



Stock Code: 2344

(English Translation)

Winbond Electronics Corporation

2014 Annual General Shareholders Meeting

Agenda Handbook¹

Date: June 17, 2014

Time: 9:00 A.M.

**Place: Room 102, No. 4, Creation Rd. III, Hsinchu Science Park,
Taiwan, R.O.C.**

¹ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.



INDEX

- I. Table of Meeting Procedure and Agenda
- II. Attachments
 - 1. 2013 Business Report and the Financial Statements
 - 2. Independent Auditors' Report
 - 3. Supervisors' Review Report
 - 4. Shareholdings of All Directors and Supervisors of Ninth Term
 - 5. Comparison Chart of the Amendment to "Procedures of Acquisition or Disposal of Assets"
 - 6. Comparison Chart of the Amendment to "Procedures for Engaging in Financial Derivatives Transactions"
- III. Appendices
 - 1. Rules Governing the Conduct of Shareholders Meeting
 - 2. Rules Governing Election of Directors and Supervisors
 - 3. Articles of Incorporation



Procedure and Agenda for the 2014 Annual General Meeting of Shareholders

- I. Announcement of the Commencement of the Meeting
- II. Opening Speech of the Chairman
- III. Meeting Agenda
 - A. Matters to be reported
 1. Business report for fiscal year 2013
 2. The 2013 Supervisors' Review Report
 3. Other matters to be reported
 - B. Matters to be acknowledged and discussed and election
 1. To acknowledge and recognize business report and financial statements of fiscal year 2013.
 2. To acknowledge and recognize the making-up of loss for fiscal year 2013.
 3. To discuss the amendment of the internal rules:
 - (1) Procedures of Acquisition or Disposal of Assets
 - (2) Procedures for Engaging in Financial Derivatives Transactions

Voting by Poll For Motions No.1~3:

 - 4: Election of Directors and Supervisors

To proceed with the election of the directors and supervisors of the tenth term

Voting by Poll:

 5. Discussion on the release of the tenth term from the non-competition restriction.

Voting by Poll:
- IV. Other Matters and Motions
- V. Adjournment

Matters to be reported

1. Business Report for Fiscal Year 2013

Both the business report and the financial statements for fiscal year 2013 are hereby prepared (Please refer to Attachment 1 for details). Please examine. To be reported by General Manager

2. The 2013 Supervisors' Review Report

The 2013 Supervisors' Review Report is hereby prepared (Please refer to Attachment 3 for details). Please examine. To be reported by Supervisors

3. Other matters to be reported

(1) Information of Investment in Mainland China

Ref. No. of approval letter of the Investment Commission, Ministry of Economic Affairs	Investee Company	Investment Amounts
(Ref. No.: Ching-Shen-2-Tze-09900553430).	Winbond Electronics (Suzhou) Ltd.	US\$9,000,000

(2) Report of shareholdings of all directors and supervisors

a. In accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors of Public Companies:

(a) The total shareholdings of all directors of the Company shall not be less than 3% of the Company's total issued shares, and thus shall not be less than 110,834,646 shares.

(b) The total shareholdings of all supervisors at the Company shall not be less than 0.3% of the Company's total issued shares, and thus may not be less than 11,083,465 shares.

b. Please refer to Attachment 4 for the shareholding of each director and supervisor and the shareholdings of all directors and supervisors as of the record date for determining the shareholders eligible to attend this annual general shareholders meeting.

c. The aggregate shareholdings of all directors and supervisors meet the minimum shareholding required by laws and regulations.

(3) During the period for accepting shareholders' proposals (from April 1, 2014 to April 10, 2014), no shareholder submitted any written proposal to the Company for the 2014 annual general shareholders meeting in accordance with Article 172-1 of the Company Act.

Matters to be acknowledged and discussed and election

Motion 1: (proposed by the Board of Directors)

Proposal: The business report and financial statements of fiscal year 2013 are hereby presented.

Please acknowledge and recognize the same.

Explanation:

1. Please refer to Attachment 1 for details of the parent company only financial statements, consolidated financial statements and business report of the Company for 2013.
2. The aforementioned financial statements have been approved by the Twenty-First Meeting of the Board of Directors of the Ninth Term and after audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the Supervisors.

Motion 2: (proposed by the Board of Directors)

Proposal: The plan for making up the Company's loss for fiscal year 2013 is hereby presented.

Please acknowledge and recognize the same.

Explanation:

1. The Company has an after-tax profit of NT\$206,563,678 for the year of 2013. The plan for making up the loss is as follows.
2. The proposal was approved by the Twenty-First Meeting of the Board of Directors of Ninth Term.

Winbond Electronics Corporation
Statement of Accumulated Losses and Its Make-up
For the year ended December 31, 2013

(Unit : NTD\$)

Summary	Amount
Accumulated Losses under ROC GAAP, Beginning of Year	(4,335,975,926)
Adjustments for First-time Adoption of IFRSs	(94,774,089)
Accumulated Losses under IFRSs, Beginning of Year	(4,430,750,015)
Actuarial gain on defined benefit plans for 2013	36,414,293
Net Profit of 2013	206,563,678
Accumulated Deficit, End of Year	(4,187,772,044)

Chairman: Arthur Yu-Cheng Chiao

Manager: Tung-Yi Chan

Director of Accounting Division: Wen-Ying Liang

Motion 3: (proposed by the Board of Directors)

Proposal: It is proposed to amend the internal rules of the Company. Please review and approve the same.

Explanation:

Amendments to the internal rules of the Company are as follows:

1. Amendment of the “Procedures of Acquisition or Disposal of Assets”
 - (1) It is conducted in accordance with the letter dated December 30, 2013 (Ref. No.: Jin-Guan-Jeng-Fa-Ze-No.1020053073) issued by the Financial Supervisory Commission ("FSC") promulgating the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the actual needs.
 - (2) Please refer to Attachment 5 for the comparison chart of the articles proposed to be amended.
2. Amendment of the “Procedures for Engaging in Financial Derivatives Transactions”
 - (1) It is conducted in accordance with the letter dated December 30, 2013 (Ref. No.: Jin-Guan-Jeng-Fa-Ze-No.1020053073) issued by the FSC promulgating the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the actual needs.
 - (2) Please refer to Attachment 6 for the comparison chart of the articles proposed to be amended.

Voting by Poll for Motion No. 1~3:

Motion 4: Election of Directors and Supervisors (proposed by the Board of Directors)

Proposal: It is proposed to elect directors and supervisors of the tenth term.

Explanation:

- (1) The directors and supervisors of the ninth term were elected at the annual general shareholders' meeting held on June 22, 2011. Their term of office will expire on June 21, 2013; however, because the 2014 annual general shareholders' meeting has been advanced to an earlier date of June 17, 2014, it is proposed to re-elect the tenth term of directors (including the independent directors) and supervisors in advance pursuant to Articles 199-1 and 227 of the Company Act.
- (2) It is defined in Article 13 of the Company's Articles of Incorporation that the Company shall have seven to nine directors, among whom there should be not less than two independent directors accounting for not less than one-fifth of the total number of directors, and two to three supervisors. The term of office of directors and supervisors is three years.

The Twenty-First Meeting of the Board of Directors of the Ninth Term has determined to elect the Company's directors and supervisors of the tenth term, which will be composed of nine directors in total, including three independent directors, and three supervisors. The term of office of the newly elected directors (including independent directors) and supervisors will begin from the day that they are elected (i.e., from June 17, 2014 and to June 16, 2017).

(3) The Company's director (including independent director) and supervisor of the tenth term shall be elected according to the candidate nomination system and procedures. The list of director (including independent director) and supervisor candidates for this election has been reviewed and approved by the Twenty-Second Meeting of the Board of Directors of the Ninth Term as follows:

Category of Candidate	Name of Candidate	Education	Work Experience	Current Job	Shareholding (Unit : Share)	Name of the Government or Institution Represented
Director	Arthur Yu-Cheng Chiao	Master in Electrical Engineering and Researcher of Management College of Washington Univ.	Chairman of Walsin Lihwa Corp.	Chairman & CEO of Winbond Electronics Corporation. Chairman of Capella Microsystems (Taiwan) Inc. Chairman of Nuvoton Technology Corporation	58,264,955	None
Director	Ching-Chu Chang	Ph.D. in Electrical Engineering, Princeton Univ. Master in Business Management of Graduate School of Stanford Univ.	General Director of Electronic Research and Service Organization of the International Technology Research Institute Vice Chairman of Winbond Electronics Corporation	Chairman of Vanguard International Semiconductor Corporation Director of Winbond Electronics Corporation	10,067,591	None

Director	Matthew Feng-Chiang Miao	Master in Business Administration of California Univ. at Santa Clara.	Chairman of Lien Hwa Industrial Corporation Chairman of UPC Technology Corporation Chairman of MiTAC Holdings Corporation Chairman of Synnex Technology International Corporation Director of Getac Technology Corporation Chairman of MiTAC Inc. Chairman of MiTAC Inc. Director of Winbond Electronics Corporation	Chairman of Lien Hwa Industrial Corporation Chairman of UPC Technology Corporation Chairman of MiTAC Holdings Corporation Chairman of Synnex Technology International Corporation Director of Getac Technology Corporation Chairman of MiTAC Inc. Director of Winbond Electronics Corporation	100,000	None
Director	Yung Chin	Master in Applied Mathematics, Washington Univ.	Chief Auditor of Walsin Lihwa Corp. Vice President of Winbond Electronics Corporation	Director and Chief Administrative Officer of Winbond Electronics Corporation Director of Nuvoton Technology Corporation	10,720,537	None
Director	Hui-Ming Cheng	Master in Science in Chemical Engineering, University of California, Los Angeles	CFO of Winbond Electronics Corporation CFO of Taiwan	Director and President of Walsin Lihwa Corp. Supervisor of	858,091,531	Walsin Lihwa Corp.

		Master in Business Administration, Kelley School of Business at Indiana University	Mobile Corporation Ltd. CFO of Fubon Financial Holding Corporation Ltd. CFO of HTC Corporation	Winbond Electronics Corporation		
Director	Tung-Yi Chan	Ph.D. in Electrical Engineering, U.C. Berkeley Master in Management Science, Stanford University	BCD Semiconductor CEO	Director and Member of Compensation Committee of Walton Advanced Engineering, Inc. Director and President of Winbond Electronics Corporation	500,000	None
Independent Director	Francis Tsai	Computer/Control Engineering Department, Chiao-Tung University, Taiwan	Vice Chairman of Getac Technology Corporation Chairman and CEO of Waffer Technology Corporation Chairman of National Aerospace Fasteners Corporation	Vice Chairman of Getac Technology Corporation Chairman and CEO of Waffer Technology Corporation Chairman of National Aerospace Fasteners Corporation the Compensation Committee convener of Winbond Electronics	0	None
Independent Director	Allen Hsu	MBA, National Chengchi University Refresher course of Walton	Chairman of Altek Corporation Chairman of	Director of Pilot Electronics Corporation Director of	0	None

		Business School	Taiwan Mask Corporation Chairman of Myson Century, Inc.	Innodisk Corporation Independent director of MicroBase Technology Corporation Independent director of ANZ Bank (Taiwan) Limited Independent Director of Nuvoton Technology Corporation Member of the Compensation Committee of Winbond Electronics Corporation		
Independent Director	Jerry Hsu	MBA, Waseda Business School	Director of Kinpo Electronics, Inc.	Director of Kinpo Electronics, Inc. Director of PCHOMESTORE INC. Member of the Compensation Committee of Winbond Electronics Corporation Deputy Manager of Investment Management, Compal Electronics, Inc.	0	None
Supervisor	Wang-Tsai Lin	Taiwan Provincial Taipei Commercial School	Advisor Chairman's office of Walsin Lihwa Corp.	Advisor Chairman's office of Walsin Lihwa Corp.	145,047,000	Chin Xin Investment Co., Ltd.

			<p>Director of Walsin Lihwa Corp. (a representative of Tien Mu Investment Corporation Ltd)</p> <p>Supervisor of Walsin Technology Corporation (a representative of Winbond Electronics Corporation)</p> <p>Supervisor of Winbond Electronics Corporation</p>	<p>Director of Walsin Lihwa Corp. (a representative of Tien Mu Investment Corporation Ltd)</p> <p>Supervisor of Walsin Technology Corporation (a representative of Winbond Electronics Corporation)</p> <p>Supervisor of Winbond Electronics Corporation</p>		
Supervisor	Yeu-Yuh Chu	International Trade Department, Feng Chia University University of Hawaii Advanced Management Program	<p>Director & President of Global Brands Manufacture Limited</p> <p>Director of HannStar Board Corporation</p> <p>Director of Walsin Technology Corporation</p> <p>Supervisor of Walsin Lihwa Corp. (a representative of Walsin Technology Corporation)</p> <p>Director of Winbond Electronics Corporation (a representative</p>	<p>Director & President of Global Brands Manufacture Limited</p> <p>Director of HannStar Board Corporation</p> <p>Director of Walsin Technology Corporation</p> <p>Supervisor of Walsin Lihwa Corp. (a representative of Walsin Technology Corporation)</p> <p>Director of Winbond Electronics Corporation (a representative of Walsin Lihwa</p>	0	None

			of Walsin Lihwa Corp.)	Corp.)		
			Member of the Compensation Committee of Winbond Electronics Corporation			
Supervisor	Hong-Chi Yu	Master in Stanford University. Bachelor in Princeton University	Director and President of Walton Advanced Engineering, Inc.	Director and President of Walton Advanced Engineering, Inc. Independent Director of Advanced Microelectronic Products Inc. Director of Global Brands Manufacture Limited Supervisor of Walsin Technology Corporation Director of Winbond Electronics Corporation	0	None

(4) Please vote.

Election results :

Motion 5: (proposed by the Board of Directors)

Proposal: It is proposed to release the directors of the tenth term of the Company from the non-competition restrictions. Please review and approve the same.

