared to 7.8% for the previous year.

As mentioned before, despite having a small decline in revenue for 2020, we still performed better in profit than 2019. The gross margin rate, operating profit rate and net profit rate all showed significant increase, with the basic earnings per share also reaching a new height. Thus, we were able to achieve our fifth consecutive years of profit growth.

C. 2021: A New Beginning

Looking ahead to 2021, the industry outlook is optimistic, and our performance is steadily rising. Wistron ITS continues to focus on the four markets of Taiwan, China, Japan and the U.S., and we project a return to business growth which will maintain a healthy profit.

Taiwan's successful pandemic prevention has enabled us to continue our steady economic growth. In addition, the information and digital industries are among the six core strategic industries promoted by the National Development Council (NDC) of Taiwan. The demand

for information services from customers in the financial, telecom, and manufacturing industries also continues to grow. Wistron ITS aims focus on emerging digital applications, fintech, smart manufacturing, 5G upgrades, and other areas to cultivate large customers. At one with the market trends, we hope to achieve an even better performance for 2021.

The company is actively developing the mainland market, and the new infrastructure plan in mainland China includes 5G infrastructure, big data center, artificial intelligence and industrial internet as key development areas. The main body of the domestic circular economy will converge with the data era, and related products, services, and lifestyles will simultaneously drive the demand for information services. Wistron ITS has recently been qualified as a Tier 1 indicator supplier in China and we are on our way to achieve breakthroughs and results.

In Japan and the United States, the impact of the pandemic is expected to gradually fade this year as the vaccine roll out begins and vaccination rate continues to grow, and it is expected that the Japanese and U.S. markets will soon start to recover.

Driven by digital technology, industry paradigms are shifting and bringing about economic model innovation, and software is at the core of these emerging technologies. The digital economy is expected to redefine consumer behavior and business models through a variety of innovative digital technologies, combined with cross-domain integration platforms and innovative service models. These include AI, big data, cloud services, financial technology, Internet of Things, 5G applications, virtual reality/augmented reality, etc., which are all key elements of the next wave of digital transformation. It is not easy for enterprises to develop technical talents in emerging technology fields, and new services and applications may be unfamiliar to them, but these areas are where the strength of Wistron ITS lies. In the foreseeable future, we believe that the demand for information services in these areas, applications and services will continue to grow, and this is where the opportunities lie for Wistron ITS.

As we embrace new opportunities and open new horizons, we will continue to strengthen the Wistron ITS talent pipeline and recruit the key personnel needed for future growth, in addition to deepening our development in the promising emerging technology areas mentioned above. At the forefront of technology development, Wistron ITS shall continue to transform our digital presence, optimizing and reengineering our organization and processes in all areas of business, operations, and employee services to enhance the competitiveness of Wistron ITS and maintain our advantages.

We thank all our shareholders for their encouragement and support, which has enabled us to continue to grow our business. Wistron ITS will continue to work hard to maximize the benefits for all shareholders.

Sincerely Yours,
and with warm regards,

Chairman: Ching Hsiao

President: Ching Hsiao

Controller: Phoebe Chang

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Wistron 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 10, 2021

Wistron Information Technology and Services Corp.

Comparison Between Original and Amendments to “Code of Integrity”

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

Items	Original Version	Amended Version	Reason
Article 8	<p>Commitment and implementation</p> <p>The Company and business group shall clearly specify in rules and external documents the ethical corporate management policies. Board of Directors and the management shall implement such rules rigorously and thoroughly, and shall carry out the policies in internal management and in commercial activities.</p>	<p>Commitment and implementation</p> <p><u>The Company shall request directors and senior management to issue a statement of compliance with the ethical corporate management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>The Company and business group shall clearly specify in rules and external documents <u>and on the company website</u> the ethical corporate management policies. Board of Directors and the management shall implement such rules rigorously and thoroughly, and shall carry out the policies in internal management and in commercial activities.</p> <p><u>The Company shall compile documented information on the ethical corporate management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	To comply with the Regulation.
Article 9	<p>Commercial transactions in ethical</p> <p>The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and is advised to avoid any dealings with persons so involved.</p> <p>When entering into contracts with their agents, suppliers, clients, or</p>	<p>Commercial transactions in ethical</p> <p>The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and <u>shall</u> avoid any dealings with persons so involved.</p> <p>When entering into contracts with their agents, suppliers, clients, or</p>	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	other trading counterparties, the Company is advised to include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.	other trading counterparties, the Company <u>shall</u> include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.	
Article 17	<p>Organization and responsibility The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company's HR & Administration Management Division is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and report to the Board of Directors on a regular basis.</p>	<p>Organization and responsibility The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company's HR & Administration Division is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and report to the Board of Directors on a regular basis (<u>at least once a year</u>).</p>	To comply with the Regulation.
Article 19	<p>Avoiding conflicts of interest of directors and mangers The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at Board meetings to voluntarily</p>	<p>Avoiding conflicts of interest of directors and mangers The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at Board meetings to voluntarily</p>	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>explain whether their interests would potentially conflict with those of the Company.</p> <p>The Company's directors, managers, and other stakeholders attending or present at Board meetings shall exercise a high degree of self-discipline. When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, and likely to prejudice the interest of the Company, the concerned person shall state the important aspects, may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>explain whether their interests would potentially conflict with those of the Company.</p> <p><u>When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at Board meetings, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</u></p> <p>The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
Article 20	<p>Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews</p>	<p>Accounting and internal control</p> <p>The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews</p>	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit to the Board of Directors. The internal audit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall, <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The results of examination shall be reported to senior management and the ethical management dedicated unit and writing down in</u> audit reports and submitted to the Board of Directors. The internal audit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	
Article 23	<p>Reporting and whistleblowing system The Company adopts a concrete whistle-blowing system including the following:</p> <ol style="list-style-type: none"> 1. Appropriate channel for internal and external personnel of the Company to use. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or department head of internal audit. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 	<p>Reporting and whistleblowing system The Company adopts a concrete whistle-blowing system including the following:</p> <ol style="list-style-type: none"> 1. Appropriate channel for internal and external personnel of the Company to use. 2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or department head of internal audit. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>4. Confidentiality of the identity of whistle-blowers and the content of reported cases.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing incentive measures.</p>	<p><u>3.</u> Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</p> <p><u>4.</u> Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p><u>5.</u> Confidentiality of the identity of whistle-blowers and the content of reported cases.</p> <p><u>6.</u> Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p><u>7.</u> Whistle-blowing incentive measures.</p>	
Article 27	<p>The Principles were enacted on August 12, 2013</p> <p>The 1st amendment was made on December 26, 2017</p>	<p>The Principles were enacted on August 12, 2013</p> <p>The 1st amendment was made on December 26, 2017</p> <p><u>The 2nd amendment was made on December 21, 2020</u></p>	Correspondence to the amendment date.

Wistron Information Technology and Services Corp.

Code of Integrity

Article 1 Purpose of adoption and scope of application

These Principles are adopted to foster a corporate culture of ethical management, sound development, and good commercial practices.

These Principles are applicable to the Company's subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions ("business group").

Article 2 Prohibition of unethical conduct

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 Types of benefits

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

Article 4 Compliance with applicable laws or regulations

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, Taiwan Stock Exchange Corporation (TWSE) and GreTai Securities Market (GTSM) (collectively, "TWSE/GTSM") listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 The policy

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 Prevention programs

The Company is advised to clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training based on the policy in the preceding article. When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and business group are operating.

