

**WISTRON CORPORATION**

**2014 ANNUAL GENERAL SHAREHOLDERS' MEETING MINUTES**

(Translation)

**Time:** 9:00a.m., June 11, 2014

**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: 2,378,160,282 shares.

Total shares represented by shareholders present in person or by proxy: 1,296,375,846 shares

Percentage of outstanding shares held by shareholders present in person or by proxy: 54.51%

**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. Report Items**

1. Report the business of 2013. (Please refer to Attachment 1)
2. Audit Committee's Report (Please refer to Attachment 2)
3. Report the correction of remuneration to directors for Year 2012.(Omitted)
4. Establishment of the Company's "Codes of Ethical Conduct". (Omitted)
5. Establishment of the Company's "Ethical Corporate Management Best Practice Principles". (Omitted)

## II. Ratification and Discussion Items

### ITEM 1: Ratification of the Business Report and Financial Statements of 2013.

Proposal: Submission (by the BOD) of the Company's 2013 business report and financial statements for ratification.

Details:

Submission for ratification of the Company's business report and financial statements for 2013 (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 shareholders No.127422 and No.290309.
2. Voting results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
1,000,158,096 (including 627,253,686 votes through e-voting)	77.15	101,579 (including 101,579 votes through e-voting)	0.01	296,116,171 (including 275,574,200 votes through e-voting)	22.84

RESOLVED, that the Company's business report and financial statements for Year 2013 be and hereby were accepted as submitted.

### ITEM 2: Ratification of the proposal for distribution of 2013 profits.

Proposal: Submission (by the BOD) of the proposal for 2013 earnings distribution for ratification.

Details:

1. The undistributed surplus at the beginning of the year 2013 is NT\$10,660,778,047, plus the effect of transition to Taiwan-IFRSs of NT\$124,991,696, so the undistributed surplus at the beginning of the year 2013 under IFRSs is NT\$10,785,769,743. After adding up the actuarial gains of NT\$22,254,125, and deducting the retirement of treasury stock of NT\$489,967,473 and deducting capital surplus and unappropriated earnings resulting from equity-accounted

investees of NT\$68,438,148, then adding up the net income after tax for year 2013 is NT\$5,751,340,605 and deducting the legal reserve of NT\$575,134,061, and adding up the reversal in special reserve of NT\$1,054,211,338, therefore the total amount eligible for distribution earnings is NT\$16,480,036,129. The dividends and bonus proposed to be allocated to the shareholders amount to NT\$4,756,320,568, including NT\$475,632,060 in stock dividend (NT\$0.2 per share at par value) and NT\$4,280,688,508 in cash dividend (NT\$1.8 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 stock shares for transfer or cancellation, issuance of new shares to its employees as a result of their exercise of stock options, unsecured overseas convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR, 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 2013.
6. Submission for ratification.

Resolution:

1. The Chairman responded to the questions about the proposal for distribution of 2013 profits raised from shareholder No.163451.
2. Voting results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
1,007,598,149 (including 634,693,739 votes through e-voting)	77.72	169,696 (including 169,696 votes through e-voting)	0.01	288,608,001 (including 268,066,030 votes through e-voting)	22.27

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

**ITEM 3: Discussion of the capitalization of part of 2013 profits and employee bonus 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 2013 earnings and employee bonus.

Details:

1. For the future development of business, the Company is proposing to set aside shareholder's dividends and bonus of NT\$475,632,060 from distributable earnings in 2013 to increase the capital by issuing 47,563,206 shares. In addition, NT\$617,695,820 of employee bonus shall increase the capital of the Company through issuance new common stocks. The total number of employee bonus stocks to be issued shall be determined by the closing price of the day before the AGM date, and taking into account the influence of the ex-right and ex-dividend factors. Employee bonuses of less than one share shall be distributed in cash.
2. Upon the approval for the aforesaid proposal from the competent authority, shareholders' dividends and bonus of NT\$475,632,060, each shareholder will be entitled to receive 20 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 overseas convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR, 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. Additional information: The employee bonus of NT\$617,695,820 shall increase the capital of the Company through issuance of 25,007,927 stocks. The issued stock price was determined by the closing price of NT\$27 on June 10, 2014 which took into account the influence of the ex-right and ex-dividend factors. Employee bonuses of less than one share, equivalent to NT\$23, shall be distributed in cash.

7. Please discuss.

Resolution:

- Chairman’s description: the Company is proposing to set aside shareholder’s dividends and bonus of NT\$475,632,060 from distributable earnings in 2013 to increase the capital by issuing 47,563,206 shares. In addition, NT\$617,695,820 of employee bonus shall increase the capital of the Company through issuance of 25,007,927 in stock. The total increase in capital of the company is through issuance of 72,571,133 in stock. Employee bonuses of less than one share, equivalent to NT\$23, shall be distributed in cash.
- Voting results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
1,002,485,702 (including 629,585,292 votes through e-voting)	77.33	5,358,165 (including 5,358,165 votes through e-voting)	0.41	288,531,979 (including 267,986,008 votes through e-voting)	22.26

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

**ITEM 4: 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:

- In order to comply with government rules and regulations, it is proposed to make amendments to the “Articles of Incorporation”. Please see below for a comparison table of the original provisions and amendments.
- Please discuss.

**Comparison between original and amendments to the Articles of Incorporation**

Items	Original Version	Amendment Version	Reason
Article 16	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	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	To comply with concrete dividend policy.

Items	Original Version	Amendment Version	Reason
Article 16	<p>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"> <li>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;</li> <li>2. One percent (1%) of profit from the current year as the remuneration in cash to the Directors;</li> <li>3. The rest as working capital of the Company and dividends to shareholders.</li> </ol>	<p>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"> <li>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;</li> <li>2. One percent (1%) of profit from the current year as the remuneration in cash to the Directors;</li> <li>3. The rest as working capital of the Company and <u>not less than ten percent (10%) of profit from the current year distributed as</u> dividends to shareholders.</li> </ol>	To comply with concrete dividend policy.
Article 19	<p>..... The 16<sup>th</sup> amendment was made on June 14, 2013.</p>	<p>..... The 16<sup>th</sup> amendment was made on June 14, 2013. <u>The 17<sup>th</sup> amendment was made on June 11, 2014.</u></p>	Correspondence to the amendment date.

Resolution:

Voting Results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
989,745,387 (including 616,840,977 votes through e-voting)	76.35	200,691 (including 200,691 votes through e-voting)	0.01	306,429,768 (including 285,887,797 votes through e-voting)	23.64

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

**ITEM 5: Discussion of amendments to the “Procedures of Asset Acquisition and Disposal”.**

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

Details:

1. In order to comply with government rules and regulations and the operational needs of the Company, it is proposed to make amendments to the “Procedures of Assets Acquisition and Disposal”. (Please refer to Attachment 4 for the comparison between the original and the amendments.)
2. Please discuss.

Resolution:

Voting Results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
989,741,313 (including 616,836,903 votes through e-voting)	76.35	205,815 (including 205,815 votes through e-voting)	0.02	306,428,718 (including 285,886,747 votes through e-voting)	23.63

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

**ITEM 6: Discussion of amendments to the “Procedures Governing Loaning of Funds”.**

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

Details:

1. In order to meet the operational needs of the Company, it is proposed to make amendments to the “Procedures Governing Loaning of Funds”.
2. Please discuss.

**Comparison Between Original and Amendments to “Procedures Governing Loaning of Funds”**

Items	Original Version	Amendment Version	Reason
Article 5	Procedures for handling loans of funds 1. The Borrower shall enclose copies of the business related	Procedures for handling loans of funds 1. The Borrower shall enclose copies of the business related	To comply with the Company’s operational needs.

Items	Original Version	Amendment Version	Reason
Article 5	<p>certificates, identity card of person in charge of the business and essential financial materials and file a loan amount application to Chief of Staff Office. After facilitating the evaluation and credit checking, the financial division will report to the Board of Director for approval.</p> <p>.....</p>	<p>certificates, identity card of person in charge of the business and essential financial materials and file a loan amount application to Company <del>Chief of Staff Office</del>. After facilitating the evaluation and credit checking, the financial <u>department</u> <del>division</del> will report to the Board of Director for approval. <u>However, the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares could be exempted from providing the documents mentioned above.</u></p> <p>.....</p>	To comply with the Company's operational needs.
Article 6	<p>Procedures for Ratification</p> <ol style="list-style-type: none"> <li>1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness and the financial division will determine whether to accept the application or not.</li> <li>2. The financial division will be in charge of the credit checking and risk evaluation of the Borrower. For those cases with good credit and justifiable purposes, the personnel in charge shall prepare a credit check result and opinion report and devise the criterion of the loan of funds and file with the Board of Directors for approval.</li> <li>3. Besides, the financial division shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after loaning fund to</li> </ol>	<p>Procedures for Ratification</p> <ol style="list-style-type: none"> <li>1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness and the financial <u>department</u> <del>division</del> will determine whether to accept the application or not.</li> <li><del>2. The financial division will be in charge of the credit checking and risk evaluation of the Borrower. For those cases with good credit and justifiable purposes, the personnel in charge shall prepare a credit check result and opinion report and devise the criterion of the loan of funds and file with the Board of Directors for approval.</del></li> <li><u>2.3.</u> Besides, the financial <u>department</u> <del>division</del> shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after</li> </ol>	To comply with the Company's operational needs.