Explanation:

1. It is conducted in accordance with Paragraph 1 of Article 209 of the Company Act which provides that "A director who acts for himself/herself or on behalf of another person in a manner that is within the scope of the company's business shall explain to the shareholders

meeting the essential contents of such act and secure its approval."

2. The Company elected new directors (including independent directors) and supervisors at the 2014 annual general shareholders' meeting, and it is proposed to submit to the shareholders' meeting to remove the prohibition of non-competition on the directors (including independent directors) of the tenth term at the same meeting in accordance with Paragraph 1 of Article 209 of the Company Act from the day that they become directors (including independent directors) of the Company. The list of directors and contents of the acts that such directors act for himself/herself or on behalf of another person in a manner that is within the scope of the company's business are as follows:

A. Mr. Arthur Yu-Cheng Chiao

- (1) Mr. Arthur Yu-Cheng Chiao has been acting as a Chairman of Cappela Microsystems Inc. whose main business is design of analog IC applicable in optical electronic related products, same as that of the Company.
- (2) Mr. Arthur Yu-Cheng Chiao has been acting as a Chairman of Nuvoton Technology Corp. whose main business is research, design, development, manufacture and sale of logic IC and manufacture, testing and providing foundry services of 6-inch wafer, same as that of the Company.
- (3) Mr. Arthur Yu-Cheng Chiao has been acting as a director of Walsin Technology Corporation. whose main business is manufacture, process and sale of passive components, same as that of the Company.

B. Mr. Ching-Chu Chang has been acting as a Chairman of Vanguard International Semiconductor Corporation whose main business is Provide memory IC manufacturing services, including mask making, wafer foundry, assembly and testing, for customers with their own designs, same as that of the Company.

C. Mr. Matthew Feng-Chiang Miao

- (1) Mr. Matthew Feng-Chiang Miao has been acting as a Chairman of Synnex Technology International Corp. whose main business is agent and sale of electronic components, information products and communications products, providing maintenance and technologic services of personal computer, peripherals and communications products, and 3C distributor and service provider, same as that of the Company.
- (2) Mr. Matthew Feng-Chiang Miao has been acting as a Chairman of MiTAC INC. whose main business is conducting system integration and providing maintenance and repair services, automatic control system and industrial computer, same as that of the Company.
- (3) Mr. Matthew Feng-Chiang Miao has been acting as a director of Getac Technology Corporation whose main business is research, development, production, manufacture and sale of military computer, industrial computer and peripheral equipment, hardware and software, notebooks/laptop, aerospace carriers and its components, same as that of the Company.

- (4) Mr. Matthew Feng-Chiang Miao has been acting as a Chairman of MiTAC International Corporation whose main business is design, manufacture, process, sale, maintenance and lease of computer and peripherals, software and hardware, development, design, manufacture, export and domestic sale of micro-computer system products, development, design, manufacture and sale of computer circuit board related products, same as that of the Company.
- (5) Mr. Matthew Feng-Chiang Miao has been acting as a Chairman of MiTAC Information Technology Corporation whose main business is Providing System Integration, IT outsourcing, business process outsourcing and consulting services, same as that of the Company.

D. Ms. Yung Chin

- (1) Ms. Yung Chin has been acting as a director of Nuvoton Technology Corp. whose main business is research, design, development, manufacture and sale of logic IC and manufacture, testing and providing foundry services of 6-inch wafer, same as that of the Company.
- (2) Ms. Yung Chin has been acting as a director of Nuvoton Electronics Technology (H.K.) Limited whose main business is sale of semiconductor components and providing relevant services, same as that of the Company.

E. Walsin Lihwa Corporation

- (1) Walsin Lihwa Corporation has been acting as a director of Walsin Technology Corporation whose main business is manufacture, process and sale of passive components, same as that of the Company.
- (2) Walsin Lihwa Corporation has been acting as a director of Walton Advanced Engineering, Inc. whose main business is manufacture, sale and testing of semiconductors, same as that of the Company.
- (3) Walsin Lihwa Corporation has been acting as a director of HannStar Board Corporation whose main business is manufacture and sale of PCB, same as that of the Company.
- (4) Walsin Lihwa Corporation has been acting as a director of HannStar Display Corporation whose main business is research, development, design, manufacture, sale and maintenance of TFT-LCD display, same as that of the Company.

F. Mr. Tung-Yi Chan has been acting as a director of Walton Advanced Engineering, Inc. whose main business is manufacture, sale and testing of semiconductors, same as that of the Company.

G. Mr. Francis Tsai has been acting as a Vice Chairman of Getac Technology Corporation whose main business is research, development, production, manufacture and sale of military computer, industrial computer and peripheral equipment, hardware and software, notebooks/laptop, aerospace carriers and its components, same as that of the Company.

H. Mr. Allen Hsu

- (1) Mr. Allen Hsu has been acting as a independent director of Nuvoton Technology Corporation whose main business is research, design, development, manufacture and sale of logic IC and manufacture, testing and providing foundry services of 6-inch wafer, same as that of the Company.
 - (2) Mr. Allen Hsu has been acting as a director of Pilot Electronics Corporation whose main business is Electronic Parts and Components Manufacturing , International Trade, same as that of the Company.
 - (3) Mr. Allen Hsu has been acting as a director of Innodisk Corporation whose main business is Electronic Parts and Components Manufacturing , Retail sale of Computing and Business Machinery Equipment , Software Design Services , International Trade, Product Designing , same as that of the Company.
 - (4) Mr. Allen Hsu has been acting as a independent director of MicroBase Technology Corp. whose main business is Electronic Parts and Components Manufacturing , Computers and Computing Peripheral Equipments Manufacturing , same as that of the Company.
3. The Chairman of the shareholders' meeting may make supplemental explanation on the contents of the acts that each director acts for himself/herself or on behalf of another person in a manner that is within the scope of the company's business

Voting by Poll for Motion No. 5:

Other Extemporary Matters and Motions

Meeting Adjourned



Attachment



Attachment 1

(English Translation)

Business Report of Winbond Electronics Corporation For 2013²

In 2013, the consolidation of DRAM makers resulted in stable supply and selling price. Winbond seized this opportunity and increased the shipments with steady growth. 2013 annual turnover was NT\$26,166 million, increased by 2.9% from 2012. The consolidated revenue was NT\$33,135 million, increased by 0.5% from 2012; turned into net profit of NT\$287 million with NT\$0.06 earnings per share.

Product Position

The information technology application moved from personal computer to cloud computing and the internet of things. Advanced mobile devices tend to drive the demand. Winbond employed proper process technologies and focused on low to medium density memory IC's with improved performance and power consumption. We became one of the best solution providers of specialty memory in the world. Our DRAM products included Low Power DDR2 and DDR3. Code Storage Flash Memory products developed toward higher density and speed transmission; the voltage of both products moved toward 1.2 volt.

Market Expansion

Winbond was ranked the world's fifth largest DRAM supplier after industry consolidation. In addition, Winbond has been a major supplier of global tier one customers in the Specialty DRAM market. With regard to Flash, We are the world's largest provider of Serial Flash and the fourth largest in the NOR Flash market. Winbond focused on the fast growing markets of mobile devices peripheral modules, networking, industrial and automotive electronics. In terms of product mix by applications, computers and peripheral products accounted for 30% of total sales, consumer electronics accounted for 28% and communication products accounted for 37%. As to automotive electronics, sales contribution rose to 5% in 2013 from 2% in 2012. Winbond continues to successfully pass product qualifications and expand sales to tier one automotive electronics manufacturers worldwide.

Technology Development

For a balanced mix of DRAM and Flash products, Winbond started to develop 38nm process technology for DRAM products and 46nm for Flash products.

² This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.



Manufacturing and Production

The capital expenditure in 2013 and 2014 are mainly for migrating to advanced 46nm process technology and expanding capacity for 46nm Flash products to meet growing customer demand and to maintain our competitiveness. Winbond keeps on optimizing the capacity allocation by using advanced process technologies to increase growth momentum and enhance profits.

Future Prospect

With the recovery of global economy and the emerging of cloud computing, we expect the demand of memory IC's in smartphones, tablets, smart TVs, networking and automotive electronics will continue to increase. Winbond has solid customer relationships, strong R&D capability, focused product planning and sustainable financial structure to rapidly respond to the market opportunities and to make stable profits for shareholders and customers.

Chairman: Arthur Yu-Cheng Chiao

President: Tung-Yi Chan

Chief Accountant: Wen-Ying Liang



WINBOND ELECTRONICS CORPORATION

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,957,922	9	\$ 3,707,404	7	\$ 3,812,987	7
Financial assets at fair value through profit or loss, current (Note 7)	-	-	23,551	-	1,703	-
Available-for-sale financial assets, current (Note 8)	1,736,895	3	704,091	1	707,542	1
Notes and accounts receivable, net (Note 9)	3,152,950	6	3,004,861	6	2,448,280	4
Accounts receivable due from related parties, net (Note 27)	868,460	2	578,568	1	701,771	1
Other receivables (Note 10)	242,054	-	168,037	-	111,595	-
Inventories (Note 11)	6,111,134	12	7,107,687	13	6,427,420	11
Other current assets	<u>605,843</u>	<u>1</u>	<u>370,674</u>	<u>1</u>	<u>328,827</u>	<u>1</u>
Total current assets	<u>17,675,258</u>	<u>33</u>	<u>15,664,873</u>	<u>29</u>	<u>14,540,125</u>	<u>25</u>
NON-CURRENT ASSETS						
Available-for-sale financial assets, non-current (Note 8)	281,070	1	64,530	-	64,800	-
Held-to-maturity financial assets, non-current (Note 12)	97,770	-	-	-	-	-
Financial assets measured at cost, non-current (Note 13)	40,161	-	56,481	-	61,855	-
Investments accounted for using equity method (Note 14)	6,224,488	12	5,285,053	10	4,770,395	8
Property, plant and equipment (Note 15)	24,132,155	46	28,396,274	53	34,395,036	59
Intangible assets (Note 16)	52,000	-	38,430	-	548,754	1
Deferred income tax assets (Note 21)	3,742,000	7	3,742,000	7	3,742,000	7
Other non-current assets (Notes 6 and 10)	<u>610,813</u>	<u>1</u>	<u>191,597</u>	<u>1</u>	<u>193,602</u>	<u>-</u>
Total non-current assets	<u>35,180,457</u>	<u>67</u>	<u>37,774,365</u>	<u>71</u>	<u>43,776,442</u>	<u>75</u>
TOTAL	<u>\$ 52,855,715</u>	<u>100</u>	<u>\$ 53,439,238</u>	<u>100</u>	<u>\$ 58,316,567</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 17)	\$ 1,893,878	4	\$ 2,716,474	5	\$ 1,539,592	3
Short-term bills payable (Note 17)	-	-	499,376	1	199,763	-
Financial liabilities at fair value through profit or loss, current (Note 7)	15,841	-	-	-	-	-
Notes payable	517,550	1	812,253	2	849,714	1
Accounts payable	2,708,454	5	2,798,923	5	2,640,929	5
Payable on equipment	427,371	1	125,116	-	632,910	1
Other payables	1,664,721	3	1,597,160	3	1,663,850	3
Current portion of long-term borrowings (Note 17)	3,863,097	7	4,483,330	8	7,158,327	12
Other current liabilities	<u>34,514</u>	<u>-</u>	<u>22,962</u>	<u>-</u>	<u>23,503</u>	<u>-</u>
Total current liabilities	<u>11,125,426</u>	<u>21</u>	<u>13,055,594</u>	<u>24</u>	<u>14,708,588</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 17)	6,076,193	11	6,550,000	12	7,966,663	14
Accrued pension liabilities (Note 18)	460,911	1	489,363	1	388,147	1
Other non-current liabilities	<u>379,265</u>	<u>1</u>	<u>338,229</u>	<u>1</u>	<u>226,423</u>	<u>-</u>
Total non-current liabilities	<u>6,916,369</u>	<u>13</u>	<u>7,377,592</u>	<u>14</u>	<u>8,581,233</u>	<u>15</u>
Total liabilities	<u>18,041,795</u>	<u>34</u>	<u>20,433,186</u>	<u>38</u>	<u>23,289,821</u>	<u>40</u>
EQUITY						
Common stock (Note 19)	36,940,232	70	36,856,012	69	36,802,302	63
Capital surplus	2,148,359	4	2,177,342	4	2,211,059	4
Accumulated deficits	(4,187,772)	(8)	(4,430,750)	(8)	(2,418,258)	(4)
Exchange differences on translation of foreign financial statements	(59,567)	-	(81,748)	-	-	-
Unrealized gains (losses) on available-for-sale financial assets	79,055	-	(1,408,417)	(3)	(1,461,970)	(3)
Treasury stock	<u>(106,387)</u>	<u>-</u>	<u>(106,387)</u>	<u>-</u>	<u>(106,387)</u>	<u>-</u>
Total equity	<u>34,813,920</u>	<u>66</u>	<u>33,006,052</u>	<u>62</u>	<u>35,026,746</u>	<u>60</u>
TOTAL	<u>\$ 52,855,715</u>	<u>100</u>	<u>\$ 53,439,238</u>	<u>100</u>	<u>\$ 58,316,567</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.