Article 7 Scope of prevention programs

The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The prevention programs adopted by the Company shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 Commitment and implementation

The Company shall request directors and senior management to issue a statement of compliance with the ethical corporate management policy and require in the terms of employment that employees comply with such policy.

The Company and business group shall clearly specify in rules and external documents and on the company website the ethical corporate management policies. Board of Directors and the management shall implement such rules rigorously and thoroughly, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical corporate management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 Commercial transactions in ethical

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 Prohibition of bribery

When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

- Article 11 **Prohibition of offering illegal political donations**
When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Article 12 **Prohibition of improper donations and sponsorship**
When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article 13 **Prohibition of unreasonable presents, service, hospitality or other improper benefits**
The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
- Article 14 **Prohibition of intellectual property right infringement**
The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.
- Article 15 **Prohibition of conducting unfair competition behavior**
The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.
- Article 16 **Preventing product or service from damaging interested party**
In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. The Company shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in operations, with a view to preventing products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.
- Article 17 **Organization and responsibility**
The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.
To achieve sound ethical corporate management, the Company's HR & Administration Division is responsible for establishing and supervising the implementation of the ethical

corporate management policies and prevention programs, and report to the Board of Directors on a regular basis (at least once a year).

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

The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 **Avoiding conflicts of interest of directors and managers**

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at Board meetings, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

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

Article 20 **Accounting and internal control**

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The results of examination shall be reported to senior management and the ethical management dedicated unit and writing down in audit reports and submitted to the Board of Directors. The internal audit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21 **Operational procedures and guidelines**

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

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.

5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22 Training and assessment

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

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

Article 23 Reporting and whistleblowing system

The Company adopts a concrete whistle-blowing system including the following:

1. Appropriate channel for internal and external personnel of the Company to use.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or department head of internal audit. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

Article 24 Information disclosure

The Company shall disclose the implementation of ethical corporate management on the Company's websites, annual reports, and prospectuses.

Article 25 Review and improvement

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage directors, managers, and employees to make suggestions, based on which the adopted Principles and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 26 Enforcement

These Principles, and any amendments hereto, shall be implemented after adoption by Board of Directors, and shall be reported at a Shareholders meeting.

Article 27 The Principles were enacted on August 12, 2013

The 1st amendment was made on December 26, 2017

The 2nd amendment was made on December 21, 2020

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, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accounts, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Ruling NO. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the 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.

Valuation of notes and accounts receivable

Please refer to Note 4(g) “Financial Instruments” for accounting policy, Note 5 for accounting assumptions, judgments and estimation uncertainty of notes and accounts receivable and Note 6(c) for the disclosure of the valuation of notes and 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 notes and accounts receivable. Consequently, the valuation of notes and accounts receivable is identified as the key matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included testing the adequacy of the formula of the calculation for expected loss rate; testing the adequacy of aging report by tracing to related vouchers; evaluating the appropriateness of loss allowance and expected credit loss by testing if the loss allowance was made by expected loss rate; assessing if the evaluation document of loss allowance for notes and accounts receivable was compliance with the Group’s accounting policy; evaluating the adequacy of the disclosure of loss allowance for notes and 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, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

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

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 10, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019		
	Amount	%	Amount	%		Amount	%	Amount	%	
Assets										
Current assets:										
1100 Cash and cash equivalents	\$ 1,175,302	33	875,113	26	2130	Current contract liabilities	\$ 20,151	-	14,480	-
1140 Current contract assets	31,134	1	53,785	2	2170	Accounts payable	109,134	3	165,617	5
1170 Notes and accounts receivable, net	1,450,961	40	1,375,045	41	2180	Accounts payable-related parties	-	-	6,060	-
1180 Accounts receivable-related parties, net	16,964	-	19,476	1	2219	Other payables	850,951	23	697,494	21
1200 Other receivables	72	-	179	-	2220	Other payables-related parties	440	-	126	-
1220 Current tax assets	918	-	-	-	2230	Current tax liabilities	63,538	2	42,609	1
1410 Prepayments	15,712	-	14,495	-	2399	Other current liabilities	25,034	1	26,449	1
1470 Other current assets	17,432	-	1,222	-	2280	Current lease liabilities	23,150	1	38,696	1
Total current assets	<u>2,708,495</u>	<u>74</u>	<u>2,339,315</u>	<u>70</u>	2322	Long-term borrowings, current portion	7,984	-	45,873	2
Non-current assets:						Total current liabilities	<u>1,100,382</u>	<u>30</u>	<u>1,037,404</u>	<u>31</u>
1517 Non-current financial assets at fair value through other comprehensive income	-	-	13,212	-	2540	Non-Current liabilities:				
1600 Property, plant and equipment	810,501	22	853,356	25	2570	Long-term loans	64,123	2	71,320	2
1755 Right-of-use assets	54,300	2	64,579	2	2580	Deferred tax liabilities	99,878	3	108,072	3
1780 Intangible assets	32,870	1	32,036	1	2640	Non-current lease liabilities	25,721	1	20,526	1
1840 Deferred tax assets	22,475	1	22,448	1	2670	Net defined benefit liability, non-current	16,065	-	15,375	-
1900 Other non-current assets	15,536	-	36,748	1		Other non-current liabilities	2,790	-	-	-
Total non-current assets	<u>935,682</u>	<u>26</u>	<u>1,022,379</u>	<u>30</u>		Total non-current liabilities	<u>208,577</u>	<u>6</u>	<u>215,293</u>	<u>6</u>
						Total liabilities	<u>1,308,959</u>	<u>36</u>	<u>1,252,697</u>	<u>37</u>
						Equity:				
					3100	Capital stock	667,083	18	664,011	20
					3200	Capital surplus	753,005	21	736,051	22
					3300	Retained earnings	1,069,842	29	834,032	25
					3400	Other equity	(81,212)	(2)	(125,097)	(4)
					3500	Treasury shares	(73,500)	(2)	-	-
						Total equity	<u>2,335,218</u>	<u>64</u>	<u>2,108,997</u>	<u>63</u>
Total assets	<u>\$ 3,644,177</u>	<u>100</u>	<u>3,361,694</u>	<u>100</u>		Total liabilities and equity	<u>\$ 3,644,177</u>	<u>100</u>	<u>3,361,694</u>	<u>100</u>

(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, 2020 and 2019

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

	2020		2019	
	Amount	%	Amount	%
4000 Net revenue	\$ 5,100,895	100	5,323,464	100
5000 Cost of Sales	<u>(3,787,181)</u>	<u>(74)</u>	<u>(4,020,905)</u>	<u>(76)</u>
Gross profit	<u>1,313,714</u>	<u>26</u>	<u>1,302,559</u>	<u>24</u>
Operating expenses				
6100 Selling expenses	(131,522)	(2)	(123,700)	(2)
6200 Administrative expenses	(660,142)	(13)	(711,873)	(13)
6300 Research and development expenses	(9,784)	-	(8,273)	-
6450 Expected credit loss	<u>(27,691)</u>	<u>(1)</u>	<u>(20,114)</u>	<u>(1)</u>
Total operating expenses	<u>(829,139)</u>	<u>(16)</u>	<u>(863,960)</u>	<u>(16)</u>
Net operating income	<u>484,575</u>	<u>10</u>	<u>438,599</u>	<u>8</u>
Non-operating income and expenses:				
7100 Interest income	5,417	-	3,824	-
7010 Other income	61,761	1	21,736	1
7020 Other gains and losses	3,491	-	1,742	-
7050 Finance costs	<u>(5,950)</u>	<u>-</u>	<u>(7,757)</u>	<u>-</u>
Total non-operating income and expenses	<u>64,719</u>	<u>1</u>	<u>19,545</u>	<u>1</u>
Profit before tax	549,294	11	458,144	9
7950 Income tax expenses	<u>(83,405)</u>	<u>(2)</u>	<u>(45,021)</u>	<u>(1)</u>
Net profit	<u>465,889</u>	<u>9</u>	<u>413,123</u>	<u>8</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	(141)	-	228	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	4,734	-	140	-
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>4,593</u>	<u>-</u>	<u>368</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	21,697	1	(49,333)	(1)
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>21,697</u>	<u>1</u>	<u>(49,333)</u>	<u>(1)</u>
8300 Other comprehensive income (loss)	<u>26,290</u>	<u>1</u>	<u>(48,965)</u>	<u>(1)</u>
Total comprehensive income	<u>\$ 492,179</u>	<u>10</u>	<u>364,158</u>	<u>7</u>
Earnings per share (in dollars)				
9750 Basic earnings per share	<u>\$ 7.06</u>		<u>6.23</u>	
9850 Diluted earnings per share	<u>\$ 6.98</u>		<u>6.17</u>	

