



**Wiwynn Corporation**  
**Agenda of**  
**2020 General Shareholders' Meeting**  
(Translation)

Meeting Time : 9:00 a.m., Monday, June 15, 2020

Place : The Chang Yung-Fa Foundation International Convention Center

(No.11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan, R.O.C.)

# **Disclaimer**

This is a translation of the 2020 General Shareholders' Meeting Agenda of Wiyynn Corporation (the "Company"). The translation is intended for reference only and nothing else, 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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# **Wiwynn Corporation**

## **Rules and Procedures of Shareholders' Meeting**

Article 1 The shareholders meeting of Wiwynn Corporation (hereunder referred to as "the Company"), except as otherwise provided by law, regulation, or the articles of incorporation, shall be conducted in accordance with these Rules and Procedures.

Article 2 The Company shall prepare electronic copies of the meeting notice, the form of proxy, and materials of all proposals, including subjects and purposes, related to proposals for ratification, matters for deliberation, or the election or dismissal of directors, and post them on the Market Observation Post System (MOPS) website not less than thirty (30) days before the regular shareholders meeting or not less than fifteen (15) days before the special shareholders meeting.

The Company shall prepare electronic copies of the shareholders meeting agenda and supplemental meeting materials and post them on the MOPS website not less than twenty-one (21) days before the regular shareholders meeting or not less than fifteen (15) days before the special shareholders meeting. In addition, not less than fifteen (15) days before the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for shareholders to review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the office of the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the recipients thereof, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act of the Republic of China, Articles 26-1 and 43-6 of the Securities and Exchange Act of the Republic of China, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding one (1) percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act of the Republic of China apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than ten (10) days.

Shareholder-submitted proposals are limited to three hundred (300) words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of the meeting notice, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3 The Company shall specify, in meeting notices, the attending shareholders' check-in time and the place for such meeting and other important matters.

The check-in time for attending shareholder shall commence from at least thirty (30) minutes prior to the meeting. There shall be clear signs and sufficient and adequate staffs in the check-in place.

Shareholders and their appointed proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of

directors or independent directors, pre-printed ballots shall also be furnished.

When the government or a legal entity is a shareholder, it may be represented by more than one representative at a shareholders meeting. Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the form of proxy issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one form of proxy and appoint only one proxy for any given shareholders meeting, and shall deliver the form of proxy to the Company before five (5) days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a form of proxy has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two (2) business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three (3) percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 6 The shareholders meeting shall be held at the head office of the Company or any other appropriate place that is convenient for shareholders to attend. The meeting shall not begin earlier than 9 a.m. and later than 3 p.m. The Board of Directors shall take into full consideration each independent director's opinions on the place and time of the meeting.

Article 7 Unless otherwise provided by law or regulation, the chairman of the Board of Directors shall be the chairman presiding at the meeting in the case that the meeting is convened by the Board of Directors. If the chairman of the Board of Directors is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman of the Board of Directors or one of the directors shall preside at the meeting in accordance with the provisions of Paragraph Three, Article 208 of the Company Act of the Republic of China. If a shareholders meeting is convened by any other person with power to convene the meeting but other than the Board of Directors, such person shall be the chairman to preside at the meeting. If there are two or more people entitled to convene the meeting, they shall elect a chairman of the meeting from and among themselves. If a director serves as chairman of the meeting, as referred to in the preceding paragraph, such director shall have held that position for six (6) months or more and shall be familiar with the financial and business conditions of the Company. The same requirement shall apply if a representative of a corporate director serves as chairman of the meeting.

Article 8 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

Article 9 The Company, beginning from the time it accepts shareholder attendance registrations, shall record uninterruptedly the check-in process, the shareholders meeting, voting and vote counting by audio and video. The records referred to in the preceding paragraph shall be retained for at least one (1) year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act of the Republic of China, the recording shall be retained until the legal proceedings of the foregoing lawsuit have been concluded.

Article 10 The chairman shall call the meeting to order at the time scheduled for the meeting time. However, If the number of shares represented by attending shareholders has not yet constituted more than one-half of the total number of issued and outstanding shares at the time scheduled for the meeting, the chairman may postpone the time for the meeting, provided that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponements shall not exceed one (1) hour. If after

two postponements the number of shares represented by the attending shareholders has not yet constituted more than one third of the total number of issued and outstanding shares, the chairman shall announce the termination of the meeting .If after two postponements no quorum can yet be constituted but the attending shareholders represent more than one third of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act of the Republic of China; all shareholders shall be notified of the tentative resolution and to attend another shareholders meeting that shall be convened within one (1) month.

If, by the end of the meeting, the attending shareholders have constituted more than one-half of the total number of issued and outstanding shares, the chairman may resubmit the tentative resolution to the meeting for approval pursuant to Article 174 of the Company Act.

Article 11 If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

During the meeting, the chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting before all discussion items listed in the agenda are concluded. If the chairman adjourns the meeting in violation of the Rules and Procedures, the other director shall promptly assist the shareholders attending the meeting to elect another person to serve as chairman and to continue the meeting in accordance with laws, by a majority of the votes represented by shareholders attending the meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

Article 12 When a attending shareholder wishes to speak, a speak note must be filled out with summary of the speech, the shareholder's account number, and account name of the shareholder. The sequence of speeches by shareholders shall be decided by the chairman.

If a shareholder present at the meeting who has submitted a speaker note but does not actually speak, no speech shall be deemed to have been made by the shareholder. If the contents of the speech are inconsistent with the contents of the speaker note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 13 Unless otherwise permitted by the chairman, a shareholder may not speak more than twice on the same proposal, and each time may not exceed five (5) minutes. If the shareholder's speech violates this Rules and Procedures or exceeds the scope of the proposal, the chairman may stop the speech of such shareholder.

Article 14 When a legal entity is appointed to attend as proxy, it may designate only one person to represent it in the meeting. If a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives can speak for each proposal.

Article 15 After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 16 The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.

Article 17 A shareholder of the Company shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act of the Republic of China.

The shareholders meeting shall adopt the electronic transmission as one of the methods for exercising the voting power, and the method of exercising the voting rights shall be specified in the meeting notice.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two (2) business days before the

date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Inspectors of election and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all inspectors of election shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders 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.

Article 18 Except as otherwise provided in the Company Act of the Republic of China and in the Company's articles of incorporation, the proposal shall be adopted by a majority of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the end of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be posted on the MOPS website.

Article 19 When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20 The election of directors or independent directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the list of directors and independent directors elected and the numbers of votes such directors and independent directors received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the inspectors of election and kept in proper custody for at least one (1) year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act of the Republic of China, the ballots shall be retained until the legal proceedings of the foregoing lawsuit have been concluded.

Article 21 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy of the minutes shall be distributed to each shareholder within twenty (20) days after the end of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes mentioned in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

Article 22 If matters put to a resolution at a shareholders meeting of the Company constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall post the content of such resolution on the MOPS website within the prescribed period of time.

Article 23 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman 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 identification card or armband bearing the word "Proctor."

If the place of the meeting is equipped with loudspeaker devices, the chairman may stop any shareholder using a device not set up by the Company from speaking. If a shareholder violates the Rules and Procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 24 In the event of force majeure, the chairman may decide to temporarily suspend the meeting and announce when, depending on the situation, the meeting will resume or, by resolution of the shareholders present at the meeting, the chairman may resume the meeting within five (5) days without further notice or public announcement. If the place of the meeting is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another place.

Article 25 These Rules and Procedures, and any amendments hereto, shall be effective from the date it is approved by the shareholders meetings.  
This Rules and Procedures was enacted on May 26, 2014. The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 25, 2019.



# Meeting Procedures

1. Call the Meeting to Order
2. The Chairman in Position
3. Opening Remarks by the Chairman
4. Report Items
5. Ratification Items and Discussion Items I
6. Election Item
7. Discussion Item II
8. Extemporaneous Motion
9. Adjournment

# Meeting Agenda

Meeting Time : 9:00 a.m., Monday, June 15, 2020

Place : The Chang Yung-Fa Foundation International Convention Center

(No.11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan, R.O.C.)

## 1. Report Items

- (1) Report the business of 2019.
- (2) Audit Committee's review report.
- (3) Report 2019 employees' profit sharing and directors' compensation.
- (4) Report the amendments to the "Codes of Ethical Conduct."
- (5) Report the amendments to the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct."

## 2. Ratification Items and Discussion Items I

- (1) Ratification of the Business Report and Financial Statements of 2019.
- (2) Ratification of the proposal for distribution of 2019 profits.
- (3) Discussion of amendments to the "Articles of Incorporation."
- (4) Discussion of amendments to the "Rules and Procedures of Shareholders' Meeting."
- (5) Discussion of amendments to the "The Election Regulations of Directors."

## 3. Election Item

The election of the Company's Fourth-Term Board of Directors (including Independent Directors).

## 4. Discussion Item II

Discussion of the removal of the non-compete restrictions on newly-elected directors and their corporate representatives.

## 5. Extemporaneous Motion

## 6. Adjournment

# Report Items

- 1. Report the business of 2019.** (Please refer to Attachment 1, pages 16-17)
- 2. Audit Committee's review report.** (Please refer to Attachment 2, pages 34)
- 3. Report 2019 employees' profit sharing and directors' compensation.**

Explanation:

- (1) According to Article 21 of the "Articles of Incorporation": If the Company has profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation) such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.
  - A. No less than five percent (5%) of profit as employees' compensation. The employees' compensation may be distributed in the form of shares or in cash. The qualification requirements of employees, including the employees from the Company's subsidiaries, which are entitled to receive compensation, shall be determined by the Board of Directors;
  - B. No more than one percent (1%) of profit as the compensation in cash to the directors.
- (2) The Company's second-term ninth Compensation Committee Meeting and the first Board Meeting of 2020 approved the proposal of 2019 employees' profit sharing and directors' compensation. The employees' profit sharing and Board Directors' compensation are to be distributed in accordance with the "Articles of Incorporation."
  - A. The total amount of employees' 2019 profit sharing is NT\$407,000,000, distributed in cash.
  - B. The total amount of Board Directors' 2019 compensation is NT\$18,173,973, distributed in cash.

## **4. Report the amendments to the "Codes of Ethical Conduct."**

Explanation: In order to meet operational needs, the Company approved the amendments of the "Codes of Ethical Conduct" at the fourth Board Meeting of 2019. Please refer to Attachment 3, pages 35 for the before and after revision chart and Attachment 4, pages 36-38 for the amended version.

## **5. Report the amendments to the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct."**

Explanation: In order to comply with government rules and regulations and to meet the operational needs, the Company approved the amendments of "Ethical Corporate Management Best Practice Principles" at the fifth Board Meeting of 2019 and approved the amendments of "Procedures for Ethical Management and Guidelines for Conduct" at the first Board Meeting of 2020. Please refer to Attachment 5, pages 39-42 for the before and after revision chart of the Ethical Corporate Management Best Practice Principles and Attachment 6, pages 43-46 for the amended version.

Please refer to Attachment 7, pages 47-48 for the before and after revision chart of the Procedures for Ethical Management and Guidelines for Conduct and Attachment 8, pages 49-52 for the amended version.

# Ratification Items and Discussion Items I

## Item 1

Proposal : Ratification of the Business Report and Financial Statements of 2019.

(Proposed by the Board of Directors)

Explanation :

1. The Company's business report and financial statements for 2019 (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been adopted by the Board of Directors with resolution and examined by the Audit Committee, and are hereby submitted for ratification. (Please refer to Attachment 1, pages 16-33)
2. Submission for ratification.

## Item 2

Proposal : Ratification of the proposal for distribution of 2019 profits.

(Proposed by the Board of Directors)

Explanation :

1. The unappropriated retained earnings at the beginning of the year is NT\$2,684,251,576 in 2019. After adding up the 2019 net income of NT\$6,169,254,414, then deducting the legal reserve of NT\$616,925,441 and first-time adoption new of accounting standards adjustments of NT\$2,204,139 and remeasurements of defined benefit obligation of NT\$1,857,600, therefore the total amount of retained earnings available for distribution is NT\$8,232,518,810. It is proposed to distribute NT\$4,021,131,193 as the dividends to the shareholders in cash. (NT\$23 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, it is proposed the Shareholders' Meeting to authorize the Chairman with the power to set the ex-dividend date and other relevant matters.
3. Before the ex-dividend date, due to the amendment of laws or regulations, or the change to the Company's common shares (i.e. repurchasing the Company's shares or cancellation, capital increase by cash and executing the employee stock warrants to issuance new shares etc.), which results in changes in shareholders' allotment of cash dividend, the Chairman is to be authorized to adjust accordingly.
4. 2019 Statements of Profit Appropriation, please refer to Attachment 9, pages 53.
5. Submission for ratification.

### **Item 3**

Proposal : Discussion of amendments to the “Articles of Incorporation.”

(Proposed by the Board of Directors)

Explanation :

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the “Articles of Incorporation.” Please refer to Attachment 10, pages 54 for the before and after revision chart.
2. Please discuss.

### **Item 4**

Proposal : Discussion of amendments to the “Rules and Procedures of Shareholders’ Meeting.”

(Proposed by the Board of Directors)

Explanation :

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the “Rules and Procedures of Shareholders’ Meeting.” Please refer to Attachment 11, pages 55-57 for the before and after revision chart.
2. Please discuss.

### **Item 5**

Proposal : Discussion of amendments to the “The Election Regulations of Directors.”

(Proposed by the Board of Directors)

Explanation :

1. In order to meet the operational needs, it is proposed to make amendments to the “The Election Regulations of Directors.” Please refer to Attachment 12, pages 58-59 for the before and after revision chart.
2. Please discuss.

# Election Item

Proposal : The election of the Company’s Fourth-Term Board of Directors (including Independent Directors).