Items	Original Version	Amendment Version	Reason
Article 6	<p>Borrower and submit an opinion statement incorporated with credit report to the Board of Directors for approval.</p> <p>4. When the Borrower applying for a withdrawal of capital from the Company, the Company should request the Borrower to provide the same amount of a cheque/promissory note or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial division shall evaluate and mark the value of the collateral.</p>	<p>loaning fund to Borrower and submit an opinion statement <del>incorporated with credit report</del> to the Board of Directors for approval.</p> <p><u>3.4. When the Borrower, except for the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares,</u> applying for a withdrawal of capital from the Company, the Company should request the Borrower to provide the same amount of a cheque/promissory note or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial <del>department</del> <u>division</u> shall evaluate and mark the value of the collateral.</p>	To comply with the Company's operational needs.
Article 8	<p>Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights</p> <p>1. ....</p> <p>2. After appropriating the fund, financial division shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial division should pay attention to the alteration of its secured value. If there is significant violation, the personnel shall inform the Chairman of Board of Directors and handle the matters under his instructions.</p> <p>.....</p>	<p>Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights</p> <p>1. ....</p> <p>2. After appropriating the fund, financial <del>department</del> <u>division</u> shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial division should pay attention to the alteration of its secured value. If there is significant violation, the personnel shall inform the Chairman of Board of Directors and handle the matters under his instructions.</p> <p>.....</p>	To comply with the Company's operational needs.
Article 17	<p>.....</p> <p>The 4<sup>th</sup> amendment was made on June 14, 2013.</p>	<p>.....</p> <p>The 4<sup>th</sup> amendment was made on June 14, 2013.</p> <p><u>The 5<sup>th</sup> amendment was made on June 11, 2014.</u></p>	Correspondence to the amendment date.

Resolution:

1. The Chairman responded to the questions about the amendments to the “Procedures Governing Loaning of Funds” raised from shareholder No.127422.
2. Voting results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
989,678,486 (including 616,774,076 votes through e-voting)	76.34	258,592 (including 258,592 votes through e-voting)	0.02	306,438,768 (including 285,896,767 votes through e-voting)	23.64

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

**ITEM 7: Discussion of amendments to the “Procedures Governing Endorsements and Guarantees.”**

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Procedures Governing Endorsements and Guarantees.”

Details:

1. In order to meet the operational needs of the Company, it is proposed to make amendments to the “Procedures Governing Endorsements and Guarantees”.
2. Please discuss.

**Comparison Between Original and Amendments to  
“Procedures Governing Endorsements and Guarantees”**

Items	Original Version	Amendment Version	Reason
Article 5	Procedures for Processing Endorsements and/or Guarantees 1. The requesting enterprise shall file an endorsement and/or guarantee application form, whereby, name of the Company, type of endorsement and/or guarantee, risks evaluation, amount, content, the condition and date for discharging the obligations of the endorser and/or guarantor shall be included and it will have to be filed with the Chairman of financial division	Procedures for Processing Endorsements and/or Guarantees 1. The requesting enterprise shall file an endorsement and/or guarantee application form, whereby, name of the Company, type of endorsement and/or guarantee, risks evaluation, amount, content, the condition and date for discharging the obligations of the endorser and/or guarantor shall be included and it will	To comply with the Company’s operational needs.

Items	Original Version	Amendment Version	Reason
Article 5	<p>for approval. And then the Chairman of the board shall ratify for implementation, provided, it is within the specified amount, if it is above the specified amount, it will have to be filed with the Board of Director for approval.</p> <p>.....</p>	<p>have to be filed with the Chairman of financial <u>department</u> <del>division</del> for approval. And then the Chairman of the board shall ratify for implementation, provided, it is within the specified amount, if it is above the specified amount, it will have to be filed with the Board of Director for approval.</p> <p>.....</p>	To comply with the Company's operational needs.
Article 6	<p>Procedures for Ratification</p> <ol style="list-style-type: none"> <li>1. When an enterprise applies for an endorsement and/or guarantee from the Company, it shall submit concrete description of necessity and reasonableness and the financial division will determine whether to accept the application or not.</li> <li>2. The financial division will be in charge of the credit checking and risk evaluation of the endorsed and/or guaranteed enterprise. For those cases with good credit and justifiable purposes, the personnel in charge shall prepare a credit check result and opinion report and devise the criterion of the endorsement and/or guarantee and file with the Board of Directors for approval.</li> <li>3. Besides, the financial division shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after endorsement and/or guarantee and submit an opinion statement incorporated with credit report to the Board of Directors for approval.</li> </ol>	<p>Procedures for Ratification</p> <ol style="list-style-type: none"> <li>1. When an enterprise applies for an endorsement and/or guarantee from the Company, it shall submit concrete description of necessity and reasonableness and the financial <u>department</u> <del>division</del> will determine whether to accept the application or not.</li> <li><del>2. The financial division will be in charge of the credit checking and risk evaluation of the endorsed and/or guaranteed enterprise. For those cases with good credit and justifiable purposes, the personnel in charge shall prepare a credit check result and opinion report and devise the criterion of the endorsement and/or guarantee and file with the Board of Directors for approval.</del></li> <li><u>2.3.</u> Besides, the financial <u>department</u> <del>division</del> shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after endorsement and/or guarantee and submit an opinion statement incorporated with credit</li> </ol>	To comply with the Company's operational needs.

Items	Original Version	Amendment Version	Reason
Article 6	<p>4. The Company may base on the applicant's credit report and decide whether to request the endorsee or guarantee to provide the same amount of Banker's acceptance or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial division shall evaluate and mark the value of the collateral.</p> <p>5. If the endorsement and/or guarantee is provided to the company's subsidiary whose net worth is less than one-half of its paid-in capital, the subsidiary shall also provide a plan including detail schedule to improve its net worth upon applying an endorsement/guarantee. If the net worth is still less than one-half of the paid-in capital when the plan ends, the endorsement and/or guarantee shall be terminated immediately. The above termination shall be reported to the Audit Committee and the Board of Directors.</p>	<p><del>report</del> to the Board of Directors for approval.</p> <p><del>3.4.</del> The Company may base on the applicant's credit report and decide whether to request the endorsee or guarantee to provide the same amount of Banker's acceptance or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial <u>department</u> <del>division</del> shall evaluate and mark the value of the collateral.</p> <p><del>4.5.</del> If the endorsement and/or guarantee is provided to the company's subsidiary whose net worth is less than one-half of its paid-in capital, the subsidiary shall also provide a plan including detail schedule to improve its net worth upon applying an endorsement/guarantee. If the net worth is still less than one-half of the paid-in capital when the plan ends, the endorsement and/or guarantee shall be terminated immediately. The above termination shall be reported to the Audit Committee and the Board of Directors.</p>	To comply with the Company's operational needs.
Article 18	<p>.....</p> <p>The 6<sup>th</sup> amendment was made on June 14, 2013.</p>	<p>.....</p> <p>The 6<sup>th</sup> amendment was made on June 14, 2013.</p> <p><u>The 7<sup>th</sup> amendment was made on June 11, 2014.</u></p>	Correspondence to the amendment date.

**Resolution:**

Voting Results: Shares present at the time of voting: 1,296,375,846

Votes in favor	%	Votes against	%	Votes invalid or abstained	%
989,677,636 (including 616,773,226 votes through e-voting)	76.34	260,642 (including 260,642 votes through e-voting)	0.02	306,437,568 (including 285,895,597 votes through e-voting)	23.64

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

**III. Extemporany Motion: None.**

**IV. Meeting Adjourned: 10:55a.m., June 11, 2014.**

## **Attachment 1**

# **Wistron Corporation Business Report**

On behalf of all Wistron employees, first I wish to express my appreciation to all of our shareholders--your continuous support inspires us to excel.

Last year, with the widespread acceptance of smart terminal device and mobile network, the IT industry experienced a global market migration from PC to smart terminal device, which resulted in slow growth and demand declines in consumer markets (e.g. notebook and LCD-TV). For Wistron, the revenue slightly declined compared with previous year although the company was continuously focused on the customer and product portfolio optimization, risk management enhancement, and operation efficiency improvement.