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Capital stock	Retained earnings					Other equity				Treasury shares	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			
Balance at January 1, 2019	\$ 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	
Net profit	-	-	-	-	465,889	465,889	-	-	-	-	465,889	
Other comprehensive income	-	-	-	-	(141)	(141)	21,697	4,734	26,431	-	26,290	
Total comprehensive income	-	-	-	-	465,748	465,748	21,697	4,734	26,431	-	492,179	
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	41,335	-	(41,335)	-	-	-	-	-	-	
Special reserve	-	-	-	49,193	(49,193)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(212,484)	(212,484)	-	-	-	-	(212,484)	
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(73,500)	(73,500)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(17,454)	(17,454)	-	17,454	17,454	-	-	
New share issued through employees' profit sharing bonus	3,072	16,928	-	-	-	-	-	-	-	-	20,000	
Due to donated assets received	-	26	-	-	-	-	-	-	-	-	26	
Balance at December 31, 2020	\$ 667,083	753,005	131,840	125,097	812,905	1,069,842	(81,212)	-	(81,212)	(73,500)	2,335,218	

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 549,294	458,144
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	97,548	81,225
Amortization expense	5,843	5,819
Expected credit loss	27,691	20,114
Interest expense	5,950	7,757
Interest income	(5,417)	(3,824)
Dividend income	(260)	(714)
Loss on disposal of property, plant and equipment	1,357	11,572
Loss on disposal of intangible assets	-	8
Loss (gain) on lease modification	267	(2,384)
Rent concession	(729)	-
Total adjustments to reconcile profit	132,250	119,573
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current contract assets	23,167	(10,676)
Increase in notes and accounts receivable, net	(93,514)	(320,353)
Decrease (increase) in accounts receivable—related parties	2,212	(35)
Decrease (increase) in other receivables	31	(106)
Decrease (increase) in prepayments	(954)	24,218
Decrease (increase) in other current assets	325	(370)
Total changes in operating assets	(68,733)	(307,322)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	5,615	(9,104)
Increase (decrease) in accounts payable	(56,795)	12,255
Increase (decrease) in accounts payable—related parties	(5,972)	6,223
Increase in other payables	171,217	77,712
Increase in other payables—related parties	314	126
Increase (decrease) in other current liabilities	(1,552)	2,388
Increase in net defined benefit liability	549	235
Total changes in operating liabilities	113,376	89,835
Net changes in operating assets and liabilities	44,643	(217,487)
Total changes in operating assets and liabilities	176,893	(97,914)
Cash generated from operations	726,187	360,230
Interest received	5,491	4,161
Interest paid	(5,986)	(11,266)
Income taxes paid	(72,254)	(21,380)
Net cash flows generated from operating activities	653,438	331,745
Cash flows used in investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	17,946	-
Acquisition of property, plant and equipment	(12,733)	(522,348)
Proceeds from disposal of property, plant and equipment	220	3,622
Decrease (increase) in refundable deposits	7,334	(1,293)
Acquisition of intangible assets	(5,539)	(8,624)
Decrease in other financial assets	-	269
Increase in other non-current assets	(3,818)	(1,188)
Dividends received	260	714
Net cash flows generated from (used in) investing activities	3,670	(528,848)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	452,233	684,308
Repayments of short-term loans	(452,233)	(729,055)
Repayments of long-term loans	(45,794)	(11,431)
Repayments of the principal portion of lease liabilities	(39,410)	(43,446)
Cash dividends paid	(212,484)	(102,363)
Payments to acquire treasury shares	(73,500)	-
Due to donated assets received	26	-
Net cash flows used in financing activities	(371,162)	(201,987)
Effect of exchange rate changes on cash and cash equivalents	14,243	(21,027)
Net increase (decrease) in cash and cash equivalents	300,189	(420,117)
Cash and cash equivalents at beginning of year	875,113	1,295,230
Cash and cash equivalents at end of year	\$ 1,175,302	875,113

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, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Ruling No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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.

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, the valuation of accounts receivable is identified as the key matter in our audit.

How the matter was addressed in our audit

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

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

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

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

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

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 10, 2021

Notes to Readers

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

The independent auditors' 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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 167,356	6	291,445	12	2130	Current contract liabilities	\$ 4,848	-	2,924	-
1140	Current contract assets	10,970	1	13,015	1	2170	Accounts payable	2,435	-	8,068	-
1170	Accounts receivable, net	214,537	8	209,608	9	2180	Accounts payable—related parties	-	-	1,518	-
1180	Accounts receivable—related parties, net	27,724	1	32,702	1	2200	Other payables	269,291	10	227,620	9
1200	Other receivables	62	-	75	-	2220	Other payables—related parties	440	-	126	-
1210	Other receivables—related parties	3,151	-	9,049	-	2230	Current tax liabilities	16,554	1	19,131	1
1410	Prepayments	1,292	-	1,397	-	2280	Current lease liabilities	449	-	425	-
1470	Other current assets	<u>6,662</u>	-	<u>1,221</u>	-	2399	Other current liabilities	<u>5,545</u>	-	<u>6,454</u>	-
	Total current assets	<u>431,754</u>	<u>16</u>	<u>558,512</u>	<u>23</u>		Total current liabilities	<u>299,562</u>	<u>11</u>	<u>266,266</u>	<u>10</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income	-	-	13,212	1	2570	Deferred tax liabilities	61,976	2	60,137	3
1550	Investments accounted for using equity method	1,763,445	65	1,336,069	55	2640	Net defined benefit liability, non-current	16,065	1	15,375	1
1600	Property, plant and equipment	502,975	19	519,985	21	2580	Non-current lease liabilities	<u>274</u>	-	<u>722</u>	-
1755	Right-of-use assets	735	-	1,176	-		Total non-current liabilities	<u>78,315</u>	<u>3</u>	<u>76,234</u>	<u>4</u>
1780	Intangible assets	8,254	-	7,210	-		Total liabilities	<u>377,877</u>	<u>14</u>	<u>342,500</u>	<u>14</u>
1840	Deferred tax assets	5,932	-	6,233	-		Equity :				
1900	Other non-current assets	-	-	<u>9,100</u>	-	3100	Capital stock	667,083	25	664,011	27
	Total non-current assets	<u>2,281,341</u>	<u>84</u>	<u>1,892,985</u>	<u>77</u>	3200	Capital surplus	753,005	28	736,051	30
						3300	Retained earnings	1,069,842	39	834,032	34
						3400	Other equity	(81,212)	(3)	(125,097)	(5)
						3500	Treasury shares	<u>(73,500)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
							Total equity	<u>2,335,218</u>	<u>86</u>	<u>2,108,997</u>	<u>86</u>
Total assets		<u>\$ 2,713,095</u>	<u>100</u>	<u>2,451,497</u>	<u>100</u>	Total liabilities and equity		<u>\$ 2,713,095</u>	<u>100</u>	<u>2,451,497</u>	<u>100</u>