(Proposed by the Board of Directors)

Explanation :

1. The term of service for the Company’s third term of Board of Directors will expire on January 16, 2021, it is proposed to re-elect all directors (including Independent Directors) at 2020 General Shareholders’ Meeting.
2. According to the “Articles of Incorporation of the Company”, the Company should have seven to nine directors and adopt the candidate nomination system. Directors are elected by the shareholders from a roster of director candidate announced by the Company. Each director will serve an office term of three years and may be re-elected.
3. The Company’s fourth Board of Directors should elect nine directors (including four Independent Directors). The new directors will take office immediately after the election, the term of service is from June 15, 2020 to June 14, 2023. All the Independent Directors will constitute the Audit Committee.
4. The list of candidates of Directs and Independent Directors was complied in accordance with Article 192-1 of Company Act, Paragraph 2 of the Article 14-2 of Securities and Exchange Act, Article 5 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the relevant information of candidates are shown as follows :

Shareholder Account Number/ Identity Card Number	Title	Name	Education/Experience	Current Position	Shareholdings (Note)
1	Director	Wistron Corporation Representative : Simon Lin	Bachelor of National Chiao Tung University President of Acer Inc.	Chairman & CSO of Wistron Corporation Director of Gamania Digital Entertainment Co., Ltd. Independent Director of Taiwan IC Packaging Corp. Independent Director of Elan Microelectronics Corp. Chairman of Wistron Digital Technology Holding Company	78,418,129
2	Director	Emily Hong	The Alumni Association of Executives Program, Graduate School of Business Administration, National Chengchi University Bachelor of Political Science, National Taiwan University General Manager of Enterprise Product Group and Cloud Business Group in Wistron Corp. Vice General Manager in Acer Inc.	President & CEO of Wiwynn Corporation Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn International Corporation (WYUDE) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR) Director of Wiwynn Mexico S.A. de C.V. (WYMX)	2,613,624

Shareholder Account Number/ Identity Card Number	Title	Name	Education/Experience	Current Position	Shareholdings (Note)
1	Director	Wistron Corporation Representative : Frank Lin	Bachelor of Accounting, Feng Chia University Chief Financial Officer of Acer Inc.	Chief of Staff Officer of Wistron Corporation Director of Wistron NeWeb Corp. Director of Wistron ITS Corp. Director of Changing Information Technology Inc. Director of IP Fund Six Director of Join-Link International Technology Co., Ltd. Director of Maya International Co., Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Digital Technology Holding Company Director of Wistron Medical Tech Corporation Director of Pell Bio-Med Technology Co., Ltd. Director of Hartec Asia Pte. Ltd. Director of Hukui Biotechnology Corporation Chairman of Wise Cap Limited Company Chairman of WLB Ltd. Chairman of WiseCap (Hong Kong) Limited Chairman of B-Temia Asia Pte. Ltd. Supervisor of aEnrich Technology Corp	78,418,129
5	Director	Sunlai Chang	PhD., University of Maryland, College Park. Bachelor of Science in Mechanical Engineering, National Taiwan University Director of Mechanical Design, Enterprise Business Group in Wistron Corp.	Senior Vice President & Chief Technology Officer of Wiwynn Corporation	738,235
7	Director	Steven Lu	Master of Business Administration, The Fuqua School of Business, Duke University Bachelor and Master of Science in Computer Science & Information Engineering, National Taiwan University Senior Manager of Enterprise Business Group in Wistron Corp. Senior Director of Server and Storage Group in Acer Inc.	Vice President of Wiwynn Corporation	340,455

Shareholder Account Number/ Identity Card Number	Title	Name	Education/Experience	Current Position	Shareholdings (Note)
A104XXX	Independent Director	Charles Kau	Master of Chemical Engineering, North Carolina State University Chairman of Inotera Memories, Inc. General Manager of Nanya Technology Corporation	Global Executive Vice President of Tsinghua Unigroup Co., Ltd. Independent Director of Hauman Technologies Corp.	0
Y100XXX	Independent Director	Simon Dzeng	PhD in Accounting, Drexel University MBA in Finance, Drexel University Bachelor of Business Administration, National Taiwan University Executive Vice President of Mega Financial Holding Corp. Chairman of Mega Bills Finance Co., LTD. Executive Vice President of China Development Financial Holding Corp. and President of China Development Industrial Bank	Chairman of Clientron Corp. Chairman of Hopewell Asset Management, Inc. Chairman of Hopewell Investments, Inc. Chairman of Capstone Investments, Inc. Chairman of Formacell Inc. Independent Director of E&E Recycling, Inc. Director of Jinwen University of Science and Technology	0
J100XXX	Independent Director	Victor Cheng	SJD, Stanford University Bachelor, School of Law, Soochow University Professor, National Taiwan University of Science and Technology Professor, School of Law, Shih Hsin University Director and Dean, Institute of Intellectual Property, Shih Hsin University Legal supervisor in Acer Inc.	Supervisor of Apex Material Technology Corp. Director of Throughtek Co., Ltd. Independent Director of Yodn Lighting Corp. Director of Kinsus Interconnect Technology Corp.	0
E220XXX	Independent Director	Cathy Han	MBA, University of Connecticut Senior Vice President of Principal Investment Department, China Development Industrial Bank Executive Vice President of Business Development Department, CDIB Capital Group	Executive Vice President of Business Development Department, CDIB Capital Group Supervisor of CDIB Capital Management Corporation Supervisor of CDIB Capital Healthcare Ventures Limited Supervisor of CDIB Capital Innovation Advisors Corporation Director of CDIB Private Equity (China) Corporation	0

Note : Shareholdings as of April 17, 2020

5. Please proceed the election.

Voting Result :



## Discussion Item II

Proposal : Discussion of the removal of the non-compete restrictions on newly-elected directors and their corporate representatives.

(Proposed by the Board of Directors)

Explanation :

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.”
2. To draw on the expertise and relevant experience of directors, pursuant to Article 209 of the Company Act, it is proposed to release the prohibition on newly-elected directors and their corporate representatives, who participate in the operations of another company that engages in the same or similar business scope as the Company.
3. Please refer to Attachment 13, pages 60 for the concurrent positions of director and independent director candidates.
4. Please discuss.

# **Extemporary Motion**

## **Adjournment**

## Wiwynn Corporation Business Report

### 1. Management Policy and Implementation Overview

In 2019, Wiwynn focused on and devoted time and effort in the booming cloud industry. Not only did we continue to develop new customers, but we actively cooperated with leading suppliers to meet the different needs of customers to enrich our product line. We also saw business opportunities gradually form in 5G, AI and edge computing. The cloud application services become more diverse with more new opportunities coming up.

Throughout 2019, the U.S.-China trade war affected not only the economic wrestling between China and the United States, but also caused enterprises to reconsider the arrangement of their supply chains and production bases. Wiwynn set up a branch office in Tainan, Taiwan in January 2019 as well as our first factory in Tainan Science Park. We began our mass production on the first production line in June 2019. At the end of May 2019, US President Donald Trump suddenly announced that the U.S. would impose tariffs on Mexico imports because the refugee problem at U.S.-Mexico Border was unable to be resolved effectively. Although the follow-up agreement between the United States and Mexico suspended the issue indefinitely, it accelerated Wiwynn to consider the importance of risk dispersion in production bases as well as to avoid potential tax risks.

Wiwynn has become a public company in 2019. It was included in the official list of MSCI Constituent Stocks and the reserve list of FTSE TWSE Taiwan 50 Index for the first time. While pursuing business growth, we have also continued to strengthen corporate governance and are committed to sustainable business operations and fulfilling corporate social responsibilities to enhance corporate value. In November 2019, Wiwynn donated the Artificial Intelligence (AI) high-performance computing server to National Chiao Tung University for academic and research usage. This is to support related education to cultivate excellent talents, enhance the overall industrial technical strength, and work together for Taiwan's AI technology development.

Despite of many unfavorable factors in the social, political and economic environment in the past year, Wiwynn was still working steadily with all colleagues to expand the economic scale and continue to develop new customers and new products. With the primary goal of sustainable operation, preserve long-term stable profit to maintain the best interests of shareholders, and meet the expectations of the public.

### 2. Business Results

The Company's consolidated operating income for the year 2019 was NT\$ 163,600,423, a decrease of 9.65% compared to last year. The net profit after tax was NT\$6,169,254, an increase of 10.61% from last year. The net income margin was 3.77%, increased by 0.69 percentage points compared to last year. The basic earnings per share (EPS) was NT\$36.42, and the return on equity (ROE) was 39.81%. The decrease in EPS and ROE compared with the year 2018 was mainly due to the increase in the share capital after the Company became a public company in March 2019. In addition to the increase in net profit after tax, the overall financial structure has also been gradually improved. The debt ratio decreased from 88% in 2017 to 62% in 2018, and then slightly decreased to 58% in 2018.

### 3. Technology Development

Wiwynn is a cloud IT infrastructure provider of high-quality computing and storage products for leading data centers. We continually to research and develop new products and technologies that can assist the data centers to optimize various applications, so the data centers can have the best TCO (Total Cost of Ownership).

The Company has a series of latest technologies including cloud server, AI, edge computing solutions, and two-phase immersion cooling, to address the demand of next generation data centers for computing performance, workload optimization, power efficiency and advanced cooling technologies.

In Computex Taipei 2019, Wiwynn showcased 19" and 21" server fleet scalable processors. Through the upgrade of the new generation of processors and through the support of persistent memory, data centers can utilize high capacity memory at affordable cost, improve the in-memory database and in-memory analytics or ultra-high-speed storage and other big data analytics applications.

In addition, for the upcoming 5G era, Wiwynn unveiled the latest Edge Platform 100 (EP100), a 3U system based on OCP Open Edge Chassis specification which provides flexible configurations, high power efficiency and easy management for the edge sites.

Power and cooling technologies are key factors to reduce the TCO (Total Cost of Ownership) for data center

## 【 Attachment 1 】

customers. In addition to our continuous investment in 48V power technology, Wiwynn is also aggressively developing in liquid cooling technology. We have cooperated with leading liquid cooling technology companies to develop the integrated solution combing the two-stage 48V power and two-phase immersion cooling technology. For the applications of 5G, AI, edge computing and two-phase immersion cooling technology, based on the products and technologies we currently own and continue to develop, along with the introduction of new application specifications, we make plans for each application separately to meet customers' future needs.

In addition to continuing to meet various customer requirements and specifications at the current stage, the Company also constantly cultivates and recruits excellent research and development talents and conducts independent research and development to meet the advanced technology in the next stage. With our strong growing research and development team, we continue to enhance our product development and provide the best TCO (Total Cost of Ownership) for data centers and IT solutions for workload optimization.

### 4. Outlook and Prospect

The COVID-19 pandemic has caused many uncertainties in 2020 and made us experience the rapidly changing world. We must maintain high operational flexibility and vigilance at all times, while protecting our employees' health and safety as the first priority. As a professional system integrator, we have to quickly respond to the crisis caused by shortage of supply chain, insufficient production capacity and negative impact of international logistics. On the other hand, we have also seen the rapid growth of applications such as Stay-at-Home economy, video conferences and distance education. The pandemic has given us a very valuable lesson.

Looking forward, we will continue to enhance core competitiveness of products, strengthen research and development capability, and utilize resources cautiously. We believe 5G, AI and edge computing as the industry trends and will drive the overall application of cloud industry, big data and IoT. We will actively seek cooperation with potential customers, establish stable partnerships and provide the best solutions.

“Forward Looking, Risk Taking”, “Execution with Speed”, “Pursue Excellency”, “Teamwork makes the Dreamwork” are the four beliefs of Wiwynn. We uphold our belief and move forward, continue to lead the Company to future to create unlimited possibilities. With our Quality & Hazardous Substance Free Policy, we make good use of resources to protect environment and provide employees with a safe and healthy working environment together with the people-oriented culture, and commit to sustainable management. We are moving forward with a steady pace and working together towards the long-term future.

Chairman:  
Simon Lin

President:  
Emily Hong

Accounting Officer:  
Wenifred Wen

## Independent Auditors' Report

To the Board of Directors of Wiyynn Corporation:

### Opinion

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

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

### Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the 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.

#### 1. Revenue recognition

Refer to note 4(m) "Revenue" and note 6(s) to the financial statements for the disclosure of revenue recognition.

#### Description of key audit matter

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

#### How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluate if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the related changes or differences; assessing and testing if the management obtained sufficient external evidence showing that the control of the products have been transferred to the customers to support the timing of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

## 2. Inventory valuation

Refer to note 4(g) "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and note 6(d) to the financial statements for the disclosure of valuation of inventory.

#### Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as one of the key Judgmental areas of our audit.

#### How the matter was addressed in our audit

Our principal audit procedures included analyze the change of inventory aging by assessing and testing the inventory aging report, understanding the sales price which is used to evaluate the inventory valuation by management and the subsequent market price information as well as selecting the original transition documentation in order to test the appropriateness of the net realize values reviewing if the estimation and assumption used for inventory valuation and other disclosure for inventories made by management were appropriateness.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2019 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 Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 20, 2020

#### **Notes to Readers**

The accompanying 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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 financial statements, the Chinese version shall prevail.



