

WISTRON CORPORATION

2016 ANNUAL GENERAL SHAREHOLDERS' MEETING MINUTES

(Translation)



Time: 9:00a.m., June 15, 2016

Venue: National Taiwan University Hospital International Convention Center
(Room 401, 4F, No. 2, Xuzhou Road, Zhongzheng District , Taipei, Taiwan)

Total outstanding shares of Wistron Corporation: 2,421,120,328 shares. (Excluding the treasury shares 134,362,100 shares).

Total shares represented by shareholders present in person or by proxy: 1,306,238,076 shares

Percentage of outstanding shares held by shareholders present in person or by proxy: 53.95%

Attendees: Robert Huang, Director of the Board of Directors
Michael Tsai, Independent Director of the Board of Directors
James Wu, Independent Director of the Board of Directors

Chairman: Simon Lin, Chairman of the Board of Directors

Recorder: Steven Wang

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

Chairman's Address (omitted)

I. Discussion Item (I)

ITEM 1: Discussion of amendments to the “Articles of Incorporation”

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

Details:

1. In order to comply with the amendment of Article 235-1 of Company Act and the operational needs of the Company, it is proposed to make amendments to the “Articles of Incorporation.” Please see below for a comparison table of the original provisions and amendments.
2. Please discuss.

**Comparison between Original and Amendments to
“Articles of Incorporation”**

Items	Original Version	Amendment Version	Reason
Article 2	The business items of the Company are set out as follows: 15.CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park)	The business items of the Company are set out as follows: 15.CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park) <u>16.F218010 Retail Sale of Computer Software (can only be conducted outside Hsinchu Science Park)</u> <u>17.I301020 Data Processing Services</u> <u>18.I301030 Digital Information Supply Services</u>	To comply with the Company’s operational needs.
Article 6	The total capital amount of the Company is Thirty Billion New Taiwan Dollars (NTD 30,000,000,000), which is divided into Three Billion (3,000,000,000) shares with a par value of Ten New Taiwan Dollars (NTD 10) each and will be issued as common shares or preferred shares by installments by the Board of Directors. An amount of Two Billion New Taiwan Dollars (NTD 2,000,000,000) from the above total capital amount divided into 200,000,000 shares with	The total capital amount of the Company is <u>Forty</u> Thirty Billion New Taiwan Dollars (NTD <u>40</u> 30 ,000,000,000), which is divided into <u>Four</u> Three Billion (<u>40</u> 30 ,000,000,000) shares with a par value of Ten New Taiwan Dollars (NTD 10) each and will be issued as common shares or preferred shares by installments by the Board of Directors. An amount of Two Billion New Taiwan Dollars (NTD 2,000,000,000) from the above total capital amount	To comply with the Company’s operational needs.

Items	Original Version	Amendment Version	Reason
Article 6	a par value of Ten New Taiwan Dollars each (NTD 10) are reserved for the issuance of employee stock options.	divided into 200,000,000 shares with a par value of Ten New Taiwan Dollars each (NTD 10) are reserved for the issuance of employee stock options.	To comply with the Company's operational needs.
Article 16	<p>If the Company has profit as a result of the yearly accounting closing, 10% of the profit net of tax and the amount for making up of any accumulated loss shall be set aside as legal reserve, and thereafter an amount, including the reversed special reserve, shall be set aside (hereinafter referred to as "profit from the current year"), along with any undistributed profits accumulated from previous years to be identified as profits to be distributed, in accordance with the Securities and Exchange Act. The balance, if any, will be distributed in accordance with the following:</p> <ol style="list-style-type: none"> 1. No less than 5 percent of profit from the current year as employees' bonus shall be included; where such bonus is distributed by shares, employees of controlled companies, with qualifications set by the Board of Directors; 2. One percent (1%) of profit from the current year as the remuneration in cash to the Directors; 3. The rest as working capital of the Company and not less than ten percent (10%) of profit from the current year distributed as dividends to shareholders. 	<p>If the Company has profit as a result of the yearly accounting closing, <u>(profit means the profit before tax, excluding the amounts of employees' and directors' compensation)</u>10% of the profit net of tax and the amount for making up of any accumulated loss shall be set aside as legal reserve, and thereafter an amount, including the reversed special reserve, shall be set aside (hereinafter referred to as "profit from the current year"), along with any undistributed profits accumulated from previous years to be identified as profits to be distributed, in accordance with the Securities and Exchange Act. The balance, if any, will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.</p> <ol style="list-style-type: none"> 1. No less than <u>five 5 percent (5%)</u> of profit <u>from the current year as employees' compensation.</u> bonus shall be included; where such bonus is distributed by shares, employees of controlled companies, <u>The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive compensation shall be determined with qualifications set by the Board of Directors;</u> 2. <u>No more than o</u>One percent (1%) of profit from the current year as the compensation remuneration in 	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 16		cash to the Directors; 3. The rest as working capital of the Company and not less than ten percent (10%) of profit from the current year distributed as dividends to shareholders.	To comply with the Regulation update.
Article 16-1	(newly added)	<u>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.</u>	To comply with the Regulation update.
Article 19 The 18 th amendment was made on June 26, 2015. The 18 th amendment was made on June 26, 2015. <u>The 19th amendment was made on June 15, 2016.</u>	Correspondence to the amendment date.

Resolution:

Voting results: Shares present at the time of voting: 1,306,167,438

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,090,207,243 (including 824,756,964 votes through e-voting)	83.47	5,692,054 (including 5,692,054 votes through e-voting)	0.43	0	0	210,268,141 (including 209,264,177 votes through e-voting)	16.10

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

II. Report Items

1. Report the business of 2015. (Please refer to Attachment 1)
2. Audit Committee's Review Report. (Please refer to Attachment 2)
3. Report the compensation for employees and directors of 2015.(Omitted)
4. Report the status of treasury stocks buyback. (Omitted)
5. Report of amendments to the "The 1st Rules on Transfer Repurchased Shares to Employees for 2015" and "The 2nd Rules on Transfer Repurchased Shares to Employees for 2015." (Omitted)

III. Ratification Items and Discussion Items (II)

ITEM 1: Ratification of the Business Report and Financial Statements of 2015

Proposal: Submission (by the BOD) of the Company's 2015 business report and financial statements for ratification.

Details:

Submission for ratification of the Company's business report and financial statements for 2015 (Attachment 1: including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been adopted by the BOD with resolution and examined by the Audit Committee, and are hereby submitted for ratification. (Please refer to Attachment 1.)

Resolution:

1. The Chairman responded to the questions about the Business Report and Financial Statements raised from shareholder No.163451.
2. Voting results: Shares present at the time of voting: 1,306,238,076

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,082,553,257 (including 817,069,056 votes through e-voting)	82.88	388,551 (including 388,551 votes through e-voting)	0.03	0	0	223,296,268 (including 222,255,588 votes through e-voting)	17.09

RESOLVED, that the Company's business report and financial statements for Year 2015 be and hereby were accepted as submitted.

ITEM 2: Ratification of the proposal for distribution of 2015 profits

Proposal: Submission (by the BOD) of the proposal for 2015 earnings distribution for ratification.