### **Financial and Operation Results**

In 2013, Wistron's consolidated revenue reached NT\$624 billion, and consolidated operating profit was NT\$6.1 billion. The consolidated profit before tax reached NT\$7.9 billion and consolidated net profit was NT\$5.8 billion. Meanwhile, the earnings per share was NT\$2.51.

From the operation management point of view, while confronting strong competition in the IT industry and marketing requiring migration from PC to Tablet, Wistron continued to improve material cost management and production efficiency in 2013. However, the consequences of slow growth and demand declines in consumer markets (e.g. notebook and LCD-TV) did impact Wistron's manufacturing capacity utilization rate. As a result, our revenue, gross margin and operating income decreased compared with previous year. The operating expenses also increased in R&D investment for new business and new product line developments in order to cope with competition and market changes.

In 2013, Wistron's key growth drivers were the smart terminal device (including mobile handheld device and Tablet), while the notebook and LCD-TV demand was weak and the other product lines maintained the same level compared with previous year. From the customer and marketing point of view, the smart terminal device and cloud service market continued stable growth while the traditional consumer market (e.g. notebook and LCD-TV) showed slow demand. Wistron also changed the organization structure and continued optimizing customer and product portfolios in order to reduce the impact from the slow demand in the consumer market.

In addition, we continued publishing the “Wistron Corporate Social Responsibility Report” to show our participation and care for green environment and social responsibility activities.

### **Business and Operation Focus**

To cope with the impact of continuous global economic recession, the market migration from PC to Tablet, and the increasing operating costs at China manufacturing bases, we will strengthen our market and customer management, and improve operation efficiency in order to enhance operation effectiveness and profit. For 2014, our major focus is 1) enhance operation efficiency and competitiveness, and 2) add value in product innovation and service.

Operation efficiency enhancement emphasizes design simplification, manufacturing automation, inventory management control, and manufacturing efficiency optimization. The “Value-added Innovation” initiative is to create the new business models with more add-on value for customers and enhance product competitiveness to improve the profit margin. The “Value-added Service” initiative is to expand service business with diversified services and add-on value, increase the scope of after-sales service business, and develop more new opportunities for other related technology service businesses.

For business and product direction, in response to the continuous growth in smart terminal device market and the slow market growth in traditional consumer market (e.g. notebook and LCD-TV), Wistron will accelerate the adjustment in our business portfolio and optimize the resource utilization to enhance competitiveness. In addition, we will have strategic investments into other higher value businesses and product portfolios like smart-phones, tablets, cloud service solutions, green-recycling business, display technology and applications, the vertical integration of touch technology, network storage, industrial application devices, and smart TVs. These directions should reduce portfolio risk and impact from slow end-user demands in the consumer market.

### **Outlook for the Future**

Looking forward, while smart terminal devices and the cloud service market continues to grow, the global economy is showing uncertainty for recovery and the traditional IT industry is expected to show slower growth. Besides operation efficiency enhancement, we will continue to drive value-added innovations and services (such as after-sales service, green recycling and cloud product/service) as the key differentiators. In addition, as part of our overall efforts for corporate

social responsibility, we are paying special attention to “Green House Gas (GHG) Control” and will quicken the new business development in recycling technology and applications.

Wistron’s “Corporate beliefs” are customer focus, integrity, innovation, and pursuit of excellence. We are confident that our dedication in operations, discipline in financial management, high standards in product quality and cost controls, and our strong commitment to innovation and customer partnership should enable Wistron to increase our competitiveness and allow us to deliver good performance.

Wistron’s long-term vision is to be a leading technology service provider delivering innovative ICT products and services. For our future strategy, in addition to creating high quality and innovative products, we shall continue to focus on increasing our employees’ satisfaction and creating the innovative technology services 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 balance sheets of Wistron Corporation (the "Company") as of January 1, December 31, 2012 and December 31, 2013, the related statements of comprehensive income, changes in equity and cash flows, for the years ended December 31, 2012 and 2013. 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 generally accepted auditing standards and with 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 January 1, December 31, 2012 and December 31, 2013, 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, 2014

### 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, 2013, December 31 and January 1, 2012  
(amounts expressed in thousands of New Taiwan Dollars)

	January 1, 2012	December 31, 2012	December 31, 2013	January 1, 2012	December 31, 2012	December 31, 2013
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents (note 6(a))	\$ 12,925,794	17,358,699	11,879,253	\$ 39,812,278	50,158,945	32,632,550
Financial assets at fair value through profit or loss — current (note 6(b))	7,174	1,624	101,665	2,206	25,764	1,527
Notes and accounts receivable, net (note 6(c))	71,228,719	57,976,137	43,993,489	41,014,826	40,524,959	34,903,335
Accounts receivable — related parties (note 7)	44,935,853	39,741,307	56,927,146	42,299,944	20,206,052	24,473,831
Other receivables — related parties (note 7)	1,230,567	3,611,177	8,047,683	1,674,398	1,361,193	1,777,623
Current tax assets	536,898	536,357	217,361	2,180,151	1,488,526	1,849,126
Inventories (note 6(d))	6,600,989	6,147,360	6,049,526	-	606,886	2,012,000
Other assets — current (notes 6(e)(h))	2,971,556	3,974,979	3,621,870	9,373,021	7,764,909	8,046,804
<b>Total current assets</b>	<b>140,437,550</b>	<b>129,347,640</b>	<b>130,837,993</b>	<b>136,356,824</b>	<b>122,137,234</b>	<b>105,696,796</b>
<b>Non-current assets:</b>						
Available-for-sale financial assets — noncurrent (note 6(b))	1,766,827	1,709,985	1,696,262	-	249,623	22,205
Financial assets carried at cost — noncurrent (note 6(b))	537,585	534,145	595,098	-	7,182,735	7,972,109
Equity-accounted investees (note 6(e))	46,732,935	56,109,891	62,342,252	-	3,007,424	20,053,014
Property, plant and equipment (notes 6(f) and 7)	7,380,314	7,245,970	7,233,232	3,383,161	4,212,741	4,683,881
Intangible assets (note 6(g))	1,649,625	1,536,237	1,547,588	700,009	905,401	2,536,700
Deferred tax assets (note 6(o))	1,484,627	1,726,315	1,736,093	4,083,170	15,557,924	35,267,999
Other assets — noncurrent (notes 6(h) and 8)	1,244,778	1,407,121	1,163,226	140,439,994	137,695,158	140,964,795
<b>Total non-current assets</b>	<b>60,796,691</b>	<b>70,269,664</b>	<b>76,313,751</b>	<b>140,439,994</b>	<b>137,695,158</b>	<b>140,964,795</b>
<b>Total assets</b>	<b>\$ 201,234,241</b>	<b>199,617,304</b>	<b>207,151,744</b>	<b>\$ 201,234,241</b>	<b>199,617,304</b>	<b>207,151,744</b>
<b>Liabilities and Equity</b>						
<b>Current liabilities:</b>						
Short-term borrowings (note 6(i))						
Financial liabilities at fair value through profit or loss — current (note 6(b))						
Notes and accounts payable						
Accounts payable — related parties (note 7)						
Other payable — related parties (note 7)						
Provisions (note 6(f))						
Current portion of long-term borrowings (note 6(j))						
Other liabilities — current						
<b>Total current liabilities</b>						
<b>Non-current liabilities:</b>						
Financial liabilities at fair value through profit or loss — noncurrent (notes 6(b)(k))						
Bonds payable (note 6(k))						
Long-term borrowings (note 6(j))						
Deferred tax liabilities (note 6(o))						
Other liabilities — noncurrent (note 6(m))						
<b>Total non-current liabilities</b>						
<b>Total liabilities</b>						
<b>Equity (notes 6(o)(p)(q)):</b>						
Capital stock						
Capital surplus						
Retained earnings						
Other equity						
Treasury stock						
<b>Total equity</b>						
<b>Total equity and liabilities</b>						