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

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Assets</b>									
<b>Current assets:</b>									
1100 Cash and cash equivalents (note 6(a))	\$ 7,810,888	20	306,999	1	2100 Short-term borrowings (note 6(j))	\$ 3,670,098	9	2,501,666	10
1170 Accounts receivable, net (notes 6(b)(s))	5,166,681	13	3,986,788	15	2130 Contract liabilities-current (note 6(s))	861,503	2	381,814	1
1180 Accounts receivable - related parties, net (notes 6(b)(s) and 7)	15,121,332	39	7,917,001	30	2170 Notes payable and accounts payable	3,606,202	9	21,430	-
1200 Other receivables (note 6(c))	3,099	-	2,900	-	2180 Accounts payable - related parties (note 7)	7,065,132	18	3,797,929	14
1210 Other receivables-related parties (notes 6(c) and 7)	2,299,124	6	4,573,546	17	2200 Other payables (note 6(u))	1,811,270	5	1,270,118	5
130X Inventories (note 6(d))	1,559,129	4	1,135,613	5	2220 Other payables-related parties (note 7)	483,457	1	750,396	3
1470 Other current assets (note 6(i))	429,429	1	2,680,147	10	2230 Current tax liabilities	998,421	3	1,347,062	5
<b>Total current assets</b>	<b>32,389,682</b>	<b>83</b>	<b>20,602,994</b>	<b>78</b>	2280 Lease liabilities-current (note 6(l))	56,407	-	-	-
					2300 Other current liabilities	53,892	-	31,641	-
<b>Non-current assets:</b>					<b>Current liabilities</b>	<b>18,606,382</b>	<b>47</b>	<b>10,102,056</b>	<b>38</b>
1550 Investments accounted for using equity method (note 6(e))	5,195,685	13	5,272,493	20	<b>Non-current liabilities:</b>				
1600 Property, plant and equipment (note 6(f))	685,791	2	102,246	-	Long-term borrowings (note 6(k))	-	-	5,522,236	21
1755 Right-of-use assets (note 6(g))	204,045	1	-	-	2540 Deferred tax liabilities (note 6(o))	104,534	-	70,382	-
1780 Intangible assets (note 6(h))	19,106	-	7,242	-	2570 Lease liabilities-non-current (note 6(l))	153,566	-	-	-
1840 Deferred tax assets (note 6(o))	494,398	1	291,066	1	2580 Net defined benefit liabilities (note 6(n))	2,870	-	625	-
1990 Other non-current assets (notes 6(i) and 8)	97,510	-	196,045	1	<b>Non-current liabilities</b>	<b>260,970</b>	<b>-</b>	<b>5,593,243</b>	<b>21</b>
<b>Total non-current assets</b>	<b>6,696,535</b>	<b>17</b>	<b>5,869,092</b>	<b>22</b>	<b>Total liabilities</b>	<b>18,867,352</b>	<b>47</b>	<b>15,695,299</b>	<b>59</b>
					<b>Equity (notes 6(n)(o)(p)(q)):</b>				
					Common shares	1,746,368	4	1,520,288	6
					Capital surplus	8,816,183	23	2,853,756	11
					Retained earnings	9,602,400	26	6,229,893	23
					Other equity	53,914	-	172,850	1
					<b>Total equity</b>	<b>20,218,865</b>	<b>53</b>	<b>10,776,787</b>	<b>41</b>
<b>Total assets</b>	<b>\$ 39,086,217</b>	<b>100</b>	<b>26,472,086</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 39,086,217</b>	<b>100</b>	<b>26,472,086</b>	<b>100</b>

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

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		<u>2019</u>		<u>2018</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue (notes 6(s) and 7)</b>	\$ 74,884,945	100	76,603,354	100
5000	<b>Operating costs (notes 6(d)(f)(g)(h)(n), 7 and 12)</b>	<u>64,333,399</u>	<u>86</u>	<u>66,620,075</u>	<u>87</u>
	<b>Gross profit</b>	10,551,546	14	9,983,279	13
5910	Less: unrealized profit from sales	<u>(177,845)</u>	<u>-</u>	<u>(270,273)</u>	<u>-</u>
	<b>Net gross profit</b>	<u>10,373,701</u>	<u>14</u>	<u>9,713,006</u>	<u>13</u>
	<b>Operating expenses (notes 6(b)(f)(g)(h)(l)(m)(n)(q)(u), 7 and 12):</b>				
6100	Selling expenses	523,100	1	1,216,251	2
6200	Administrative expenses	714,213	1	641,270	-
6300	Research and development expenses	1,414,283	2	1,281,095	2
6450	Expected credit (gain) loss	<u>(10,046)</u>	<u>-</u>	<u>10,424</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>2,641,550</u>	<u>4</u>	<u>3,149,040</u>	<u>4</u>
	<b>Net operating income</b>	<u>7,732,151</u>	<u>10</u>	<u>6,563,966</u>	<u>9</u>
	<b>Non-operating income and expenses (notes 6(l)(t)):</b>				
7010	Other income	55,907	-	40,189	-
7020	Other gains and losses	(146,466)	-	228,988	-
7050	Finance costs	(105,206)	-	(95,870)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	<u>170,759</u>	<u>-</u>	<u>232,172</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>(25,006)</u>	<u>-</u>	<u>405,479</u>	<u>-</u>
7900	<b>Income before tax</b>	7,707,145	10	6,969,445	9
7950	<b>Income tax expense (note 6(o))</b>	<u>1,537,891</u>	<u>2</u>	<u>1,391,868</u>	<u>2</u>
	<b>Net income</b>	<u>6,169,254</u>	<u>8</u>	<u>5,577,577</u>	<u>7</u>
8300	<b>Other comprehensive income (notes 6(n)(o)(p)):</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	(2,322)	-	10	-
8349	Income tax related to items that may not be reclassified subsequently to profit or loss	<u>464</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
		<u>(1,858)</u>	<u>-</u>	<u>8</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(118,936)	-	180,987	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(118,936)</u>	<u>-</u>	<u>180,987</u>	<u>-</u>
8300	<b>Other comprehensive income (net of tax)</b>	<u>(120,794)</u>	<u>-</u>	<u>180,995</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 6,048,460</u>	<u>8</u>	<u>5,758,572</u>	<u>7</u>
	<b>Earnings per share (expressed in New Taiwan dollars) (note 6(r))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 36.42</u>		<u>38.00</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 36.23</u>		<u>36.31</u>	

(English Translation of Financial Statements Originally Issued in Chinese)  
Wiwynn Corporation

Statements of Changes in Equity

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

	Retained earnings					Other equity		Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	
<b>Balance on January 1, 2018</b>	1,060,775	545,921	74,350	-	1,343,537	1,417,887	(8,137)	3,016,446
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	120,848	-	(120,848)	-	-	-
Special reserve	-	-	-	8,137	(8,137)	-	-	-
Cash dividends	-	-	-	-	(510,386)	(510,386)	-	(510,386)
Stock dividends	255,193	-	-	-	(255,193)	(255,193)	-	-
Net income	-	-	-	-	5,577,577	5,577,577	-	5,577,577
Other comprehensive income	-	-	-	-	8	8	-	180,995
Total comprehensive income	-	-	-	-	5,577,585	5,577,585	-	5,758,572
Cash subscription	200,000	2,200,000	-	-	-	-	-	2,400,000
Issue of common shares-employee stock options	4,320	1,937	-	-	-	-	-	6,257
Share-based payments	-	105,898	-	-	-	-	-	105,898
<b>Balance on December 31, 2018</b>	1,520,288	2,853,756	195,198	8,137	6,026,558	6,229,892	172,850	10,776,787
Effects of retrospective application	-	-	-	-	(2,204)	(2,204)	-	(2,204)
<b>Balance on January 1, 2019 after adjustments</b>	1,520,288	2,853,756	195,198	8,137	6,024,354	6,227,689	172,850	10,774,583
Appropriation and distribution of retain earnings:								
Legal reserve	-	-	557,758	-	(557,758)	-	-	-
Special reserve	-	-	-	(8,137)	8,137	-	-	-
Cash dividends	-	-	-	-	(2,792,685)	(2,792,685)	-	(2,792,685)
Net income	-	-	-	-	6,169,254	6,169,254	-	6,169,254
Other comprehensive income	-	-	-	-	(1,858)	(1,858)	(118,936)	(120,794)
Total other comprehensive income	-	-	-	-	6,167,396	6,167,396	(118,936)	6,048,460
Cash subscription	188,100	5,769,888	-	-	-	-	-	5,957,988
Issue of common shares-employee stock options	37,980	28,577	-	-	-	-	-	66,557
Share-based payments	-	163,962	-	-	-	-	-	163,962
<b>Balance on December 31, 2019</b>	1,746,368	8,816,183	752,956	-	8,849,444	9,602,400	53,914	20,218,865

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

Wiwynn Corporation

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
<b>Cash flows from (used in) operating activities:</b>		
Income before tax	\$ 7,707,145	6,969,445
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	179,437	43,530
Amortization expense	5,935	5,021
Expected credit loss (gain)	(10,046)	10,424
Net losses on financial assets or liabilities at fair value through profit or loss	44,269	25,051
Interest expense	105,206	95,870
Interest income	(55,828)	(40,110)
Share-based payments	163,962	105,898
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(170,759)	(232,172)
Losses on disposal of property, plant and equipment	6	-
Unrealized profit from sales	177,845	270,273
Unrealized foreign exchange losses	-	108,669
Total adjustments to reconcile profit	440,027	392,454
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Increase in financial assets mandatorily measured at fair value through profit or loss-current	(44,269)	-
Increase in accounts receivable, net	(1,169,847)	(564,169)
Increase in accounts receivable-related parties, net	(7,204,331)	(1,908,777)
Decrease (increase) in other receivable	(199)	532
Decrease in other receivable-related parties	2,274,422	2,759,485
Increase in inventories	(423,516)	(731,049)
Decrease (increase) in other current assets	2,248,942	(2,611,041)
Total changes in operating assets	(4,318,798)	(3,055,019)
Changes in operating liabilities:		
Decrease in financial liabilities held-for-trading-current	-	(29,097)
Increase in contract liabilities-current	479,689	381,814
Increase in notes and accounts payable	3,584,772	11,240
Increase (decrease) in accounts payable-related parties	3,267,203	(4,019,229)
Increase in other payable	545,861	341,491
Decrease in other payable-related parties	(266,939)	(5,242,600)
Decrease in provisions-current	-	(188,226)
Increase (decrease) in other current liabilities	22,251	(145,827)
Decrease in net defined benefit liabilities	(77)	(53,641)
Total changes in operating liabilities	7,632,760	(8,944,075)
Total changes in operating assets and liabilities	3,313,962	(11,999,094)
Total adjustments	3,753,989	(11,606,640)
Cash inflow (outflow) generated from operations	11,461,134	(4,637,195)
Interest received	57,604	39,234
Interest paid	(108,181)	(90,242)
Income taxes paid	(2,056,982)	(495,423)
<b>Net cash flows from (used in) operating activities</b>	<b>9,353,575</b>	<b>(5,183,626)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of investments accounted for using equity method	(49,285)	(4,749,328)
Acquisition of property, plant and equipment	(629,050)	(45,124)
Acquisition of intangible assets	(17,799)	(7,039)
Decrease (increase) in other financial assets	96,473	(1,380)
Increase in prepayments for equipment	(85,938)	(90,072)
<b>Net cash flows used in investing activities</b>	<b>(685,599)</b>	<b>(4,892,943)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	18,236,013	13,183,865
Decrease in short-term borrowings	(17,067,581)	(10,682,199)
Increase in long-term borrowings	(5,522,236)	5,413,567
Payment of lease liabilities	(42,143)	-
Cash dividends paid	(2,792,685)	(510,386)
Cash subscription	5,957,988	2,400,000
Exercise of employee stock options	66,557	6,257
<b>Net cash flows from (used in) financing activities</b>	<b>(1,164,087)</b>	<b>9,811,104</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,503,889</b>	<b>(265,465)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>306,999</b>	<b>572,464</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 7,810,888</b>	<b>306,999</b>

## **Independent Auditors' Report**

To the Board of Directors of Wiyynn Corporation:

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

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

#### **1. Revenue recognition**

Refer to note 4(m) "Revenue" and note 6(r) to the consolidated financial statements for the disclosure of revenue recognition.



#### Description of key audit matter

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

#### How the matter was addressed in our audit

Our principal audit procedures included testing of the design and implement of controls over sales and collection of receivable transactions; evaluate if there is any significant abnormal changes through performing trend analysis on top 10 customers by comparing the related changes or differences; assessing and testing if the management obtained sufficient external evidence showing that the control of the products have been transferred to the customers to support the timing of revenue recognition; evaluating the adequacy of revenues recognition by testing the sale transactions during the period before and after the balance sheets date.

## 2. Inventory valuation

Refer to note 4(h) "Inventories", note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and note 6(d) to the consolidated financial statements for the disclosure of valuation of inventory.

#### Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as one of the key Judgmental areas of our audit.

#### How the matter was addressed in our audit

Our principal audit procedures included analyze the change of inventory aging by assessing and testing the inventory aging report, understanding the sales price which is used to evaluate the inventory valuation by management and the subsequent market price information as well as selecting the original transition documentation in order to test the appropriateness of the net realize values reviewing if the estimation and assumption used for inventory valuation and other disclosure for inventories made by management were appropriateness.