WINBOND ELECTRONICS CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 26,165,961	100	\$ 25,418,819	100
OPERATING COSTS (Note 10)	<u>22,226,165</u>	<u>85</u>	<u>23,473,328</u>	<u>92</u>
GROSS PROFIT	<u>3,939,796</u>	<u>15</u>	<u>1,945,491</u>	<u>8</u>
OPERATING EXPENSES				
Selling expenses	629,159	3	686,821	3
General and administrative expenses	531,366	2	682,647	3
Research and development expenses	<u>2,434,587</u>	<u>9</u>	<u>2,599,685</u>	<u>10</u>
Total operating expenses	<u>3,595,112</u>	<u>14</u>	<u>3,969,153</u>	<u>16</u>
PROFIT (LOSS) FROM OPERATIONS	<u>344,684</u>	<u>1</u>	<u>(2,023,662)</u>	<u>(8)</u>
NON-OPERATING INCOME AND LOSSES				
Interest income	33,656	-	18,901	-
Dividend income	816	-	-	-
Gain on doubtful debt recoveries	6,330	-	79,951	-
Other income	20,889	-	17,313	-
Gains (losses) on disposal of property, plant and equipment	(659)	-	4,456	-
Loss on disposal of investments	(467)	-	(16,940)	-
Foreign exchange gains (losses)	122,733	1	(56,097)	-
Gains (losses) on financial instruments at fair value through profit or loss	(80,353)	-	93,806	-
Share of profit of subsidiaries and associates accounted for using equity method (Note 13)	44,211	-	407,806	2
Interest expense	(259,105)	(1)	(362,797)	(1)
Other expense	(26,171)	-	(22,698)	-
Impairment loss on financial assets (Note 13)	<u>-</u>	<u>-</u>	<u>(2,922)</u>	<u>-</u>
Total non-operating income and losses	<u>(138,120)</u>	<u>-</u>	<u>160,779</u>	<u>1</u>
PROFIT (LOSS) BEFORE INCOME TAX	206,564	1	(1,862,883)	(7)
INCOME TAX EXPENSE (Note 21)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT (LOSS)	<u>206,564</u>	<u>1</u>	<u>(1,862,883)</u>	<u>(7)</u>

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange difference on translation of foreign financial statements	\$ 22,181	-	\$ (81,748)	-
Unrealized gains on available-for-sale financial assets	1,487,472	6	53,553	-
Actuarial gains and losses on defined benefit plans	<u>36,414</u>	<u>-</u>	<u>(149,609)</u>	<u>(1)</u>
Other comprehensive income	<u>1,546,067</u>	<u>6</u>	<u>(177,804)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,752,631</u>	<u>7</u>	<u>\$ (2,040,687)</u>	<u>(8)</u>
EARNINGS (LOSS) PER SHARE (Note 22)				
Basic	<u>\$ 0.06</u>		<u>\$ (0.51)</u>	
Diluted	<u>\$ 0.06</u>		<u>\$ -</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)



WINBOND ELECTRONICS CORPORATION

STATEMENT OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Accumulated Deficits	Other Equity		Treasury Stock	Total
				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets		
BALANCE, JANUARY 1, 2012	\$ 36,802,302	\$ 2,211,059	\$ (2,418,258)	\$ -	\$ (1,461,970)	\$ (106,387)	\$ 35,026,746
Change in equity of subsidiaries and associates accounted for using equity method	-	3,631	-	-	-	-	3,631
Net loss for 2012	-	-	(1,862,883)	-	-	-	(1,862,883)
Other comprehensive income for 2012	-	-	(149,609)	(81,748)	53,553	-	(177,804)
Total comprehensive income for 2012	-	-	(2,012,492)	(81,748)	53,553	-	(2,040,687)
Issue of ordinary shares under employee stock options	53,710	(37,489)	-	-	-	-	16,221
Compensation cost of employee stock options	-	141	-	-	-	-	141
BALANCE, DECEMBER 31, 2012	36,856,012	2,177,342	(4,430,750)	(81,748)	(1,408,417)	(106,387)	33,006,052
Change in equity of subsidiaries and associates accounted for using equity method	-	29,347	-	-	-	-	29,347
Net income for 2013	-	-	206,564	-	-	-	206,564
Other comprehensive income for 2013	-	-	36,414	22,181	1,487,472	-	1,546,067
Total comprehensive income for 2013	-	-	242,978	22,181	1,487,472	-	1,752,631
Issue of ordinary shares under employee stock options	84,220	(58,330)	-	-	-	-	25,890
BALANCE, DECEMBER 31, 2013	\$ 36,940,232	\$ 2,148,359	\$ (4,187,772)	\$ (59,567)	\$ 79,055	\$ (106,387)	\$ 34,813,920

The accompanying notes are an integral part of the financial statements.



WINBOND ELECTRONICS CORPORATION

STATEMENT OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31</u>	
	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 206,564	\$ (1,862,883)
Adjustments for:		
Depreciation expenses	6,124,453	8,489,074
Amortization expenses	61,241	529,041
Reversal of allowance for doubtful accounts	(2,330)	(68,209)
Gain on reversal of decline in market value and obsolescence and abandonment of inventories	(193,725)	(69,515)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	39,392	(21,849)
Interest expense	259,105	362,797
Interest income	(33,656)	(18,901)
Dividend income	(816)	-
Share of profit of subsidiaries and associates accounted for using equity method	(44,211)	(407,806)
Impairment loss on financial assets	-	2,922
Compensation cost of employee stock options	-	141
Loss (gain) on disposal of property, plant and equipment	659	(4,456)
Loss on disposal of investments	467	16,940
Gain on foreign currency exchange of held-to-maturity financial assets	(3,186)	-
Changes in operating assets and liabilities		
Increase in notes and accounts receivable	(152,088)	(574,873)
(Increase) decrease in accounts receivable due from related parties	(295,683)	122,828
Increase in other receivables	(38,714)	(74,689)
Decrease (increase) in inventories	1,190,278	(610,753)
Increase in other current assets	(235,169)	(41,846)
Increase in other non-current assets	(23)	(16,711)
Decrease in notes payable	(294,703)	(37,460)
(Decrease) increase in accounts payable	(90,468)	157,993
Increase (decrease) in other payables	16,363	(58,802)
Increase (decrease) in other current liabilities	11,552	(541)
Increase in other non-current liabilities	<u>11,524</u>	<u>19,708</u>
Cash inflow generated from operations	6,536,826	5,832,150
Interest received	20,184	18,297
Dividend received	216,071	215,254
Interest paid	(298,402)	(420,219)
Income tax (paid) refund	<u>(427)</u>	<u>18,850</u>
Net cash flows generated from operating activities	<u>6,474,252</u>	<u>5,664,332</u>

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENT OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2013	2012
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	\$ (402,085)	\$ (86,915)
Proceeds from disposal of available-for-sale financial assets	5,863	71,285
Acquisition of held-to-maturity financial assets	(94,584)	-
Acquisition of financial assets measured at cost	-	(58,950)
Proceeds from disposal of financial assets measured at cost	-	62,708
Proceeds from capital reduction of financial assets measured at cost	16,320	-
Acquisition of investments accounted for using equity method	(400,425)	(403,856)
Proceeds from capital reduction of investments accounted for using equity method	24,951	188,874
Acquisitions of property, plant and equipment	(2,050,634)	(2,969,088)
Proceeds from disposal of property, plant and equipment	3,360	24,584
Decrease in finance lease receivables	<u>64,246</u>	<u>-</u>
Net cash used in investing activities	<u>(2,832,988)</u>	<u>(3,171,358)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(822,596)	1,176,882
(Decrease) increase in short-term bills payable	(500,000)	300,000
Increase in long-term borrowings	3,510,000	3,200,000
Repayments of long-term borrowings	(4,604,040)	(7,291,660)
Proceeds from exercise of employee stock options	<u>25,890</u>	<u>16,221</u>
Net cash used in financing activities	<u>(2,390,746)</u>	<u>(2,598,557)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,250,518	(105,583)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,707,404</u>	<u>3,812,987</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,957,922</u>	<u>\$ 3,707,404</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 7,670,379	14	\$ 5,710,913	10	\$ 5,895,681	10
Financial assets at fair value through profit or loss, current (Note 7)	-	-	28,721	-	3,676	-
Available-for-sale financial assets, current (Note 8)	1,790,113	3	704,091	1	902,713	1
Notes and accounts receivable, net (Note 9)	4,906,167	9	4,609,247	8	4,114,428	7
Accounts receivable due from related parties, net (Note 28)	89,754	-	46,073	-	50,639	-
Other receivables (Note 10)	300,116	1	325,331	1	272,051	-
Inventories (Note 11)	6,973,887	12	8,108,677	15	7,272,562	12
Other current assets	677,839	1	532,212	1	420,635	1
Total current assets	22,408,255	40	20,065,265	36	18,932,385	31
NON-CURRENT ASSETS						
Available-for-sale financial assets, non-current (Note 8)	281,070	1	64,530	-	353,997	1
Held-to-maturity financial assets, non-current (Note 12)	97,770	-	-	-	-	-
Financial assets measured at cost, non-current (Note 13)	656,676	1	678,588	1	1,301,667	2
Investments accounted for using equity method (Note 14)	2,407,094	4	1,726,533	3	65,092	-
Property, plant and equipment (Note 15)	24,804,025	45	29,021,114	52	35,149,539	58
Investment properties (Note 16)	80,401	-	80,747	-	-	-
Intangible assets (Note 17)	193,947	1	183,310	-	639,191	1
Deferred income tax assets (Note 22)	4,088,406	7	4,219,354	8	4,274,277	7
Other non-current assets (Notes 6 and 10)	661,034	1	236,597	-	264,765	-
Total non-current assets	33,270,423	60	36,210,773	64	42,048,528	69
TOTAL	\$ 55,678,678	100	\$ 56,276,038	100	\$ 60,980,913	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 2,072,708	4	\$ 2,716,474	5	\$ 1,681,092	3
Short-term bills payable (Note 18)	-	-	499,376	1	199,763	-
Financial liabilities at fair value through profit or loss, current (Note 7)	16,545	-	-	-	-	-
Notes payable	517,550	1	812,253	1	849,713	1
Accounts payable	3,267,045	6	3,421,866	6	3,211,805	5
Payable on equipment	472,496	1	173,632	-	650,233	1
Other payables	2,213,020	4	2,258,359	4	2,211,613	4
Current portion of long-term borrowings (Note 18)	3,863,097	7	4,483,330	8	7,158,327	12
Other current liabilities	79,149	-	77,829	-	68,865	-
Total current liabilities	12,501,610	23	14,443,119	25	16,031,411	26
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	6,076,193	11	6,550,000	12	7,966,663	13
Accrued pension liabilities (Note 19)	929,453	2	942,757	2	730,752	1
Other non-current liabilities	283,320	-	224,627	-	193,417	1
Total non-current liabilities	7,288,966	13	7,717,384	14	8,890,832	15
Total liabilities	19,790,576	36	22,160,503	39	24,922,243	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Common stock (Note 20)	36,940,232	66	36,856,012	65	36,802,302	60
Capital surplus	2,148,359	4	2,177,342	4	2,211,059	4
Accumulated deficits	(4,187,772)	(8)	(4,430,750)	(8)	(2,418,258)	(4)
Exchange differences on translation of foreign financial statements	(59,567)	-	(81,748)	-	-	-
Unrealized gains (losses) on available-for-sale financial assets	79,055	-	(1,408,417)	(2)	(1,461,970)	(3)
Treasury stock	(106,387)	-	(106,387)	-	(106,387)	-
Total equity attributable to owners of the parent	34,813,920	62	33,006,052	59	35,026,746	57
NON-CONTROLLING INTERESTS	1,074,182	2	1,109,483	2	1,031,924	2
Total equity	35,888,102	64	34,115,535	61	36,058,670	59
TOTAL	\$ 55,678,678	100	\$ 56,276,038	100	\$ 60,980,913	100

The accompanying notes are an integral part of the consolidated financial statements.



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 33,135,448	100	\$ 32,965,283	100
OPERATING COST (Note 11)	<u>26,226,516</u>	<u>79</u>	<u>27,802,298</u>	<u>84</u>
GROSS PROFIT	<u>6,908,932</u>	<u>21</u>	<u>5,162,985</u>	<u>16</u>
OPERATING EXPENSES				
Selling expenses	972,433	3	1,013,571	3
General and administrative expenses	980,725	3	1,126,336	4
Research and development expenses	<u>4,190,576</u>	<u>13</u>	<u>4,304,440</u>	<u>13</u>
Total operating expenses	<u>6,143,734</u>	<u>19</u>	<u>6,444,347</u>	<u>20</u>
PROFIT (LOSS) FROM OPERATIONS	<u>765,198</u>	<u>2</u>	<u>(1,281,362)</u>	<u>(4)</u>
NON-OPERATING INCOME AND LOSSES				
Interest income	53,033	-	43,825	-
Dividend income	29,715	-	47,133	-
Gain on doubtful debt recoveries	6,330	-	79,951	-
Other income	33,742	-	36,793	-
Gains (losses) on disposal of property, plant and equipment	(3,807)	-	17,555	-
Foreign exchange gains (losses)	161,934	1	(51,631)	-
Gains (losses) on financial instruments at fair value through profit or loss	(89,923)	-	103,648	1
Interest expense	(259,402)	(1)	(364,983)	(1)
Other expense	(37,652)	-	(27,674)	-
Loss on disposal of investments	(7,674)	-	(42,203)	-
Impairment loss on financial assets (Note 13)	(783)	-	(25,030)	-
Share of profit or loss of associates accounted for using equity method (Note 14)	<u>(92,057)</u>	<u>-</u>	<u>14,458</u>	<u>-</u>
Total non-operating income and losses	<u>(206,544)</u>	<u>-</u>	<u>(168,158)</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	558,654	2	(1,449,520)	(4)
INCOME TAX EXPENSE (Note 22)	<u>271,288</u>	<u>1</u>	<u>175,037</u>	<u>1</u>
NET PROFIT (LOSS)	<u>287,366</u>	<u>1</u>	<u>(1,624,557)</u>	<u>(5)</u>