Details:

1. The undistributed surplus at the beginning of the 2015 is NT\$12,634,155,066, after deducting the influence of the adoption of IFRSs (Actuarial losses) of NT\$241,103,929 and remeasurements of the defined benefit liability of NT\$100,130,345 and decrease in unappropriated earnings resulting from equity-accounted investees of NT\$3,684,025 and changes in ownership interest of subsidiaries of NT\$16,836,876, then adding up the net

income after tax for 2015 is NT\$1,334,094,188 and deducting the legal reserve of NT\$133,409,419, and adding up the reversal in special reserve of NT\$1,394,276,792, therefore the total amount eligible for distribution earnings is NT\$14,867,361,452. The dividends and bonus proposed to be allocated to the shareholders amount to NT\$3,631,680,494, including NT\$726,336,100 in stock dividend (NT\$0.3 per share at par value) and NT\$2,905,344,394 in cash dividend (NT\$1.2 per share).

2. After the adoption of the resolution at the Shareholders' Meeting, the power with respect to setting the Ex-Rights and Ex-Dividend date and other relevant matters is reserved for the Board of Directors.
3. With respect to the dividends and bonus to shareholders as earnings, the calculation of the shareholder's deductible tax amount proportion shall be made separately.
4. In the event that, before the Ex-Rights and Ex-Dividend date, the proposed earnings distribution plan is affected due to the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, issuance of new shares to its employees as a result of their exercise of stock options, unsecured convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR, cancellation of part of Employee Restricted Stock Awards etc.), which results in changes in shareholder's allotment of shares or dividend-payout ratio, the Board of Directors is to be authorized to make necessary adjustments at its full discretion.
5. Please refer to Attachment 3 for the Profit Appropriation Statement for Year 2015.
6. Submission for ratification.

Resolution:

1. The Chairman responded to the questions about the proposal for distribution of 2015 profits raised from shareholder No.163451.
2. Voting results: Shares present at the time of voting: 1,306,238,076

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,095,764,679 (including 830,314,400 votes through e-voting)	83.89	440,014 (including 440,014 votes through e-voting)	0.03	0	0	210,033,383 (including 208,958,781 votes through e-voting)	16.08

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

ITEM 3: Discussion of the capitalization of part of 2015 profits through issuance of new shares

Proposal: Submission (by the BOD) for discussion of a resolution that the Company issues new shares through capitalization of the 2015 earnings.

Details:

1. For the future development of business, the Company is proposing to set aside shareholder's dividends and bonus of NT\$726,336,100 from distributable earnings in 2015 to increase the capital by issuing 72,633,610 shares.
2. Upon the approval for the aforesaid proposal from the competent authority, shareholders' dividends and bonus of NT\$726,336,100, each shareholder will be entitled to receive 30 surplus earning shares per 1,000 shares (tentative calculation) held by such shareholder based on the name and shares registered in the shareholder roster on the Ex-Rights date. Shareholders are advised to consolidate their fractional shares of less than one share to make up one share by their own means for registration within five days as of the Ex-Rights date; otherwise the fractional shares shall be paid in cash (rounding down to the nearest NT dollar) by the par value and purchased by persons designated by the Chairman as authorized.
3. The new issuing shares from the capital increase possess identical obligations and rights as the original shares.
4. After the adoption of the Shareholders' Meeting, the BOD is authorized to carry out the matter regarding the setting of the Ex-Rights date for new shares from capital increase.
5. In the event that, before the Ex-Rights date, the capitalization proposal is affected due to the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the change to the Company's common shares (i.e. repurchasing the Company's stock shares for transfer or cancellation, issuance of new shares to its employees as a result of their exercise of stock options, unsecured convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR, cancellation of part of Employee Restricted Stock Awards etc.), which results in changes in shareholder's allotment of shares, the Board of Directors is to be authorized to make necessary adjustments at its full discretion.
6. Please discuss.

Resolution:

Voting results: Shares present at the time of voting: 1,306,238,076

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,095,596,978 (including 830,112,777 votes through e-voting)	83.87	625,178 (including 625,178 votes through e-voting)	0.05	0	0	210,015,920 (including 208,975,240 votes through e-voting)	16.08

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

ITEM 4: Discussion of the issuance plan for private placement of common shares, ADR/GDR or CB/ECB, including secured or unsecured convertible corporate bonds.

Proposal: Submission (by the BOD) of a proposal to approve the issuance plan of private placement for common shares, ADR/GDR or CB/ECB, including secured or unsecured convertible corporate bonds, to no more than 240,000,000 shares.

Details:

1. To introduce to strategic investors and to supplement operating capital for future needs, the Company proposed to do private placement through common shares, ADR/GDR or Euro/Domestic convertible bonds (including secured or unsecured convertible corporate bonds) in one or several times (no more than 3 times), based on market conditions and the Company's needs. The amount of shares issued or convertible is proposed to be no more than 240,000,000 shares, and it is proposed to authorize the Company's Board of Director to determine the amount of actual shares issued base on status of capital market.
2. The instructions from Item 6, Article 43-6 of Securities and Exchange Act are:
 - (1) The basis and rationale to determine the price of private placement:
 - A. The common stock price per share shall be set by no less than 80% of the reference price. The reference price is set as the higher of the following two basis prices:
 - (i) The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - (ii) The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - B. The issuance price of convertible corporate bonds shall be set by no less than 80% of the theoretical price. The theoretical price shall be calculated based on related laws and regulations to select pricing model shall encompass, and include the concurrent consideration of, the various rights included in the terms of issuance.

- C. The pricing date, actual reference price, theoretical price, and actual issuance price (including the conversion price of corporate bonds) are proposed to authorized the Board to determine within the range approved by the shareholders meeting, after taking into consideration the market status, objective conditions, and qualification of specific parties. Considering that the Securities and Exchange Act has set the restrictions on transfers of the privately placed securities for three full years, the price determination above shall be reasonable.
- (2)The method to determine specific parties:
The strategic investors have the priority to be considered as specific parties for private placement if they may being qualified for the rules in Article 43-6, Securities and Exchange Act and other letters from government authorities and should also have direct or indirect benefit to the Company, and can recognize the Company's operating strategy. The company currently has not arranged the specific parties. It is proposed to authorize the Company's Board of Director to determine the specific parties for private placement.
- (3)The necessity of private placement:
A. The Company plans to invite strategic investors and strengthens competitiveness through private placement, because the restrictions on transfers for three full years, it is better to maintain a long-term relationship with strategic partners by such security issuance of private placement. And also considering the effectiveness and feasibility to raise capital, the Company proposed to raise capital through private placement, rather than public offering.
B. The amount of the private placement: no more than 240,000,000 shares.
C. The use of proceeds and projected benefits of private placement: The Company plans to do private placement at one time or several times (no more than 3 times) based on market conditions and specific parties. The capital raised will be fully used as working capital. The private placement will expand the scale of operations and invite strategic investors. The private placement will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.
- (4) It is proposed to authorize the Board of Director to determine, proceed or revise the issuance plan of private placement through instruments such as common shares, ADR/GDR, or Euro/Domestic convertible bonds (including secured or unsecured corporate bonds) in one or several times (no more than 3 times), including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize the Company's Board of Director to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from governmental authorities.
- (5) The limitations regarding private placement are based on Article 43-8 of Securities and Exchange Act and other letters from government authorities. The Company does not have significant change in managerial control within one year period on the day which the Board resolves on the private placement. And the Company will not have significant change in managerial control after the introduction of strategic investor through private placement.