## **Other Matter**

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

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

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

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

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

### **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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 Chia-Chien Tang and Ming-Hung Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 20, 2020

#### **Notes to Readers**

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

The independent auditors' audit 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)  
Wiyynn Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Assets</b>									
<b>Current assets:</b>									
1100 Cash and cash equivalents (note 6(a))	\$ 11,992,139	25	1,403,592	5	2100	8,638,393	18	2,962,661	11
1170 Accounts receivable, net (notes 6(b)(r))	13,655,018	28	9,462,834	34	2130	861,503	2	381,814	1
1180 Accounts receivable - related parties, net (notes 6(b)(r) and 7)	415,932	1	24,196	-	2170	6,974,206	14	1,120,338	4
1200 Other receivables (note 6(c))	5,927	-	7,578	-	2180	7,253,909	15	3,842,663	14
1210 Other receivables-related parties (notes 6(c) and 7)	2,363,013	5	98,779	-	2200	2,209,050	5	1,162,375	4
130X Inventories (note 6(d))	17,442,078	36	13,863,936	49	2220	207,888	-	692,868	2
1479 Other current assets (note 6(h))	539,289	1	2,722,455	10	2230	1,017,329	2	1,438,451	5
<b>Total current assets</b>	<b>46,413,396</b>	<b>96</b>	<b>27,583,370</b>	<b>98</b>	<b>2280</b>	<b>109,708</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current assets:</b>									
1600 Property, plant and equipment (note 6(e))	718,167	2	125,543	-	2399	260,144	1	232,842	1
1755 Right-of-use assets (notes 6(f) and 7)	388,815	1	-	-		27,532,130	57	11,834,012	42
1780 Intangible assets (note 6(g))	19,106	-	7,242	-		-	-	5,522,236	20
1840 Deferred tax assets (note 6(n))	494,398	1	291,066	1	2540	104,534	-	70,382	-
1990 Other non-current assets (notes 6(h) and 8)	113,344	-	196,821	1	2570	288,827	1	-	-
<b>Total non-current assets</b>	<b>1,733,830</b>	<b>4</b>	<b>620,672</b>	<b>2</b>	<b>2580</b>	<b>2,870</b>	<b>-</b>	<b>625</b>	<b>-</b>
<b>Liabilities and Equity</b>									
<b>Current liabilities:</b>									
Short-term borrowings (note 6(i))									
Contract liabilities-current (note 6(r))									
Notes payable and accounts payable									
Accounts payable - related parties (note 7)									
Other payables (note 6(i))									
Other payables-related parties (note 7)									
Current tax liabilities									
Lease liabilities-current (notes 6(k) and 7)									
Other current liabilities									
<b>Current liabilities</b>									
<b>Non-current liabilities:</b>									
Long-term borrowings (note 6(j))									
Deferred tax liabilities (note 6(n))									
Lease liabilities-non-current (notes 6(k) and 7)									
Net defined benefit liabilities (note 6(m))									
<b>Non-current liabilities</b>									
<b>Total liabilities</b>									
<b>Equity (notes 6(o)(p)):</b>									
Common shares					3110	1,746,368	4	1,520,288	6
Capital surplus					3200	8,816,183	18	2,853,756	10
Retained earnings					3300	9,602,400	20	6,229,893	22
Other equity					3400	53,914	-	172,850	-
<b>Total equity</b>						<b>20,218,865</b>	<b>42</b>	<b>10,776,787</b>	<b>38</b>
<b>Total liabilities and equity</b>						<b>\$ 48,147,226</b>	<b>100</b>	<b>\$ 28,204,042</b>	<b>100</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Wiwynn Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

	2019		2018	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(r) and 7)	\$ 163,600,423	100	181,064,815	100
5000 Operating costs (notes 6(d)(e)(f)(g)(m), 7 and 12)	<u>152,251,871</u>	<u>93</u>	<u>170,417,659</u>	<u>94</u>
Gross profit from operations	<u>11,348,552</u>	<u>7</u>	<u>10,647,156</u>	<u>6</u>
<b>Operating expenses (notes 6(b)(e)(f)(g)(k)(l)(m)(p)(t), 7 and 12):</b>				
6100 Selling expenses	961,081	1	1,552,238	1
6200 Administrative expenses	786,932	-	701,310	-
6300 Research and development expenses	1,442,091	1	1,282,642	1
6450 Expected credit (gain) loss	<u>(1,630)</u>	<u>-</u>	<u>10,424</u>	<u>-</u>
Total operating expenses	<u>3,188,474</u>	<u>2</u>	<u>3,546,614</u>	<u>2</u>
Net operating income	<u>8,160,078</u>	<u>5</u>	<u>7,100,542</u>	<u>4</u>
<b>Non-operating income and expenses (notes 6(k)(s) and 7):</b>				
7010 Other income	72,274	-	47,743	-
7020 Other gains and losses	(150,600)	-	245,665	-
7050 Finance costs	<u>(323,482)</u>	<u>-</u>	<u>(300,482)</u>	<u>-</u>
Total non-operating income and expenses	<u>(401,808)</u>	<u>-</u>	<u>(7,074)</u>	<u>-</u>
7900 Income before tax	7,758,270	5	7,093,468	4
7950 Income tax expense (note 6(n))	<u>1,589,016</u>	<u>1</u>	<u>1,515,891</u>	<u>1</u>
Net income	<u>6,169,254</u>	<u>4</u>	<u>5,577,577</u>	<u>3</u>
8300 <b>Other comprehensive income (notes 6(m)(n)(o)):</b>				
8310 <b>Items that may not be reclassified subsequently profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	(2,322)	-	10	-
8349 Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	<u>464</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Total Items that may not be reclassified subsequently profit or loss	<u>(1,858)</u>	<u>-</u>	<u>8</u>	<u>-</u>
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(118,936)	-	180,987	-
8399 Income tax related to items that may 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>(118,936)</u>	<u>-</u>	<u>180,987</u>	<u>-</u>
8300 Other comprehensive income (net of tax)	<u>(120,794)</u>	<u>-</u>	<u>180,995</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ 6,048,460</u>	<u>4</u>	<u>5,758,572</u>	<u>3</u>
<b>Profit attributable to:</b>				
8610 Owners of parent	<u>\$ 6,169,254</u>	<u>4</u>	<u>5,577,577</u>	<u>3</u>
<b>Comprehensive income attributable to:</b>				
8710 Owners of parent	<u>\$ 6,048,460</u>	<u>4</u>	<u>5,758,572</u>	<u>3</u>
<b>Earnings per share (expressed in New Taiwan dollars) (note 6(q))</b>				
9750 Basic earnings per share	<u>\$ 36.42</u>		<u>38.00</u>	
9850 Diluted earnings per share	<u>\$ 36.23</u>		<u>36.31</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Wiwynn Corporation and Subsidiaries**

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

	Equity attributable to owners of parent						Total equity
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity	
<b>Balance on January 1, 2018</b>	1,060,775	545,921	74,350	-	1,343,537	1,417,887	3,016,446
Appropriation and distribution of retain earnings:							
Legal reserve	-	-	120,848	-	(120,848)	-	-
Special reserve	-	-	-	8,137	(8,137)	-	-
Cash dividends	-	-	-	-	(510,386)	(510,386)	(510,386)
Stock dividends	255,193	-	-	-	(255,193)	-	-
Net income	-	-	-	-	5,577,577	5,577,577	5,577,577
Other comprehensive income	-	-	-	-	8	8	180,995
Total comprehensive income	-	-	-	-	5,577,585	5,577,585	5,758,572
Cash subscription	200,000	2,200,000	-	-	-	-	2,400,000
Issue of common shares-employee stock options	4,320	1,937	-	-	-	-	6,257
Share-based payments	-	105,898	-	-	-	-	105,898
<b>Balance on December 31, 2018</b>	1,520,288	2,853,756	195,198	8,137	6,026,558	6,229,893	10,776,787
Effects of retrospective application	-	-	-	-	(2,204)	(2,204)	(2,204)
<b>Balance on January 1, 2019 after adjustments</b>	1,520,288	2,853,756	195,198	8,137	6,024,354	6,227,689	10,774,583
Appropriation and distribution of retain earnings:							
Legal reserve	-	-	557,758	-	(557,758)	-	-
Special reserve	-	-	-	(8,137)	8,137	-	-
Cash dividends	-	-	-	-	(2,792,685)	(2,792,685)	(2,792,685)
Net income	-	-	-	-	6,169,254	6,169,254	6,169,254
Other comprehensive income	-	-	-	-	(1,858)	(1,858)	(120,794)
Total other comprehensive income	-	-	-	-	6,167,396	6,167,396	6,048,460
Cash subscription	188,100	5,769,888	-	-	-	-	5,957,988
Issue of common shares-employee stock options	37,980	28,577	-	-	-	-	66,557
Share-based payments	-	163,962	-	-	-	-	163,962
<b>Balance on December 31, 2019</b>	1,746,368	8,816,183	752,956	-	8,849,444	9,602,400	20,218,865

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Wiwynn Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Income before tax	\$ 7,758,270	7,093,468
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	204,024	49,647
Amortization expense	5,935	5,021
Expected credit loss (gain)	(1,630)	10,424
Net losses on financial assets or liabilities at fair value through profit or loss	44,269	25,051
Interest expense	323,482	300,482
Interest income	(72,195)	(47,664)
Share-based payments	163,962	105,898
Losses on disposal of property, plant and equipment	17	-
Unrealized foreign exchange losses	-	108,669
Total adjustments to reconcile profit	667,864	557,528
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets mandatorily measured at fair value through profit or loss-current	(44,269)	-
Increase in accounts receivable, net	(4,392,272)	(725,645)
Decrease (increase) in accounts receivable-related parties, net	(391,736)	164,153
Decrease in other receivable	4,779	271,860
Decrease (increase) in other receivable-related parties	(2,283,222)	466,697
Increase in inventories	(3,946,077)	(4,368,986)
Decrease (increase) in other current assets	2,224,935	(2,341,695)
Total changes in operating assets	(8,827,862)	(6,533,616)
Changes in operating liabilities:		
Decrease in financial liabilities held-for-trading-current	-	(29,097)
Increase in contract liabilities-current	479,689	381,814
Increase (decrease) in notes and accounts payable	5,937,713	(467,931)
Increase (decrease) in accounts payable-related parties	3,411,246	(10,058,953)
Increase in other payable	1,065,957	176,214
Increase (decrease) in other payable-related parties	(145,199)	200,042
Decrease in provisions-current	-	(188,226)
Increase (decrease) in other current liabilities	31,705	(433,826)
Decrease in net defined benefit liabilities	(77)	(53,641)
Total changes in operating liabilities	10,781,034	(10,473,604)
Total changes in operating assets and liabilities	1,953,172	(17,007,220)
Total adjustments	2,621,036	(16,449,692)
Cash inflow (outflow) generated from operations	10,379,306	(9,356,224)
Interest received	73,971	46,788
Interest paid	(317,775)	(297,074)
Income taxes paid	(2,230,323)	(555,054)
Net cash flows from (used in) operating activities	7,905,179	(10,161,564)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(647,667)	(61,614)
Acquisition of intangible assets	(17,799)	(7,039)
Decrease (increase) in other non-current assets	92,884	(636)
Increase in prepayments for equipment	(98,986)	(91,352)
Net cash flows used in investing activities	(671,568)	(160,641)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	34,837,120	33,931,048
Decrease in short-term borrowings	(29,030,912)	(36,072,797)
Increase in long-term borrowings	-	5,413,567
Decrease in long-term borrowings	(5,522,236)	-
Cash dividends paid	(2,792,685)	(510,386)
Cash subscription	5,957,988	2,400,000
Exercise of employee stock options	66,557	6,257
Payment of lease liabilities	(56,220)	-
Net cash flows from financing activities	3,459,612	5,167,689
Effect of exchange rate changes on cash and cash equivalents	(104,676)	158,965
Net increase (decrease) in cash and cash equivalents	10,588,547	(4,995,551)
Cash and cash equivalents at beginning of period	1,403,592	6,399,143
Cash and cash equivalents at end of period	\$ 11,992,139	1,403,592

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2019 Business Report, Financial Statements, and Proposal for Distribution of Profits. The CPAs Chia-Chien Tang and Ming-Hung Huang from KPMG performed Wiwynn's Financial Statements Audit and issued an audit report. The Business Report, Financial Statements, and Proposal of Distribution of Profit have been reviewed and determined to be correct and accurate by the Audit Committee of Wiwynn Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Wiwynn Corporation

Convener of the Audit Committee : Simon Dzeng

March 20, 2020

**Wiwynn Corporation**  
**Codes of Ethical Conduct**  
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 5	<p><b>Giving Presents and Treats as Part of Business Routine</b></p> <p>1. To maintain the highest standard for ethical conduct, any form of bribery is strictly prohibited from suppliers, contractors, clients and other relevant parties and groups (including governmental agencies) involved in the Company’s business operations, for such action will affect the normal operation of business and judgment.</p> <p>2. When it is necessary to receive presents or any types of gifts, one shall proceed in accordance to the following in addition to abiding by Section 1 of Article 5:                      .....                      (2) When one has to accept the presents or treats as a courtesy, the value of such must not exceed the equivalent amount of NTD1,000. If the presents include trademark, then the value of such must not exceed the equivalent amount of NTD\$6,000.                      .....</p> <p>5. The relationship and interaction between superiors and employees shall also comply with this Article 5.</p>	<p><b>Giving Presents and Treats as Part of Business Routine</b></p> <p>1. To maintain the highest standard for ethical conduct, any form of bribery is strictly prohibited from suppliers, contractors, clients and other relevant parties and groups (including governmental agencies) involved in the Company’s business operations,<del> for such action will affect the normal operation of business and judgment.</del> <u>In normal business relations, receiving reasonable presents and treats shall comply with Sections 2 and 3 of this Articles 5.</u></p> <p>2. When it is necessary to receive presents or any types of gifts, one shall proceed in accordance to the following in addition to abiding by Section 1 of Article 5:                      .....                      (2) When one has to accept the presents or treats as a courtesy, the value of such must not exceed the equivalent amount of NTD1,000. If the presents include trademark, then the value of such must not exceed the equivalent amount of NTD\$6,000.                      .....</p> <p>5. The relationship and interaction between superiors and employees shall also comply with this Article 5.</p> <p>6. <u>If any inappropriate behavior is identified or a report is received that colleagues or departments do not comply with the above-mentioned provisions and have accepted presents in private, Company shall deal with this report in accordance with relevant rules.</u></p>	To comply with the Company’s operational needs.
Article 7	<p><b>The Procedure and Amount Standards for Handling the Provision of Fair and Charitable Donations or Sponsorship</b></p> <p>.....</p> <p>2. If one makes a lawful charitable donation or sponsorship in Company’s name, it must be done only after the approval of the chairman notwithstanding the amount of such donation or sponsorship.</p>	<p><b>The Procedure and Amount Standards for Handling the Provision of Fair and Charitable Donations or Sponsorship</b></p> <p>.....</p> <p>2. If one makes a lawful charitable donation or sponsorship in Company’s name, it must be done only after the approval of the chairman notwithstanding the amount of such donation or sponsorship. <u>In the event that the laws and regulations have more restrictive standards, such standards shall prevail.</u></p>	To comply with the relevant regulations on major donations
Article 11	<p><b>Enforcement and Amendment</b></p> <p>This Code of Ethical Conduct will be implemented after adoption by the resolution of the Board of Directors, amendments likewise, and will be reported to the shareholders meeting.                      This Code of Ethical Conduct was enacted on October 30, 2017.</p>	<p><b>Enforcement and Amendment</b></p> <p>This Code of Ethical Conduct will be implemented after adoption by the resolution of the Board of Directors, amendments likewise, and will be reported to the shareholders meeting.                      This Code of Ethical Conduct was enacted on October 30, 2017.  <u>The 1st amendment was made on November 06, 2019.</u></p>	Correspondence to the amendment date.