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange difference on translation of foreign financial statements	\$ 43,138	-	\$ (93,274)	-
Unrealized gains on available-for-sale financial assets	1,487,472	5	53,553	-
Actuarial gains and losses on defined benefit plans	<u>36,810</u>	<u>-</u>	<u>(187,984)</u>	<u>(1)</u>
Other comprehensive income	<u>1,567,420</u>	<u>5</u>	<u>(227,705)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,854,786</u>	<u>6</u>	<u>\$ (1,852,262)</u>	<u>(6)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owner of the parent	\$ 206,564	1	\$ (1,862,883)	(6)
Non-controlling interests	<u>80,802</u>	<u>-</u>	<u>238,326</u>	<u>1</u>
	<u>\$ 287,366</u>	<u>1</u>	<u>\$ (1,624,557)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the parent	\$ 1,752,631	5	\$ (2,040,687)	(6)
Non-controlling interests	<u>102,155</u>	<u>1</u>	<u>188,425</u>	<u>-</u>
	<u>\$ 1,854,786</u>	<u>6</u>	<u>\$ (1,852,262)</u>	<u>(6)</u>
EARNINGS (LOSS) PER SHARE (Note 23)				
Basic	<u>\$ 0.06</u>		<u>\$ (0.51)</u>	
Diluted	<u>\$ 0.06</u>		<u>\$ -</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent								
	Common Stock	Capital Surplus	Accumulated Deficits	Other Equity		Treasury Stock	Total	Non-controlling Interests	Total Equity
				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets				
BALANCE, JANUARY 1, 2012	\$ 36,802,302	\$ 2,211,059	\$ (2,418,258)	\$ -	\$ (1,461,970)	\$ (106,387)	\$ 35,026,746	\$ 1,031,924	\$ 36,058,670
Change in equity of associates accounted for using equity method	-	3,631	-	-	-	-	3,631	(248)	3,383
Net loss for 2012	-	-	(1,862,883)	-	-	-	(1,862,883)	238,326	(1,624,557)
Other comprehensive income for 2012	-	-	(149,609)	(81,748)	53,553	-	(177,804)	(49,901)	(227,705)
Total comprehensive income for 2012	-	-	(2,012,492)	(81,748)	53,553	-	(2,040,687)	188,425	(1,852,262)
Issue of ordinary shares under employee stock options	53,710	(37,489)	-	-	-	-	16,221	-	16,221
Compensation cost of employee stock options	-	141	-	-	-	-	141	-	141
Decrease in non-controlling interests	-	-	-	-	-	-	-	(110,618)	(110,618)
BALANCE, DECEMBER 31, 2012	36,856,012	2,177,342	(4,430,750)	(81,748)	(1,408,417)	(106,387)	33,006,052	1,109,483	34,115,535
Change in equity of associates accounted for using equity method	-	29,347	-	-	-	-	29,347	133	29,480
Net income for 2013	-	-	206,564	-	-	-	206,564	80,802	287,366
Other comprehensive income 2013	-	-	36,414	22,181	1,487,472	-	1,546,067	21,353	1,567,420
Total comprehensive income for 2013	-	-	242,978	22,181	1,487,472	-	1,752,631	102,155	1,854,786
Issue of ordinary shares under employee stock options	84,220	(58,330)	-	-	-	-	25,890	-	25,890
Decrease in non-controlling interests	-	-	-	-	-	-	-	(137,589)	(137,589)
BALANCE, DECEMBER 31, 2013	<u>\$ 36,940,232</u>	<u>\$ 2,148,359</u>	<u>\$ (4,187,772)</u>	<u>\$ (59,567)</u>	<u>\$ 79,055</u>	<u>\$ (106,387)</u>	<u>\$ 34,813,920</u>	<u>\$ 1,074,182</u>	<u>\$ 35,888,102</u>

The accompanying notes are an integral part of the consolidated financial statements.



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 558,654	\$ (1,449,520)
Adjustments for:		
Depreciation expenses	6,277,692	8,651,002
Amortization expenses	169,142	618,621
Provision for (reversal of) allowance for doubtful accounts	5,138	(67,586)
Provision for (reversal of) decline in market value and obsolescence and abandonment of inventories	(177,945)	158
Loss (gain) on financial assets and liabilities at fair value through profit or loss	39,904	(25,045)
Interest expense	259,402	364,983
Interest income	(53,033)	(43,825)
Dividend income	(29,715)	(47,133)
Share of loss (profit) of associates accounted for using equity method	92,057	(14,458)
Impairment loss recognized on financial assets	783	25,030
Compensation cost of employee stock options	-	198
Loss (gain) on disposal of property, plant and equipment	3,807	(17,555)
Loss on disposal of investments	7,674	42,203
Unrealized profit (loss) on the transactions with associates	(137)	256
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	5,529	-
Increase in notes and accounts receivable	(308,018)	(513,419)
(Increase) decrease in accounts receivable due from related parties	(43,681)	4,566
Decrease (increase) in other receivables	62,983	(65,869)
Decrease (increase) in inventories	1,312,735	(836,274)
Increase in other current assets	(150,998)	(113,395)
(Increase) decrease in other non-current assets	(5,567)	5,331
Decrease in notes payable	(294,703)	(37,460)
(Decrease) increase in accounts payable	(154,821)	210,061
(Decrease) increase in other payables	(60,474)	34,733
Increase in other current liabilities	1,320	8,965
Increase in other non-current liabilities	81,803	44,309
Cash inflow generated from operations	<u>7,599,531</u>	<u>6,778,877</u>
Interest received	44,203	37,454
Dividend received	34,530	53,698
Interest paid	(298,559)	(422,819)
Income tax paid	<u>(122,104)</u>	<u>(87,652)</u>
Net cash flows generated from operating activities	<u>7,257,601</u>	<u>6,359,558</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(631,036)	(86,915)
Proceeds from disposal of available-for-sale financial assets	206,111	315,037
Acquisition of held-to-maturity financial assets	(94,584)	-

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31</u>	
	2013	2012
Acquisition of financial assets measured at cost	\$ (16,000)	\$ -
Proceeds from disposal of financial assets measured at cost	2,467	16,552
Proceeds from capital reduction of financial assets measured at cost	32,603	8,617
Acquisition of investments accounted for using equity method	(151,236)	(403,856)
Net cash outflow on disposal of subsidiaries	-	(258,088)
Acquisitions of property, plant and equipment	(2,245,724)	(3,077,707)
Proceeds from disposal of property, plant and equipment	5,076	48,145
Decrease in financial lease receivables	64,246	-
Acquisition of intangible assets	<u>(155,663)</u>	<u>(142,735)</u>
Net cash used in investing activities	<u>(2,983,740)</u>	<u>(3,580,950)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(643,766)	1,035,383
(Decrease) increase in short-term bills payable	(500,000)	300,000
Increase in long-term borrowings	3,510,000	3,200,000
Repayments of long-term borrowings	(4,604,040)	(7,291,660)
Dividend paid to non-controlling interests	(137,588)	(133,318)
Proceeds from exercise of employee stock options	25,890	16,221
Increase (decrease) in non-controlling interests	<u>21,352</u>	<u>(33,094)</u>
Net cash used in financing activities	<u>(2,328,152)</u>	<u>(2,906,468)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>13,757</u>	<u>(56,908)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,959,466	(184,768)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,710,913</u>	<u>5,895,681</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,670,379</u>	<u>\$ 5,710,913</u>

As of December 31, 2012, fair values of assets and liabilities of Win Investment Corporation, a subsidiary merged by Chin Xin Investment Co., Ltd. are summarized as follows:

	Amount
Cash and cash equivalents	\$ 258,088
Available-for-sale financial assets, current and non-current	433,932
Financial assets measured at cost, non-current	620,154
Other current and non-current assets	50,697
Other current liabilities	<u>(33)</u>
Net assets of Win Investment Corporation on merger date	<u>\$ 1,362,838</u>
Net cash outflow on disposal of subsidiary Win Investment Corporation	<u>\$ 258,088</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Attachment 2

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Winbond Electronics Corporation

We have audited the accompanying balance sheets of Winbond Electronics Corporation (the "Company") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013, December 31, 2012 and January 1, 2012, and its financial performance and its cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

A handwritten signature in black ink, appearing to read "Deloitte & Touche".

March 28, 2014

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Winbond Electronics Corporation

We have audited the accompanying consolidated balance sheets of Winbond Electronics Corporation (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Winbond Electronics Corporation as of and for the years ended December 31, 2013 and 2012 on which we have issued an unqualified report.

A handwritten signature in black ink, appearing to read "Deloitte & Touche". The signature is written in a cursive, flowing style.

March 28, 2014

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.



Attachment 3

(English Translation)

Supervisors' review report³

To: The 2014 Annual General Meeting of Shareholders

The Board of Directors of the Company has prepared the 2013 parent company only financial statements and the consolidated financial report, which have been audited by HONG, KUO-TYAN and WU, KER-CHANG at Deloitte who have been retained by the Board of Directors of the Company to issue an audit report. The audit report provides that the 2013 parent company only financial statements and the consolidated financial report of the Company can fairly present the Company's financial position. The undersigned supervisors have reviewed the audit report and the aforesaid documents, together with the business report, the consolidated business reports of affiliates and the plan for making up the Company's loss for fiscal year 2013 prepared by the Board of Directors, and did not find any incompliance. According to Article 219 of the Company Law, it is hereby submitted for your review and perusal.

Supervisor: Yu-Chi Chiao

Supervisor: Wang-Tsai Lin

Supervisor: Hui-Ming Cheng

Date: March 29, 2014

³ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

Attachment 4

(English Translation)

Winbond Electronics Corporation
Shareholdings of All Directors and Supervisors of Ninth Term⁴

Book closure date: April 19, 2014

Position	Name	Current shareholding (Shares)	Shareholding ratio (%)
Chairman	Arthur Yu-Cheng Chiao	58,264,955	1.58
Director	Ching-Chu Chang	10,067,591	0.27
Director	Matthew Feng-Chiang Miao	100,000	0.00
Director	Yung Chin	10,720,537	0.29
Director	Walsin Lihwa Corp. (Representative: Yeu-Yuh Chu)	858,091,531	23.23
Director	Lu-Pao Hsu	8,000	0.00
Director	Robert Hsu	898,524	0.02
Director	Tung-Yi Chan	500,000	0.01
Director	Hong-Chi Yu	0	0.00
Supervisor	Yu-Chi Chiao	22,859,166	0.62
Supervisor	Wang-Tsai Lin	0	0.00
Supervisor	Hui-Ming Cheng	250,000	0.01
Shareholdings of All Directors		938,651,138	25.40
Shareholdings of All Supervisors		23,109,166	0.63
Shareholdings of All Directors and Supervisors		961,760,304	26.03

Note: This Company had a total of 3,694,488,193 issued shares as of April 19, 2014.(including 465,000 shares resulting from the exercise of employee stock options during the period from January 1, 2014 to April 18, 2014 but the registration of amendment to the paid-in capital has not yet been conducted.)

⁴ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

(English Translation)

**COMPARISON CHART OF THE AMENDMENT TO
PROCEDURES OF ACQUISITION OR DISPOSAL OF ASSETS
WINBOND ELECTRONICS CORPORATION⁵**

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
Article 1	<p>The scope of applicability of the term "Assets" as used in these Procedures is as follows:</p> <ol style="list-style-type: none"> 1. Stocks, government bonds, corporate bonds, financial bonds, securities representing units of funds, depositary receipts, call (put) warrants, beneficiary securities, and asset-backed securities. 2. Real property (<u>including land, houses and buildings, real properties for investment purpose, land usage right) and equipment.</u> 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, trade secrets and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of through mergers, spin-offs, acquisitions or assignments of shares in accordance with law. 7. Other major assets. 	<p>The scope of applicability of the term "Assets" as used in these Procedures is as follows:</p> <ol style="list-style-type: none"> 1.Stocks, government bonds, corporate bonds, financial bonds, securities representing units of funds, depositary receipts, call (put) warrants, beneficiary securities, and asset-backed securities. 2.Real property and other fixed assets. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, trade secrets and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of through mergers, spin-offs, acquisitions or assignments of shares in accordance with law. 7. Other major assets. 	Amended in accordance with laws and regulations.