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

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

	<u>2012</u>	<u>2013</u>
Net revenues (notes 6(s) and 7)	\$ 598,758,593	539,784,508
Cost of sales (notes 6(d)(f)(g)(l)(m)(n)(p)(q), 7 and 12)	<u>576,231,110</u>	<u>516,527,885</u>
Gross profit	<u>22,527,483</u>	<u>23,256,623</u>
Unrealized inter-company profits	<u>(20,652)</u>	<u>(15,921)</u>
Realized gross profit	<u>22,506,831</u>	<u>23,240,702</u>
Operating expenses (notes 6(c)(f)(g)(m)(n)(p)(q), 7 and 12):		
Selling	3,920,821	4,335,422
Administrative	1,651,667	1,883,961
Research and development	<u>11,233,686</u>	<u>12,294,542</u>
Total operating expenses	<u>16,806,174</u>	<u>18,513,925</u>
Operating income	<u>5,700,657</u>	<u>4,726,777</u>
Non-operating income and expenses:		
Other income (notes 6(t) and 7)	186,699	276,347
Other gain and loss (notes 6(k)(t) and 7)	1,009,922	1,058,928
Finance costs (notes 6(k)(t))	(1,384,841)	(1,455,461)
Recognized share of profit of subsidiaries, associates and joint ventures accounted for equity method (note 6(e))	<u>3,213,800</u>	<u>2,770,312</u>
Total non-operating income and expenses	<u>3,025,580</u>	<u>2,650,126</u>
Profit before tax	8,726,237	7,376,903
Income tax expenses (note 6 (o))	<u>1,470,857</u>	<u>1,625,562</u>
Profit	<u>7,255,380</u>	<u>5,751,341</u>
Other comprehensive income (notes 6(o)(p)):		
Exchange differences on translation of financial statements	(1,806,943)	1,452,417
Unrealized loss on available-for-sale financial assets	(135,642)	(108,284)
Share of other comprehensive income of subsidiaries, associates and joint ventures	24,708	(223,460)
Income tax expense related to components of other comprehensive income	<u>(16,362)</u>	<u>(14,347)</u>
Other comprehensive income, net of tax	<u>(1,901,515)</u>	<u>1,135,020</u>
Total comprehensive income	<u>\$ 5,353,865</u>	<u>6,886,361</u>
Earnings per share (in dollars), after tax (note 6(r)):		
Basic earnings per share	<u>\$ 3.17</u>	<u>2.51</u>
Diluted earnings per share	<u>\$ 2.71</u>	<u>2.40</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, 2012 AND 2013  
(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
Balance at January 1, 2012	\$ 20,849,972	19,147,403	4,655,472	3,287,455	15,638,565	23,581,492	(1,441,163)	(560,133)	-	(2,001,301)	(783,319)	60,794,247
Profit for 2012	-	-	-	-	7,255,380	7,255,380	-	-	-	-	-	7,255,380
Total other comprehensive income	-	-	-	-	(1,496)	(1,496)	(1,837,944)	(62,073)	-	(1,900,019)	-	(1,901,515)
Total comprehensive income	-	-	-	-	7,253,884	7,253,884	(1,837,944)	(62,073)	-	(1,900,019)	-	5,353,865
Appropriation of 2011 earnings in 2012 (note 1)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	906,503	-	(906,503)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,572,826)	(4,572,826)	-	-	-	-	-	(4,572,826)
Stock dividends to shareholders	1,039,279	-	-	-	(1,039,279)	(1,039,279)	-	-	-	-	-	-
Special reserve	-	-	-	(1,495,549)	1,495,549	-	-	-	-	-	-	-
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	859	-	-	(1,097)	(1,097)	-	-	-	-	-	(238)
Issuance of common stock arising from exercise of bonds conversion options	-	2,431	-	-	-	-	-	-	-	-	-	1,985
Treasury stock transferred to employees	-	(611)	-	-	-	-	-	-	-	-	-	5,173
Issuance of common stock arising from exercise of employee stock options	87,750	242,120	-	-	-	-	-	-	-	-	5,784	329,940
Balance at December 31, 2012	21,979,432	19,399,395	5,561,975	1,791,906	17,868,293	25,222,174	(3,279,107)	(622,213)	-	(3,901,320)	(777,535)	61,922,146
Profit for 2013	-	-	-	-	5,751,341	5,751,341	1,327,693	(214,927)	-	1,112,766	-	5,751,341
Total other comprehensive income	-	-	-	-	22,254	22,254	1,327,693	(214,927)	-	1,112,766	-	1,135,020
Total comprehensive income for the period	-	-	-	-	5,773,595	5,773,595	1,327,693	(214,927)	-	1,112,766	-	6,886,361
Appropriation of 2012 earnings in 2013 (note 2)	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	666,643	-	(666,643)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,050,859	(2,050,859)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,273,767)	(3,273,767)	-	-	-	-	-	(3,273,767)
Stock dividends to shareholders	1,091,255	-	-	-	(1,091,255)	(1,091,255)	-	-	-	-	-	-
Stock dividends as employee bonus	235,036	404,966	-	-	-	-	-	-	-	-	-	640,002
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	132	-	-	(68,438)	(68,438)	-	-	-	-	-	(68,306)
Issuance of common stock arising from exercise of employee stock options	2,510	4,934	-	-	-	-	-	-	-	-	-	7,444
Issuance of restricted employee shares of stock	627,950	(24,760)	-	-	-	-	-	-	(603,190)	(603,190)	-	73,069
Compensation cost arising from restricted employee shares of stock	-	-	-	-	-	-	-	-	73,069	73,069	-	-
Retirement of treasury stock	(154,580)	(132,988)	-	-	(489,967)	(489,967)	-	-	-	-	777,535	-
Balance at December 31, 2013	\$ 23,781,603	19,651,679	6,228,618	3,842,765	16,000,959	26,072,542	(1,951,414)	(837,440)	(530,121)	(3,318,675)	-	66,186,949

(note 1): The employee bonus of NT\$1,087,480 and directors' and supervisors' emoluments of NT\$81,585 appropriated from 2011 earnings have been deducted in 2011 profit.

(note 2): The employee bonus of NT\$640,002 and directors' and supervisors' emoluments of NT\$39,489 appropriated from 2012 earnings have been deducted in 2012 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, 2012 AND 2013  
(amounts expressed in thousands of New Taiwan Dollars)

	2012	2013
Cash flows from operating activities:	\$ 8,726,237	7,376,903
Profit before tax		
Adjustments to reconcile profit to net cash provided by (used in) operating activities:		
Depreciation (including depreciation of investment property)	2,761,234	2,970,366
Amortization	391,023	361,022
Net profit or loss of financial assets and liabilities at fair value through profit or loss	(987,590)	(351,695)
Interest expense	1,384,841	1,455,461
Interest income	(22,620)	(101,077)
Compensation cost arising from restricted employee shares of stock	-	73,069
Share of profit of equity-accounted investees and cash dividends received	(2,955,698)	(2,591,701)
Loss on disposal of property, plant and equipment, net	(607)	886
Property, plant and equipment— noncurrent transferred to expense	163	458
Gain on disposal of investments	(6,354)	(81,312)
Unrealized inter-company profits	20,652	15,921
Other non-current assets transferred to expense	-	8,936
Exchange difference of bonds payable	(225,903)	223,524
	<u>359,141</u>	<u>1,983,858</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	13,252,582	13,982,647
Notes and accounts receivable— related parties	5,194,546	(17,185,839)
Other receivable— related parties	(2,002)	2,001
Inventories	453,629	97,834
Other assets— current	(1,317,372)	354,530
<b>Total changes in assets</b>	<u>17,581,383</u>	<u>(2,748,827)</u>
Changes in operating liabilities:		
Notes and accounts payable	(489,869)	(5,621,626)
Notes and accounts payable— related parties	(22,093,892)	4,267,779
Other payable— related parties	(313,205)	416,430
Provision— current	(691,625)	360,600
Other liabilities— current	(2,387,579)	943,840
Other liabilities— noncurrent	(6,868)	(23,925)
<b>Total changes in operating liabilities</b>	<u>(25,983,038)</u>	<u>343,098</u>
<b>Net changes in operating assets and liabilities</b>	<u>(8,401,655)</u>	<u>(2,405,729)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(8,042,514)</u>	<u>(421,871)</u>
Cash generated from operating activities	683,723	6,955,032
Interest receivable	21,063	101,379
Interest paid	(845,764)	(860,106)
Income tax paid	(50,389)	(899,220)
<b>Net cash from (used in) operating activities</b>	<u>(191,367)</u>	<u>5,297,085</u>
Cash flows from investing activities:		
Increase in non-trade receivables from related parties	(2,376,888)	(4,440,228)
Decrease in available-for-sale financial assets— current	-	3,800
Proceeds from disposal of available-for-sale financial assets— noncurrent	24,723	152,123
Increase in available-for-sale financial assets— noncurrent	(88,928)	(128,274)
Increase in financial assets carried at cost— noncurrent	(30,948)	(70,456)
Proceeds from return of financial assets carried at cost	34,387	31,514
Increase in equity-accounted investees	(7,947,253)	(2,541,947)
Additions to property, plant and equipment	(580,528)	(1,071,764)
Proceeds from disposal of property, plant and equipment	55,438	8,641
Additions to intangible assets	(272,204)	(372,373)
Increase in other assets— noncurrent	(2,259,660)	(1,660,867)
<b>Net cash flows used in investing activities</b>	<u>(13,441,861)</u>	<u>(10,089,831)</u>
Cash flows from financing activities:		
Increase (decrease) of borrowings	10,346,667	(17,526,395)
Issuance of debt securities in the form of bonds	8,277,119	-
Repurchase of convertible bonds	(146,510)	-
Increase in long-term borrowings	3,614,310	19,338,686
Decrease in long-term borrowings	-	(887,982)
Increase in deposits received	212,260	1,655,314
Cash dividends to shareholders	(4,572,826)	(3,273,767)
Issuance of common stock arising from exercise of employee stock options	329,940	7,444
Treasury stock transferred to employees	5,173	-
<b>Net cash flows from (used in) financing activities</b>	<u>18,066,133</u>	<u>(686,700)</u>
Net increase (decrease) in cash and cash equivalents	4,432,905	(5,479,446)
Cash and cash equivalents at beginning of the period	12,925,794	17,358,699
Cash and cash equivalents at end of the period	<u>\$ 17,358,699</u>	<u>11,879,253</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 consolidated balance sheets of Wistron Corporation (the "Company") and subsidiaries as of January 1, December 31, 2012 and December 31, 2013, the related consolidated statements of comprehensive income, changes in equity and cash flows, for the years ended December 31, 2012 and 2013. 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 generally accepted auditing standards and with 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 subsidiaries as of January 1, December 31, 2012 and December 31, 2013, 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 January 1, December 31, 2012 and December 31, 2013, and for the years ended December 31, 2012 and 2013, on which we have expressed an unqualified opinion.