## **Wiwynn Corporation Codes of Ethical Conduct**

Article 1 **Purpose**

This Code of Ethical Conduct is hereby established to enforce Wiwynn Corporation (hereinafter “Company”)’s core values, maintain its high level of business ethics and require Relevant Personnel to strictly abide by Company’s standard code of ethical conduct in order to uphold Company’s reputation and to gain the respect and trust of customers, suppliers and professionals of all fields.

Article 2 **Applicability and Definition**

This Code of Ethical Conduct shall apply to all directors (including the independent directors; hereinafter “Directors”), managers and employees (hereinafter “Relevant Personnel”).

Article 3 **Important Code of Ethical Conduct**

1. Integrity is Company’s core value and the root of operating an enterprise. To operate an enterprise in integrity, Company shall provide an environment and atmosphere that will allow Relevant Personnel to execute their duties in accordance with ethical standard. Company requires all Relevant Personnel to fully understand and abide by this Code of Ethical Conduct and self-integrity. The following is the relevant and important code of ethical conduct:

- (1) Unless authorized or required by law, Relevant Personnel must strictly keep confidential the information related to Company or its clients whom Company purchases goods from or whom Company sells products to. The confidential information shall include all information that could be possibly used by competitors or cause damages to Company or its clients after disclosure.
  - (2) When Relevant Personnel use information related to Company or its clients whom Company purchases goods from or whom Company sells products to, they must not contravene any applicable laws or Company’s Policies and Procedures on the Protection of Confidential Information.
  - (3) Relevant Personnel must treat clients whom Company purchases goods from or whom Company sells products to, the competing companies and employees on a fair and equal basis, and must not use the information obtained through job convenience to manipulate, conceal or misuse such information to make false statement on important matters, or use such information to obtain unjust benefits through other unjust transactions.
  - (4) Relevant Personnel must be loyal to their job. Their execution of duties, including disposition of money, purchase, safekeeping assets, evaluation of performances and making and ratification of reports, shall be accomplished with integrity, diligence and dedication.
  - (5) Relevant Personnel have the duty to protect Company’s assets and resources, and ensure that such assets and resources can be lawfully and effectively used in business operations. It is strictly prohibited to use Company’s assets or resources to gain personal interest. Relevant Personnel shall also recuse from negatively affecting Company’s interest through personal or department’s interest or through stealing, neglecting, and wasting Company’s assets and resources.
  - (6) Relevant Personnel must recuse from any conflict that will result in the conflict of personal and Company’s interest.
  - (7) Relevant Personnel must not participate or instigate others to proceed in activities or relationships that might cause harm to loyalty or professional judgment.
  - (8) Relevant Personnel must not request, accept or give any gifts, donations, political donations or treats (bribery) that might cause harm to loyalty or professional judgment.
  - (9) Relevant Personnel must not commit any acts that will damage the reputation of Company.
  - (10) Relevant Personnel must abide by national laws, rules and regulations. Relevant Personnel must not be involved in any illegal or inappropriate activities under any circumstances.
  - (11) Relevant Personnel must not seek an opportunity to pursue personal gain by using Company’s property or information, or by taking advantage of their positions. Relevant Personnel must not obtain personal gain by using Company property or information, or by taking advantage of their positions. Relevant Personnel must not compete with Company. When Company has an opportunity for profit, Directors, supervisors and managers have responsibility to maximize the reasonable and proper benefits that can be obtained by Company.
2. The Codes of Ethical Conduct will not be limited to acts, rules and regulations. The spirit in the execution of this is in the high level of self-restraint, and that one will abide by the Codes without violating general conventions. When Relevant Personnel cannot determine whether an action or a circumstance fits with Company’s Codes of Ethical Conduct, one should check its adequacy based on the following principles:
- (1) Whether the disclosure of such relationship or action will cause negative effects to Company’s reputation.
  - (2) Whether the process of such relationship or action will be generally interpreted as having effects on the just execution of job duties or professional judgment

**【 Attachment 4 】**

**Article 4 Recusal Policy on the Conflict of Interest**

1. Relevant Personnel shall recuse from any conflict that will cause conflict between the personal and Company's interest. Therefore, Relevant Personnel shall actively and fully report to their supervisor and the head of Human Resource department (applicable for Relevant Personnel who are not director), or the Board of Directors (applicable for Directors) upon knowing or facing, including, but not limited to the following circumstances and explain how the personal interest can be conflicting with Company's interest:
  - (1) When the positions held by the Relevant Personnel might let them, their spouse or third-degree relatives gain unjust benefits, or obstruct their objective and effective handling of business operations.
  - (2) When the activities participated by the Relevant Personnel outside the Company cause direct competition against Company's business, or obstruct with the Relevant Personnel's positions and duties in the Company.
  - (3) Using Company's resources (such as information, objects or properties, etc.) to participate in activities outside the Company without Company's permission.
  - (4) Has third-degree relatives working in the Company.
2. When Company receives reports from Relevant Personnel on how their actions do not fit the Recusal Policy on the Conflict of Interest, the chairman (applicable for Directors) or the head of Human Resource department (applicable for Relevant Personnel who are not director), together with the head of Relevant Personnel's department shall discuss the handling principles and procedures, and pass the case to the general manager (applicable for Relevant Personnel who are not director) for authorization, or pass the case to the Board of Directors (applicable for Directors) to handle.

**Article 5 Giving Presents and Treats as Part of Business Routine**

1. To maintain the highest standard for ethical conduct, any form of bribery is strictly prohibited from suppliers, contractors, clients and other relevant parties and groups (including governmental agencies) involved in the Company's business operations. In normal business relations, receiving reasonable presents and treats shall comply with Sections 2 and 3 of this Articles 5.
2. When it is necessary to receive presents or any types of gifts, one shall proceed in accordance to the following in addition to abiding by Section 1 of Article 5:
  - (1) One must not accept cash, check or any valuable papers (such as gift coupons or stocks, etc.).
  - (2) When one has to accept the presents or treats as a courtesy, the value of such must not exceed the equivalent amount of NTD1,000. If the presents include trademark, then the value of such must not exceed the equivalent amount of NTD\$6,000.
  - (3) If one has to accept a present because the refusal might cause adverse effect and such present's value is higher than the limits set forth in Section 2(2) of this Article 5 above, such present shall be handed to the Executive Secretary of the Employees' Welfare Committee within seven days of acceptance.
  - (4) One must not subscribe any shares of stock or any other similar preferential packages outside the open market from any units or companies that are involved in Company's business operations.
3. To maintain and promote the normal business relationship and operation of Company, one may be permitted to give presents to relevant individuals involved in Company's business operations. However, such acts must comply with Section 1 of this Article 5 and the following rules:
  - (1) Declare the purpose of giving presents and the presents shall contain Company's name.
  - (2) One shall select the most appropriate presents for subjects from the presents provided by Company.
4. Acceptance and arrangement of any treats related to business operations shall comply with the rules of general business courtesy and shall not be too frequent, and shall not let customers or suppliers misunderstand that giving presents or treats is a condition for establishing or maintaining the business relationship with Company.
5. The relationship and interaction between superiors and employees shall also comply with this Article 5.
6. If any inappropriate behavior is identified or a report is received that colleagues or departments do not comply with the above-mentioned provisions and have accepted presents in private, Company shall deal with this report in accordance with relevant rules.

**Article 6 The Procedure for Provision of Lawful Political Donations**

- When Relevant Personnel makes direct or indirect donations to a political party or an organization or individual participating in political activities, they shall abide by the following basic principles:
1. They shall comply with the Political Donations Act and relevant laws and regulations, and shall not use it to seek any commercial benefits or transaction advantages.
  2. They shall not directly or indirectly provide political donations in the name of Company.
  3. They shall not use any of Company's properties or facilities, or participate in political activities during working hours.
  4. When making political donations in Company's name, it must be done only after the approval of the chairman notwithstanding the amount of such donation.

**Article 7 The Procedure and Amount Standards for Handling the Provision of Fair and Charitable Donations or Sponsorship**

- When Relevant Personnel make charitable donations or sponsorship, they shall abide by the following basic principles:
1. It shall be done pursuant to relevant laws and regulations and Company's rules, and shall not turn into an act of bribery through other manners.



【 Attachment 4 】

2. If one makes a lawful charitable donation or sponsorship in Company's name, it must be done only after the approval of the chairman notwithstanding the amount of such donation or sponsorship. In the event that the laws and regulations have more restrictive standards, such standards shall prevail.
- Article 8 **The Execution of Code of Ethical Conduct**
1. To achieve ethical corporate management, Human Resource department is delegated to establish and supervise the implementation of the ethical corporate management policies and related measures, and it shall report to the Board of Directors on a regular basis. Relevant units shall provide training and publicize this Code of Ethical Conduct to ensure all Relevant Personnel understand, accept and will strictly abide by this Code of Ethical Conduct.
  2. Relevant Personnel shall continue to publicize this Code of Ethical Conduct to business related units or other companies that have business relations with Company to ensure they understand and support Company's determination and policies of the ethical corporate management.
- Article 9 **Disciplinary measures on Relevant Personnel in violation of this Code of Ethical Conduct**
1. Company encourages insiders and outsiders to report any activities which violate this Code of Ethical Conduct; however, insiders shall not make any false report or malicious accusation. Anyone who make false report or malicious accusation shall be subject to a disciplinary action, and removed from office if the circumstance concerned is material.
  2. Accuser shall at least furnish the following information:
    - (1) Accuser's name and identity number and contact information.
    - (2) Accused's name or other information sufficient to identify the accused.
    - (3) Specific facts and evidences available for investigation.
  3. Company personnel handling accusation shall represent in writing that they will keep accuser's identity and accusation confidential. Company shall protect accuser from improper treatment due to the making of accusation. The unit in charge of accusation shall handle the accusation in accordance with the following procedure:
    - (1) Accusation involving a general employee shall be reported to the head of Human Resource department. Accusation involving a director or senior manager shall be reported to the head of Auditing Office or the independent directors.
    - (2) The unit in charge of accusation and the head or personnel being reported to in Section 3(2) of this Article 9 shall immediately verify the facts, and be provided with the assistance from other related department if necessary.
    - (3) If the accused is confirmed to have violated this Code of Ethical Conduct, Company shall immediately demand the accused to cease the conduct and make an appropriate disposition. When necessary, Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
    - (4) The transaction counterparties violating this Code of Ethical Conduct will be strictly treated by Company by reducing or canceling the collaboration with Company or reported to the corresponding judicial authorities depending on the severity.
    - (5) Documentation of accusation acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event a lawsuit relating to the accusation is filed before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
    - (6) With respect to a confirmed accusation, Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
    - (7) The unit in charge of accusation shall submit to the Board of Directors a report of the accusation, actions taken and subsequent reviews and corrective measures.
- Article 10 **Directors who violate this Code of Ethical Conduct will be referred to the Board of Directors for investigation**
- If managers or employees violate this Code of Ethical Conduct, Company will take disciplinary measures including dismissal or termination of appointment in accordance with the relevant provisions under the Employees' Reward and Punishment Operation Essentials.
- Company will seriously deal with transaction counterparties that violate the principles of good faith and integrity, and will reduce or cancel its collaboration with Company or even hand it over to the corresponding judicial authorities depending on the severity.
- Article 11 **Enforcement and Amendment**
- This Code of Ethical Conduct will be implemented after adoption by the resolution of the Board of Directors, amendments likewise, and will be reported to the shareholders meeting.
- This Code of Ethical Conduct was enacted on October 30, 2017.
- The 1st amendment was made on November 06, 2019.

**Wiwynn Corporation**  
**Ethical Corporate Management Best Practice Principles**  
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 4	<p><b>Compliance with applicable laws or regulations</b>                      The Company complies 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, Intellectual Properties Laws, TWSE/GTSM-listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management</p>	<p><b>Compliance with applicable laws or regulations</b>                      The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, <del>Act on Recusal of Public Servants Due to Conflicts of Interest,</del> Intellectual Properties Laws, TWSE/GTSM-listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management</p>	To comply with the Company's operational needs.
Article 6	<p><b>Prevention measure</b>                      The Company shall, in its own ethical management policy, clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention measures"), including operational procedures, guidelines, and training.                      When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and its business group are operating.                      In the course of developing the prevention measures, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.                      .....</p>	<p><b>Prevention program measures</b>                      The Company shall, in its own ethical management policy, clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("<u>prevention programs measures</u>"), including operational procedures, guidelines, and training.                      When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and its business group are operating.                      In the course of developing the prevention <u>programs measures</u>, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.                      .....</p>	To comply with the updated regulation.
Article 7	<p><b>The scope of prevention measure</b>                      The Company establishes the prevention measures, which utilize to the management on the business activities within its business scope which is at a higher risk of being involved in unethical conduct.                        The Company establishes the prevention measures, which shall at least include preventive measures against the following:                      .....</p>	<p><b>The scope of prevention program measure</b>                      The Company <del>establishes the prevention measures, which utilize to the management on the</del> <u>shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis</u> business activities within its business scope which is at a higher risk of being involved in unethical conduct, <u>and establish prevention programs accordingly and review its adequacy and effectiveness on a regular basis.</u>                      The Company establishes the prevention <u>programs measures</u>, which shall at least include preventive measures against the following:                      .....</p>	To comply with the updated regulation.
Article 8	<p><b>Commitment and implementation</b>                        The Company and its respective business groups shall clearly specify in internal rules and external documents the ethical management policy, the board of directors and management shall thoroughly implement the ethical management policies, and shall carry out the policies in internal</p>	<p><b>Commitment and implementation</b>  <u>The directors and senior management of the Company shall issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u>                      The Company and its respective business groups shall clearly specify in internal rules, <del>and external documents</del> <u>and on the Company's website</u> the ethical management policy, <del>and the commitment by</del> the board of directors and <u>senior management on rigorous and thorough implementation of</u></p>	To comply with the updated regulation.