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, except for earnings per common share)

	2020		2019	
	Amount	%	Amount	%
4000 Net revenue	\$ 1,006,451	100	912,368	100
5000 Cost of sales	<u>(666,159)</u>	<u>(66)</u>	<u>(568,105)</u>	<u>(62)</u>
Gross profit	<u>340,292</u>	<u>34</u>	<u>344,263</u>	<u>38</u>
Operating expenses :				
6100 Selling expenses	(24,270)	(2)	(19,810)	(2)
6200 Administrative expenses	(240,348)	(24)	(263,966)	(29)
6450 Expected credit reversal of provision	93	-	629	-
6300 Total operating expenses	<u>(264,525)</u>	<u>(26)</u>	<u>(283,147)</u>	<u>(31)</u>
Net operating income	<u>75,767</u>	<u>8</u>	<u>61,116</u>	<u>7</u>
Non-operating income and expenses:				
7100 Interest income	473	-	1,168	-
7010 Other income	278	-	714	-
7020 Other gains and losses	32,756	3	31,479	3
7070 Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	385,679	38	342,108	38
7050 Finance costs	<u>(218)</u>	<u>-</u>	<u>(306)</u>	<u>-</u>
Total non-operating income and expenses	<u>418,968</u>	<u>41</u>	<u>375,163</u>	<u>41</u>
Profit before tax	494,735	49	436,279	48
7951 Income tax expenses	<u>(28,846)</u>	<u>(3)</u>	<u>(23,156)</u>	<u>(3)</u>
Net profit	<u>465,889</u>	<u>46</u>	<u>413,123</u>	<u>45</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	(141)	-	228	-
8312 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	4,734	1	140	-
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>4,593</u>	<u>1</u>	<u>368</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(2,808)	-	(1,253)	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	24,505	2	(48,080)	(5)
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>21,697</u>	<u>2</u>	<u>(49,333)</u>	<u>(5)</u>
8300 Other comprehensive income (loss)	<u>26,290</u>	<u>3</u>	<u>(48,965)</u>	<u>(5)</u>
Total comprehensive income	<u>\$ 492,179</u>	<u>49</u>	<u>364,158</u>	<u>40</u>
Earnings per share (in dollars)				
9750 Basic earnings per share	<u>\$ 7.06</u>		<u>6.23</u>	
9850 Diluted earnings per share	<u>\$ 6.98</u>		<u>6.17</u>	

(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, 2020 and 2019

(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, 2019	\$ 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 employee's 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
Net profit	-	-	-	-	465,889	465,889	-	-	-	-	465,889
Other comprehensive income	-	-	-	-	(141)	(141)	21,697	4,734	26,431	-	26,290
Total comprehensive income	-	-	-	-	465,748	465,748	21,697	4,734	26,431	-	492,179
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	41,335	-	(41,335)	-	-	-	-	-	-
Special reserve	-	-	-	49,193	(49,193)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(212,484)	(212,484)	-	-	-	-	(212,484)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(73,500)	(73,500)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(17,454)	(17,454)	-	17,454	17,454	-	-
New Share issued through employee's profit sharing bonus	3,072	16,928	-	-	-	-	-	-	-	-	20,000
Due to donated assets received	-	26	-	-	-	-	-	-	-	-	26
Balance at December 31, 2020	\$ 667,083	753,005	131,840	125,097	812,905	1,069,842	(81,212)	-	(81,212)	(73,500)	2,335,218

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 494,735	436,279
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	18,729	14,195
Amortization expense	3,063	4,121
Expected credit reversal of provision	(93)	(629)
Interest expense	218	306
Interest income	(473)	(1,168)
Dividend income	(260)	(714)
Recognized share of subsidiaries, associates and joint ventures accounted for using equity method	(385,679)	(342,108)
Loss on disposal of property, plant and equipment	(41)	1,087
Total adjustments to reconcile loss	(364,536)	(324,910)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in current contract assets	2,108	6,911
Increase in accounts receivable, net	(4,899)	(58,079)
Decrease in accounts receivable—related parties	4,978	72,511
Increase in other receivable	(61)	-
Decrease (increase) in other receivables—related parties	5,898	(1,818)
Decrease (increase) in prepayments	105	(1,350)
Decrease (increase) in other current assets	337	(591)
Total changes in operating assets	8,466	17,584
Changes in operating liabilities:		
Increase in contract liabilities	1,924	454
Decrease in accounts payable	(5,633)	(15,502)
Increase (decrease) in accounts payable—related parties	(1,518)	36
Increase in other payables	41,671	15,232
Increase in other payables—related parties	314	126
Increase (decrease) in other current liabilities	(909)	363
Increase in net defined benefit liability	549	235
Total changes in operating liabilities	36,398	944
Net changes in operating assets and liabilities	44,864	18,528
Total changes in operating assets and liabilities	(319,672)	(306,382)
Cash generated from operations	175,063	129,897
Interest received	547	1,236
Interest paid	(218)	(306)
Income taxes paid	(29,283)	(1,874)
Net cash flows generated from operating activities	146,109	128,953
Cash flows used in investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	17,946	-
Acquisition of property, plant and equipment	(1,278)	(451,396)
Proceeds from disposal of property, plant and equipment	41	105
Decrease in refundable deposits	3,322	5,393
Acquisition of intangible assets	(4,107)	(5,776)
Decrease in other financial assets	-	179
Dividends received	260	714
Net cash flows generated from (used in) investing activities	16,184	(450,781)
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	166,276	128,374
Repayments of short-term loans	(166,276)	(128,374)
Repayments of the principle portion of lease liabilities	(424)	(176)
Cash dividends paid	(212,484)	(102,363)
Payments to acquire treasury shares	(73,500)	-
Due to donated assets received	26	-
Net cash flows used in financing activities	(286,382)	(102,539)
Net increase (decrease) in cash and cash equivalents	(124,089)	(424,367)
Cash and cash equivalents at beginning of year	291,445	715,812
Cash and cash equivalents at end of year	\$ 167,356	291,445

Wistron Information Technology and Services Corp.
Profit Appropriation Statement for 2020

Unit: NT\$

Item	Amount
Net Income After Tax of 2020	465,889,399
Plus (Less):	
Remeasurements of the defined benefit obligation	(141,000)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(17,453,985)
Legal Reserve	(44,829,441)
Special Reserve	43,884,007
Unappropriated retained earnings of 2020	447,348,980
Plus (Less):	
Unappropriated retained earnings in prior years	364,611,364
Retained Earnings Available for Distribution	811,960,344
Distribution Items:	
Cash Dividends to Common Shareholders (Note)	(328,751,615)
Unappropriated retained earnings at the end of the year	483,208,729

Note: 1. Cash dividend: NT\$5 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.

2. Dividend is calculated by outstanding shares deducting shares not be entitled to exercise the rights of a shareholder in accordance with the Company Act.