⁵ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
Article 3	The term "Professional Appraiser" under these Procedures means a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or <u>equipment</u> .	The term "Professional Appraiser" under these Procedures means a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or other fixed assets.	Amended in accordance with laws and regulations.
Article 4	The term "Subsidiary" under these Procedures <u>shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers</u> .	The term "Subsidiary" under these Procedures has the meaning as defined in International Accounting Standards No.27.	Amended in accordance with laws and regulations.
Article 5	The term "Related Party" under these Procedures <u>shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers</u> . When judging whether a counterparty of a transaction is a Related Party, in addition to legal formalities, the substance of the relationship shall also be taken into consideration.	The term "Related Party" under these Procedures has the meaning as defined in Article 18 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers. When judging whether a counterparty of a transaction is a Related Party, in addition to legal formalities, the substance of the relationship shall also be taken into consideration.	Amended in accordance with laws and regulations.
Article 7	Assets acquired or disposed of through mergers, spin-offs, acquisitions or assignment of shares in accordance with law under these Procedures means assets acquired or disposed	Assets acquired or disposed of through mergers, spin-offs, acquisitions or assignment of shares in accordance with law under these Procedures means assets acquired or disposed	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	through mergers, spin-offs or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and/or other acts/laws, or acquisitions of shares through issuance of new shares of its own as the consideration therefore (hereinafter "Assignment of Shares") under Paragraph 8, Article 156 of the Company Act.	through mergers, spin-offs or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and/or other acts/laws, or acquisitions of shares through issuance of new shares of its own as the consideration therefore (hereinafter "Assignment of Shares") under Paragraph 6, Article 156 of the Company Act.	
Article 11	The total amount <u>obtained from</u> non-operating real property may not exceed 1% of the Company's net value; the total amount <u>obtained from</u> securities may not exceed 50% of the net value of the Company; however, the amount <u>obtained from</u> individual security may not exceed 25% of the net value of the Company.	The total amount for purchase of non-operating real property may not exceed 1% of the net value of the Company; the total amount for investment in long-term and short-term securities may not exceed 50% of the net value of the Company; however, the amount for investment in individual security may not exceed 25% of the net value of the Company.	Amended in accordance with laws and regulations.
Article 12	The restrictions on the amount any Subsidiary of the Company may use to <u>obtain</u> non-operating real property, securities or individual investment are as follows:	The restrictions on the amount any Subsidiary of the Company may use to purchase non-operating real property, to invest in securities or for its individual investment are as	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>1. If such Subsidiary's main business is investment: The amount for such Subsidiary to <u>obtain</u> non-operating real property may not exceed 100% of the net value of such Subsidiary; the amount for such Subsidiary to <u>obtain</u> securities may not exceed 500% of the paid-in capital or the net value of such Subsidiary, whichever is higher; however, the amount for <u>obtaining</u> individual security may not exceed 300% of the paid-in capital or the net value of such Subsidiary, whichever is higher.</p> <p>2. If such Subsidiary's main business is not investment: The amount for such Subsidiary to <u>obtain</u> non-operating real property may not exceed 10% of the net value of such Subsidiary; the amount <u>used to obtain</u> securities may not exceed 100% of the paid-in capital or the net value of such</p>	<p>follows: 1. If such Subsidiary's main business is investment: The amount for such Subsidiary to purchase non-operating real property may not exceed 100% of the net value of such Subsidiary; the amount for such Subsidiary to invest in long-term and short-term securities may not exceed 500% of the paid-in capital or the net value of such Subsidiary, whichever is higher; however, the amount for investment in individual security may not exceed 300% of the paid-in capital or the net value of such Subsidiary, whichever is higher.</p> <p>2. If such Subsidiary's main business is not investment: The amount for such Subsidiary to purchase non-operating real property may not exceed 10% of the net value of such Subsidiary; the amount to invest in long-term and short-term securities may not exceed 100% of the</p>	

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>Subsidiary, whichever is higher; however, the amount for <u>obtaining</u> individual security may not exceed 50% of the paid-in capital or the net value of such Subsidiary, whichever is higher.</p>	<p>paid-in capital or the net value of such Subsidiary, whichever is higher; however, the amount for investment in individual security may not exceed 50% of the paid-in capital or the net value of such Subsidiary, whichever is higher.</p>	
<p>Article 13</p>	<p>Each Subsidiary of the Company shall enact its "Procedures of Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission ("FSC") and these Procedures. (Omitted hereafter)</p>	<p>Each Subsidiary of the Company shall enact its "Procedures of Acquisition or Disposal of Assets" in accordance with "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission, <u>Executive Yuan</u> ("FSC") and these Procedures. (Omitted hereafter)</p>	<p>Amended in accordance with laws and regulations.</p>
<p>Article 14</p>	<p>The procedures of acquisition or disposal of securities</p> <p>1. In connection with the acquisition or disposal of securities, the Finance Center shall attach evaluation explanation and <u>such</u> evaluation explanation should analyze the future development and the risk factors of such invested object,</p>	<p>The procedures of acquisition or disposal of <u>long-term and short-term</u> securities</p> <p>1. In connection with the acquisition or disposal of <u>long-term</u> securities, the Finance Center shall attach evaluation explanation <u>and submit an application to the General Manager</u>. Such evaluation explanation</p>	<p>1. Amended in accordance with laws and regulations. 2. Original Paragraph 2 was moved to Paragraph 1 and was amended to accommodate actual needs and changes in operations.</p>

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>and advantages and disadvantages. In addition, the transaction price should be determined through subjective and objective judgment. <u>If the transaction amount is above NT\$500 million (inclusive NT\$500 million), it should be submitted to the board of directors meeting for approval.</u> If the transaction amount is below NT\$500 million (exclusive NT\$500 million), the Chairman may approve and authorize the Finance Center to engage in the transaction. If the acquisition or disposal of securities is for the same purpose, it is not allowed to file different applications for engaging in the different transactions for the acquisition or disposal of securities, and it should proceed in accordance with Paragraph 2 of this Article.</p>	<p>should analyze the <u>industry outlook and future development, rate of return on investment and</u> the risk factors of such invested object, and advantages and disadvantages. In addition, the transaction price should be <u>determined by the parties</u> through subjective and objective judgment. If the transaction amount is below NT\$500 million (exclusive NT\$500 million), the Chairman may approve and authorize the Finance Center to engage in the transaction. <u>If the transaction amount is above NT\$500 million (inclusive NT\$500 million), it should be submitted to the board of directors meeting for approval.</u> If the acquisition or disposal of <u>long-term</u> securities is for the same purpose, it is not allowed to file different applications for engaging in the different transactions for the acquisition or disposal of <u>long-term</u> securities, and it should proceed in</p>	<p>3. Original Paragraph 3 was moved to Paragraph 2 and was amended to accommodate actual needs and changes in operations.</p> <p>4. Original Paragraph 4 was moved to Paragraph 3.</p> <p>5. Original Paragraph 5 was moved to Paragraph 4 and was amended in accordance with laws and regulations.</p>

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>2. In connection with the acquisition or disposal of securities, the most updated audited or reviewed financial statements prepared by a certified public accountant of the target company should be obtained for reference to evaluate the transaction price prior to the Date of Occurrence of the</p>	<p>accordance with Paragraph 3 of this Article.</p> <p>2. <u>In connection with the acquisition or disposal of short-term securities, the Finance Center is authorized to engage in the transaction within the investment quota approved by the board of directors. After completion of the transaction, the Finance Center should report to the manager who approved it together with the evaluation explanation. When engaging in the transaction for the acquisition or disposal of the short-term securities, it should proceed in accordance with Paragraph 3 of this Article.</u></p> <p>3. In connection with the acquisition or disposal of securities <u>which are not traded on the stock exchanges or the over-the-counter markets,</u> the most updated audited or reviewed financial statements prepared by a certified public accountant of the target company</p>	

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>transaction. In addition, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the Company should engage a certified public accountant to render an opinion on the reasonableness of the transaction price prior to the Date of Occurrence of the transaction. If the certified public accountant needs to use the report of an expert, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ADRF. The above restriction shall not apply if such securities have public prices quoted on an active market or the regulations of the FSC otherwise provide.</p> <p><u>3.</u> (Omitted)</p> <p><u>4.</u> If the Company acquires or</p>	<p>should be obtained for reference to evaluate the transaction price prior to the Date of Occurrence of the transaction. In addition, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the Company should engage a certified public accountant to render an opinion on the reasonableness of the transaction price prior to the Date of Occurrence of the transaction. If the certified public accountant needs to use the report of an expert, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ADRF. The above restriction shall not apply if such securities have public prices quoted on an active market or the regulations of the FSC otherwise provide.</p> <p><u>4.</u> (Omitted)</p> <p><u>5.</u> If the Company acquires or</p>	

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>disposes of securities from or to a Related Party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10 % or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 through 3 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures. <u>Trading of government bonds, bonds under repurchase and resale agreements, and purchase or redemption of domestic money market funds shall be exempted from the procedures provided in Paragraphs 3 and 4 of Article 15 of these Procedures.</u></p>	<p>disposes of securities from or to a Related Party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10 % or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 through 4 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures.</p>	
Article 15	<p>The procedures of acquisition or disposal of real property 1.~4. (Omitted) 5. In acquiring real property from a Related Party, the reasonableness of the transaction costs shall be evaluated by the following means: (1)~(4) (Omitted)</p>	<p>The procedures of acquisition or disposal of real property 1.~4. (Omitted) 5. In acquiring real property from a Related Party, the reasonableness of the transaction costs shall be evaluated by the following means: (1)~(4) (Omitted)</p>	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>(5) Where the Company acquires real property from a Related Party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 4 of this Article and the provisions of the preceding four subparagraphs shall not apply:</p> <p>(i) The Related Party acquired the real property through inheritance or as a gift.</p> <p>(ii) More than five years have elapsed from the time the Related Party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>(iii) The real property is acquired through signing of a joint development contract with the Related Party <u>or by engaging the Company's Related Party to construct the real property on the Company's owned land or leased land.</u></p>	<p>(5) Where the Company acquires real property from a Related Party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 4 of this Article and the provisions of the preceding four subparagraphs shall not apply:</p> <p>(i) The Related Party acquired the real property through inheritance or as a gift.</p> <p>(ii) More than five years have elapsed from the time the Related Party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>(iii) The real property is acquired through signing of a joint development contract with the Related Party.</p>	
Article 17	The procedures of acquisition or disposal of <u>equipment</u>	The procedures of acquisition or disposal of other fixed	The language of Paragraph 2 was amended in

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>1. (Omitted)</p> <p>2. If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government agency or acquisition or disposal of the equipment for operational use, prior to the Date of Occurrence of the transaction, an appraisal should be obtained by a Professional Appraiser who should issue an appraisal report and the transaction should be complied with Article 18 of these Procedures.</p> <p>3. When the Company intends to acquire or dispose of <u>equipment</u> from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 and 2 of this</p>	<p>assets</p> <p>1. (Omitted)</p> <p>2. If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government agency or acquisition or disposal of the <u>machines/equipment</u> for operational use, prior to the Date of Occurrence of the transaction, an appraisal should be obtained by a Professional Appraiser who should issue an appraisal report and the transaction should be complied with Article 18 of these Procedures.</p> <p>3. When the Company intends to acquire or dispose of fixed assets from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 and 2 of</p>	<p>accordance with laws and regulations.</p>

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>Article and Paragraphs 3 and 4 of Article 15 of these Procedures.</p> <p>4. With respect to the acquisition or disposal of equipment for operational use between the Company and its subsidiaries, the Chairman is authorized to decide the related matters when the transaction amount is within NT\$500 million and subsequently submit the foregoing to the next board of directors meeting for retroactive recognition.</p>	<p>this Article and Paragraphs 3 and 4 of Article 15 of these Procedures.</p> <p>4. With respect to the acquisition or disposal of equipment/<u>machinery</u> for operational use between the Company and its subsidiaries, the Chairman is authorized to decide the related matters when the transaction amount is within NT\$500 million and subsequently submit the foregoing to the next board of directors meeting for retroactive recognition.</p>	
Article 18	<p>The evaluation of real property or <u>equipment</u></p> <p>In acquiring or disposing of real property or <u>equipment</u> where the transaction amount reaches 20 % of the Company's paid-in capital or NT\$300 million or above, the Company, unless transacting with a government agency, commissioning others to build on its own land, commissioning others to build on rented land, or acquiring or disposing of equipment for operational use, shall obtain an appraisal report prior to the Date of Occurrence</p>	<p>The evaluation of real property or <u>other fixed assets</u></p> <p>In acquiring or disposing of real property or <u>other fixed assets</u> where the transaction amount reaches 20 % of the Company's paid-in capital or NT\$300 million or above, the Company, unless transacting with a government agency, commissioning others to build on its own land, commissioning others to build on rented land, or disposing of <u>machinery/equipment</u> for operational use, shall</p>	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>of the transaction from a Professional Appraiser and shall further comply with the following provisions:</p> <p>1.~2. (Omitted)</p> <p>3. Where the Professional Appraiser's appraisal results in any of the following circumstances, unless all the appraised values of the assets to be acquired are higher than the transaction amount, or all the appraised values of the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the <u>Accounting Research and Development Foundation</u> (hereinafter referred to as “ARDF”) and express a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>(1)~(2) (Omitted)</p>	<p>obtain an appraisal report prior to the Date of Occurrence of the transaction from a Professional Appraiser and shall further comply with the following provisions:</p> <p>1.~2. (Omitted)</p> <p>3. Where the Professional Appraiser's appraisal results in any of the following circumstances, unless all the appraised values of the assets to be acquired are higher than the transaction amount, or all the appraised values of the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF and express a specific opinion regarding the reason for the discrepancy and the fairness of the transaction price:</p> <p>(1)~(2) (Omitted)</p>	

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
		4. (Omitted)	
Article 19	<p>The procedures of acquisition or disposal of memberships</p> <p>1. (Omitted)</p> <p>2. <u>Except for transactions with government institutions</u>, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the usage after acquisition or the purpose of disposal and an opinion on the reasonableness of the transaction price issued by a certified public accountant in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF are required prior to the Date of Occurrence of the transaction.</p> <p>(Omitted hereafter)</p>	<p>The procedures of acquisition or disposal of memberships</p> <p>1. (Omitted)</p> <p>2. If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the usage after acquisition or the purpose of disposal and an opinion on the reasonableness of the transaction price issued by a certified public accountant in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF are required prior to the Date of Occurrence of the transaction.</p> <p>(Omitted hereafter)</p>	Amended in accordance with laws and regulations.
Article 20	<p>The procedures of acquisition or disposal of intangible assets</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. When the Company intends to acquire or dispose of intangible assets from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital,</p>	<p>The procedures of acquisition or disposal of intangible assets</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. When the Company intends to acquire or dispose of intangible assets from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital,</p>	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>10% or more of the Company's total assets, or NT\$300 million or above, <u>except for transactions with government institutions,</u> the transaction should be conducted in accordance with Paragraphs 1 and 2 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures.</p>	<p>10% or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 and 2 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures.</p>	
Article 24	<p>Paragraphs 1 ~ 2 (Omitted) Where the Company has established an Audit Committee, any transaction involving major assets transactions shall be approved by more than half of all Audit Committee members and submitted to the board of directors for resolution, and Paragraphs 4 and 5 of Article 31 shall apply <i>mutatis mutandis</i>.</p>	<p>Paragraphs 1 ~ 2 (Omitted) Where the Company has established an Audit Committee, any transaction involving major assets or derivatives transactions shall be approved by more than half of all Audit Committee members and submitted to the board of directors for resolution, and Paragraphs 4 and 5 of Article 31 shall apply <i>mutatis mutandis</i>.</p>	Amended to meet actual needs.
Article 25	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of</p>	<p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately</p>	Amended in accordance with laws and regulations.