【 Attachment 5 】

Items	Before Revision	After Revision	Reason
	management and in commercial activities.	<del>shall thoroughly implement</del> the ethical management policies, and shall carry out the policies in internal management and in commercial activities. <u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u>	
Article 9	<b>Commercial transactions in ethics</b> 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 will take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and its records of unethical conduct, and shall avoid any dealings with persons with such records. 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.	<b>Commercial transactions in ethics</b> 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 will take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and its records of unethical conduct, and shall avoid any dealings with persons with such records. <del>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.</del>	To comply with the Company's operational needs.
Article 17	<b>Organization and responsibility</b> ..... To achieve sound ethical corporate management, the Company has assigned its HR Department acting as a dedicated unit that is under the board of directors, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis:  ..... 2. Establishing programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.  .....	<b>Organization and responsibility</b> ..... To achieve sound ethical corporate management, the Company has assigned its HR Department acting as a dedicated unit <del>that is under the board of directors, and</del> <u>avail itself of adequate resources and staff itself with competent personnel,</u> responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis <u>(at least once per year):</u>  ..... 2. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly</u> Establishing programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.  .....	To comply with the updated regulation.
Article 18	<b>Compliance with applicable laws and regulations</b> The directors, managers, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention measures when conducting business.	<b>Compliance with applicable laws and regulations</b> The directors, managers, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention programs <del>measures</del> when conducting business.	To comply with the updated regulation.
Article 19	<b>Avoiding conflicts of interest of directors and managers</b> .....	<b>Avoiding conflicts of interest of directors and managers</b> .....	To comply with the updated regulation.

Items	Before Revision	After Revision	Reason
Article 20	<p><b>Accounting and Internal Control</b>                      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 regularly evaluate so as to ensure that the design and enforcement of the systems are showing results.                      The internal audit unit of the Company shall periodically examine in the preceding paragraph, which the results shall be submitted in the form of an audit report to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p><b>Accounting and Internal Control</b>                      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 <u>periodically</u> <del>regularly</del> evaluate 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 high risk items resulting from the assessment of the risk of involvement in unethical conduct, devise relevant audit plans and implements inspection for the high risk item. If necessary, the internal audit unit may engage a certified public accountant to carry out the audit, or may engage professionals to assist.</u>  <del>periodically examine in the preceding paragraph, which the results shall be submitted in the form of an audit report to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</del>  <u>The results of examination in the preceding paragraph shall be submitted in the form of an audit report to the board of directors.</u></p>	To comply with the updated regulation.
Article 23	<p><b>Whistle-blowing system and discipline</b>                      The Company shall adopt a concrete whistle-blowing system including the following:                      1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.                      2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior supervisors shall be reported to the independent directors or the chief of Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.                      3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.                      4. Confidentiality of the identity of whistle-blowers and the content of reported cases.                      5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.                      6. Whistle-blowing incentive measures.                      .....</p>	<p><b>Whistle-blowing system and discipline</b>                      The Company shall adopt a concrete whistle-blowing system including the following:                      1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.                      2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior <u>management supervisors</u> shall be reported to the independent directors or the chief of Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.                      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.</u>  <del>3.4.</del> Documentation of case acceptance, investigation processes, investigation results, and relevant documents.                      4.<del>5.</del> Confidentiality of the identity of whistle-blowers and the content of reported cases.                      5.<del>6.</del> Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.                      6.<del>7.</del> Whistle-blowing incentive measures.                      .....</p>	To comply with the updated regulation.

【 Attachment 5 】

Items	Before Revision	After Revision	Reason
Article 26	<b>Review and improvement of the ethical management policies</b> .....	<b>Review and improvement of the <u>principles</u> <del>ethical corporate management policies and prevention programs</del></b> .....	To comply with the updated regulation.
Article 28	The Principles were enacted on October 15, 2017. The 1st amendment was made on August 6, 2018.	The Principles were enacted on October 15, 2017. The 1st amendment was made on August 6, 2018. <u>The 2nd amendment was made on December 24, 2019.</u>	Correspondence to the amendment date.

## Wiwynn Corporation

### Ethical Corporate Management Best Practice Principles

- Article 1 **Purpose of adoption and scope of application**  
These Ethical Corporate Management Best Practice Principles (hereunder referred to as “the Principles”) are promulgated to assist Wiwynn Corporation (hereunder referred to as “the Company”) to foster a corporate culture of ethical management and sound development.  
The Principles are applicable to business groups and organizations of the Company. The business groups and organization are comprised of 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 or juridical persons which are substantially controlled by the Company (“business group”).
- Article 2 **Prohibition of unethical conduct**  
When engaging in commercial activities, directors, managers, employees, mandataries of the Company or persons having substantial control over the Company (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, or commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.  
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, managers, employees or substantial controllers or other stakeholders.
- Article 3 **Types of benefits**  
“Benefits” in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded
- Article 4 **Compliance with applicable laws or regulations**  
The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Intellectual Properties Laws, TWSE/GTSM-listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management
- Article 5 **Internal policy**  
The Company abides by the operational philosophies of honesty, transparency, and responsibility. The Company establishes internal policies based on the principle of good faith, as well as good corporate governance, risk control, and management mechanisms so as to create an operational environment for sustainable development.
- Article 6 **Prevention program**  
The Company shall, in its own ethical management policy, clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (“prevention programs”), including operational procedures, guidelines, and training.  
When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and its business group are operating.  
In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.
- Article 7 **The scope of prevention program**  
The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which is at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review its adequacy and effectiveness on a regular basis.  
The Company establishes the prevention programs, which 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 directors and senior management of the Company shall issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.  
The Company and its respective business groups shall clearly specify in internal rules, external documents and on the Company’s website the ethical management policy and the commitment by the board of directors and senior management on rigorous and thorough implementation of the ethical management policies, and shall carry out the policies in internal management and in commercial activities.

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- The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.
- Article 9 **Commercial transactions in ethics**  
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 will take into consideration the legality of its agents, suppliers, clients or other trading counterparties, and its records of unethical conduct, and shall avoid any dealings with persons with such records.
- 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 its 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. Unless obtaining the prior consent from the owner, the Company may not use, disclose, dispose, or destroy any intellectual property or otherwise infringe such intellectual property rights.
- Article 15 **Prohibition of conducting unfair competition**  
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, its 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 its operations, with a view to preventing its 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 has assigned its HR Department acting as a dedicated unit and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once per year):
1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
  2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
  3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.

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4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18 **Compliance with applicable laws and regulations**

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

Article 19 **Avoiding conflicts of interest**

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 managers, and other stakeholders attending or appropriate means for directors, present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. Detailed regulations are written in “Codes of Ethical Conduct” of the Company.

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 of directors 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 of the Company, 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 directors, managers, employees, mandataries, and substantial controllers of the Company 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 periodically evaluate 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 high risk items resulting from the assessment of the risk of involvement in unethical conduct, devise relevant audit plans and implements inspection for the high risk item. If necessary, the internal audit unit may engage a certified public accountant to carry out the audit, or may engage professionals to assist.

The results of examination in the preceding paragraph shall be submitted in the form of an audit report to the board of directors.

Article 21 **Operational procedures and guidelines**

The Company establishes operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, 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 chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

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 incorporate the ethical management policy into its employee performance appraisal system as well as integrate with human resource and reward and discipline policies.

Article 23 **Whistle-blowing system**

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

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
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 the chief of Auditing Office. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.



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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.  
When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 **Discipline and appeal system**

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website in regard of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25 **Information disclosure**

The Company may collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company websites, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.

Article 26 **Review and improvement of the principles**

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

Article 27 **Enforcement**

The Principles shall be approved by the audit committee and be submitted to the board of directors for a resolution, then be reported to the shareholders meeting. The same procedure shall be followed when the Principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 28 The Principles were enacted on October 15, 2017. The 1st amendment was made on August 6, 2018. The 2nd amendment was made on December 24, 2019.

**Wiwynn Corporation**  
**Procedures for Ethical Management and Guidelines for Conduct**  
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 5	<p>The Company shall designate the HR Department as the solely responsible unit (hereinafter, “responsible unit”) that is under the board of directors, and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:</p> <p>.....</p> <p>2. To adopt programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business.</p> <p>.....</p>	<p>The Company shall designate the HR Department as the solely responsible unit (hereinafter, “responsible unit”) <del>that is under the board of directors</del>, <u>allocate sufficient resources and qualified personnel</u> and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors <u>(at least once per year)</u>:</p> <p>.....</p> <p>2. <u>Analyzing and evaluating the risk of unethical conduct in the business scope regularly to</u> <del>To</del> adopt programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business.</p> <p>.....</p> <p>7. <u>Developing and properly maintaining the documented information on the ethical management policies and its statement of compliance, commitments and implementation.</u></p>	To comply with the updated regulation.
Article 11	<p>When a Company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in the matter under discussion in the Board of Directors, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>.....</p>	<p>When a Company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in the matter under discussion in the Board of Directors, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>.....</p>	To comply with the updated regulation.
Article 16	<p>.....</p>	<p><u>The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>.....</p>	To comply with the updated regulation.

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Items	Before Revision	After Revision	Reason
Article 21	<p>.....</p> <p>And the responsible unit of the Company observe the following procedures:</p> <p>.....</p> <p>3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>.....</p>	<p>.....</p> <p><del>And the</del> The responsible unit of the Company <u>shall</u> observe the following procedures <u>for the whistle-blowing</u>:</p> <p>.....</p> <p>3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will <u>report to the competent authority, transferred to the judicial authority for investigation or</u> institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>.....</p>	To comply with the updated regulation.
Article 25	The Principles were enacted on October 30, 2017. The 1st amendment was made on August 6, 2018.	The Principles were enacted on October 30, 2017. The 1st amendment was made on August 6, 2018. <u>The 2nd amendment was made on March 20, 2020.</u>	Correspondence to the amendment date.

## Wiwynn Corporation

### Procedures for Ethical Management and Guidelines for Conduct

- Article 1 Wiwynn (hereinafter, “Company”) engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, “Procedures and Guidelines”) are adopted pursuant to the provision of our “Ethical Corporate Management Best Practice Principles” and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company’s accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company (hereinafter, “group enterprises and organizations”).
- Article 2 For the purposes of these Procedures and Guidelines, the term “personnel of the Company” refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 3 For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managerial officers, employees, persons having substantial control, or other interested parties.
- Article 4 For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.
- Article 5 The Company shall designate the HR Department as the solely responsible unit (hereinafter, “responsible unit”), allocate sufficient resources and qualified personnel and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors (at least once per year):
1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
  2. Analyzing and evaluating the risk of unethical conduct in the business scope regularly to adopt programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business.
  3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
  4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
  5. Developing a whistle-blowing system and ensuring its operating effectiveness.
  6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
  7. Developing and properly maintaining the documented information on the ethical management policies and its statement of compliance, commitments and implementation.
- Article 6 Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of our “Ethical Corporate Management Best Practice Principles”, and the relevant procedures shall have been carried out:
1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
  2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
  3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
  4. Attendance at folk festivals that are open to and invite the attendance of the general public.
  5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
  6. Money, property, or other benefits offered to or accepted from a person other than relatives or friends; or gifts of property given by another party to the majority of the personnel of the Company shall be in

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- line with the normal regulations of social community and the ordinary scope of custom.
7. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be in line with the regulations of local society and normal custom.
  8. Other conduct that complies with the rules of the Company.
- Article 7 Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:
1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
  2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.
- "A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:
1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
  2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
  3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.
- The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the chairman.
- Article 8 The Company shall neither provide nor promise any facilitating payment.  
If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.  
Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.
- Article 9 Political contributions by the Company shall be made only after being reported to and approved by the board of directors:
1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
  2. A written record of the decision-making process shall be kept.
  3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
  4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.
- Article 10 Charitable donations or sponsorships by the Company shall be provided only after it has been approved in accordance with the authority level.
1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
  2. A written record of the decision making process shall be kept.
  3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
  4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
  5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.
- Article 11 When a Company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in the matter under discussion in the Board of Directors, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.  
Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal

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interest in the matter.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

- Article 12 The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.  
All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.
- Article 13 The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, 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 14 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.  
The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.  
Where there are media reports, or 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 immediately recall those products or suspend the services, verify the facts and present a review and improvement plan.  
The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.
- Article 15 All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.  
Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.
- Article 16 The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.  
The Company also disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.
- Article 17 Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.
- Article 18 Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.
- Article 19 All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

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- Article 20 Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management.  
Where a party is discovered to be engaged in unethical conduct in its commercial activities or violated the relevant laws and regulations, the other party may terminate or rescind the contract unconditionally at any time.
- Article 21 The Company encourages insiders and outsiders for informing of unethical or unseemly conduct. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.  
The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports.  
A whistleblower shall at least furnish the following information:  
1. The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.  
2. The informed party's name or other information sufficient to distinguish its identifying features.  
3. Specific facts available for investigation.  
Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.  
The responsible unit of the Company shall observe the following procedures for the whistle-blowing:  
1. An information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or a senior executive.  
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.  
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, transferred to the judicial authority for investigation or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.  
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.  
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.  
6. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.
- Article 22 If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.
- Article 23 The responsible unit of the Company shall organize awareness sessions every year and arrange for the chairman, president, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.  
The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.  
If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.  
The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.
- Article 24 These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting.  
When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.
- Article 25 The Principles were enacted on October 30, 2017.  
The 1st amendment was made on August 6, 2018.  
The 2nd amendment was made on March 20, 2020.