Chairman: Ching Hsiao

President: Ching Hsiao

Controller: Phoebe Chang

Wistron Information Technology and Services Corp.
Comparison between Original and Amendments to
“Rules for Election of Directors”

Items	Original Version	Amended Version	Reason
Article 2	Directors of the Company will be elected by the shareholders meeting from among the persons with disposing capacity.	Directors of the Company will be elected by the shareholders meeting from among <u>director candidate list via candidate nomination system in accordance with Article 192-1 of the Company Act.</u>	To comply with the Regulation.
Article 3	The single named cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected depends on its voting power, and may be cast for a single candidate or split among multiple candidates.	The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	To comply with the Company’s operational needs.
Article 4	Independent Directors of the Company shall be elected via the candidate nomination system in accordance with Article 192-1 of the Company Act.	<u>The number of directors will be as specified in the Company’s “Articles of Incorporation”. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u>	To comply with the Regulation.
Article 6	The Board of Directors shall have the ballots numbered in a series and specify the number of voting rights on the ballots when preparing the ballots.	The Board of Directors <u>or other person with the right to convene</u> shall have the ballots numbered in a series and specify the number of voting rights on the ballots when preparing the ballots.	To comply with the Company’s operational needs.
Article 7	When the election begins, the chair shall appoint vote monitoring and counting personnel to perform the respective duties of vote monitoring and counting. The vote	When the election begins, the chair shall appoint vote monitoring and counting personnel to perform the respective duties of vote monitoring and counting. The vote	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	monitoring personnel may be appointed from among shareholders.	monitoring personnel <u>shall</u> be appointed from among shareholders.	
Article 8	The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.	The ballot boxes shall be prepared by the Board of Directors <u>or other person with the right to convene</u> and publicly checked by the vote monitoring personnel before voting commences.	To comply with the Company's operational needs.
Article 9	Voting shareholders shall fill in candidate's name and shareholder's account number on the ballot. If candidate is not a shareholder, the candidate's ID Number (or passport number for foreigner) shall be filled in. Voting shareholders shall drop the ballots into the ballot box. If a candidate is legal entity, the full registered name of the legal entity or name of its legal representative may be entered on the ballot.	(Delete)	Delete to comply with the Regulation.
Article 10	A ballot is invalid under any of the following circumstances: 1. The ballot was not placed in the ballot box. 2. The ballot was not prepared by the Company . 3. A blank ballot not filled by voting shareholders. 4. The candidate whose name or shareholder's account number does not match to register of shareholders . 5. Other words or marks are entered in addition to the candidate's name and shareholder's account number . 6. The candidate's name, shareholder's account number,	A ballot is invalid under any of the following circumstances: 1. The ballot was not placed in the ballot box. 2. The ballot was no prepared by the <u>Board of Directors or other person with the right to convene</u> . 3. A blank ballot not filled by voting shareholders. 4. The candidate whose name <u>is entered in the ballot</u> does not <u>conform to the director candidate list</u> . 5. Other words or marks are entered in addition to <u>the number of voting rights allotted</u> and the candidate's name.	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>or number of voting rights allotted, either one has been altered.</p> <p>7. The writing is unclear or indecipherable.</p> <p>8. The candidate's name has been filled, but shareholder's account number or ID number (or passport number) has not been filled to identify.</p>	<p>6. The writing is unclear <u>and</u> indecipherable or <u>has been altered.</u></p>	
Article 11	<p>The vote monitoring personnel shall monitor the calculation of the ballot, and the results of the calculation shall be announced by the chair on the site.</p>	<p>The vote monitoring personnel shall monitor the calculation of the ballot, and the results of the calculation, <u>including the list of persons elected as directors and the numbers of votes with which they were elected and the list of persons unelected as directors and the numbers of votes with which they were voted,</u> shall be announced by the chair on the site.</p>	<p>To comply with the Regulation.</p>
Article 13	<p>The Rules were enacted on June 28, 2001.</p> <p>The 1st amendment was made on June 25, 2013.</p>	<p>The Rules were enacted on June 28, 2001.</p> <p>The 1st amendment was made on June 25, 2013.</p> <p><u>The 2nd amendment was made on May 31, 2021.</u></p>	<p>Correspondence to the amendment date and adjust Chinese wording.</p>

Wistron Information Technology and Services Corp.
Comparison Between Original and Amendments to
“Procedures for Governing Loaning of Funds”

Items	Original Version	Amended Version	Reason
Article 1	<p>Entities to which the company may loan funds</p> <p>The Company may loan funds to other parties (the “Borrower”) pursuant to the Procedures only when an inter-company business transaction calls for a loan arrangement, or subsidiaries which the Company holds more than 50% of the shares in need of funds for short-term financing facility, or the Company shall not loan funds to any other person or company.</p>	<p>Entities to which the company may loan funds</p> <p>The Company may loan funds to other parties (the “Borrower”) pursuant to the Procedures only when an inter-company business transaction calls for a loan arrangement, or subsidiaries <u>in</u> which the Company holds, <u>directly or indirectly,</u> more than 50% of the <u>voting</u> shares in need of funds for short-term financing facility, or the Company shall not loan funds to any other person or company.</p>	Adjustment of wording.
Article 2	<p>Evaluation standards for loaning funds to others</p> <p>1. In the event the Company loans funds to other parties due to inter-company business transaction calls for a loan arrangement, each amount of the loan shall not exceed total business transaction amount between the two companies in the most recent year. The total business transaction amount between two companies hereby means the total purchases or sales whichever is higher.</p> <p>2. For companies in need of funds for short-term financing facility, the Borrower shall be limited to subsidiaries which the Company holds more than 50% of the shares.</p>	<p>Evaluation standards for loaning funds to others</p> <p>1. In the event the Company loans funds to other parties due to inter-company business transaction calls for a loan arrangement, each amount of the loan shall not exceed total business transaction amount between the two companies. The total business transaction amount between two companies hereby means the total purchases or sales whichever is higher <u>in the most recent year</u>.</p> <p>2. For companies in need of funds for short-term financing facility, the Borrower shall be limited to subsidiaries <u>in</u> which the Company holds, <u>directly or indirectly,</u> more than 50% of the <u>voting</u> shares.</p>	Adjustment of wording.

Items	Original Version	Amended Version	Reason
Article 3	<p>The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>1. The aggregate amount of loans to others shall not exceed 50% of the Company’s net worth as in the most recent financial statement audited or reviewed by CPA, among that, for the companies in need of funds for short-term financing facility, the aggregate amount shall not exceed 40% of the Company’s net worth as in the most recent financial statement audited or reviewed by CPA.</p> <p>2. Limit to a single borrower with inter-company business transaction</p> <p>The limit for loaning to each company having inter-company business transaction with the Company shall vary according to the situations as follows:</p> <p>(1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed 10% of the Company’s net worth.</p> <p>(2) When any enterprise in which the Company holds less than 50% of the shares, the loan amount shall not exceed 40% of that enterprise’s net worth and 5% of the Company’s net worth.</p>	<p>The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>1. <u>Aggregate amount of loans</u></p> <p>The aggregate amount of loans to others shall not exceed 50% of the Company’s net worth as in the most recent financial statement audited or reviewed by CPA_ <u>(the “Company’s net worth”)</u>, among that, for the companies in need of funds for short-term financing facility, the aggregate amount shall not exceed 40% of the <u>Company’s net worth</u>.</p> <p>2. Limit to a single borrower with inter-company business transaction</p> <p>The limit for loaning to each company having inter-company business transaction with the Company shall vary according to the situations as follows:</p> <p>(1) When any subsidiaries in which the Company holds, <u>directly or indirectly</u>, more than 50% of the <u>voting</u> shares, the loan amount shall not exceed <u>total business transaction amount between the two companies nor exceed 10% of the Company’s net worth</u>.</p> <p>(2) When any <u>company</u> in which the Company holds, <u>directly or indirectly</u>, less than 50% of the <u>voting</u> shares, the loan amount shall not exceed <u>total business transaction amount between the two companies, nor exceed 40% of that Borrower’s net worth and 5% of the Company’s net worth</u>.</p>	To comply with the Company’s operational needs and adjust wording.