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>Occurrence of such fact:</p> <p>1. Acquisition or disposal of real property from or to a Related Party, or acquisition or disposal of assets other than real property from or to a Related Party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for the trading of government bonds, bonds under repurchase and resale agreements, <u>and subscription/purchase or redemption of domestic money market funds.</u></p> <p>2.~3. (Omitted)</p> <p>4. Where an asset transaction other than those referred to in the preceding three subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that this shall not apply to the following circumstances:</p>	<p>from the Date of Occurrence of such fact:</p> <p>1. Acquisition or disposal of real property from or to a Related Party, or acquisition or disposal of assets other than real property from or to a Related Party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for the trading of government bonds or bonds under repurchase and resale agreements.</p> <p>2.~3. (Omitted)</p> <p>4. Where an asset transaction other than those referred to in the preceding three subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that this shall not apply to the following circumstances:</p>	

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>(1) (Omitted)</p> <p>(2)Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, <u>or securities subscribed by securities firms in the primary market or in accordance with relevant regulations.</u></p> <p>(3)Trading of bonds under repurchase/resale agreements <u>or subscription/purchase or redemption of domestic money market funds.</u></p> <p>(4)Where the type of asset acquired or disposed of is equipment for operational use, the trading counterparty is not a Related Party, and the transaction amount is less than NT\$500 million.</p> <p>(5) (Omitted)</p> <p>(Omitted hereafter)</p>	<p>(1) (Omitted)</p> <p>(2)Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets.</p> <p>(3)Trading of bonds under repurchase/resale agreements.</p> <p>(4)Where the type of asset acquired or disposed of is equipment/machinery for operational use, the trading counterparty is not a Related Party, and the transaction amount is less than NT\$500 million.</p> <p>(5) (Omitted)</p> <p>(Omitted hereafter)</p>	
Article 28	<p><u>Provisions under these Procedures regarding the 10% of the total assets shall be calculated based on the total amount of assets in the most recent stand-alone or individual financial report issued in</u></p>		<p>Paragraph 1 was added and Paragraph 2 was amended in accordance with the new regulations.</p>

ARTICLE	AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	<p>accordance with the financial reporting standards of the <u>securities issuer</u>.</p> <p>In the case of an issuer whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amount of 20% of paid-in capital under <u>these Procedures</u>, 10% of equity attributable to stockholders of <u>the parent</u> shall be substituted.</p>	<p>In the case of a <u>foreign</u> issuer whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amount of 20% of paid-in capital under <u>Articles 14, 15, 17, 19, 20, 23, 25 and 27</u>, 10% of shareholders equity shall be substituted.</p>	

Attachment 6

(English Translation)

**COMPARISON OF THE AMENDED AND ORIGINAL ARTICLE TO
PROCEDURES FOR ENGAGING IN FINANCIAL DERIVATIVES TRANSACTIONS
WINBOND ELECTRONICS CORPORATION ⁶**

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
<p>Article 3: Separation of Powers and Obligations</p> <p>1. The Finance Division: Financial Risk Management Subdivision: This Subdivision consists of the trading officers under the Finance Division, <u>department chiefs, the chief</u> of the Finance Division and the chief of the Finance Center. The Finance Division shall conduct all matters with regard to gathering financial market information, trend analysis, familiarization with financial instruments, rules and regulations and transaction method and should also provide sufficient and in-time information to the management level, and related departments for their reference. In addition, the Finance Division shall be under the supervision and management of the chief of the Finance Center and shall take financial risk measures based on the Company's policies.</p>	<p>Article 3: Separation of Powers and Obligations</p> <p>1. The Finance Division: Financial Risk Management Subdivision: This Subdivision consists of the trading officers under the Finance Division, department managers and the director of the Finance Division and the chief of the Finance Center. The Finance Division <u>is the pivot of the finance risk management system</u>. The Finance Division shall conduct all matters with regard to gathering financial market information, trend analysis, familiarization with financial instruments, rules and regulations and transaction method and should also provide sufficient and in-time information to the management level, and related departments for their reference. In addition, the Finance Division shall be under the supervision and management of the chief of the Finance Center and shall take financial risk measures based on the Company's policies.</p>	<p>Amended to meet actual needs.</p>

⁶ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

AMENDED ARTICLE		ORIGINAL ARTICLE		NOTE
Article 6: Authorization Threshold		Article 6: Authorization Threshold		Amended to meet actual needs.
1.~4. (Omitted)		1.~4. (Omitted)		
5. Corresponding banks may be notified of the authorization threshold if the Company deems it necessary for the purpose of supervision and management. If there is any change in the authorization threshold, the above provision will be applied as well.		5. Corresponding banks may be notified of the authorization threshold if the Company deems it necessary for the purpose of supervision and management. If there is any change in the authorization threshold, the above provision will be applied as well.		
(1) Exchange Rate Transaction		(1) Exchange Rate Transaction		
The authorization threshold of transaction is as follows:		The authorization threshold of transaction is as follows:		
	Individual Transaction		Individual Transaction	
Chief of Finance Center	More than USD10,000,000	Chief of Finance Center	More than USD10,000,000	
Chief of Finance Division	USD 10,000,000 (inclusive)	Director of Finance Division	USD 10,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 5,000,000 (inclusive)	Manager of Corporate Finance Department	USD 5,000,000 (inclusive)	
	Total Amount Per Day		Total Amount Per Day	
Chief of Finance Center	More than USD 20,000,000	Chief of Finance Center	More than USD 20,000,000	
Chief of Finance Division	USD 20,000,000 (inclusive)	Director of Finance Division	USD 20,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 10,000,000 (inclusive)	Manager of Corporate Finance Department	USD 10,000,000 (inclusive)	
	Accumulated Net Position		Accumulated Net Position	
Chief of Finance Center	More than USD120,000,000	Chief of Finance Center	More than USD120,000,000	
Chief of Finance Division	USD 120,000,000 (inclusive)	Director of Finance Division	USD 120,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 60,000,000 (inclusive)	Manager of Corporate Finance Department	USD 60,000,000 (inclusive)	

AMENDED ARTICLE		ORIGINAL ARTICLE		NOTE
(Omitted hereafter)		(Omitted hereafter)		
(2) Interest Rate Transaction The authorization threshold of transaction is as follows:		(2) Interest Rate Transaction The authorization threshold of transaction is as follows:		
	Individual Transaction		Individual Transaction	
Chief of Finance Center	More than USD10,000,000	Chief of Finance Center	More than USD10,000,000	
Chief of Finance Division	USD 10,000,000 (inclusive)	Director of Finance Division	USD 10,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 5,000,000 (inclusive)	Manager of Corporate Finance Department	USD 5,000,000 (inclusive)	
	Total Amount Per Day		Total Amount Per Day	
Chief of Finance Center	More than USD 20,000,000	Chief of Finance Center	More than USD 20,000,000	
Chief of Finance Division	USD 20,000,000 (inclusive)	Director of Finance Division	USD 20,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 10,000,000 (inclusive)	Manager of Corporate Finance Department	USD 10,000,000 (inclusive)	
	Accumulated Net Position		Accumulated Net Position	
Chief of Finance Center	More than USD120,000,000	Chief of Finance Center	More than USD120,000,000	
Chief of Finance Division	USD 120,000,000 (inclusive)	Director of Finance Division	USD 120,000,000 (inclusive)	
Chief of Corporate Finance Department	USD 60,000,000 (inclusive)	Manager of Corporate Finance Department	USD 60,000,000 (inclusive)	
(Omitted hereafter)		(Omitted hereafter)		
(3) Securities Transaction The "Securities" referred to in this clause means stocks, government bonds, corporate bonds, financial debentures, domestic beneficiary certificates, offshore mutual funds, deposit receipts, warranties, beneficiary securities and assets-backed securities, etc.		(3) Securities Transaction The "Securities" referred to in this clause means stocks, government bonds, corporate bonds, financial debentures, domestic beneficiary certificates, offshore mutual funds, deposit receipts, warranties, beneficiary securities and assets-backed securities, etc.		

AMENDED ARTICLE		ORIGINAL ARTICLE		NOTE
The authorization threshold of transaction follows:		The authorization threshold of transaction follows:		
	Individual Transaction		Individual Transaction	
President or Chairman	More than USD20,000,000	President or Chairman	More than USD20,000,000	
Chief of Finance Center	USD 20,000,000 (inclusive)	Chief of Finance Center	USD 20,000,000 (inclusive)	
Chief of Finance Division	USD 10,000,000 (inclusive)	Director of Finance Division	USD 10,000,000 (inclusive)	
	Total Amount Per Day		Total Amount Per Day	
President or Chairman	More than USD 30,000,000	President or Chairman	More than USD 30,000,000	
Chief of Finance Center	USD 30,000,000 (inclusive)	Chief of Finance Center	USD 30,000,000 (inclusive)	
Chief of Finance Division	USD 20,000,000 (inclusive)	Director of Finance Division	USD 20,000,000 (inclusive)	
	Accumulated Net Position		Accumulated Net Position	
President or Chairman	More than USD50,000,000	President or Chairman	More than USD50,000,000	
Chief of Finance Center	USD 50,000,000 (inclusive)	Chief of Finance Center	USD 50,000,000 (inclusive)	
Chief of Finance Division	USD 20,000,000 (inclusive)	Director of Finance Division	USD 20,000,000 (inclusive)	
Article 13: Periodical Evaluation		Article 13: Periodical Evaluation		
<p>The chief of Financial Center should supervise the financial department to mark derivatives to market on weekly basis. However, evaluation on the hedging trades which are of economic substance pursuant to business needs shall be taken at least twice a month and spreadsheet of such evaluation is required (Attachments 5 and 6 are the samples of foreign exchange forward contracts and option contracts. Should the transaction be of a different type, the officer should make transaction spreadsheet meeting the characteristic of</p>		<p>The chief of Financial Center should supervise the financial department to mark derivatives to market on weekly basis. However, evaluation on the hedging trades which are of economic substance pursuant to business needs shall be taken at least twice a month and spreadsheet of such evaluation is required (Attachments 5 and 6 are the samples of foreign exchange forward contracts and option contracts. Should the transaction be of a different type, the officer should make transaction spreadsheet meeting the characteristic of such transaction based on the same essence) and submitted to the chief of the Finance Center and higher management</p>		

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
such transaction based on the same essence) and submitted to the chief of the Finance Center and <u>high-level managers</u> authorized by the board of directors.	authorized by the board of the directors.	
<p>Article 17:</p> <p>When any authorized officer handles any derivatives transaction in accordance with the Procedures, he/she should report to the <u>most recent meeting of the</u> board of directors after completion of the transaction.</p>	<p>Article 17:</p> <p>When any authorized officer handles any derivatives transaction in accordance with the Procedures, he/she should report to the board of directors after completion of the transaction.</p>	Amended in accordance with laws and regulations.
<p><u>Article 18:</u></p> <p><u>When any derivatives transaction shall be passed by the board of directors in accordance with the Procedures or pursuant to other laws and regulations, if any director has objections and the objection is recorded or made in the form of the written claim, the information about the objections shall be sent to the supervisors.</u></p> <p><u>If there are independent directors in the board of the directors, the board of the directors shall fully take account of the opinion of each independent director when the board of the directors discusses any derivatives transactions pursuant to the preceding paragraph. Any objections or reservations raised by independent directors shall be recorded in the minutes.</u></p> <p><u>Where an audit committee is formed, material derivatives transactions shall be approved by more than half of the full audit committee members and submitted</u></p>		

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
<p><u>to the board of directors for deliberation.</u></p> <p><u>If the aforesaid matter provided in the preceding paragraph was not approved by more than half of the full audit committee members, it may be approved by more than two-thirds of the members of the full board of directors, and the audit committee's resolution shall be recorded in the minutes.</u></p> <p><u>Full audit committee members, as mentioned in paragraph 3, and the members of a full board of directors, as mentioned in the preceding paragraph, shall be calculated on the basis of actual incumbency.</u></p>		
<p>Article 19: (Omitted)</p>	<p>Article 18: (Omitted)</p>	<p>the original paragraphs 18 was moved to paragraphs19.</p>
<p>Article 20: (Omitted)</p>	<p>Article 19: (Omitted)</p>	<p>the original paragraphs 19 was moved to paragraphs20.</p>
<p>Article 21: (Omitted)</p>	<p>Article 20: (Omitted)</p>	<p>the original paragraphs 20 was moved to paragraphs21</p>
<p>IV. PROMULGATION AND AMENDMENT</p> <p>The Procedures shall be approved by the board of the directors and submitted to the supervisors. And the Procedures take effect after being approved by the shareholders' meeting. Any amendments thereto shall follow the above procedures.</p>	<p>IV. PROMULGATION AND AMENDMENT</p> <p>The Procedures shall be approved by the board of the directors and submitted to the supervisors. And the Procedures take effect after being approved by the shareholders' meeting. Any amendments thereto shall follow the</p>	<p>Amended in accordance with laws and regulations.</p>

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
<p>If any director has objections to the Procedures and the objection is recorded or made in the form of the written claim, the information about the objections shall be sent to the supervisors.</p> <p>If there are independent directors in the board of the directors, the board of the directors shall fully take account of the opinion of each independent director when the board of the directors discusses the Procedures <u>in accordance with the preceding paragraph. Any objections or reservations raised by independent directors shall be recorded in the minutes.</u></p> <p><u>Where an audit committee is formed, promulgation or amendment of the Procedures shall be approved by more than half of the full audit committee members and submitted to the board of directors for deliberation.</u></p> <p><u>If the aforesaid matter as provided in the preceding paragraph was not approved by more than half of the full audit committee members, it may be approved by more than two-thirds of the members of the full board of directors, and the audit committee's resolution shall be recorded in the minutes.</u></p> <p><u>Full audit committee members, as mentioned in paragraph 3, and the members of a full board of directors, as mentioned in the preceding paragraph, shall be calculated on the basis of actual incumbency.</u></p>	<p>above procedures. If any director has objections to the Procedures and the objection is recorded or made in the form of the written claim, the information about the objections shall be sent to the supervisors. If there are independent directors in the board of the directors, the board of the directors shall fully take account of the opinion of each independent director when the board of the directors discusses the Procedures. The approval or objection opinions of the independent directors and their reasons shall be recorded in the minutes.</p>	
	<p>V. REFERENCE DOCUMENTS</p>	<p>Delete reference document</p>

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
	This is conducted in accordance with the letter no. Ging-Kuan-Cheng-(Fa)-1010004588 in connection with "Regulations Governing Handling the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission, Executive Yuan.	