**Wiwynn Corporation**  
**Profit Appropriation Statement for 2019**

Unit : NTDS

<b>Unappropriated Retained Earnings at beginning of the year</b>	<b>2,684,251,576</b>
<b>Plus :</b>	
Net Income of 2019	6,169,254,414
<b>Less :</b>	
10% Legal Reserve	(616,925,441)
First-time adoption new of accounting standards adjustments	(2,204,139)
Remeasurements of defined benefit obligation	(1,857,600)
<b>Retained Earnings Available for Distribution</b>	<b>8,232,518,810</b>
<b>Distribution Items :</b>	
Stock Dividends to Common Shareholders	0
Cash Dividends to Common Shareholders	(4,021,131,193)
<b>Unappropriated Retained Earnings at the end of the year</b>	<b>4,211,387,617</b>

Note: Profit appropriation for 2019 is calculated based on 174,831,791 shares, the number of shares outstanding on the Company's first board resolution day in 2020 (March 20, 2020). Cash dividends distribute to common shareholders is NT\$23 per share. Cash dividends will be rounded down to the nearest NT\$1 with the sum of all fractional dividends less than NT\$1 being recognized as other income of the Company.

Chairman:  
Simon Lin

President:  
Emily Hong

Accounting Officer:  
Wenifred Wen



**Wiwynn Corporation**  
**Articles of Incorporation**  
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 6-1	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.	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 <u>controlling companies or subsidiaries</u> of the Company meeting certain specific requirements which will be determined by the Board of Directors.	To comply with the Company's operational needs.
Article 21	..... 1. No less than five percent (5%) of profit as employees' compensation. The employees' compensation may be distributed in the form of shares or in cash. The qualification requirements of employees, including the employees from the Company's subsidiaries, , which are entitled to receive compensation, shall be determined by the Board of Directors; .....	..... 1. No less than five percent (5%) of profit as employees' compensation. The employees' compensation may be distributed in the form of shares or in cash. The qualification requirements of employees, including the employees from the Company's <u>controlling companies or subsidiaries</u> , which are entitled to receive compensation, shall be determined by the Board of Directors; .....	To comply with the Company's operational needs.
Article 22	If the Company has net profit as a result of the yearly accounting closing, the Company shall first offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The Board of Directors may propose the distribution for approval in the shareholders' meeting.	If the Company has <del>net</del> profit as a result of the yearly accounting closing, the Company shall <u>first pay all taxes and duties and</u> offset its losses in precious years, <del>then and</del> set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The Board of Directors may propose the distribution for approval in the shareholders' meeting.	To comply with the updated regulation.
Article 25	The Procedure was enacted on February 20, 2012. The 1st amendment was made on May 26, 2014. The 2nd amendment was made on May 22, 2015. The 3rd amendment was made on May 20, 2016. The 4th amendment was made on May 31, 2017. The 5th amendment was made on January 17, 2018. The 6th amendment was made on June 25, 2019.	The Procedure was enacted on February 20, 2012. The 1st amendment was made on May 26, 2014. The 2nd amendment was made on May 22, 2015. The 3rd amendment was made on May 20, 2016. The 4th amendment was made on May 31, 2017. The 5th amendment was made on January 17, 2018. The 6th amendment was made on June 25, 2019. <u>The 7th amendment was made on June 15, 2020.</u>	Correspondence to the amendment date.

**Wiwynn Corporation**  
**Rules and Procedures of Shareholders' Meeting**  
 (Before and After Revision Chart)

Before Revision	After Revision	Reason
<p>Article 2                      .....Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act of the Republic of China, Articles 26-1 and 43-6 of the Securities and Exchange Act of the Republic of China, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>A shareholder holding one (1) percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act of the Republic of China apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than ten (10) days.</p> <p>.....</p>	<p>Article 2                      .....Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act of the Republic of China, Articles 26-1 and 43-6 of the Securities and Exchange Act of the Republic of China, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice <u>of the reasons for with the reasons and explanation of essential contents for</u> convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p><u>The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u></p> <p><u>Election of directors and the date of assumed office shall be set out in the notice for convening the shareholders meeting. the date of assumed office shall not be amended by an extraordinary motion at the same meeting after the re-election.</u></p> <p>A shareholder holding one (1) percent or more of the total number of issued shares may submit to the Company a <del>written</del> proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act of the Republic of China apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals <u>in writing or by way of electronic transmission</u>, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than ten (10) days.</p> <p>.....</p>	<p>To comply with the updated regulation.</p>
<p>Article 7                      .....If the chairman of the Board of Directors is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman of the Board of Directors or one of the directors</p>	<p>Article 7                      .....If the chairman of the Board of Directors is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman of the Board of Directors or one of the directors</p>	<p>To clearly define the content</p>

【 Attachment 11 】

Before Revision	After Revision	Reason
<p>shall preside at the meeting in accordance with the provisions of Paragraph Three, Article 208 of the Company Act of the Republic of China. If a shareholders meeting is convened by any other person with power to convene the meeting but other than the Board of Directors, such person shall be the chairman to preside at the meeting. If there are two or more people entitled to convene the meeting, they shall elect a chairman of the meeting from and among themselves.</p> <p>If a director serves as chairman of the meeting, as referred to in the preceding paragraph, such director shall have held that position for six (6) months or more and shall be familiar with the financial and business conditions of the Company. The same requirement shall apply if a representative of a corporate director serves as chairman of the meeting.</p>	<p>shall preside at the meeting in accordance with the provisions of Paragraph Three, Article 208 of the Company Act of the Republic of China. If a shareholders meeting is convened by any other person with power to convene the meeting but other than the Board of Directors, such person shall be the chairman to preside at the meeting. If there are two or more people entitled to convene the meeting, they shall elect a chairman of the meeting from and among themselves.</p> <p>If a director serves as chairman of the meeting, as referred to in <del>the preceding</del> <u>the first paragraph hereinbefore</u>, such director shall have held that position for six (6) months or more and shall be familiar with the financial and business conditions of the Company. The same requirement shall apply if a representative of a corporate director serves as chairman of the meeting.</p>	
<p>Article 10</p> <p>.....If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one third of the total number of issued and outstanding shares, the chairman shall announce the termination of the meeting.</p> <p>If after two postponements no quorum can yet be constituted but the attending shareholders represent more than one third of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act of the Republic of China;</p>	<p>Article 10</p> <p>.....If after two postponements the number of shares represented by the attending shareholders has not yet constituted more than one third of the total number of issued and outstanding shares, the chairman shall announce the termination of the meeting.</p> <p>If after two postponements <u>in the preceding paragraph</u> no quorum can yet be constituted but the attending shareholders represent more than one third of the total number of issued and outstanding shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act of the Republic of China;</p>	To clearly define the content
<p>Article 11</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>During the meeting, the chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting before all discussion items listed in the agenda are concluded. If the chairman adjourns the meeting in violation of the Rules and Procedures, the other director shall promptly assist the shareholders attending the meeting to elect another person to serve as chairman and to continue the meeting in accordance with laws, by a majority of the votes represented by shareholders attending the meeting.</p>	<p>Article 11</p> <p>If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. <del>The meeting For each proposal (including extemporary motions and the amendments to the contents of the original proposals) shall be voted by polling. The meeting shall</del> proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>During the meeting, the chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting before all discussion items (<u>including extemporary motions</u>) listed in the agenda are concluded. If the chairman adjourns the meeting in violation of the Rules and Procedures, <u>a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.</u> <del>the other director shall promptly assist the shareholders attending the meeting to elect another person to serve as chairman and to continue the meeting in accordance with laws, by a majority of the votes</del></p>	To comply with the updated regulation.

【 Attachment 11 】

Before Revision	After Revision	Reason
.....	<del>represented by shareholders attending the meeting.</del> .....	
<p>Article 12</p> <p>When an attending shareholder wishes to speak, a speak note must be filled out with summary of the speech, the shareholder’s account number, and account name of the shareholder. The sequence of speeches by shareholders shall be decided by the chairman.</p> <p>If a shareholder present at the meeting who has submitted a speaker note but does not actually speak, no speech shall be deemed to have been made by the shareholder. If the contents of the speech are inconsistent with the contents of the speaker note, the contents of actual speech shall prevail.</p> <p>.....</p>	<p>Article 12</p> <p>When an attending shareholder wishes to speak, a speak note must be filled out with summary of the speech, the shareholder’s account number (<u>or attendance card numbers</u>), and account name of the shareholder. The sequence of speeches by shareholders shall be decided by the chairman.</p> <p>If a shareholder present at the meeting who has submitted a speaker note but does not actually speak, no speech shall be deemed to have been made by the shareholder. If the contents of the speech are inconsistent with the contents of the speaker note, the contents of actual speech shall prevail.</p> <p>.....</p>	Revision according to the actual practice.
<p>Article 14</p> <p>When a legal entity is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>If a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives can speak for each proposal.</p>	<p>Article 14</p> <p><del>When a legal entity is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</del></p> <p>If a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives can speak for each proposal.</p>	The content has been stipulated in Article 3.
<p>Article 16</p> <p>The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.</p>	<p>Article 16</p> <p>The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and <del>call for a vote.</del> <u>arrange enough time to vote.</u></p>	To comply with the updated regulation.
<p>Article 21</p> <p>..... The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman’s full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.</p>	<p>Article 21</p> <p>..... The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman’s full name, the methods by which resolutions were adopted, and a summary of the deliberations and <del>their results,</del> <u>results of resolution (including the statistical tallies of the numbers of votes). If a proposal is election of the board directors and independent directors, the numbers of votes for the candidates of board directors shall be published.</u> <del>and All meeting minutes shall be retained for the duration of the existence of the Company.</del></p>	To comply with the updated regulation.
<p>Article 25</p> <p>These Rules and Procedures, and any amendments hereto, shall be effective from the date it is approved by the shareholders meetings. This Rules and Procedures was enacted on May 26, 2014. The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 25, 2019.</p>	<p>Article 25</p> <p>These Rules and Procedures, and any amendments hereto, shall be effective from the date it is approved by the shareholders meetings. This Rules and Procedures was enacted on May 26, 2014. The 1st amendment was made on January 17, 2018. The 2nd amendment was made on June 25, 2019. <u>The 3rd amendment was made on June 15, 2020.</u></p>	Correspondence to the amendment date.

**Wiwynn Corporation**  
**The Election Regulations of Directors**  
 (Before and After Revision Chart)

Items	Before Revision	After Revision	Reason
Article 2	Directors of the Company shall be elected by a candidate nomination system whereby the shareholders elect directors from the nominees listed in the roster of director candidates.	Directors of the Company shall be elected by a candidate nomination system whereby the shareholders elect directors from the nominees listed in the roster of director candidates <u>published by the Company.</u>	Revision according to the actual practice
Article 4	..... After the Company listed on the Taiwan Stock Exchange Corporation (TWSE) or GreTai Securities Market (GTSM), the Company does not provide a ballot while the shareholder exercise their voting power with electronic method.	<del>..... After the Company listed on the Taiwan Stock Exchange Corporation (TWSE) or GreTai Securities Market (GTSM), the Company does not provide a ballot while the shareholder exercise their voting power with electronic method.</del>	The content has moved to Article 6.
Article 5	The Company will calculate separately voting rights to elect independent directors and non-independent directors based on the number of seats specified in the Article of Incorporation of the Company. Based on the result of casting votes by an electronic voting system or written ballots, the candidates receiving the highest number of affirmative votes sequentially shall be elected. When two or more persons receive the same number of votes and the specified number of seats is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee.	The Company will calculate separately voting rights to elect independent directors and non-independent directors based on the number of seats specified <del>in the Article of Incorporation of the Company.</del> Based on <del>the result of casting votes by an electronic voting system or written ballots,</del> the candidates receiving the highest number of affirmative votes sequentially shall be elected. When two or more persons receive the same number of votes and the specified number of seats is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee. <u>The calculation of number of votes referred to in the preceding paragraph is based on the shareholders vote by an electronic voting system and written ballots.</u>	Revision according to the actual practice
Article 6	The Board of Directors shall prepare the ballots equal to the number of directors to be elected and note the number of voting rights.	The Board of Directors shall prepare the ballots equal to the number of directors to be elected and note the number of voting rights, <u>which then to be distributed to shareholders who attend the shareholders' meeting. However, the Company is not required to provide a ballot to the shareholder who exercise their voting power by the electronic voting system. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u>	Revision according to the actual practice
Article 7	During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.	During the election, the chairman shall <del>appoint vote inspectors and vote counters from among the shareholders in attendance,</del> <u>vote counters and vote inspectors, while such vote inspectors shall be with shareholder status,</u> to take charge of inspecting and counting the votes.	Revision according to the actual practice
Article 10	..... 6. Contains any alteration to the candidate's name, shareholder's account number, or voting power; .....	..... 6. Contains any alteration to the candidate's name, shareholder's account number <u>(or identity card number),</u> or voting power; .....	Revision according to the actual practice

【 Attachment 12 】

Items	Before Revision	After Revision	Reason
Article 11	The inspector of election shall monitor the course of counting all ballots, and the chairman shall announce the voting results immediately thereafter, including the list of directors elected and the numbers of votes such directors received.  .....	The inspector of election shall monitor the course of counting all ballots, and the chairman <u>or a person designated by the chairman</u> shall announce the voting results immediately thereafter, including the list of directors <u>and independent directors</u> elected and the numbers of votes such directors received.  .....	Revision according to the actual practice
Article 13	This Procedure was enacted on May 22, 2015. The 1st amendment was made on January 17, 2018.	This Procedure was enacted on May 22, 2015. The 1st amendment was made on January 17, 2018. <u>The 2nd amendment was made on June 15, 2020.</u>	Correspondence to the amendment date.