Taipei, Taiwan (the Republic of China)  
March 25, 2014

### 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, 2013, December 31 and January 1, 2012  
(amounts expressed in thousands of New Taiwan Dollars)

	January 1, 2012	December 31, 2012	December 31, 2013	January 1, 2012	December 31, 2012	December 31, 2013
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents (note 6(a))	\$ 45,560,293	72,579,429	70,086,875	\$ 55,987,148	76,326,956	54,552,893
Financial assets at fair value through profit or loss — current (note 6(b))	8,036	6,867	824,030	2,206	26,129	415,698
Available-for-sale financial assets — current (note 6(b))	370	3,005	26,513	98,141,155	101,880,266	91,553,094
Notes and accounts receivable, net (note 6(c))	102,757,371	93,386,828	85,352,992	19,812,268	2,721,262	3,904,358
Accounts receivable — related parties (note 7)	13,251,582	318,214	711,319			
Other receivables — related parties (note 7)	30,397	3,065	7,251	82,508	47,432	88,093
Current tax assets	949,652	672,922	372,748	2,186,668	1,490,545	1,859,245
Inventories (note 6(d))	39,398,331	46,223,710	49,985,441	22,253	684,086	2,519,619
Other assets — current (notes 6(c)(h))	4,826,468	6,821,829	8,939,253	12,953,866	11,687,058	13,455,939
<b>Total current assets</b>	<u>206,782,500</u>	<u>220,015,869</u>	<u>216,306,422</u>	<u>189,188,072</u>	<u>194,863,734</u>	<u>168,348,939</u>
<b>Non-current assets:</b>						
Available-for-sale financial assets — non-current (note 6(b))	1,991,494	2,018,921	1,870,437	-	249,623	22,205
Financial assets carried at cost — non-current (note 6(b))	710,454	674,100	700,525	-	7,182,735	7,972,109
Equity-accounted investees (note 6(e))	5,407,161	5,264,822	5,476,999	493,075	3,628,755	20,368,292
Property, plant and equipment (notes 6(f) and 8)	26,808,837	34,164,424	35,928,027	3,401,906	4,263,507	4,785,164
Intangible assets (note 6(g))	1,676,038	1,585,351	1,677,975	829,417	975,082	2,849,047
Deferred tax assets (note 6(o))	2,226,973	2,567,082	3,161,830	4,724,328	16,299,202	35,996,817
Other assets — non-current (notes 6(h)(n) and 8)	9,103,260	6,800,544	5,419,559	193,912,470	211,163,436	204,345,756
<b>Total non-current assets</b>	<u>47,924,217</u>	<u>53,075,244</u>	<u>54,235,352</u>	<u>20,849,972</u>	<u>21,979,432</u>	<u>23,781,603</u>
<b>Total assets</b>	<u>\$ 254,706,717</u>	<u>273,091,113</u>	<u>270,541,774</u>	<u>\$ 254,706,717</u>	<u>273,091,113</u>	<u>270,541,774</u>
<b>Liabilities and Equity</b>						
<b>Current liabilities:</b>						
Short-term borrowings (note 6(i))						
Financial liabilities at fair value through profit or loss — current (note 6(b))						
Notes and accounts payable						
Accounts payable — related parties (note 7)						
Other payable — related parties (note 7)						
Provisions (note 6(i))						
Current portion of long-term borrowings (notes 6(j) and 8)						
Other liabilities — current						
<b>Current liabilities</b>						
<b>Non-current liabilities:</b>						
Financial liabilities at fair value through profit or loss — non-current (notes 6(b)(k))						
Bonds payable (note 6(i))						
Long-term borrowings (notes 6(j) and 8)						
Deferred tax liabilities (note 6(o))						
Other liabilities — non-current (note 6(n))						
<b>Non-current liabilities</b>						
<b>Total liabilities</b>						
<b>Equity (notes 6(o)(p)(q))</b>						
Capital stock						
Capital surplus						
Retained earnings						
Other equity						
Treasury stock						
<b>Equity attributable to owners of the Company</b>						
Non-controlling interests						
<b>Total equity</b>						
<b>Total equity and liabilities</b>						

See accompanying notes to consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

WISTRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

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

	<u>2012</u>	<u>2013</u>
Net revenues (notes 6(s) and 7)	\$ 657,844,636	624,009,073
Cost of sales (notes 6(d)(f)(g)(l)(m)(n)(p)(q), 7 and 12)	<u>628,045,087</u>	<u>593,806,022</u>
Gross profit	<u>29,799,549</u>	<u>30,203,051</u>
Operating expenses (notes 6(c)(f)(g)(m)(n)(p)(q), 7 and 12)		
Selling	7,796,165	8,956,231
Administrative	1,810,803	2,193,606
Research and development	<u>11,959,210</u>	<u>12,967,288</u>
Total operating expenses	<u>21,566,178</u>	<u>24,117,125</u>
Operating income	<u>8,233,371</u>	<u>6,085,926</u>
Non-operating income and expenses:		
Other income (notes 6(t) and 7)	1,744,644	1,582,941
Other gain and loss (notes 6(k)(t) and 7)	1,408,515	1,851,417
Finance costs (notes 6(k)(t))	(1,857,040)	(2,017,697)
Recognized share of profit of associates and joint ventures accounted for equity method (note 6(e))	<u>248,619</u>	<u>412,600</u>
Total non-operating income and expenses	<u>1,544,738</u>	<u>1,829,261</u>
Profit before tax	9,778,109	7,915,187
Tax expenses (note 6(o))	<u>2,528,233</u>	<u>2,160,459</u>
Profit	<u>7,249,876</u>	<u>5,754,728</u>
Other comprehensive income (notes 6(o)(p))		
Exchange differences on translation of financial statements	(1,793,131)	1,282,078
Unrealized gain (loss) on available-for-sale financial assets	(65,345)	(246,956)
Share of other comprehensive income of associates and joint ventures	(59,401)	85,507
Income tax expense related to components of other comprehensive income	<u>(16,362)</u>	<u>(14,347)</u>
Other comprehensive income, net of tax	<u>(1,901,515)</u>	<u>1,134,976</u>
Total comprehensive income	<u>\$ 5,348,361</u>	<u>6,889,704</u>
Profit attributable to:		
Owners of the Company	7,255,380	5,751,341
Non-controlling interests	<u>(5,504)</u>	<u>3,387</u>
Profit	<u>\$ 7,249,876</u>	<u>5,754,728</u>
Total comprehensive income attributable to:		
Owners of the Company	5,353,865	6,886,361
Non-controlling interests	<u>(5,504)</u>	<u>3,343</u>
Total comprehensive income	<u>\$ 5,348,361</u>	<u>6,889,704</u>
Earnings per share (in dollars), after tax (note 6(r))		
Basic earnings per share	<u>\$ 3.17</u>	<u>2.51</u>
Diluted earnings per share	<u>\$ 2.71</u>	<u>2.40</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, 2012 AND 2013**  
(amounts expressed in thousands of New Taiwan Dollars)