(6) It is proposed to authorize chairman or person assigned by chairman to represent the Company to negotiate and sign any document and contract regarding the private placement plan. For matters regarding the private placement but not included above, it is proposed to authorize chairman to handle, according to related laws and regulations.

3. Please discuss.

Resolution:

1. The Chairman responded to the questions about the proposal for issuance plan of private placement raised from shareholder No.163451.

2. Voting results: Shares present at the time of voting: 1,306,238,076

Approval votes	%	Disapproval votes	%	Invalid votes	%	Abstention votes/ no votes	%
1,053,097,021 (including 787,646,742 votes through e-voting)	80.62	42,201,069 (including 42,201,069 votes through e-voting)	3.23	0	0	210,939,986 (including 209,865,384 votes through e-voting)	16.15

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

IV. Extemporary Motion: None.

V. Meeting Adjourned: 10:33 a.m., June 15, 2016.

Attachment 1

Wistron Corporation Business Report

Last year was a tough year for Wistron. While confronting the continuous declining demand in notebook and LCD-TV markets, the overall ICT industry exhibited no significant growth in 2015. However, with the collaborative efforts of our colleagues, vendors, and partners, Wistron's operations gradually stabilized. Although revenue increased around 5%, profit declined significantly compared with the previous year due to slow demand in the notebook market, lower revenue contribution of smart handheld devices, and investment returns in new business lines have not yet materialized.

On behalf of Wistron's management team, I wish to express our sincere apology for the results and truly appreciate all of our shareholders--your continuous support inspires us to pursue progress and further improvement.

2015 Financial and Operation Results

In 2015, Wistron's consolidated revenue reached NT\$623.3 billion and consolidated operating profit was NT\$2.4 billion. The consolidated profit before tax reached NT\$2.4 billion and consolidated net profit was NT\$1.3 billion. Meanwhile, the earnings per share was NT\$0.55.

The revenue increased around 5%, however the profit declined more significantly compared with the previous year. The decreased operating profit was mainly caused by the slow demand in the notebook and LCD-TV markets which resulted in the low utilization rate of manufacturing capacity. In addition, the contribution from smart handheld devices did not fully meet the planned revenue, and the investment returns of some new businesses/product lines did not meet expectations which also impacted profit. The operating expenses slightly decreased; however, we still maintained an appropriate level/ratio for investments in new businesses and new product line developments. These investments will help to accelerate innovation and the adjustment in our business portfolio in order to cope with competition and market changes.

In 2015, Wistron's key growth drivers were server, VoIP, and storage, while the notebook and smartphone demand was weak and other product lines maintained the same level compared with the previous year. From the customer and marketing point of view, the smart terminal device and cloud service (e.g. server and storage) markets continued stable growth compared to the declining demand in the traditional consumer market (e.g. notebook, tablet and LCD-TV). In the meantime, to cope with the unsatisfactory investment returns of some new businesses/product lines, Wistron continued adjusting the business directions, restructuring the organization, adjusting personnel structures, and enhancing the investment return forecasts and measures for countering losses in order to improve the operational performance.

In addition, we continued publishing the "Wistron Corporate Social Responsibility Report" to show our participation and care for the economy, environment, and society through sustainable, innovative, and humanity related activities.

2016 Business and Operation Focus

For 2016, our major operation focuses are:

- (1) enhance the competitiveness of core businesses (including PC, server, and smartphone). Our actions will focus on the adjustment of customer and product portfolios to improve the gross profit rate. We will also emphasize on design simplification, manufacturing automation, inventory management control, and manufacturing capacity optimization to enhance operation efficiency and productivity.
- (2) accelerate the growth and profitability of technology service businesses (including LCM, green recycling, after-sale service, medical services and education technology service). Although Wistron has been investing in these businesses for three to four years, transformation to these new businesses is still slower than our expectation and has different difficulties and challenges. However, as the trends of diverse applications and services are being driven by big data and Internet of Things (IoT), these are the business directions we should move forward toward.

Furthermore, this year we will continue to emphasize on innovation and execution. Regarding innovation, we will endeavor to build an environment beneficial for innovation activities. We encourage our employees to integrate their creativity into company's creative platforms, then use company resources (including finance, human resource, and technical support) to support and sustain their creativity. Regarding execution, the first priority is accountability. We will continue setting goals for R&D and manufacturing expenditures and executing improvement plans in order to achieve profit goals.

For business and product direction, in response to the growing smart terminal device market and the stalled growth in consumer market (e.g. notebook and LCD-TV), Wistron will accelerate the adjustment of our business and customer portfolios. In the meantime, we will continue optimizing the resource utilization and adjusting the organization structure to enhance competitiveness. In addition, we will have strategic investments into other higher value businesses and product portfolios like smart handheld devices, cloud service solutions, network storage, and industrial application devices. These directions should reduce portfolio risk and impact from the stagnant consumer market.

The competition of IT industry is unabated. With the uncertainty of global economic environment, we have to train our organization to be more agile in response to change and to face future challenges with innovation and intelligence. So this year, Wistron emphasizes "Think Great, Act Smart" as the main theme of our core attitude to enhance business performance.

Outlook for the Future

Looking forward, while the Internet of Things (IoT), smart terminal devices, and the cloud service markets continue to grow, the global economy is showing uncertainty for recovery and the traditional IT industry is expected to show slower growth. For company's future development strategy, while transforming our role into a comprehensive technology service provider (TSP), Wistron will continue to focus on:

- (1) creating value-added products to satisfy the demands of end customers in the value-chain. The demands of end users are determined and predicted so that the concepts of customer demand can be converted into a more accurate technical specification. Through cloud development, the software service platforms can be closely integrated with hardware devices (computers and smart devices) and cloud data systems to provide more convenient and suitable products and services.
- (2) strengthening investment strategies and vertically integrated products to obtain a leading status in the industry, thereby acquiring a stronger growth dynamic. In response to the rapidly changing Internet era in which consumer habits have deviated from those in the past, the six sigma approach was deeply rooted into Wistron to redefine the overall process of data collection, analysis, and application. By using big data we provide manufacturing and R&D teams more real-time, effective, and forward-looking information, make better investment decisions, rapidly adjust our operational direction, and reduce the investment risk associated with outdated equipment, processes, or technologies.

Wistron's major "corporate beliefs" are customer focus, integrity, innovation, and pursuit of excellence. In the meantime, with the corporate philosophy including "altruism" and the "modest" attitude toward life, we will continually take concrete actions to pursue corporate sustainability and social responsibility. Corporate social responsibility is a business' commitment to becoming a sustainable business organization. Based on the philosophy of altruism, the company's business philosophy, strategies, organizational planning, and talent development/cultivation should all consider the concept of sustainability. Only with such consideration can reasonable profits be generated and used as the foundation for sustainable management.

Wistron's vision is to be a global leading technology service company providing innovative ICT products, services, and systems. We will continue to focus on creating the leading technology services which can provide high quality and innovative ICT products and service platforms that truly benefit our customers. We believe this strategy will build long-term value for our shareholders. On behalf of all Wistron employees, I wish to thank all our shareholders for their support and confidence.