Items	Original Version	Amended Version	Reason
	<p>(3) For any other Borrower, the loan amount shall not exceed 25% of the Borrower's net worth and 5% of the Company's net worth.</p> <p>3. Limit for loaning to a Borrower in need of funds for short-term financing facility shall not exceed 10% of the Company's net worth.</p>	<p>(3) For any other Borrower, the loan amount shall not exceed <u>total business transaction amount between the two companies, nor exceed 5%</u> of the Company's net worth.</p> <p>3. Limit for loaning to a Borrower in need of funds for short-term financing facility <u>For any subsidiaries in which the Company holds, directly or indirectly, more than 50% of the voting shares, the loan amount shall not exceed 10% of the Company's net worth.</u></p>	
Article 5	<p>Procedures for handling loans of funds</p> <p>1. When applying funds to the Company, the Borrower shall enclose copies of business certificates, ID of person in charge, and essential financial materials; and file a loan amount application to the Company's financial department. After facilitating the evaluation and credit investigation, the financial department shall report to the Board of Directors for approval. However, companies in which the Company holds, directly or indirectly, more than 50% of the voting shares may be exempted from providing the documents mentioned above.</p> <p>2. Loans of funds between the Company and subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing</p>	<p>Procedures for handling loans of funds</p> <p>1. When applying funds to the Company, the Borrower shall enclose copies of business certificates, ID of person in charge, and essential financial materials; and file a loan amount application to the Company's financial department. After facilitating the evaluation and credit investigation, the financial department shall report to the Board of Directors for approval. However, <u>subsidiaries</u> in which the Company holds, directly or indirectly, more than 50% of the voting shares may be exempted from providing the documents mentioned above.</p> <p>2. Loans of funds between the Company and subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing</p>	To comply with the Company's operational needs and adjust wording.

Items	Original Version	Amended Version	Reason
	<p>counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>3. The “certain monetary limit” mentioned in the preceding paragraph shall be in compliance with Article 3, and authorization for loans extended by the Company or any of its subsidiaries to any single enterprise shall not exceed 10% of the Company or subsidiaries’ net worth as in the most recent financial statement. However, limit of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed the Company’s net worth as in the most recent financial statement, and durations of loans shall not exceed 2 years.</p> <p>4. Upon ratification of the loan amount, the Borrower shall file related forms to the financial department to apply for drawdown of the loan.</p>	<p>counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>3. The “certain monetary limit” mentioned in the preceding paragraph shall be in compliance with Article 3, and authorization for loans extended to any single enterprise shall not exceed 10% of the <u>lender’s</u> net worth as <u>counted</u> in the most recent financial statement <u>audited or reviewed by CPA.</u></p> <p>4. Upon ratification of the loan amount, the Borrower shall file related forms to the financial department to apply for drawdown of the loan.</p>	
Article 5-1	<p>Review procedures for handling loans of funds</p> <p>1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness</p>	<p>Review procedures for handling loans of funds</p> <p>1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness</p>	Adjustment of wording.

Items	Original Version	Amended Version	Reason
	<p>and the financial division will determine whether to accept the application or not.</p> <p>2. In addition to take credit investigation to the Borrower, the financial department shall assess the impact on the Company's business operations, financial condition, and shareholders' equity after making a loan and submit an opinion statement to the Board of Directors for approval.</p> <p>3. When the Borrower, except for the companies in which holds, directly or indirectly, more than 50% of the voting shares, applies for drawdown of the loan from the Company, the Company shall request the Borrower to provide the same amount of promissory note or secure a collateral. The financial department shall evaluate and mark the value of the collateral.</p>	<p>and the financial <u>department</u> will determine whether to accept the application or not.</p> <p>2. In addition to take credit investigation to the Borrower, the financial department shall assess the impact on the Company's business operations, financial condition, and shareholders' equity after making a loan and submit an opinion statement to the Board of Directors for approval.</p> <p>3. When the Borrower, except for the <u>subsidiaries in which the Company</u> holds, directly or indirectly, more than 50% of the voting shares, applies for drawdown of the loan from the Company, the Company shall request the Borrower to provide the same amount of promissory note or secure a collateral. The financial department shall evaluate and mark the value of the collateral.</p>	
Article 7	<p>Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.</p>	<p>Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.</p> <p><u>1. The Company's financial department shall prepare a memorandum book for its fund-lending activities and truthfully record basic information of all Borrowers, date and limit of approval by the Board of Directors, lending/borrowing date and amount, collaterals, interest rate, and date and method of reimbursement, to prepare for auditing by competent authority and relevant personnel.</u></p>	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>1. After appropriating the fund, financial department shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial department shall pay attention to the alteration of its secured value. If there is significant change, the personnel shall inform the Chairman and handle the matters under Chairman's instructions.</p> <p>2. When reimbursing on due date or before the due date, the loan shall be paid off in principle with interest calculated in advance. Then the Company may return the promissory note with cancellation of the loan of funds or eliminate the collateral registration.</p> <p>3. Borrower shall reimburse the principal and the interest when the due date comes. If the Borrower fails to reimburse on the due date, the Company may dispose the collateral directly or claim for indemnity to the guarantor.</p> <p>4. If, as a result of a change in circumstances, the counterparty does not meet the requirements of these Procedures or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.</p>	<p>2. After appropriating the fund, financial department shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial department shall pay attention to the alteration of its secured value. If there is significant change, the personnel shall inform the Chairman and handle the matters under Chairman's instructions.</p> <p>3. When reimbursing on due date or before the due date, the loan shall be paid off in principle with interest calculated in advance. Then the Company may return the promissory note with cancellation of the loan of funds or eliminate the collateral registration.</p> <p>4. Borrower shall reimburse the principal and the interest when the due date comes. If the Borrower fails to reimburse on the due date, the Company may dispose the collateral directly or claim for indemnity to the guarantor.</p> <p>5. If, as a result of a change in circumstances, the counterparty does not meet the requirements of these Procedures or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.</p>	

Items	Original Version	Amended Version	Reason
Article 9	<p>Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>When the Company’s subsidiaries plan to loan funds to others, the “Procedures for Governing Loaning of Funds” shall be enacted, and be reported to the Board of Directors of the Company for filing. The subsidiaries shall handle the matters according to their Procedures. The subsidiaries’ “Procedures for Governing Loaning of Funds” should follow the precedent of this Procedures. However, the aggregate amount of loans, the maximum amount permitted to a single borrower, and duration of loans shall not exceed the limit described as follows:</p> <p>The aggregate amount of loans and the maximum amount permitted to a single borrower for loaning funds to others by the Company’s subsidiaries shall be calculated based on net worth of the subsidiaries accordance with Article 3 of this Procedures. However, the restriction in Article 3, Paragraph 1 and Article 4 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, while limit of the Company’s net worth as in the most recent financial statement shall prevail.</p>	<p>Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>When the Company’s subsidiaries plan to loan funds to others, the “Procedures for Governing Loaning of Funds” shall be enacted, and be reported to the Board of Directors of the Company for filing. The subsidiaries shall handle the matters according to their Procedures. The subsidiaries’ “Procedures for Governing Loaning of Funds” should follow the precedent of this Procedures. However, the aggregate amount of loans, the maximum amount permitted to a single borrower, and duration of loans shall not exceed the limit described as follows:</p> <ol style="list-style-type: none"> 1. The aggregate amount of loans and the maximum amount permitted to a single borrower for loaning funds to others by the Company’s subsidiaries shall be calculated based on net worth of the subsidiaries <u>as counted in the most recent financial statement audited or reviewed by CPA</u> accordance with Article 3 of this Procedures. 2. The restriction in Article 3, Paragraph 1 and Article 4 shall not apply to inter-company loans of funds <u>for short-term financing facility</u> between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, <u>nor to loans of fund for short-term financing facility to the Company by any overseas</u> 	To comply with the Company’s operational needs.