**Wiwynn Corporation**  
**The Concurrent Positions of Director and Independent Director Candidates**

Title	Name	Current Position
Director	Wistron Corporation Representative : Simon Lin	Chairman & CSO of Wistron Corporation Director of Gamania Digital Entertainment Co., Ltd. Independent Director of Taiwan IC Packaging Corp. Independent Director of Elan Microelectronics Corp. Chairman of Wistron Digital Technology Holding Company
Director	Emily Hong	President & CEO of Wiwynn Corporation Director of Wiwynn Technology Service Japan, Inc. (WYJP) Director of Wiwynn International Corporation (WYUDE) Director of Wiwynn Technology Service Hong Kong Limited (WYHK) Director of Wiwynn Korea Ltd. (WYKR) Director of Wiwynn Mexico S.A. de C.V. (WYMX)
Director	Wistron Corporation Representative : Frank Lin	Chief of Staff Officer of Wistron Corporation Director of Wistron NeWeb Corp. Director of Wistron ITS Corp. Director of Changing Information Technology Inc. Director of IP Fund Six Director of Join-Link International Technology Co., Ltd. Director of Maya International Co., Ltd. Director of Wistron Medical Tech Holding Company Director of Wistron Digital Technology Holding Company Director of Wistron Medical Tech Corporation Director of Pell Bio-Med Technology Co., Ltd. Director of Hartec Asia Pte. Ltd. Director of Hukui Biotechnology Corporation Chairman of Wise Cap Limited Company Chairman of WLB Ltd. Chairman of WiseCap (Hong Kong) Limited Chairman of B-Temia Asia Pte. Ltd. Supervisor of aEnrich Technology Corp
Director	Sunlai Chang	Senior Vice President & Chief Technology Officer of Wiwynn Corporation
Director	Steven Lu	Vice President of Wiwynn Corporation
Independent Director	Charles Kau	Global Executive Vice President of Tsinghua Unigroup Co., Ltd. Independent Director of Hauman Technologies Corp.
Independent Director	Simon Dzung	Chairman of Clientron Corp. Chairman of Hopewell Asset Management, Inc. Chairman of Hopewell Investments, Inc. Chairman of Capstone Investments, Inc. Chairman of Formacell Inc. Independent Director of E&E Recycling, Inc. Director of Jinwen University of Science and Technology
Independent Director	Victor Cheng	Supervisor of Apex Material Technology Corp. Director of Throughtek Co., Ltd. Independent Director of Yodn Lighting Corp. Director of Kinsus Interconnect Technology Corp.
Independent Director	Cathy Han	Executive Vice President of Business Development Department, CDIB Capital Group Supervisor of CDIB Capital Management Corporation Supervisor of CDIB Capital Healthcare Ventures Limited Supervisor of CDIB Capital Innovation Advisors Corporation Director of CDIB Private Equity (China) Corporation

## **Wiwynn Corporation Articles of Incorporation**

### **CHAPTER I General Provisions**

- Article 1 : The Company shall be incorporated as a company limited by shares under the Company Act of the Republic of China, and its name is 緯穎科技服務股份有限公司 in the Chinese language, and Wiwynn Corporation in the English language.
- Article 2 : The business items of the Company are set out as follows:  
1. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing,  
2. CC01080 Manufacture of electronic components and parts,  
3. CC01110 Manufacture of computer and peripheral equipment,  
4. CC01120 Data Storage Media Manufacturing and Duplicating  
5. F218010 Retail Sale of Computer Software  
6. F401010 Import/export trading and dealer businesses,  
7. I103060 Management Consulting Services  
8. I301010 Information technology service,  
9. I301020 Data Processing Services  
10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 : The Company may engage in external guarantees to meet business needs.
- Article 4 : The total investment amount by the Company is exempt from the cap amount provided in Article 13 of the Company Act of the Republic of China.
- Article 5 : The head office of the Company is in New Taipei City, Republic of China. Subject to the approval by the Board of Directors, the Company may set up branch offices or representative's offices at various locations within or outside the territory of the R.O.C., whenever the Company deems it necessary.

### **Chapter II Share Capital**

- Article 6 : The total capital stock of the Company amounts is two billion five hundred million New Taiwan Dollars (NTD 2,500,000,000), which is divided into two hundred fifty million (250,000,000) shares at ten New Taiwan Dollars (NTD10) par value each share. The Board of Directors is authorized to issue common shares in installments. An amount of two hundred fifty million New Taiwan Dollars (NTD 250,000,000) among the above total amount of capital stock divided into twenty-five million (25,000,000) shares at ten New Taiwan Dollars (NTD10) par value per share should be reserved for the issuance of employee stock options.
- Article 6-1 : 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 7 : Shares shall be issued in registered form only, shall be signed by or affixed with seals of director(s) representing the Company, and authenticated by the competent authorities in accordance with laws. The Company may adopt book-entry transfer of shares, instead of issuance of share certificates; as well as with other securities of the Company.
- Article 8 : Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of annual general shareholders' meeting, and thirty (30) days immediately before the date of any extraordinary shareholders' meeting, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

### **Chapter III Shareholders' Meeting**

- Article 9 : The shareholders' meetings of the Company are divided into annual general shareholders' meetings and extraordinary shareholders' meetings. The annual general shareholders' meeting should be duly convened within six (6) months following the close of each fiscal year. Extraordinary shareholders' meetings may be convened when necessary in accordance with 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.
- Article 11 : Except as otherwise provided by laws and regulations, each shareholder of the Company is entitled to one vote per share.  
The shareholders' meeting shall adopt the electronic voting system as one of the methods for exercising the voting rights, and the method of exercising the voting rights shall be stated in the notice of shareholders' meeting.
- Article 12 : Except as otherwise provided by the relevant laws or regulations, shareholders may take action on a matter at a shareholders' meeting if a quorum of fifty percent (50%) or more of the outstanding shares of the Company exists. If a quorum exists, action on a matter is approved if more than fifty percent (50%) votes being represented at a meeting favor the action.
- Article 13 : (Deleted)



#### Chapter IV Directors and Audit Committee

Article 14 : The Company should have seven (7) to nine (9) directors and adopt the candidate nomination system. Directors are elected by the shareholders from a roster of director candidate announced by the Company. Each director will serve an office term of three years and may be re-elected.

The Company should purchase liability insurance for the directors to protect them against potential liabilities arising from exercising directors' duties during their terms of office.

The aforesaid Board of Directors shall be composed of at least three (3) independent directors, who will be elected at the shareholders' meeting from a roster of the independent director candidate. With respect to the independent director's profession, holding shares, work restriction, nomination and election method and other matters, all should be preceded by relevant regulations set by the securities authority.

The Board of Directors may set up functional committees, of which the establishment and authority shall be conducted in accordance with the relevant laws and regulations.

Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of all independent directors.

The number of members, terms, authority and rules of meeting of the audit committee shall be stipulated in the Audit Committee Charter.

Article 15 : The Board of Directors shall consist of the directors of the Company; the chairman of the Board of Directors represents the Company and shall be elected from among the directors by a majority vote in a meeting attended by over two-thirds of the directors; the Company may elect a vice chairman of the Board of Directors based on business need.

Article 16 : Each director shall be notified at least seven days in advance of the reasons for calling a Board of Directors meeting. In emergency circumstances, however, a meeting may be called on shorter notice.

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

Article 17 : In case the Chairman of the Board of Directors is on leave or unable to represent the Company or perform his or her functions for whatever cause, he or she may appoint another director as proxy in accordance with Paragraph 3 of Article 208 of the Company Act. If that director is not able to attend a meeting in person, he or she may appoint another director as proxy. A director may serve as proxy for only one other director.

Article 18 : The Board of Directors is authorized to determine the compensation for all Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

#### Chapter V Managerial Officers

Article 19 : The Company will have one or more general managers, whose appointment, discharge and remuneration will be determined in accordance with Article 29 of the Company Act of the Republic of China. 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 : After the end of each fiscal year, in accordance with the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the annual regular shareholders' meeting for acceptance.

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

Article 21 : If the Company has net profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation) such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.

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

Article 22 : If the Company has net profit as a result of the yearly accounting closing, the Company shall first offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The Board of Directors may propose the distribution for approval in the shareholders' meeting.

**【Appendix 1】**

Article 23 : In consideration that the Company is in a capital and technology-intensive industry and in consideration of the Company's expansion and for its continual and steady growth, a long-term investment plan needs to be adopted, therefore, the Company adopts the residual dividend policy as its dividend policy. Dividends paid by cash shall not be less than ten percent (10%) of the total dividends.

**Chapter VII Supplementary Provisions**

Article 24 : Matters not prescribed under the Articles of Incorporation shall be in accordance with the Company Act of the Republic of China and the relevant rules and regulations.

Article 25 : The Procedure was enacted on February 20, 2012. The 1st amendment was made on May 26, 2014. The 2nd amendment was made on May 22, 2015. The 3rd amendment was made on May 20, 2016. The 4th amendment was made on May 31, 2017. The 5th amendment was made on January 17, 2018. The 6th amendment was made on June 25, 2019.

## **Wiwynn Corporation**

### **The Election Regulations of Directors**

- Article 1 : Unless otherwise prescribed by relevant rules, the Company Act or the Articles of Incorporation of the Company, these Regulations shall govern the election of the directors of the Company.
- Article 2 : Directors of the Company shall be elected by a candidate nomination system whereby the shareholders elect directors from the nominees listed in the roster of director candidates.
- Article 3 : The qualifications and election of the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and relevant practices shall be implemented pursuant to Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 4 : The directors of the Company shall be elected through the single recorded cumulative voting. Each share shall have voting rights equal to the number of directors to be elected by the holder. The holder of the shares may cast all of such votes for one candidate, or may distribute them among several candidates. After the Company listed on the Taiwan Stock Exchange Corporation (TWSE) or GreTai Securities Market (GTSM), the Company does not provide a ballot while the shareholder exercise their voting power with electronic method.
- Article 5 : The Company will calculate separately voting rights to elect independent directors and non-independent directors based on the number of seats specified in the Article of Incorporation of the Company. Based on the result of casting votes by an electronic voting system or written ballots, the candidates receiving the highest number of affirmative votes sequentially shall be elected. When two or more persons receive the same number of votes and the specified number of seats is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee.
- Article 6 : The Board of Directors shall prepare the ballots equal to the number of directors to be elected and note the number of voting rights.
- Article 7 : During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.
- Article 8 : A ballot box shall be provided by the Board of Directors and shall be kept in public view by the monitor before the vote.
- Article 9 : If a candidate is a shareholder of this Company, voters shall fill in the “candidate” column of the ballot with the candidate’s account name and shareholder account number; if a candidate is not a shareholder, the voter shall fill in the column with the candidate’s full name and identity card number, and then voters shall drop the ballots into the ballot box. If the candidate is a government agency or a legal entity, the full name of the government agency or legal entity or the name(s) of their representative(s) should be filled in the column. In the event of multiple representatives, the names of each respective representative shall be separately filled in the column.
- Article 10 : A ballot shall be null and void if such ballot:
1. Is not dropped into the ballot box;
  2. Was not prepared by the Board of Directors;
  3. Is not filled out by a voter or is blank;
  4. Was filled with the name or shareholder’s number of the candidate inconsistent with the shareholders’ register, where the candidate is a shareholder of the Company; or was filled with the incorrect name or identity card number of the candidate, where the candidate is not a shareholder of the Company;
  5. Contains any words or notations other than the candidate’s name or the shareholder’s account number, (or identity card number) and the number of voting rights allotted;
  6. Contains any alteration to the candidate’s name, shareholder’s account number, or voting power;
  7. Contains words or marks which are illegible or unrecognizable; or
  8. Contains the name of a candidate, but fails to list the shareholder’s account number, or his or her identity card number so as to identify such person.
- Article 11 : The inspector of election shall monitor the course of counting all ballots, and the chairman shall announce the voting results immediately thereafter, including the list of directors elected and the numbers of votes such directors received.  
The ballots for the election of directors referred to in the preceding paragraph shall be sealed with the signatures of the inspectors of election and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the legal proceedings of the foregoing lawsuit have been concluded.
- Article 12 : These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders’ Meeting.
- Article 13 : This Procedure was enacted on May 22, 2015.  
The 1st amendment was made on January 17, 2018.

**Wiwynn Corporation**  
**Shareholdings of Directors**

(Shareholdings as of April 17, 2020)

Title	Name	Number of Shares (Note)
Chairman	Wistron Corporation Representative: Simon Lin	78,418,129
Director	Emily Hong	2,613,624
Director	Wistron Corporation Representative: Frank Lin	78,418,129
Director	Sunlai Chang	738,235
Director	Steven Lu	340,455
Independent Director	Paul Lin	0
Independent Director	Simon Dzung	0
Independent Director	Cathy Han	0
Independent Director	Victor Cheng	0
Total		82,110,443

1. The current number of issued shares in the Company as of April 17, 2020 is 174,840,791 common shares.
2. The Company's directors shall hold at least 10,490,447 shares in accordance with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
3. The Company has set up the Audit Committee, the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.