	Attributable to owners of the Company											
	Retained earnings					Other equity					Non-controlling interests	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		
Balance at January 1, 2012	\$ 20,849,972	19,147,403	4,653,472	3,287,455	15,638,565	23,381,492	(1,441,163)	(560,138)	(2,001,301)	(2,001,301)	(783,319)	60,794,247
Profit	-	-	-	-	7,255,380	7,255,380	-	-	-	-	-	7,255,380
Total other comprehensive income	-	-	-	-	(1,495)	(1,495)	-	(62,075)	(1,900,019)	(1,900,019)	-	(5,504)
Total comprehensive income	-	-	-	-	7,253,884	7,253,884	(1,837,944)	(62,075)	(1,900,019)	(1,900,019)	-	(5,504)
Appropriation of 2011 earnings in 2012	-	-	-	-	(906,503)	(906,503)	-	-	-	-	-	(906,503)
Legal reserve	-	-	906,503	-	(906,503)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,572,826)	(4,572,826)	-	-	-	-	-	(4,572,826)
Stock dividends to shareholders	1,039,279	-	-	-	(1,039,279)	(1,039,279)	-	-	-	-	-	-
Special reserve	-	-	-	(1,495,549)	1,495,549	-	-	-	-	-	-	-
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	859	-	-	(1,097)	(1,097)	-	-	-	-	-	(238)
Issuance of common stock arising from exercise of bonds conversion options	2,431	9,554	-	-	-	-	-	-	-	-	-	11,985
Treasury stock transferred to employees	-	(611)	-	-	-	-	-	-	-	-	5,784	5,173
Issuance of common stock arising from exercise of employee stock options	87,750	242,190	-	-	-	-	-	-	-	-	-	329,940
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2012	\$ 21,979,432	19,399,395	5,561,975	1,791,906	17,868,293	25,222,174	(3,279,107)	(622,213)	(3,901,320)	(3,901,320)	(777,555)	61,922,146
Profit	-	-	-	-	5,751,341	5,751,341	-	-	-	-	-	5,751,341
Total other comprehensive income	-	-	-	-	22,254	22,254	1,327,693	(214,922)	1,112,766	1,112,766	-	3,387
Total comprehensive income	-	-	-	-	5,773,595	5,773,595	1,327,693	(214,922)	1,112,766	1,112,766	-	(44)
Appropriation of 2012 earnings in 2013	-	-	-	-	(666,643)	(666,643)	-	-	-	-	-	(666,643)
Legal reserve	-	-	666,643	-	(666,643)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,050,859	(2,050,859)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,273,767)	(3,273,767)	-	-	-	-	-	(3,273,767)
Stock dividends to shareholders	1,091,255	-	-	-	(1,091,255)	(1,091,255)	-	-	-	-	-	-
Stock dividends as employee bonus	235,036	404,966	-	-	-	-	-	-	-	-	-	640,002
Increase (decrease) in capital surplus and unappropriated earnings resulting from equity-accounted investees	-	132	-	-	(68,438)	(68,438)	-	-	-	-	-	(68,306)
Issuance of common stock arising from exercise of employee stock options	2,510	4,934	-	-	-	-	-	-	(603,190)	(603,190)	-	7,444
Issuance of restricted employee shares of stock	627,950	(24,760)	-	-	-	-	-	-	73,069	73,069	-	73,069
Compensation cost arising from restricted employee shares of stock	(154,480)	(132,988)	-	-	(489,967)	(489,967)	-	-	-	-	777,555	-
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2013	\$ 23,781,603	19,651,679	6,228,618	3,847,765	16,009,259	26,077,342	(1,951,415)	(837,140)	(3,318,675)	(3,318,675)	66,186,949	195
												9,069
												66,196,018

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, 2012 AND 2013

(amounts expressed in thousands of New Taiwan Dollars)

	2012	2013
<b>Cash flows from operating activities:</b>	<u>\$</u>	<u></u>
Profit before tax	9,778,109	7,915,187
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	6,410,478	7,514,343
Amortization	407,015	389,685
Net profit or loss of financial assets and liabilities at fair value through profit or loss	(991,703)	(652,486)
Interest expense	1,857,040	2,017,697
Interest income	(1,542,164)	(1,355,838)
Compensation cost arising from restricted employee shares of stock		
Share of profit of equity-accounted investees and cash dividends received	21,007	(226,037)
Loss on disposal of property, plant and equipment, net	76,080	10,928
Loss on disposal of intangible asset	6	-
Property, plant and equipment transferred to expense	3,280	230,124
Other asset—noncurrent transferred to expense	-	48,569
Gain on disposal of investments	(6,512)	(51,741)
Exchange difference of bonds payable	(225,903)	223,524
Compensation cost arising from restricted employee shares of stock	-	73,069
	<u>6,008,624</u>	<u>8,221,837</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes and accounts receivable	8,126,665	9,005,316
Notes and accounts receivable—related parties	8,409,059	1,895,446
Other receivable—related parties	(63,198)	65,977
Inventories	(8,252,781)	(2,693,833)
Other assets—current	(1,753,025)	(2,121,112)
<b>Total changes in assets</b>	<u>6,466,720</u>	<u>6,151,794</u>
<b>Changes in operating liabilities:</b>		
Notes and accounts payable	6,023,951	(12,011,386)
Notes and accounts payable—related parties	(12,060,785)	(1,672,619)
Other payable—related parties	24,853	(118,186)
Provision—current	(614,860)	324,353
Other liabilities—current	(2,338,627)	2,244,105
Other liabilities—noncurrent	34,242	(13,539)
<b>Total changes in operating liabilities</b>	<u>(8,931,226)</u>	<u>(11,247,272)</u>
<b>Net changes in operating assets and liabilities</b>	<u>(2,464,506)</u>	<u>(5,095,478)</u>
<b>Total changes in operating assets and liabilities</b>	<u>3,544,118</u>	<u>3,126,359</u>
<b>Cash generated from operating activities</b>	<u>13,322,227</u>	<u>11,041,546</u>
Interest received	1,459,104	1,416,770
Interest paid	(1,291,844)	(1,517,466)
Income tax paid	(1,391,071)	(1,806,300)
<b>Net cash from operating activities</b>	<u>12,098,416</u>	<u>9,134,550</u>
<b>Cash flows from investing activities:</b>		
Decrease (increase) in non-trade receivables from related parties	27,332	(4,186)
Increase in available-for-sale financial assets—current	(2,598)	(19,706)
Proceeds from disposal of available-for-sale financial assets—noncurrent	24,723	152,123
Increase in available-for-sale financial assets—noncurrent	(88,928)	(128,274)
Increase in financial assets carried at cost—noncurrent	(48,821)	(71,501)
Proceeds from return of financial assets carried at cost	67,649	37,322
Increase in equity-accounted investees	(16,334)	(47,952)
Acquisition of subsidiaries, net of cash acquired	-	24,982
Proceeds from disposal of subsidiaries	-	(17,416)
Proceeds from return of equity-accounted investees	65,161	-
Additions to property, plant and equipment	(7,950,920)	(4,811,782)
Proceeds from disposal of property, plant and equipment	878,104	267,038
Additions to intangible assets	(288,895)	(475,517)
Proceeds from disposal of intangible assets	3,127	-
Increase in other assets—noncurrent	(5,198,600)	(2,922,795)
<b>Net cash flows used in investing activities</b>	<u>(12,529,000)</u>	<u>(8,017,664)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) of borrowings	21,115,076	(22,460,388)
Issuance of debt securities in the form of bonds	8,277,119	-
Repurchase of convertible bonds	(146,510)	-
Increase in long-term borrowings	3,889,740	19,636,556
Decrease in long-term borrowings	-	(952,401)
Increase in deposits received	189,487	1,901,646
Cash dividends to shareholders	(4,572,826)	(3,273,767)
Issuance of common stock arising from exercise of employee stock options	329,940	7,444
Treasury stock transferred to employees	5,173	-
Increase in non-controlling interests	5,000	-
Grants income	188	3,382
<b>Net cash flows from (used in) financing activities</b>	<u>29,092,387</u>	<u>(5,137,528)</u>
Effect of exchange rate changes	(1,642,667)	1,528,088
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>27,019,136</u>	<u>(2,492,554)</u>
Cash and cash equivalents at beginning of the period	45,560,293	72,579,429
Cash and cash equivalents at end of the period	<u>\$ 72,579,429</u>	<u>\$ 70,086,875</u>

See accompanying notes to consolidated financial statements.

**Attachment 2**

**Audit Committee's Report**

The Board of Directors has prepared the Company's 2013 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 :

A handwritten signature in black ink, appearing to read "Michael Zin", written over a horizontal line.

March 25, 2014

Attachment 3

**Wistron Corporation**  
**Profit Appropriation Statement for Year 2013**

Unit: NT\$

<b>Undistributed Surplus at the Beginning of the year</b>		<b>10,660,778,047</b>
Plus: Effect of Transition to Taiwan-IFRSs	124,991,696	
<b>Undistributed Surplus at the Beginning of the year under IFRSs</b>		<b>10,785,769,743</b>
Plus(Minus):		
Actuarial gains	22,254,125	
Retirement of treasury stock	(489,967,473)	
Capital surplus and unappropriated earnings resulting from equity-accounted investees	(68,438,148)	
Net Income After Tax	5,751,340,605	
Minus :		
Legal Reserve	(575,134,061)	
Plus :		
Reversal in Special Reserve	1,054,211,338	
<b>Distributable Earnings</b>		<b>16,480,036,129</b>
Distribution Items:		
Stock Dividends to Common Shareholders	(475,632,060)	
Cash Dividends to Common Shareholders	(4,280,688,508)	(4,756,320,568)
<b>Undistributed Earnings at the end of the Period</b>		<b>11,723,715,561</b>
Note :		
Bonus to Employees	617,695,820	
Remuneration to Directors	62,304,179	

Note1: Stock dividend: NT\$0.2 per share.