Appendix

Appendix 1

(English Translation)

Winbond Electronics Corporation (hereinafter the "Company")⁷
"Rules Governing the Conduct of Shareholders Meeting"

The seventh amendment was adopted by
the Shareholders' Meeting of June 15, 2012

Article 1

Unless otherwise provided by laws and regulations, all shareholders meetings of the Company shall be conducted in accordance with these Rules.

Article 2

The shareholders meetings of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

All shareholders shall be served with the convention notice of a annual shareholders meeting at least 30 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 30 days prior to the meeting. All shareholders shall be served with the convention notice of a special shareholders meeting at least 15 days prior to the meeting, except for those shareholders each holding less than 1,000 registered shares who may be notified by means of an announcement on the Market Observation Post System at least 15 days prior to the meeting.

Convention notices and announcements shall state the reasons for the meeting. The convention notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the shareholders.

The election or discharge of directors and supervisors, amendment of the Company's Articles of Incorporation, dissolution, merger, or spin-off of the Company, or the matters specified in Paragraph 1 of Article 185 of the Company Act, or Article 26-1 or Article 43-6 of the Securities and Exchange Act shall be listed among the reasons for the meeting, and may not be proposed as extemporary motions.

The Company shall prepare the agenda handbook for shareholders meeting in accordance with Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders Meeting Agenda Handbooks of Public Companies".

Article 3

The shareholders holding one percent or more of the total number of issued shares of the Company may propose in writing to the Company a proposal for discussion at a annual shareholders meeting; provided that only one matter shall be allowed in each single proposal. In case a proposal submitted by shareholder(s) contains more than one matter, such proposal shall not be included in

⁷ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.



the agenda of the shareholders meeting. The number of words of a proposal submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders meeting. The "300 words" includes the reasons and punctuation marks. If any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act occurs to the proposal submitted by any shareholder, the Board of Directors of the Company may ignore that proposal.

The Company shall announce the acceptance of shareholders' proposal, the place and the period for shareholders to submit proposals to be discussed at the shareholders meeting prior to the commencement of the close period for share transfer. The period for accepting such proposals shall not be less than 10 days.

Shareholders submit proposals to be discussed at the shareholders meeting shall attend the shareholders meeting in person or by proxy, and participate in discussion of those proposals.

The Company shall, prior to the delivery of the convention notice, notify all the shareholders who had submitted the proposals of the proposal screening results, and shall incorporate in the convention notice the proposals conforming to the requirements set out in this article. With regard to the proposals submitted by shareholders but not included in the agenda of the shareholders meeting, the Board of Directors shall explain reasons why such proposals are not included in the agenda of the shareholders meeting.

Article 4

Prior to any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by issuing a power of attorney in the form provided by the Company stating the scope of authorization. Each shareholder may issue one power of attorney only, and may appoint one person only to serve as a proxy. The written proxy must be delivered to the Company at least five days prior to each shareholders meeting. If two or more written proxies forms are received from a shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the Company receives the written proxy, in case the shareholder issuing the said proxy intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice in writing shall be delivered to the Company two days prior to the date of the shareholders meeting; otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

Article 5

Except that the "shareholder" referred to in Articles 2, 3 and 4 of these Rules means the shareholders in person, the "shareholder" referred to in these Rules means the shareholder himself/herself/itself and the proxy appointed by the shareholder in accordance with the laws and regulations.



Article 6

This Company shall prepare an attendance book for attending shareholders to sign in, or shareholder present may hand in an attendance card in lieu of signing on the attendance book. The number of shares representing shareholders present at the meeting shall be calculated in accordance with those indicated in the attendance book or the attendance cards, plus the number of shares whose voting right exercised in writing or by way of electronic transmission. Each shareholder attending the shareholders meeting in person (or proxy) shall wear an attendance pass and submit the attendance card in lieu of sign-in.

Article 7

Attendance and voting at the shareholders meeting shall be determined based on the number of shares.

Article 8

Unless otherwise restricted by, or subject to evasion in accordance with, the laws and regulations, and shares having no voting right in accordance with Paragraph 2 of Article 179 of the Company Law, a shareholder shall have one voting right in respect of each share.

The method for exercising the voting right shall be described in the convention notice of the shareholders meeting if the voting right will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting right at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders meeting in person, but shall be deemed to have waived his/her/its voting right with respect to any extemporaneous motions and any amendments or replacements to the original proposals at the said shareholders meeting.

In case a shareholder elects to exercise his/her/its voting right in writing or by way of electronic transmission, his/her/its declaration of intention shall be delivered to the Company no later than two days prior to the scheduled shareholders meeting. If two or more declarations of intention are delivered to the Company, the first declaration of intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting right in writing or by way of electronic transmission intends to attend the shareholders meeting in person, the shareholder shall, two days prior to the shareholders meeting and in the same manner previously used in exercising his/her/its voting right, deliver a separate declaration of intention to revoke his/her/its previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely revocation of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting right in writing or by way of electronic transmission and has also authorized a proxy to attend the shareholders meeting on his/her/its behalf, then the voting right exercised by the authorized proxy



for the said shareholder shall prevail.

If the Company allows its shareholders to exercise their voting rights in writing or by way of electronic transmission, the Company shall finish the counting and verification of the votes cast in writing or by way of electronic transmission before the shareholders meeting.

If the Company allows its shareholders to exercise their voting rights in writing or by way of electronic transmission, the Company shall compile the number of votes cast in writing or by way of electronic transmission and prepare a statement of information and disclose such statement of information in explicit way at the place of the shareholders meeting.

Article 9

Shareholders meetings shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for such meetings. Shareholders meetings shall not start earlier than 9:00 AM or later than 3:00 PM.

Article 10

If a shareholders meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding at the meeting. If the Chairman of the Board of Directors is on leave or cannot perform his duties for some reason, the Vice-Chairman shall preside at the meeting on the Chairman's behalf. If the Company does not have a Vice-Chairman or the Vice-Chairman is on leave or cannot perform his duties for some reason, the Chairman of the Board of Directors shall appoint a managing director to serve on his behalf. If there are no managing directors, the Chairman of the Board of Directors shall appoint a director to serve on his behalf. If the Chairman of the Board of Directors has not appointed any representative, the managing directors or directors shall nominate a person among themselves to preside at the shareholders meeting.

If a shareholders meeting is convened by any person entitled to convene the meeting other than the Board of Directors, such person shall be the meeting's chairman; provided that if this meeting is convened by two or more persons, the chairman of the meeting shall be elected from among themselves.

Article 11

The Company may appoint lawyer(s) or certified public accountant(s) engaged by the Company, or relevant persons, to attend a shareholders meeting.

Persons handling affairs of the shareholders meeting shall wear identification cards or arm badges.

Article 12

The chairman of the shareholders meeting may order disciplinary officers (or security guards) to assist in keeping order at the meeting place. Such disciplinary officers (or security guards) shall



wear arm badges marked "Disciplinary Personnel" when assisting in keeping order at the meeting place.

Article 13

Persons attending the shareholders meeting shall not bring anything that is harmful to the safety of others' life, body, freedom or property.

Article 14

During the shareholders meeting, the chairman may request the police present at the meeting place to keep order.

Article 15

The process of the shareholders meeting shall be audio recorded or video recorded in its entirety and these records shall be preserved for at least one year. If the Company allows shareholders to exercise their voting right in writing or by way of electronic transmission, the related written and media data shall also be preserved for at least one year. However, if a lawsuit has been instituted by any shareholder pursuant to Article 189 of the Company Act, the records and data involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 16

The chairman shall announce the commencement of the shareholders meeting at the time scheduled for the meeting. But if the number of shares represented by the shareholders present at the meeting is less than one-half of all issued shares of the Company at the time scheduled for the meeting, the chairman may announce the postponement of the meeting. The shareholders meeting can only be postponed for twice and the time of the postponement shall not be more than one hour in the aggregate. If after two postponements the number of shares represented by the shareholders present at the meeting is still less than one-half of all issued shares of the Company but the shareholders present at the meeting represent more than one-third of all issued shares, provisional resolutions may be made in accordance with Paragraph 1 of Article 175 of the Company Act.

If the number of the shares represented by the shareholders present at the shareholders meeting reaches one-half of all issued shares of the Company prior to the end of the meeting, the chairman may submit the foregoing provisional resolutions to the shareholders meeting for approval in accordance with Article 174 of the Company Act.

Article 17

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The shareholders meeting shall be conducted according to the agenda, and unless otherwise provided by these Rules or laws and regulations, the agenda shall not be changed

without the resolution of the shareholders meeting.

The above provision also applies to the shareholders meeting convened by any person entitled to convene such meeting other than the Board of Directors.

Unless otherwise resolved at the meeting, the chairman cannot announce adjournment of the meeting before all the items (including extemporary motions) listed in the agenda made according to the preceding two paragraph are completed.

After the meeting is adjourned, shareholders cannot designate another person as chairman and continue the meeting at the same or other place.

Article 18

When a shareholder present at the meeting wishes to speak, he/she shall fill in a speech note specifying the summary of his/her speech, the shareholder's account number (or the number of attendance pass) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

If any shareholder present at the meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note submitted by such shareholder, the contents of the actual speech shall prevail. The proxy's speech shall be complied with the written proxy, documents of public solicitation and advertisement. Unless otherwise provided by laws and regulations, the shareholders appointing a proxy to attend the shareholders meeting shall agree with any speeches and voting made by the proxy in the shareholders meeting.

When a shareholder speaks at the meeting, unless otherwise permitted by the chairman and the speaking shareholder, no other shareholders shall interrupt the speech of the speaking shareholder; otherwise the chairman shall stop such interruption.

Article 19

The same shareholder may not speak more than twice for the same motion without the chairman's permission, and each speech time may not exceed 5 minutes.

The chairman may stop the speech of any shareholder who violates the above provision or when such speech is out of the scope of the motion.

Article 20

A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.

When a legal-entity shareholder has appointed two or more representatives to attend the shareholders meeting, only one representative can speak for each motion.

Article 21



After the speech of the shareholder(s) present at the shareholders meeting, the chairman may respond in person or designate relevant person(s) to respond to the speech.

Article 22

When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

Article 23

Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. The voting right of shareholders shall be calculated according to the voting right that shareholders may exercise in accordance with the Company Act or the Company's Articles of Incorporation.

A motion may be resolved by way of vote, or shall be deemed passed if no objection to the motion is expressed by all of the shareholders present at the meeting after the solicitation of the chairman, which shall have the same effect as if it was voted by casting ballots. If there shall be an amendment or alternative to one motion, the chairman shall combine the amendment or alternative with the original motion to determine their orders for resolution. In addition, if the proposal submitted by shareholders according to Article 3 of these Rules is conflicting or amending or substituting against the proposal of the Board of Directors, the chairman shall combine the proposal of shareholders with that of the Board of Directors to decide the order for resolution. If any one of the above shall be passed, the others shall be deemed as rejected, upon which no further resolution shall be required.

Article 24

The chairman shall appoint persons responsible for checking and counting ballots during votes on motions. The results of resolution shall be announced at the place and recorded in the minutes of the meeting. The persons responsible for checking ballots must be shareholders and shall monitor the voting procedure, prevent from inappropriate voting behaviors, examine ballots and monitor the records of the persons responsible for counting ballots. A ballot shall be invalid and shall not be calculated under any of the following conditions:

1. a ballot is not in the form provided by the Company;
2. a ballot is not thrown in the ballot box;
3. a blank ballot without writing words or expressing opinion regarding the motions;
4. a ballot with other words thereon other than those required to be filled in;
5. the handwriting on a ballot is too blurred or indistinct to be readable or is altered;
6. a ballot is used by the proxy who violates the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies"; or

7. any violation of laws or regulations or voting guidelines made by the Company.

The standard for recognition of invalid ballots in case the exercise of voting right in writing by shareholders is carried out in conformity *mutatis mutandis* with the Subparagraphs 1, 3, 4, 5 and 7 of the proceeding paragraph. If there is any doubt or disputes, the shareholders agree to authorize the Company's verification section to decide.

In addition, the standard for recognition of invalid ballots in case the exercise of voting right by electronic transmission by shareholders is carried out in conformity *mutatis mutandis* with Subparagraph 7 of the proceeding paragraph, as well as in compliance with the relevant regulations of the authority.

Article 25

During the meeting, the chairman may, at his discretion, set time for intermission.

Article 26

In case of an air-raid alarm, an earthquake or other force majeure event, the chairman shall immediately announce to suspend the meeting and evacuate respectively. Once the reason of suspending the meeting is eliminated, the chairman shall decide if the meeting will resume.

Article 27

Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The minutes of the meeting may be made and distributed by electronic way.

With regard to the distribution of the minutes in the foregoing paragraph, the minutes may be distributed by way of an announcement on the Market Observation Post System, instead of actual distribution of the minutes.