Chairman and CEO: Simon Lin

President: Robert Hwang

Controller: Stone Shih



安侯建業聯合會計師事務所

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Independent Auditors' Report

The Board of Directors
Wistron Corporation:

We have audited the accompanying restated balance sheets of Wistron Corporation (the "Company") as of December 31, 2014, balance sheets as of December 31, 2015, the restated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2015. These parent-company-only financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these parent-company-only financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent-company-only financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the parent-company-only financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall parent-company-only financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the parent-company-only financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Wistron Corporation as of December 31, 2014 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Taipei, Taiwan (the Republic of China)
March 25, 2016

Note to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers". The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China. The auditors' 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 auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION

BALANCE SHEETS

December 31, 2014 and 2015

(amounts expressed in thousands of New Taiwan Dollars)

	December 31, 2014 (Restated)	December 31, 2015		December 31, 2014 (Restated)	December 31, 2015
Assets					
Liabilities and Equity					
Current assets:					
Cash and cash equivalents (note 6(a))	\$ 6,889,662	23,837,373	Current liabilities:	\$ 44,710,862	42,040,489
Financial assets at fair value through profit or loss — current (note 6(b))	277,127	990,995	Short-term borrowings (note 6(i))	12,509	177,485
Available-for-sale financial assets — current (note 6(b))	150,004	-	Financial liabilities at fair value through profit or loss — current (notes 6(b)(k))	44,753,970	40,199,208
Notes and accounts receivable, net (note 6(c))	47,472,312	54,863,431	Notes and accounts payable	42,325,412	97,278,751
Accounts receivable—related parties (notes 6(c) and 7)	85,865,002	101,172,088	Accounts payable—related parties (note 7)	3,112,715	3,549,172
Other receivables—related parties (notes 6(c) and 7)	4,988,527	4,810,160	Other payables—related parties (note 7)	1,732,392	2,015,999
Current tax assets	583,803	954,313	Provisions (note 6(l))	607,964	-
Inventories (note 6(d))	11,133,188	9,101,382	Current portion of bonds payable (note (k))	570,000	150,000
Other assets—current (notes 6(c)(h))	3,623,282	4,038,181	Current portion of long-term borrowings (note 6(j))	9,079,613	10,649,007
Total current assets	160,982,907	199,767,923	Other liabilities—current	146,905,437	196,060,111
Noncurrent assets:					
Available-for-sale financial assets—noncurrent (note 6(b))	1,942,296	2,507,556	Current liabilities		
Financial assets carried at cost—noncurrent (note 6(b))	792,572	1,089,033	Noncurrent liabilities:		
Equity-accounted investees (note 6(e))	69,125,804	71,895,299	Long-term borrowings (note 6(j))	19,843,300	14,068,205
Property, plant and equipment (notes 6(f) and 7)	6,252,270	5,769,852	Deferred tax liabilities (note 6(o))	4,344,551	4,782,951
Intangible assets (note 6(g))	1,353,840	1,220,953	Other liabilities—noncurrent (note 6(m))	2,356,921	2,151,241
Deferred tax assets (note 6(o))	1,988,474	2,606,309	Noncurrent liabilities	26,544,772	21,002,397
Other assets—noncurrent (notes 6(h) and 8)	811,720	921,089	Total liabilities	173,450,209	217,062,508
Total noncurrent assets	82,266,976	86,010,091	Equity (notes 6(o)(p)(q)):		
Equity (notes 6(o)(p)(q)):					
	Capital stock	86,010,091	Capital stock	24,682,674	25,554,824
	Capital surplus	-	Capital surplus	20,441,985	20,707,328
	Retained earnings	-	Retained earnings	24,651,335	22,162,377
	Other equity	-	Other equity	23,680	3,012,160
	Treasury stock	-	Treasury stock	-	(2,721,183)
	Total equity	86,010,091	Total equity	69,799,674	68,715,506
	Total liabilities and equity	285,778,014	Total liabilities and equity	\$ 243,249,883	285,778,014
	Total assets	243,249,883			

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

(amounts expressed in thousands of New Taiwan Dollars, except for earnings per common share)

	<u>2014 (Restated)</u>	<u>2015</u>
Net revenues (notes 6(s) and 7)	\$ 546,645,407	585,799,180
Cost of sales (notes 6(d)(f)(g)(l)(m)(n)(p)(q)(u), 7 and 12)	<u>523,211,853</u>	<u>564,951,067</u>
Gross profit	23,433,554	20,848,113
Realized (unrealized) inter-company profits	<u>116,964</u>	<u>(212,233)</u>
Realized gross profit	<u>25,550,518</u>	<u>20,635,880</u>
Operating expenses (notes 6(c)(f)(g)(h)(m)(n)(p)(q)(u), 7 and 12):		
Selling	5,510,703	4,617,196
Administrative	1,972,291	2,161,200
Research and development	<u>11,643,658</u>	<u>12,053,692</u>
Total operating expenses	<u>19,126,652</u>	<u>18,832,088</u>
Operating income	<u>4,423,866</u>	<u>1,803,792</u>
Nonoperating income and expenses:		
Other income (notes 6(t) and 7)	219,347	246,632
Other gains and losses (notes 6(k)(t) and 7)	450,942	708,264
Finance costs (notes 6(k)(t))	(1,817,300)	(1,168,720)
Recognized share of subsidiaries, associates and joint ventures accounted for equity method (note 6(e))	<u>1,287,880</u>	<u>370,769</u>
Total nonoperating income and expenses	<u>140,869</u>	<u>156,945</u>
Profit before tax	4,564,735	1,960,737
Income tax expenses (note 6 (o))	<u>984,342</u>	<u>626,643</u>
Net profit	<u>3,580,393</u>	<u>1,334,094</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss subsequently (notes(n)(o)) :		
Remeasurement of the defined benefit liability	(36,821)	(103,890)
Share of other comprehensive income of subsidiaries, associates and joint ventures	225	(13,901)
Income tax expense related to items that will not be reclassified to profit or loss subsequently	<u>-</u>	<u>(17,661)</u>
Total items that will be reclassified to profit of loss subsequently	<u>(36,596)</u>	<u>(100,130)</u>
Items that will be reclassified to profit or loss subsequently (notes(n)(o)) :		
Exchange differences on translation of financial statements	3,006,735	2,615,293
Unrealized gain on available-for-sale financial assets	18,460	423,767
Share of other comprehensive income of subsidiaries, associates and joint ventures	82,058	(356,118)
Income tax expense related to items that will be reclassified to profit or loss subsequently	<u>(15,894)</u>	<u>(17,014)</u>
Total items that will be reclassified to profit of loss subsequently	<u>3,123,147</u>	<u>2,669,956</u>
Other comprehensive income, net of tax	<u>3,086,551</u>	<u>2,599,826</u>
Total comprehensive income	<u>\$ 6,666,944</u>	<u>3,933,920</u>
Earnings per share (in dollars), after tax (note 6(r)):		
Basic earnings per share	\$ <u>1.46</u>	<u>0.55</u>
Diluted earnings per share	\$ <u>1.42</u>	<u>0.53</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015
(amounts expressed in thousands of New Taiwan Dollars)