Items	Original Version	Amended Version	Reason
		<p><u>company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the aggregate amount shall not exceed the lender’s net worth as counted in the most recent financial statement audited or reviewed by CPA, maximum amount for loaning to a single borrower shall not exceed 50% of the lender’s net worth as counted in the most recent financial statement audited or reviewed by CPA, and durations of loans shall not exceed 2 years.</u></p>	
Article 13	<p>1. When the Company intends to loan funds to other parties, it shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.</p> <p>3. The terms “all Audit Committee members” and “all Directors” in this Article and Article 14 shall be counted as the actual number of persons currently holding those positions.</p>	<p>1. When the Company intends to loan funds to other parties <u>of a material nature</u>, it shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution.</p> <p>2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.</p> <p>3. The terms “all Audit Committee members” and “all Directors” in this Article and Article 14 shall be counted as the actual number of persons currently holding those positions.</p>	To comply with the Regulation.
Article 14	1. Accordance with relevant regulations, the Procedures shall be approved by one-half or more	1. Accordance with relevant regulations, the Procedures shall be approved by one-half or more	To comply with the Regulation.

Items	Original Version	Amended Version	Reason
	<p>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 to amendment.</p> <p>2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.</p>	<p>of all Audit Committee members and submitted to the Board of Directors for a resolution, and then to a shareholders meeting for approval; <u>where any Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion for discussion by the shareholders meeting;</u> the same applies to amendment.</p> <p>2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.</p>	
Article 16	<p>(Omitting) The 7th amendment was made on June 24, 2015. The 8th amendment was made on June 24, 2019.</p>	<p>(Omitting) The 7th amendment was made on June 24, 2015. The 8th amendment was made on June 24, 2019. <u>The 9th amendment was made on May 31, 2021</u></p>	Correspondence to the amendment date.

**List of Outside Directorships for Independent Director Nominee
and Newly-added Outside Directorships for Directors (including
Independent Directors)**

1. Outside Directorships for Independent Director Nominee

Title	Name	Current Positions
Independent Director	Yen Ling Fang	CEO of Peace & Grace International Attorneys at Law

2. Newly-added Outside Directorships for Directors (including Independent Directors)

Title	Name	Current Positions
Director	Ching Hsiao	Director of Wistron ITS (Hong Kong) Limited
Director	Philip Peng	Director of Zigong Art Sharing Co., Ltd. Supervisor of Allxon Inc.
Director	David Lee	Director of Avatack Co.,LTD. Director of Symbio, Inc.
Independent Director	Allen Fan	Representative of Legal Entity Director of K K Intelligent Technology Inc.
Independent Director	C.K. Chiang	Representative of Legal Entity Director of Yuanta Financial Holdings Director of Yuanta Culture and Education Foundation

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

- Article 1 The procedures for the Company's shareholders meeting (The "Meeting"), except as otherwise provided by law, regulation, or the Company's Articles of Incorporation, 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.
Shareholders and their proxies (collectively, "shareholders") shall attend the Meetings based on attendance cards, sign-in cards, or other certificates of attendance. 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 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, 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, paragraph 1 of the Company Act, a tentative resolution may be adopted by agreement of a majority of the votes represented by the attending shareholders. All shareholders shall be notified of the tentative resolution and another meeting shall be convened within 1 month.
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.

- 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. 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. 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. 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.

- 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. A shareholder exercising voting rights by correspondence or electronic means, whose rights with respect to the extraordinary motions and amendments to original proposals of the Meeting will be deemed to be abstentions.
- 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 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.
- Article 18 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 3rd amendment was made on June 25, 2013
The 4th amendment was made on June 22, 2020.

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 (Delete)

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 All matters concerning shares of the Company shall be handled in accordance with the 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. 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.

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 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 director candidate list via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company 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, who will be elected by the shareholders meeting from among the independent director candidate list. 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.
The company may set up functional committees for any functions.
- 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 with an appointment form. Only one proxy could be consigned.
- Article 17-1 (Delete)
- Article 18 Compensation and transportation allowances paid to the Company’s directors shall be reported by Compensation Committee to the Board of Directors based on the overall standards among the industry, and determined by the Board of Directors’ resolution. The compensation 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 compensation 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 surplus profit, shall first pay all 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 (Delete)
- 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 34th amendment was made on June 21, 2018.
The 35th amendment was made on June 24, 2019.
The 36th amendment was made on June 22, 2020.

Wistron Information Technology and Services Corp.

Rules for Election of Directors

- Article 1 Except as otherwise provided by relevant law and regulation, the Company Act, or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Rules.
- Article 2 Directors of the Company will be elected by the shareholders meeting from among the persons with disposing capacity.
- Article 3 The single named cumulative voting method shall be used for election of the directors at the Company.
Each share will have voting rights in number equal to the directors to be elected depends on its voting power, and may be cast for a single candidate or split among multiple candidates.
- Article 4 Independent Directors of the Company shall be elected via the candidate nomination system in accordance with Article 192-1 of the Company Act.
- Article 5 Elections of independent directors and non-independent directors shall proceed as one election, with number of positions separately calculated. Those receiving ballots representing the highest numbers of voting rights will be elected as independent directors and non-independent directors. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
When none of the elected of the independent directors possess accounting or finance expertise, the votes of the candidates who possess accounting or finance expertise shall be calculated separately. The one who receive the most votes shall be elected. The other positions shall be proceed as prescribed in the preceding paragraph.
- Article 6 The Board of Directors shall have the ballots numbered in a series and specify the number of voting rights on the ballots when preparing the ballots.
- Article 7 When the election begins, the chair shall appoint vote monitoring and counting personnel to perform the respective duties of vote monitoring and counting. The vote monitoring personnel may be appointed from among shareholders.
- Article 8 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 9 Voting shareholders shall fill in candidate's name and shareholder's account number on the ballot. If candidate is not a shareholder, the candidate's ID Number (or passport number for foreigner) shall be filled in. Voting shareholders shall drop the ballots into the ballot box. If a candidate is legal entity, the full registered name of the legal entity or name of its legal representative may be entered on the ballot.
- Article 10 A ballot is invalid under any of the following circumstances:
1. The ballot was not placed in the ballot box.

2. The ballot was not prepared by the Company.
3. A blank ballot not filled by voting shareholders.
4. The candidate whose name or shareholder's account number does not match to register of shareholders.
5. Other words or marks are entered in addition to the candidate's name and shareholder's account number.
6. The candidate's name, shareholder's account number, or number of voting rights allotted, either one has been altered.
7. The writing is unclear or indecipherable.
8. The candidate's name has been filled, but shareholder's account number or ID number (or passport number) has not been filled to identify.

Article 11 The vote monitoring personnel shall monitor the calculation of the ballot, and the results of the calculation shall be announced by the chair on the site.