Note2: Cash dividend: NT\$1.8 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

Attachment 4

**Comparison Between Original and Amendments to  
“Procedures of Asset Acquisition and Disposal”**

Items	Original Version	Amendment Version	Reason
Article 2	<p>The term “assets” as used in the Procedures including:</p> <ol style="list-style-type: none"> <li>1. ....</li> <li>2. Real estate and other fixed assets.</li> <li>3. ....</li> <li>4. ....</li> <li>5. ....</li> <li>6. ....</li> <li>7. ....</li> </ol>	<p>The term “assets” as used in the Procedures including:</p> <ol style="list-style-type: none"> <li>1. ....</li> <li>2. Real estate (<u>including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory</u>) and <u>equipment</u> <del>other fixed assets</del>.</li> <li>3. ....</li> <li>4. ....</li> <li>5. ....</li> <li>6. ....</li> <li>7. ....</li> </ol>	To comply with the Regulation update.
Article 3	<p>Definitions</p> <ol style="list-style-type: none"> <li>1. ....</li> <li>2. “Assets Acquired or Disposed by Mergers, Splits, Acquisition or Shares Transference Pursuant to Laws” means assets acquired or disposed by mergers, splits, acquisition or shares transference pursuant to Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law or other laws or share transference from other companies (hereinafter referred to as “share transference”) by issuing new shares pursuant to the six paragraph of Article 156 of Company Law.</li> <li>3. ....</li> <li>4. ....</li> <li>5. The term “professional appraiser” means a real estate appraiser or other according to</li> </ol>	<p>Definitions</p> <ol style="list-style-type: none"> <li>1. ....</li> <li>2. “Assets Acquired or Disposed by Mergers, Splits, Acquisition or Shares Transference Pursuant to Laws” means assets acquired or disposed by mergers, splits, acquisition or shares transference pursuant to Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law or other laws or share transference from other companies (hereinafter referred to as “share transference”) by issuing new shares pursuant to the <u>eight</u> <del>six</del> paragraph of Article 156 of Company Law.</li> <li>3. ....</li> <li>4. ....</li> <li>5. The term “professional appraiser” means a real estate appraiser or other according to</li> </ol>	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 3	<p>laws engaged in real estate, other fixed assets valuation business.</p> <p>6. ....</p> <p>7. ....</p>	<p>laws engaged in real estate, <u>equipment</u> <del>other fixed assets</del> valuation business.</p> <p>6. ....</p> <p>.....</p>	To comply with the Regulation update.
Article 4	<p>Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets</p> <p>1. ....</p> <p>2. For acquisition or disposition of real estates, other fixed assets, membership certificates, intangible assets, and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.</p> <p>3. ....</p> <p>4. ....</p>	<p>Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets</p> <p>1. ....</p> <p>2. For acquisition or disposition of real estates, <u>equipment</u> <del>other fixed assets</del>, membership certificates, intangible assets, and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.</p> <p>3. ....</p> <p>4. ....</p>	To comply with the Regulation update.
Article 5	<p>Procedures of Ratification and Decision for the Acquisition or Disposition of Assets</p> <p>1. Manner and the Reference Basis for the Decision on Price</p> <p>(1) ....</p> <p>(2) The acquisition or disposition of real estate and other fixed assets shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the announced</p>	<p>Procedures of Ratification and Decision for the Acquisition or Disposition of Assets</p> <p>1. Manner and the Reference Basis for the Decision on Price</p> <p>(1) ....</p> <p>(2) The acquisition or disposition of real estate and <u>equipment</u> <del>other fixed assets</del> shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the announced</p>	To comply with the Regulation update and the Company's operational needs.

Items	Original Version	Amendment Version	Reason
Article 5	<p>present value, appraised present value, and actual transaction price in the vicinity.</p> <p>(3) .....</p> <p>(4) .....</p> <p>2. Amount and Level of License</p> <p>.....</p> <p>(1) Unless otherwise provided below, the acquisition or disposition of securities shall be approved by the Board of Directors before its execution:</p> <p>(a).....</p> <p>(b).....</p> <p>(c) Short-term idle funds invested in short-term securities such as domestic government bonds, domestic bond funds, financial bonds, American government bond and oversea bond fund with good credit rating, whereby the Director of Finance/the finance manager is authorized to execute for each single transaction or the daily total amount not exceeding NT\$1 billion; the approval of vice president of finance/CFO is required for amounts between NT\$ 1 and 2 billion; and the approval of the chairman of the board is required for amount exceeding NT\$ 2 billion.</p> <p>(2).....</p> <p>(3) Acquisition or disposition of the Company and its subsidiary machinery and</p>	<p>present value, appraised present value, and actual transaction price in the vicinity.</p> <p>(3) .....</p> <p>(4) .....</p> <p>2. Amount and Level of License</p> <p>.....</p> <p>(1) Unless otherwise provided below, the acquisition or disposition of securities shall be approved by the Board of Directors before its execution:</p> <p>(a).....</p> <p>(b).....</p> <p>(c) Short-term idle funds invested in short-term securities such as domestic government bonds, domestic bond funds, financial bonds, American government bond and oversea bond fund with good credit rating, <u>domestic money market funds</u>, whereby the Director of Finance/the finance manager is authorized to execute for each single transaction or the daily total amount not exceeding NT\$1 billion; the approval of vice president of finance/CFO is required for amounts between NT\$ 1 and 2 billion; and the approval of the chairman of the board is required for amount exceeding NT\$ 2 billion.</p> <p>(2).....</p> <p>(3) Acquisition or disposition of</p>	<p>To comply with the Regulation update and the Company's operational needs.</p>

Items	Original Version	Amendment Version	Reason
Article 5	<p>equipment used for operating purposes, to authorize the Chairman of the Board of Directors or its authorized personnel decisions NT\$300 million, and afterwards would then be sent the most recent of the Board for ratification. Otherwise, the acquisition or disposition of other fixed assets; for any projects the amount is more than NT\$300 million, must be approved by the Board of Directors, the chairman of the Board or his authorized officers decides for other projects before its executions.</p> <p>(4)The license of acquisition or disposition of derivative products is enacted in accordance to the Company’s development of turnover and variation of risk position; it is effective after being approved by the chairman of the Board or his authorized officers, and must be ratified by the Board of Directors thereafter, this procedure also applies to any amendment.</p> <p>3. Operating Department The finance department is the operating department for securities and derivative product investments; the using department and the relevant in-charge department are the operating departments for investments in real estate, other fixed assets, intangible</p>	<p>the Company and its subsidiary <del>machinery and</del> equipment used for operating purposes, to authorize the Chairman of the Board of Directors or its authorized personnel decisions NT\$300 million, and afterwards would then be sent the most recent of the Board for ratification. Otherwise, the acquisition or disposition of <u>equipment</u> <del>other fixed assets</del>; for any projects the amount is more than NT\$300 million, must be approved by the Board of Directors, the chairman of the Board or his authorized officers decides for other projects before its executions.</p> <p>(4)The <del>license of</del> acquisition or disposition of derivative products <u>shall be authorized to relevant personnel</u> <del>is enacted</del> in accordance with <del>to</del> the <u>“Rules and Procedures of Derivative Transactions”</u>, <u>and shall report to the meeting of Board of Directors at least quarterly.</u> <del>Company’s development of turnover and variation of risk position; it is effective after being approved by the chairman of the Board or his authorized officers, and must be ratified by the Board of Directors thereafter, this procedure also applies to any amendment.</del></p>	To comply with the Regulation update and the Company’s operational needs.