	Retained earnings				Other equity				Total equity			
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Retained earnings subtotal	Exchange differences on translation of financial statements	Unrealized gain (loss) on available-for-sale financial assets		Other unearned compensation for restricted employee shares of stock	Other equity subtotal	Treasury stock
Beginning balance at January 1, 2014 (Restated)	\$ 23,781,603	19,651,679	6,228,618	3,842,765	15,793,517	25,864,900	(1,951,414)	(837,140)	(530,121)	(3,318,675)	-	65,979,507
Profit for 2014	-	-	-	-	3,580,393	3,580,393	-	-	-	-	-	3,580,393
Other comprehensive income	-	-	-	-	(36,596)	(36,596)	3,132,981	(9,834)	-	3,123,147	-	3,086,551
Total comprehensive income	-	-	-	-	3,543,797	3,543,797	3,132,981	(9,834)	-	3,123,147	-	6,666,944
Appropriation of 2013 earnings in 2014 (note 1)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	575,134	-	(575,134)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,280,688)	(4,280,688)	-	-	-	-	-	(4,280,688)
Stock dividends to shareholders	475,632	-	-	-	(475,632)	(475,632)	-	-	-	-	-	-
Stock dividends as employee bonus	250,079	367,617	-	-	-	-	-	-	-	-	-	617,696
Reversal of special reserve	-	-	-	(1,054,211)	1,054,211	-	-	-	-	-	-	-
Increase in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	-	-	-	110	110	-	-	-	-	-	50,826
Issuance of common stock arising from exercise of employee stock options	206,740	343,204	-	-	-	-	-	-	-	-	-	549,944
Retirement of restricted employee shares of stock	(31,380)	31,380	-	-	-	-	-	-	219,208	219,208	-	219,208
Compensation cost arising from restricted employee shares of stock	-	-	-	-	-	-	-	-	-	-	-	-
Differences between equity purchase price and carrying amount arising from acquisition or disposal of subsidiaries	-	-	-	-	(1,152)	(1,152)	-	-	-	-	-	(1,152)
Changes in ownership interest of subsidiaries	-	(2,611)	-	-	-	-	-	-	-	-	-	(2,611)
Balance at December 31, 2014 (Restated)	\$ 24,682,674	20,441,985	6,803,752	2,788,554	15,059,029	24,651,335	1,181,567	(846,974)	(310,913)	23,680	-	69,799,674
Beginning balance at January 1, 2015 (Restated)	\$ 24,682,674	20,441,985	6,803,752	2,788,554	15,059,029	24,651,335	1,181,567	(846,974)	(310,913)	23,680	-	69,799,674
Profit for 2015	-	-	-	-	1,334,094	1,334,094	-	-	-	-	-	1,334,094
Other comprehensive income	-	-	-	-	(100,130)	(100,130)	2,261,178	438,778	-	2,699,956	-	2,599,826
Total comprehensive income	-	-	-	-	1,233,964	1,233,964	2,261,178	438,778	-	2,699,956	-	3,933,920
Appropriation of 2014 earnings in 2015 (note 2)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	357,854	-	(357,854)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,394,277)	1,394,277	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,961,921)	(2,961,921)	-	-	-	-	-	(2,961,921)
Stock dividends to shareholders	740,480	-	-	-	(740,480)	(740,480)	-	-	-	-	-	-
Stock dividends as employee bonus	330,680	361,102	-	-	-	-	-	-	-	-	-	691,782
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	-	-	-	(3,684)	(3,684)	-	-	-	-	-	32,799
Retirement of restricted employee shares of stock	(199,010)	36,483	-	-	-	-	-	-	-	-	-	(80,881)
Compensation cost arising from restricted employee shares of stock	-	199,010	-	-	-	-	-	-	288,524	288,524	-	(80,881)
Repurchase of treasury stock	-	(569,405)	-	-	-	-	-	-	-	-	(2,721,183)	(2,721,183)
Treasury stock transferred to employees	-	25,001	-	-	-	-	-	-	-	-	-	25,001
Changes in ownership interest of subsidiaries	-	13,152	-	-	(16,837)	(16,837)	-	-	-	-	-	(3,685)
Balance at December 31, 2015	\$ 25,554,824	20,707,328	7,161,606	1,394,277	13,606,494	22,162,377	3,442,745	(408,196)	(22,389)	3,012,160	(2,721,183)	68,715,506

(note 1): The employee bonus of NT\$617,696 and directors' emoluments of NT\$62,304 appropriated from 2013 earnings have been deducted in 2013 profit.

(note 2): The employee bonus of NT\$691,782 and directors' emoluments of NT\$46,150 appropriated from 2014 earnings have been deducted in 2014 profit.

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015
(amounts expressed in thousands of New Taiwan Dollars)

	2014 (Restated)	2015
Cash flows from operating activities:		
Profit before tax	\$ 4,564,735	1,960,737
Adjustments to reconcile profit to net cash generated from (used in) operating activities:		
Depreciation	2,696,976	1,879,383
Amortization	336,295	357,827
Net profit or loss of financial assets and liabilities at fair value through profit or loss	(186,686)	(548,834)
Interest expense	1,817,300	1,168,720
Interest income	(101,988)	(78,403)
Dividend income	(78,342)	(124,806)
Loss (gain) on disposal of investments	(101)	1,156
Recognized share of subsidiaries and associates accounted for equity method	(1,287,880)	(370,769)
Other investment loss	-	380,886
Loss (gain) on disposal of property, plant and equipment, net	32,998	(5,816)
Property, plant and equipment transferred to expense	180	16
Other assets—noncurrent transferred to expense	96	-
Compensation cost arising from restricted employee shares of stock	219,208	(80,881)
Gain on disposal of intangible assets	-	(60,562)
Unrealized (realized) sales profits	(116,964)	212,233
Impairment loss on financial assets	44,131	45,459
Loss on repurchase of convertible bonds	42,842	6,827
Exchange difference of bonds payable	512,537	(5,134)
Other	(4,100)	-
	<u>3,926,502</u>	<u>2,777,302</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable	(3,478,823)	(7,391,119)
Increase in notes and accounts receivable—related parties	(28,937,856)	(15,307,086)
Decrease (increase) in other receivables—related parties	(118,711)	130,408
Decrease (increase) in inventories	(5,083,662)	2,031,806
Decrease (increase) in other assets—current	365,009	(397,597)
Total changes in operating assets	<u>(37,254,043)</u>	<u>(20,933,588)</u>
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	9,850,635	(4,554,762)
Increase in accounts payable—related parties	17,851,581	54,953,339
Increase in other payables—related parties	1,335,092	436,457
Increase (decrease) in provisions	(116,734)	283,607
Increase in other liabilities—current	428,385	2,529,831
Increase in other liabilities—noncurrent	4,156	343,908
Total changes in operating liabilities	<u>29,353,115</u>	<u>53,992,380</u>
Net changes in operating assets and liabilities	<u>(7,900,928)</u>	<u>33,058,792</u>
Total changes in operating assets and liabilities	<u>(3,974,426)</u>	<u>35,836,094</u>
Cash generated from operating activities	590,309	37,796,831
Interest received	103,351	78,453
Dividend received	362,654	378,838
Interest paid	(1,222,913)	(1,179,035)
Income tax paid	(1,040,850)	(1,750,272)
Net cash generated from (used in) operating activities	<u>(1,207,449)</u>	<u>35,324,815</u>
Cash flows generated from investing activities:		
Decrease in other receivables—related parties	3,177,867	47,959
Decrease (increase) in available-for-sale financial assets—current	(149,441)	150,019
Proceeds from disposal of available-for-sale financial assets—noncurrent	2,002	21,609
Increase in available-for-sale financial assets—noncurrent	(229,661)	(226,633)
Increase in financial assets carried at cost—noncurrent	(216,667)	(375,319)
Disposal of financial assets carried at cost—noncurrent	-	22,532
Proceeds from return of financial assets carried at cost—noncurrent	32,685	61,431
Increase in equity-accounted investees	(2,583,172)	(975,680)
Additions to property, plant and equipment	(518,590)	(600,203)
Proceeds from disposal of property, plant and equipment	388,986	158,589
Additions to intangible assets	(143,042)	(317,193)
Proceeds from disposal of intangible assets	-	152,815
Increase in other assets—noncurrent	(1,304,927)	(1,058,920)
Net cash flows used in investing activities	<u>(1,543,960)</u>	<u>(2,938,994)</u>
Cash flows generated from financing activities:		
Increase (decrease) of short-term borrowings	12,078,312	(2,670,373)
Repurchase of convertible bonds	(8,508,081)	(605,030)
Increase in long-term borrowings	7,828,233	22,554,167
Repayments of long-term borrowings	(9,479,947)	(28,749,262)
Decrease in deposits received	(425,955)	(309,509)
Cash dividends to shareholders	(4,280,688)	(2,961,921)
Issuance of common stock arising from exercise of employee stock options	549,944	-
Repurchase of treasury stock	-	(2,721,183)
Treasury stock transferred to employees	-	25,001
Net cash flows used in financing activities	<u>(2,238,182)</u>	<u>(15,438,110)</u>
Net increase (decrease) in cash and cash equivalents	(4,989,591)	16,947,711
Cash and cash equivalents at beginning of the year	11,879,253	6,889,662
Cash and cash equivalents at end of the year	<u>\$ 6,889,662</u>	<u>23,837,373</u>