Article 12 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 13 The Rules were enacted on June 28, 2001.
The 1st amendment was made on June 25, 2013.

Wistron Information Technology and Services Corp. Procedures for Governing Loaning of Funds

The Company shall comply with these Procedures when making loans to others.

Article 1 Entities to which the company may loan funds

The Company may loan funds to other parties (the “Borrower”) pursuant to the Procedures only when an inter-company business transaction calls for a loan arrangement, or subsidiaries which the Company holds more than 50% of the shares in need of funds for short-term financing facility, or the Company shall not loan funds to any other person or company.

Article 2 Evaluation standards for loaning funds to others

1. In the event the Company loans funds to other parties due to inter-company business transaction calls for a loan arrangement, each amount of the loan shall not exceed total business transaction amount between the two companies in the most recent year. The total business transaction amount between two companies hereby means the total purchases or sales whichever is higher.
2. For companies in need of funds for short-term financing facility, the Borrower shall be limited to subsidiaries which the Company holds more than 50% of the shares.

Article 3 The aggregate amount of loans and the maximum amount permitted to a single borrower

1. The aggregate amount of loans to others shall not exceed 50% of the Company’s net worth as in the most recent financial statement audited or reviewed by CPA, among that, for the companies in need of funds for short-term financing facility, the aggregate amount shall not exceed 40% of the Company’s net worth as in the most recent financial statement audited or reviewed by CPA.
2. Limit to a single borrower with inter-company business transaction
The limit for loaning to each company having inter-company business transaction with the Company shall vary according to the situations as follows:
 - (1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed 10% of the Company’s net worth.
 - (2) When any enterprise in which the Company holds less than 50% of the shares, the loan amount shall not exceed 40% of that enterprise’s net worth and 5% of the Company’s net worth.
 - (3) For any other Borrower, the loan amount shall not exceed 25% of the Borrower’s net worth and 5% of the Company’s net worth.
3. Limit for loaning to a Borrower in need of funds for short-term financing facility shall not exceed 10% of the Company’s net worth.

Article 4 Duration of loans and calculation of interest

Duration of each loan shall not exceed one year. Chairman or the Chairman’s designee is authorized to determine calculation of interest.

Article 5 Procedures for handling loans of funds

1. When applying funds to the Company, the Borrower shall enclose copies of business certificates, ID of person in charge, and essential financial materials; and file a loan

amount application to the Company's financial department. After facilitating the evaluation and credit investigation, the financial department shall report to the Board of Directors for approval. However, companies in which the Company holds, directly or indirectly, more than 50% of the voting shares may be exempted from providing the documents mentioned above.

2. Loans of funds between the Company and subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
3. The "certain monetary limit" mentioned in the preceding paragraph shall be in compliance with Article 3, and authorization for loans extended by the Company or any of its subsidiaries to any single enterprise shall not exceed 10% of the Company or subsidiaries' net worth as in the most recent financial statement. However, limit of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, or loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed the Company's net worth as in the most recent financial statement, and durations of loans shall not exceed 2 years.
4. Upon ratification of the loan amount, the Borrower shall file related forms to the financial department to apply for drawdown of the loan.

Article 5-1 Review procedures for handling loans of funds

1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness and the financial division will determine whether to accept the application or not.
2. In addition to take credit investigation to the Borrower, the financial department shall assess the impact on the Company's business operations, financial condition, and shareholders' equity after making a loan and submit an opinion statement to the Board of Directors for approval.
3. When the Borrower, except for the companies in which holds, directly or indirectly, more than 50% of the voting shares, applies for drawdown of the loan from the Company, the Company shall request the Borrower to provide the same amount of promissory note or secure a collateral. The financial department shall evaluate and mark the value of the collateral.

Article 6 Procedures for public announcement and filing

1. The Company shall announce and report the previous month's loan balances of head office and subsidiaries by the 10th day of each month on MOPS.
2. The Company's loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence on MOPS:
 - (1) The aggregate balance of loans to others by the Company and subsidiaries reaches 20% or more of the Company's net worth as in the most recent financial statement audited or reviewed by CPA.
 - (2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as in the most recent financial statement audited or reviewed by CPA.

- (3) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as in the most recent financial statement audited or reviewed by CPA.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of Taiwan any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

"Date of occurrence" in the preceding paragraph means the date of contract signing, date of payment, date of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

Article 7 **Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.**

1. After appropriating the fund, financial department shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial department shall pay attention to the alteration of its secured value. If there is significant change, the personnel shall inform the Chairman and handle the matters under Chairman's instructions.
2. When reimbursing on due date or before the due date, the loan shall be paid off in principle with interest calculated in advance. Then the Company may return the promissory note with cancellation of the loan of funds or eliminate the collateral registration.
3. Borrower shall reimburse the principal and the interest when the due date comes. If the Borrower fails to reimburse on the due date, the Company may dispose the collateral directly or claim for indemnity to the guarantor.
4. If, as a result of a change in circumstances, the counterparty does not meet the requirements of these Procedures or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

Article 8 **Penalties for violation of the procedures**

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

Article 9 **Procedures for controlling and managing loans of funds to others by subsidiaries**

When the Company's subsidiaries plan to loan funds to others, the "Procedures for Governing Loaning of Funds" shall be enacted, and be reported to the Board of Directors of the Company for filing. The subsidiaries shall handle the matters according to their Procedures. The subsidiaries' "Procedures for Governing Loaning of Funds" should follow the precedent of this Procedures. However, the aggregate amount of loans, the maximum amount permitted to a single borrower, and duration of loans shall not exceed the limit described as follows:

The aggregate amount of loans and the maximum amount permitted to a single borrower for loaning funds to others by the Company's subsidiaries shall be calculated based on net worth of the subsidiaries accordance with Article 3 of this Procedures. However, the restriction in Article 3, Paragraph 1 and Article 4 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, while limit of the Company's net worth as in the most recent financial statement shall prevail.

- Article 10 The Company shall evaluate and record the contingent loss for loaning funds, and shall adequately disclose information on loaning funds in its financial reports and provide CPAs with relevant information for implementation of necessary audit procedures and to issue fair presentation of audited report.
- Article 11 The Company's internal auditors shall audit the procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
- Article 12 When the Procedures were submitted for discussion or cases of loaning funds to other parties were sent to be approved 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.
- Article 13
1. When the Company intends to loan funds to other parties, it shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution.
 2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.
 3. The terms "all Audit Committee members" and "all Directors" in this Article and Article 14 shall be counted as the actual number of persons currently holding those positions.
- Article 14
1. Accordance with relevant regulations, the Procedures 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 to amendment.
 2. If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it 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.
- Article 15 (Delete)
- Article 16 The Procedures were enacted on August 28, 2003.
The 1st amendment was made on July 28, 2008.
The 2nd amendment was made on December 24, 2009.
The 3rd amendment was made on April 26, 2010.
The 4th amendment was made on October 8, 2010.
The 5th amendment was made on June 25, 2013.
The 6th amendment was made on June 18, 2014.
The 7th amendment was made on June 24, 2015.
The 8th amendment was made on June 24, 2019.

Wistron Information Technology and Services Corp.

Shareholdings of Directors

(As of April 2, 2021)

Title	Name	Number of Shares
Chairman	Ching Hsiao	3,222,280
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.Chiang	0
Total		19,182,117

- (1) The common shares of Wistron ITS are 66,708,323 shares.
- (2) The minimum shares shall be owned by all directors are 5,336,665 shares.
- (3) The Company has established Audit Committee, so the minimum requirement of shareholdings of the supervisors shall not apply.