Items	Original Version	Amendment Version	Reason
Article 5	assets, membership certificate and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.	3. Operating Department The finance department is the operating department for securities and derivative product investments; the using department and the relevant in-charge department are the operating departments for investments in real estate, <u>equipment</u> <del>other fixed assets</del> , intangible assets, membership certificate and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.	To comply with the Regulation update and the Company's operational needs.
Article 6	Procedures of Announcement and Filing 1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the relevant data and information: (1) Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets certified by public accountant, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale	Procedures of Announcement and Filing 1. The acquisition or disposition of the Company's assets, provided below, shall be announced and filed to the FSC's designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the relevant data and information: (1) Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets certified by public accountant, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 6	<p>agreements.</p> <p>(2).....</p> <p>(3).....</p> <p>(4)Except for asset transactions provided in the preceding three items, or an investment in the mainland China area, where the transaction amount reaching 20% of the Company's paid-in capital or in exceeds NT\$300 million; however, not included otherwise provided below:</p> <p>(a)purchase and sale of government bonds,</p> <p>(b)purchase and sale of bonds with put or call conditions,</p> <p>(c)machinery equipment that are categorized as assets acquired or disposed for business use, the transaction counterparty is not a related party, and the transaction amount has not exceeded NT\$500 million,</p> <p>.....</p>	<p>resale agreements, <u>or</u></p> <p><u>subscription or redemption of domestic money market funds.</u></p> <p>(2).....</p> <p>(3).....</p> <p>(4)Except for asset transactions provided in the preceding three items, or an investment in the mainland China area, where the transaction amount reaching 20% of the Company's paid-in capital or in exceeds NT\$300 million; however, not included otherwise provided below:</p> <p>(a)purchase and sale of government bonds,</p> <p>(b)purchase and sale of bonds with put or call conditions, <u>or</u></p> <p><u>subscription or redemption of domestic money market funds,</u></p> <p>(c) <del>machinery</del>—equipment that are categorized as assets acquired or disposed for business use, the transaction counterparty is not a related party, and the transaction amount has not exceeded NT\$500 million,</p> <p>.....</p>	To comply with the Regulation update.
Article 7	<p>Scope and Amount of Acquisition or Disposition of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on amounts are set forth as</p>	<p>Scope and Amount of Acquisition or Disposition of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on</p>	To comply with the Regulation update and the Company's operational needs.

Items	Original Version	Amendment Version	Reason
Article 7	<p>follows:</p> <p>(1) Total investment in real estate for non-business use shall not exceed 40% of the total of shareholders' equity and long-term liabilities of the Company as certified by the accountant.</p> <p>(2) Total investment in securities shall not exceed the shareholders' equity of the Company as certified by the accountant.</p> <p>(3) Investment in a single security shall not exceed 40% of the shareholders' equity of the Company as certified by the accountant.</p> <p>2. As to the Company subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below:</p> <p>(1) Real estate shall not be purchased for non-business use.</p> <p>(2) Total investment in securities shall not exceed 40% of the shareholders' equity of the Company as certified by the accountant.</p> <p>(3) Investment in a single security shall not exceed 20% of the shareholder's equity of the Company as certified by the accountant.</p>	<p>amounts are set forth as follows:</p> <p>(1) Total investment in real estate for non-business use shall not exceed 40% of the <u>equity attributable to owners of the Company</u> <del>total of shareholders' equity</del> and long-term liabilities of the Company <u>as the most recent financial report certified or reviewed</u> by the accountant.</p> <p>(2) Total investment in securities shall not exceed <u>200% of the equity attributable to owners</u> <del>total of shareholders' equity</del> of the Company <u>as the most recent financial report certified or reviewed</u> by the accountant.</p> <p>(3) Investment in a single security shall not exceed 40% of the <u>equity attributable to owners</u> <del>total of shareholders' equity</del> of the Company <u>as the most recent financial report certified or reviewed</u> by the accountant.</p> <p>2. As to the Company subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below:</p> <p>(1) Real estate shall not be purchased for non-business use.</p> <p>(2) Total investment in securities shall not exceed</p>	<p>To comply with the Regulation update and the Company's operational needs.</p>

Items	Original Version	Amendment Version	Reason
Article 7		<p><del>40% of the equity attributable to owners total of shareholders' equity</del> of the Company <u>as the most recent financial report certified or reviewed</u> by the accountant.</p> <p>(3) Investment in a single security shall not exceed 20% of the <u>equity attributable to owners total of shareholders' equity</u> of the Company <u>as the most recent financial report certified or reviewed</u> by the accountant.</p>	To comply with the Regulation update and the Company's operational needs.
Article 10	<p>Appraisal Report from Professional Appraisal Institutions</p> <p>In acquiring or disposing of real estates or other fixed assets by the Company, unless otherwise transacting with a government institution, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing the machines and equipment for business use, and the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report issued by a professional appraisal institutions, and comply with the following provisions:</p> <p>1.....</p> <p>2.....</p> <p>3.An accountant's opinions on the differentiation and appropriateness of the transaction price is required if any one of the conditions below has occurred, unless all</p>	<p>Appraisal Report from Professional Appraisal Institutions</p> <p>In acquiring or disposing of real estates or <u>equipment</u> <del>other fixed assets</del> by the Company, unless otherwise transacting with a government institution, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing the <del>machines</del> and equipment for business use, and the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report issued by a professional appraisal institutions, and comply with the following provisions:</p> <p>1. ....</p> <p>2. ....</p> <p>3.An accountant's opinions on the differentiation and appropriateness of the transaction price is required if</p>	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 10	<p>the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount:</p> <p>.....</p>	<p>any one of the conditions below has occurred, <u>and the accountant should do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u>, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount:</p> <p>.....</p>	To comply with the Regulation update.
Article 11	<p>Certified Accountant's Opinions</p> <p>1. ....</p> <p>2. In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount reaching 20% of the Company's paid-in capital or in exceeding NT\$300 million, an accountant shall, prior to the date of occurrence of the event, be retained to express opinions on the reasonableness of the transaction price, and the accountant shall handle the matter pursuant to Article 13 of the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation.</p> <p>3. ....</p>	<p>Certified Accountant's Opinions</p> <p>1. ....</p> <p>2. In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount reaching 20% of the Company's paid-in capital or in exceeding NT\$300 million, <u>except in transactions with a government institution</u>, an accountant shall, prior to the date of occurrence of the event, be retained to express opinions on the reasonableness of the transaction price, and the accountant shall handle the matter pursuant to Article 13 of the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation.</p> <p>3. ....</p>	To comply with the Regulation update.
Article 12	<p>.....</p> <p>The Company must submit the information provided below to the Board of Directors for</p>	<p>.....</p> <p>The Company must submit the information provided below to the Board of Directors for</p>	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 12	<p>approval, upon first obtaining a consent from the Audit Committee, before its execution of the purchase or disposition of real estate from related parties, or acquisition or disposition of assets other than real property from or to related parties where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. The Company may not proceed to enter into a transaction contract or make a payment until receiving approval as discussed herein from the Board of Directors, including.</p> <p>1..... 2..... 3..... 4..... 5..... 6..... 7.....</p> <p>The calculation of the transaction amounts referred to in this Article shall be made in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the Board of Directors need not be counted toward the transaction amount.</p> <p>With respect to the acquisition or disposition of business-use machinery and equipment between the Company and its subsidiaries, and when the transaction is within the authorized amount, the Chairman</p>	<p>approval, upon first obtaining a consent from the Audit Committee, before its execution of the purchase or disposition of real estate from related parties, or acquisition or disposition of assets other than real property from or to related parties where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.</u></p> <p>The Company may not proceed to enter into a transaction contract or make a payment until receiving approval as discussed herein from the Board of Directors, including.</p> <p>1..... 2..... 3..... 4..... 5..... 6..... 7.....</p> <p>The calculation of the transaction amounts referred to in this Article shall be made in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the Board of Directors need not be counted toward the transaction amount.</p> <p>With respect to the acquisition</p>	To comply with the Regulation update.

Items	Original Version	Amendment Version	Reason
Article 12	of the Board may, pursuant to Article 5, paragraph 2, subparagraph 3, decide such matters and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting.	or disposition of business-use <del>machinery and</del> equipment between the Company and its subsidiaries, and when the transaction is within the authorized amount, the Chairman of the Board may, pursuant to Article 5, paragraph 2, subparagraph 3, decide such matters and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting.	To comply with the Regulation update.
Article 13	The Company's purchases of real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: 1..... 2..... 3..... 4..... 5. Where one of the following occurrence exists in the Company's purchase of the real estate from the related party, the transaction is exempt from the application of the preceding four paragraphs; however, the Article 12 shall still apply: (1)..... (2)..... (3) Acquiring real estate by a joint construction contract executed with the related party.	The Company's purchases of real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: 1..... 2..... 3..... 4..... 5. Where one of the following occurrence exists in the Company's purchase of the real estate from the related party, the transaction is exempt from the application of the preceding four paragraphs; however, the Article 12 shall still apply: (1)..... (2)..... (3) Acquiring real estate by a joint construction contract executed with the related party, <u>or through engaging a related party to build real property, either on the company's own land or on rented land.</u>	To comply with the Regulation update.
Article 29	..... The 7 <sup>th</sup> amendment was made on June 14, 2013.	..... The 7 <sup>th</sup> amendment was made on June 14, 2013.	Correspondence to the amendment date.

Items	Original Version	Amendment Version	Reason
		<u>The 8<sup>th</sup> amendment was made on June 11, 2014.</u>	