See accompanying notes to parent-company-only financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

The Board of Directors
Wistron Corporation:

We have audited the accompanying restated consolidated balance sheets of Wistron Corporation (the "Company") and its subsidiaries as of December 31, 2014, the consolidated balance sheets as of December 31, 2015, the restated consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2014 and the consolidated statements of comprehensive income, changes and cash flows for the year ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2014 and 2015, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations approved by the Financial Supervisory Commission, R.O.C.

We have audited the parent-company-only financial statements as of December 31, 2014 and 2015, and for the years ended December 31, 2014 and 2015, on which we have expressed an unqualified opinion.

Taipei, Taiwan (the Republic of China)

March 25, 2016

Note to Readers

The accompanying consolidated financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations approved by the Financial Supervisory Commission, ROC. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China. The auditors' 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 auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2015
(amounts expressed in thousands of New Taiwan Dollars)

	December 31, 2014 (Restated)	December 31, 2015	December 31, 2014 (Restated)	December 31, 2015
Assets				
Current assets:				
Cash and cash equivalents (note 6(a))	\$ 55,692,329	58,559,754	\$ 70,423,254	77,001,897
Financial assets at fair value through profit or loss — current (note 6(b))	557,344	2,981,560	221,566	1,697,837
Available-for-sale financial assets — current (note 6(b))	198,797	218,601	109,089,271	99,209,319
Notes and accounts receivable, net (note 6(c))	100,068,224	90,940,666	2,661,458	2,093,958
Accounts receivable — related parties (notes 6(c) and 7)	367,420	520,060	87,070	66,101
Other receivables — related parties (notes 6(c) and 7)	9,670	15,715	1,745,993	2,084,500
Current tax assets	942,413	1,287,752	607,964	-
Inventories (note 6(d))	73,763,983	67,610,877	1,183,707	165,919
Other assets — current (notes 6(c)(i))	9,805,423	9,955,352	16,837,583	17,524,822
Total current assets	<u>241,405,603</u>	<u>232,090,337</u>	<u>202,857,866</u>	<u>199,844,353</u>
Non-current assets:				
Available-for-sale financial assets — noncurrent (note 6(b))	2,215,203	2,748,475	19,850,993	14,068,205
Financial assets carried at cost — noncurrent (note 6(b))	969,143	1,325,107	4,387,216	4,908,200
Equity-accounted investees (note 6(e))	5,861,333	5,846,378	2,466,752	2,347,073
Property, plant and equipment (notes 6(g) and 8)	39,255,705	37,676,747	26,704,961	21,323,478
Intangible assets (notes 6(f)(h))	1,546,839	2,016,785	-	-
Deferred tax assets (note 6(p))	4,475,107	5,461,032	-	-
Other assets — noncurrent (notes 6(i)(o) and 8)	3,840,990	3,220,183	229,562,827	221,167,831
Total noncurrent assets	<u>58,164,320</u>	<u>58,294,707</u>	<u>24,682,674</u>	<u>25,554,824</u>
			20,441,985	20,707,328
			24,651,335	22,162,377
			23,680	3,012,160
			-	(2,721,183)
			69,799,674	68,715,506
			207,422	501,707
			70,007,096	69,217,213
Total assets	<u>\$ 299,569,923</u>	<u>290,385,044</u>	<u>\$ 299,569,923</u>	<u>290,385,044</u>
Liabilities and Equity				
Current liabilities:				
Short-term borrowings (note 6(j))			-	-
Financial liabilities at fair value through profit or loss — current (notes 6(b)(l))			-	-
Notes and accounts payable			-	-
Accounts payable — related parties (note 7)			-	-
Other payables — related parties (note 7)			-	-
Provisions (note 6(m))			-	-
Current portion of bonds payable (note 6(l))			-	-
Current portion of long-term borrowings (notes 6(k) and 8)			-	-
Other liabilities — current			-	-
Total current liabilities			-	-
Noncurrent liabilities:				
Long-term borrowings (notes 6(k) and 8)			-	-
Deferred tax liabilities (note 6(p))			-	-
Other liabilities — noncurrent (note 6(o))			-	-
Total liabilities			-	-
Equity (notes 6(p)(q)(r))			-	-
Capital stock			-	-
Capital surplus			-	-
Retained earnings			-	-
Other equity			-	-
Treasury stock			-	-
Equity attributable to owners of the Company			-	-
Non-controlling interests			-	-
Total equity			-	-
Total liabilities and equity			-	-

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

(amounts expressed in thousands of New Taiwan Dollars, except for earnings per common share)

	<u>2014 (Restated)</u>	<u>2015</u>
Net revenues (notes 6(t) and 7)	\$ 592,346,734	623,273,988
Cost of sales (notes 6(d)(g) (h)(m)(n)(o)(q)(r)(v), 7 and 12)	<u>561,229,576</u>	<u>593,857,752</u>
Gross profit	<u>31,117,158</u>	<u>29,416,236</u>
Operating expenses (notes 6(c)(g)(h)(n)(o)(q)(r)(v), 7 and 12)		
Selling	11,636,318	10,897,273
Administrative	2,291,126	2,746,336
Research and development	<u>13,423,837</u>	<u>13,382,922</u>
Total operating expenses	<u>27,351,281</u>	<u>27,026,531</u>
Operating income	<u>3,765,877</u>	<u>2,389,705</u>
Non operating income and expenses:		
Other income (note 6(u))	3,109,558	1,816,467
Other gains and losses (notes 6(l)(u) and 7)	384,209	(174,198)
Finance costs (notes 6(l)(u))	(2,398,574)	(1,862,406)
Recognized share of associates and joint ventures accounted for equity method (note 6(e))	<u>(16,813)</u>	<u>200,797</u>
Total nonoperating income and expenses	<u>1,078,380</u>	<u>(19,340)</u>
Profit before tax	4,844,257	2,370,365
Income tax expenses (note 6(p))	<u>1,253,409</u>	<u>1,099,470</u>
Net profit	<u>3,590,848</u>	<u>1,270,895</u>
Other comprehensive income		
Items that will not be reclassified subsequently to profit of loss (notes 6(o)(p)) :		
Remeasurements of the defined benefit liability	(35,519)	(103,272)
Share of other comprehensive income of associates and joint ventures	(1,077)	(14,616)
Income tax benefit related to items that will not be reclassified subsequently to profit or loss	-	(17,758)
Total items that will be reclassified subsequently to profit of loss	<u>(36,596)</u>	<u>(100,130)</u>
Items that will not be reclassified subsequently to profit of loss (notes 6(e)(o)(p)) :		
Exchange differences on translation of financial statements	3,072,094	2,338,456
Unrealized loss on available-for-sale financial assets	(53,354)	423,613
Share of other comprehensive income of associates and joint ventures	91,980	(77,101)
Income tax expense related to items that will be reclassified subsequently to profit or loss	<u>(15,894)</u>	<u>(17,014)</u>
Total items that will be reclassified subsequently to profit of loss expenses	<u>3,126,614</u>	<u>2,701,982</u>
Other comprehensive income, net of tax	<u>3,090,018</u>	<u>2,601,852</u>
Total comprehensive income	<u>\$ 6,680,866</u>	<u>3,872,747</u>
Net profit attributable to:		
Owners of the Company	3,580,393	1,334,094
Non-controlling interests	<u>10,455</u>	<u>(63,199)</u>
Net profit	<u>\$ 3,590,848</u>	<u>1,270,895</u>
Total comprehensive income attributable to:		
Owners of the Company	6,666,944	3,933,920
Non-controlling interests	<u>13,922</u>	<u>(61,173)</u>
Total comprehensive income	<u>\$ 6,680,866</u>	<u>3,872,747</u>
Earnings per share (in dollars), after tax (note 6(s))		
Basic earnings per share	<u>\$ 1.46</u>	<u>0.55</u>
Diluted earnings per share	<u>\$ 1.42</u>	<u>0.53</u>

See accompanying notes to consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015
(amounts expressed in thousands of New Taiwan Dollars)

	Earnings attributable to owners of the Company													
	Retained earnings					Other equity								
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Retained earnings subtotal	Exchange differences on translation of financial statements	Unrealized gain (loss) on available-for-sale financial assets	Other unearned compensation for restricted employee shares of stock	Other equity subtotal	Treasury stock	Total	Non-controlling interests	Total equity
Beginning balance at January 1, 2014 (Restated)	\$ 23,781,603	19,651,679	6,228,618	3,843,765	15,793,417	25,864,900	(1,951,414)	(837,140)	(530,121)	(3,318,675)	-	65,979,807	9,069	65,988,876
Profit for 2014	-	-	-	-	3,580,393	3,580,393	-	-	-	-	-	-	10,455	3,590,848
Total other comprehensive income	-	-	-	-	(36,526)	(36,526)	3,132,981	(9,854)	-	3,123,127	-	3,086,551	3,467	3,090,018
Appropriation of 2013 earnings in 2014	-	-	-	-	3,543,797	3,543,797	3,132,981	(9,834)	-	3,123,147	-	6,666,994	13,922	6,680,866
Legal reserve	-	-	575,134	-	(575,134)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,054,211)	1,054,211	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,280,688)	(4,280,688)	-	-	-	(4,280,688)	-	(4,280,688)	-	(4,280,688)
Stock dividends to shareholders	475,632	-	-	-	(475,632)	(475,632)	-	-	-	-	-	-	-	-
Stock dividends as employee bonus	250,079	367,617	-	-	-	-	-	-	-	-	-	617,696	-	617,696
Increase in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	50,716	-	-	110	110	-	-	-	-	-	50,826	-	50,826
Issuance of common stock arising from exercise of employee stock options	206,740	343,204	-	-	-	-	-	-	-	-	-	549,944	-	549,944
Retirement of restricted employee shares of stock	(31,380)	31,380	-	-	-	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted employee shares of stock	-	-	-	-	-	-	-	-	219,208	219,208	-	219,208	-	219,208
Differences between equity purchase price and carrying amount arising from acquisition or disposal of subsidiaries	-	-	-	-	(1,152)	(1,152)	-	-	-	(1,152)	-	(1,152)	-	(1,152)
Changes in ownership interest of subsidiaries	-	(2,611)	-	-	-	-	-	-	-	(2,611)	-	(2,611)	-	(2,611)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	184,431	184,431
Balance at December 31, 2014 (Restated)	\$ 24,682,674	20,441,985	6,803,752	2,788,554	15,059,029	24,461,335	1,181,567	(846,974)	(310,913)	23,680	-	69,799,674	207,422	70,007,096
Beginning balance at January 1, 2015 (Restated)	\$ 24,682,674	20,441,985	6,803,752	2,788,554	15,059,029	24,461,335	1,181,567	(846,974)	(310,913)	23,680	-	69,799,674	207,422	70,007,096
Profit for 2015	-	-	-	-	1,334,094	1,334,094	-	-	-	-	-	1,334,094	(63,199)	1,270,895
Total other comprehensive income	-	-	-	-	(100,130)	(100,130)	2,261,178	438,778	-	2,699,956	-	2,599,826	2,026	2,601,852
Appropriation of 2014 earnings in 2015	-	-	-	-	1,233,964	1,233,964	2,261,178	(438,778)	-	2,699,956	-	3,933,920	(61,173)	3,872,747
Legal reserve	-	-	357,854	-	(357,854)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,394,277)	1,394,277	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,961,921)	(2,961,921)	-	-	-	(2,961,921)	-	(2,961,921)	-	(2,961,921)
Stock dividends to shareholders	740,480	-	-	-	(740,480)	(740,480)	-	-	-	-	-	691,782	-	691,782
Stock dividends as employee bonus	336,890	361,102	-	-	-	-	-	-	-	-	-	32,799	-	32,799
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	36,483	-	-	(3,684)	(3,684)	-	-	-	-	-	-	-	-
Retirement of restricted employee shares of stock	(199,010)	199,010	-	-	-	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted employee shares of stock	-	(569,405)	-	-	-	-	-	-	288,524	288,524	-	(80,881)	-	(80,881)
Changes in ownership interest of subsidiaries	-	13,152	-	-	(16,837)	(16,837)	-	-	-	(3,685)	-	(3,685)	-	(3,685)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	-	(2,721,183)	-	(2,721,183)	-	(2,721,183)
Treasury stock transferred to employees	-	25,001	-	-	-	-	-	-	-	25,001	-	25,001	-	25,001
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	355,458	355,458
Balance at December 31, 2015	\$ 25,554,824	20,707,228	7,161,606	1,394,277	13,606,494	22,162,377	3,442,745	(408,196)	(22,389)	3,012,160	(2,721,183)	68,715,506	501,707	69,217,213

See accompanying notes to consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015

(amounts expressed in thousands of New Taiwan Dollars)

	2014 (Restated)	2015
Cash flows from operating activities:		
Profit before tax	\$ 4,844,257	2,370,365
Adjustments to reconcile net income to net cash generated from (used in) operating activities:		
Depreciation	7,765,789	7,842,216
Amortization	373,186	433,006
Net profit or loss of financial assets and liabilities at fair value through profit or loss	52,172	(947,135)
Interest expense	2,398,574	1,862,406
Interest income	(2,951,969)	(1,609,279)
Dividend income	(84,445)	(132,890)
Gain on disposal of investments	(10,406)	(8,149)
Recognized share of associates and joint ventures accounted for equity method	16,813	(200,797)
Loss on disposal of property, plant and equipment, net	94,333	846,672
Property, plant and equipment transferred to expense	10,987	4,161
Other asset transferred to expense	25,264	30,493
Compensation cost arising from restricted employee shares of stock	222,593	(78,500)
Loss on repurchase of convertible bonds	42,842	6,827
Impairment loss of assets	44,131	174,272
Exchange difference of bonds payable	512,537	(5,134)
Other investments loss	-	426,594
	<u>8,512,401</u>	<u>8,644,763</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease(increase) in notes and accounts receivable	(12,144,740)	10,614,954
Decrease in notes and accounts receivable—related parties	5,318,913	3,507,330
Decrease(increase) in other receivables—related parties	205,515	(4,678)
Decrease(increase) in inventories	(20,663,668)	8,122,798
Decrease(increase) in other assets—current	(401,068)	26,031
Total changes in operating assets	<u>(27,685,048)</u>	<u>22,266,435</u>
Changes in operating liabilities:		
Increase(decrease) in notes and accounts payable	14,082,972	(12,316,614)
Decrease in notes and accounts payable—related parties	(8,431,259)	(4,261,722)
Decrease in other payables—related parties	(408,842)	(500,768)
Increase(decrease) in provisions	(113,252)	343,391
Increase in other liabilities—current	2,365,150	2,006,677
Increase(decrease) in other liabilities—noncurrent	45,406	(192,308)
Total changes in operating liabilities	<u>7,540,175</u>	<u>(14,921,344)</u>
Net changes in operating assets and liabilities	<u>(20,144,873)</u>	<u>7,345,091</u>
Total changes in operating assets and liabilities	<u>(11,632,472)</u>	<u>15,989,854</u>
Cash generated from (used in) operating activities	<u>(6,788,215)</u>	<u>18,360,219</u>
Interest received	3,237,708	1,699,312
Dividend received	381,337	399,811
Interest paid	(1,934,992)	(1,970,191)
Income tax paid	(2,358,240)	(2,743,939)
Net cash generated from (used in) operating activities	<u>(7,462,402)</u>	<u>15,745,212</u>
Cash flows generated from investing activities:		
Decrease in other receivables—related parties	2,419	10,722
Increase in available-for-sale financial assets—current	(169,104)	(12,918)
Proceeds from disposal of available-for-sale financial assets—noncurrent	11,226	42,693
Increase in available-for-sale financial assets—noncurrent	(412,978)	(300,433)
Increase in financial assets carried at cost—noncurrent	(252,525)	(490,182)
Disposal of financial assets carried at cost	-	22,532
Proceeds from return of financial assets carried at cost	32,685	61,431
Increase in equity-accounted investees	(531,314)	(100,060)
Proceeds from disposal of equity-accounted investees	19,972	-
Additions to property, plant and equipment	(5,708,441)	(3,784,661)
Proceeds from disposal of property, plant and equipment	157,012	455,475
Additions to intangible assets	(204,772)	(370,066)
Increase in other assets—noncurrent	(2,566,433)	(2,092,990)
Cash received through merger	-	32,669
Other	(10,881)	1,932
Net cash flows used in investing activities	<u>(9,633,134)</u>	<u>(6,523,856)</u>
Cash flows generated from financing activities:		
Increase of short-term borrowings	14,707,190	5,390,872
Repurchase of convertible bonds	(8,508,081)	(605,030)
Increase in long-term borrowings	7,828,233	22,554,167
Decrease in long-term borrowings	(9,637,822)	(29,359,116)
Repurchase of treasury stock	-	(2,721,183)
Treasury stock transferred to employees	-	25,001
Decrease in deposits received	(668,908)	(302,164)
Cash dividends to shareholders	(4,280,688)	(2,961,921)
Issuance of common stock arising from exercise of employee stock options	549,944	-
Increase in non-controlling interests	114,405	42,207
Net cash flows generated from (used in) financing activities	<u>104,273</u>	<u>(7,937,167)</u>
Effect of exchange rate changes	<u>2,596,717</u>	<u>1,583,236</u>
Net increase (decrease) in cash and cash equivalents	<u>(14,394,546)</u>	<u>2,867,425</u>
Cash and cash equivalents at beginning of the year	<u>70,086,875</u>	<u>55,692,329</u>
Cash and cash equivalents at end of the year	<u>\$ 55,692,329</u>	<u>\$ 58,559,754</u>

See accompanying notes to consolidated financial statements.

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Wistron's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Wistron Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Wistron Corporation

Convener of the Audit Committee :

Kuo-Chih Tsai

Mar 25, 2016

Attachment 3

Wistron Corporation
Profit Appropriation Statement for Year 2015

Unit: NT\$

Undistributed Surplus at the Beginning of the year		12,634,155,066
Plus(Minus):		
Influence of the adoption of IFRSs (Actuarial losses)	(241,103,929)	
Remeasurements of the defined benefit liability	(100,130,345)	
Decrease in unappropriated earnings resulting from equity-accounted investees	(3,684,025)	
Changes in ownership interest of subsidiaries	(16,836,876)	
Net Income After Tax	1,334,094,188	
Minus:		
Legal Reserve	(133,409,419)	
Plus:		
Reversal in Special Reserve	1,394,276,792	
Distributable Earnings		14,867,361,452
Distribution Items:		
Stock Dividends to Common Shareholders	(726,336,100)	
Cash Dividends to Common Shareholders	(2,905,344,394)	(3,631,680,494)
Undistributed Earnings at the end of the Period		11,235,680,958

Note1: Stock dividend: NT\$0.3 per share.

Note2: Cash dividend: NT\$1.2 per share, and the cash dividend is rounded down to the nearest NT dollars; the amount rounded off will be credited to other income of Wistron.

Chairman and CEO: Simon Lin

President: Robert Hwang

Controller: Stone Shih