The minutes must faithfully record the meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceedings, and results of resolutions. The minutes of shareholders' meeting shall be preserved for as long as the Company exists.

Article 28

Any matter concerned that is not provided in these Rules shall be handled in accordance with the Company Law and the related laws and regulations, and the relevant provisions of the Articles of Incorporation of the Company.

Article 29

These Rules shall be effective from the date they are approved by the shareholders' meeting. The same applies in the case of amendments.

Appendix 2

**Winbond Electronics Corporation (hereinafter the "Company")
"Rules Governing Election of Directors and Supervisors"⁸**

The sixth amendment was adopted by
the Shareholders' Meeting of June 19, 2013

Article 1

The election of the Company's directors and supervisors of the Company shall be handled in accordance with these Rules.

Article 2

The candidate nomination system provided in Article 192-1 of the Company Act and the cumulated voting with single name registered on the ballot will be used for the election of directors and supervisors. Each share has the number of exercisable votes same as the number of directors and supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates set forth in the list of candidates of directors and supervisors. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected director or supervisor. Independent directors and non-independent directors shall be elected at the same time but the number of the elected independent directors and non-independent directors shall be separately calculated. The attendance card number of the electors may be used on the ballot instead of the name of the electors.

The candidate nomination and election of directors and supervisors, and the professional qualification, shareholding, restrictions on concurrent serving in other companies of and other matters to be complied with by independent directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and rules.

Article 3

When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting. The ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting.

⁸ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.



Article 4

If a candidate is elected at the same time as director and supervisor, he/she/it should decide by himself/herself/itself to be either director or supervisor. The vacancy left by the above person will be supplemented by the elected who wins the second largest ballots. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.

Article 5

The ballots shall be prepared by the board of directors, numbered according to the attendance card numbers and printed with the number of voting rights of the shareholders.

Article 6

If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "Candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of candidate. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.

When a shareholder fill in the name and the shareholder's number of such candidate and the number of his/its identification certificate, he/it may use his/its seal instead.

In case that the electors cast their votes by electronic transmission, the electors shall check the box of the number of the candidates and fill in the number of votes to be allocated to each candidate. The number of candidates that an elector checked on the ballot shall not exceed the number of persons which should be elected and the aggregate number of votes to be allocated to each candidate shall not exceed the total number of voting rights of such elector.

Article 7

A ballot shall be void and excluded from the votes for any candidate upon any of the following conditions:

1. The ballot was not in the form provided in accordance with Article 5 of these Rules.
2. The ballot was not cast in the ballot box installed by the board of directors.
3. The ballot was blank when cast in the ballot box.
4. The ballot was not cast pursuant to Article 6 of these Rules or the handwriting on the ballot

was blurred or illegible or has been altered.

5. The candidate listed on the same ballot does not appear in the list of candidates and there are two or more than two candidates filled in on the same ballot.
6. There are other written characters or symbols in addition to the name, shareholder's number or the number of identification certificate of the candidate on the ballot.
7. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to distinguish them; or
8. Any violation of laws or regulations or these Rules.

For determining invalid ballots in case of voting in writing by shareholders, subparagraphs 1, 3, 4, 5, 6, 7 and 8 of the preceding paragraph shall apply mutatis mutandis. If there are any doubts or disputes, the shareholders agree to authorize the Company's verification unit to make a decision. For determining invalid ballots in case of voting by electronic transmission by shareholders, subparagraph 8 of the preceding paragraph shall apply mutatis mutandis, in addition to compliance with the relevant regulations of the competent authorities.

Article 8

The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting.

Article 9

Matters not provided in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations, the Articles of Incorporation of the Company and the relevant provisions of the Rules Governing the Procedure of Shareholders Meeting of the Company.

Article 10

These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments.

**ARTICLES OF INCORPORATION
WINBOND ELECTRONICS CORPORATION⁹**

The twenty-fifth amendment was adopted by
the Shareholders' Meeting of June 19, 2013

Section 1 : General Principles

Article 1: The Company is incorporated as a company limited by shares in accordance with the Company Act (the "Company Act") and shall have the name of Winbond Electronics Corporation (hereinafter the "Company").

Article 2: The business scope of the Company is as follows:

Research and development, ODM, production and manufacture, repair, and sale of the following products:

- (i) Integrated circuits.
- (ii) Semiconductor memory parts and components and their systems products.
- (iii) Semiconductor components and system products for use in computer systems.
- (iv) Semiconductor components and system products for use in digital communications.
- (v) Semiconductor components and system products for use in peripherals.
- (vi) Other semiconductor components.
- (vii) Design of computer software programs and data processing.
- (viii) Import and export trade related to the business of the Company.

Business categories and codes of the aforementioned products are as follows:

- (i) CC01080 Electronic Parts and Components Manufacture
- (ii) CC01110 Computers and Computing Peripherals Manufacture
- (iii) CC01120 Data Storage Media Manufacture and Duplication
- (iv) F401010 International Trade
- (v) I301010 Software Design Services
- (vi) I301020 Data Processing Services
- (vii) I501010 Product Designing

Article 2-1: The Company may act as a guarantor as required by its business operation.

Article 2-2: Total investment by the Company shall not be subject to the ceiling of an amount equivalent to 40 percent of its paid-in capital.

Article 3: The Company has its head-office in Central Taiwan Science-Based Industrial Park. Subject to the approval of the Board of Directors and government authority, the Company may, if necessary, set up branches or business offices within and outside of the Republic of China.

Article 4: Public notices by the Company shall be made in accordance with Article 28 of the

⁹ This translation is for reference only. In the event of any discrepancy between the Chinese version and this translation, the Chinese version shall prevail.

Company Act.

Section 2 : Shares

Article 5: The total capital of the Company is sixty-seven billion New Taiwan Dollars (NT\$67,000,000,000) divided into six billion seven hundred million (6,700,000,000) shares, at ten New Taiwan Dollars per share and may be issued in a series of issuance. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary.

A maximum of five billion New Taiwan Dollars may be used to be divided into five hundred million shares at ten New Taiwan Dollars per share may be used for issuance, in installments, of stock/subscription warrants, preferred shares with subscription rights, or corporate bonds with subscription rights. The quota each for the issuance of stock/subscription warrants, preferred shares with subscription rights or corporate bonds with subscription rights may be adjusted by the Board of Directors in consideration of factors concerning capital market and operation needs.

Article 6: (Deleted)

Article 7: Shares certificates of the Company shall be in registered form and shall be signed or sealed by at least three directors and then be printed in the form as requested by the government authority and be legally authenticated before being issued in accordance with laws and regulations. In the case where issuance of shares does not require issuing of share certificates, the Company shall register the shares with the central securities depository institution.

Article 8: The transfer, registration, loss or destruction of share certificates shall be handled in accordance with the Company Act and relevant regulations. Taiwan Securities Central Depository Co., Ltd. may request the Company to combine its share certificates in exchange for issuance of share certificates of large denomination.

Section 3: Shareholders Meetings

Article 9: Shareholders meetings shall be of two types, general meetings and special meetings. General meetings shall be convened by the Board of Directors once a year, within six months from the end of each fiscal year in accordance with law. Special meetings shall be convened in accordance with the law, whenever necessary.

Article 10: Shareholders may designate a proxy to attend a shareholders meeting with a power of attorney stating the scope of authority in accordance with the Company Act and the "Regulations for the Use of Proxies for the Attendance at Stockholders Meetings of Public Companies," promulgated by the competent governmental authority.

Article 11: Unless otherwise provided by the laws and regulations, each share has one voting right.

Article 12: Except otherwise provided by the laws and regulations, a resolution of the shareholders meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares.

Section 4 : Directors and Supervisors

Article 13: The Company shall have 7 to 9 directors, among whom there should be not less than two independent directors accounting for not less than one-fifth of the total number of directors, and 2 to 3 supervisors whose term of office is three years. Election of directors and supervisors shall adopt the candidates nomination system prescribed in Article 192-1 of the Company Act. All of the directors and the supervisors are elected by the shareholders' meeting from the candidate list of directors and supervisors, and are eligible for re-election. Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately.

The method of candidate nomination and election of director and supervisor, professional qualifications, requirements relating to shareholdings, restrictions on concurrent positions held, and other compliance matters with respect to independent directors shall conform to the Company Act, the Securities and Exchange Act, and other relevant rules and regulations.

The aggregate number of shares of nominal stocks held by all the directors and supervisors shall not be less than the percentage stipulated by the competent authority in accordance with law.

Article 13-1: The Company may, after the approval of the board of directors, in view of the international and local industry standards, purchase liability insurance for directors and supervisors with respect to the indemnification liabilities that the directors and supervisors shall be liable resulting from exercising their duties during their terms of office according to law.

Article 14: The Board of Directors shall be formed by directors. The directors shall elect a Chairman of the Board of Directors from among themselves by a majority vote at a meeting attended by two-thirds or more of the directors. The Chairman of the Board of Directors represents the Company. A Vice Chairman may also be elected to assist the Chairman.

Article 14-1: Meetings of the Board of Directors are convened by the Chairman of the Board of Directors. When convening a meeting of the Board of Directors, a convention notice specifying the reasons for convening such meeting shall be sent to each director and supervisor seven days prior to the meeting; provided that a meeting may be convened at any time by notice sent by fax or e-mail instead of a written notice in case of emergency.

Unless otherwise provided by law, resolutions adopted at a meeting of the Board of Directors must be approved by a majority vote of the directors being present, who shall represent no less than half of the total number of directors.

Directors may designate other directors as their proxies to attend the meetings of the Boards of Directors; provided that each director may act as proxy for one other director only. The Board of Directors shall meet at least once every three months.

Article 15: In the case where the Chairman of the Board is on leave or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Act.

Article 16: Remuneration for directors and supervisors shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company and by reference to those in similar industries both domestically and internationally.

Article 17: The functions and responsibilities of the Board of Directors shall be as follows:

1. Review operating policies and short- and long- term development plans;
2. Review annual business plans and supervise its implementation;
3. Approve budget and review the results at year-end;
4. Propose capital increase or decrease;
5. Propose profit distribution or loss make-up plans;
6. Review, approve, amend and terminate material contracts and contracts relating to procurement, transfer, licensing of important technology and patents and of important technical cooperation;
7. Propose and review plans in connection with using transfer as security, sale, lease, pledge, mortgage, or other disposal of all or a substantial portion of assets of the Company;
8. Propose and review amendments to the Articles of Incorporation;
9. Approve organizational by-laws and important operation rules;
10. Decide the establishment, reorganization, or removal of branches or business offices;
11. Approve major capital expenditures of NT\$500 Million or more (capital expenditures not exceeding the above amount shall be approved by the Chairman of the Board of Directors);
12. Appoint or remove corporate officials at the level of vice presidents and higher;
13. Convene shareholders meetings and make business reports;
14. Examine and approve investment in other enterprises and purchase/sale of stocks of NT\$ 500 Million or more (The Chairman is authorized to approve the investment or purchase/sale if the transaction amount is less than NT\$500 Million);
15. Appoint or dismiss auditing certified public accountant of the Company;
16. Examine and approve the application to financial institutions or third parties for financing, guarantees, providing acceptance of commercial paper, any other extension of credit, and credit lines for derivatives products in an amount of NT\$500 Million or more. The Chairman of the Board of Directors is authorized to approve any of the above applications that is in an amount no more than NT\$500 Million.
17. Examine and approve the amount of endorsements, guarantees, and acceptance of commercial paper to be made in the name of the Company;
18. Examine and approve major business transactions between related parties (including affiliated enterprises);
19. Perform such other duties and responsibilities prescribed by law or authorized by shareholders meetings.

Where it is necessary and legally permissible, actions listed above may first be approved or conducted by the Chairman of the Board of Directors and later reported to the Board of Directors for recognition. Actions covered by items 11, 14 and 16 above intending for the same purpose shall not be separately contracted, applied for

or spent without prior approval.

Article 18: The supervisors shall perform the following functions and responsibilities:

- (1) Audit the final accounting.
- (2) Examine business and financial conditions of the Company.
- (3) Examine the books, records and documents of the Company.
- (4) Perform such other supervisory matters provided by law.

Section 5: Management

Article 19: The Company may have chief executive officer, vice executive officer, president and several vice presidents according to the resolution of the Board of Directors. Appointment, removal, and remuneration of the chief executive officer, vice executive officer, president and vice presidents shall be handled in accordance with Article 29 of the Company Act. The Board of Directors is authorized to determine the duties and function of the said managers or the Board of Directors may authorize the Chairman of the Board of Directors to determine the duties and functions of the said managers.

Section 6 : Accounting

Article 20: The Company's fiscal year shall be from January 1 to December 31 of each calendar year. Final accounting shall be prepared after the end of each fiscal year.

Article 20-1: After the end of each fiscal year, the Board of Directors shall have the following documents prepared: (1) business report (2) financial statement (3) proposal for allocation of surplus profits or making up loss, and submit the same for supervisors' examination and for recognition at the shareholders meeting.

Article 21: (Deleted)

Article 22: If the Company has surplus earnings at the end of a fiscal year, after covering all losses incurred in prior years and paying all taxes, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. After setting aside or reversing special reserve pursuant to applicable laws and regulations and orders of competent authorities from (1) the remaining amount plus undistributed retained earnings; or (2) the differences between the undistributed retained earnings and the losses suffered by the Company at the end of a fiscal year if the losses can be fully covered by the undistributed retained earnings, the Company shall distribute the remaining amount (if not otherwise set aside as special reserve and reserved based on business needs) in the following order:

- (1) 1% to 2% as remuneration to directors and supervisors;
- (2) 10% to 15% as bonus to employees;
- (3) the remaining amount as bonus to shareholders. Not less than 10% of the total shareholders bonus shall be distributed in form of cash.

"Employees" referred to in Item 2 of the preceding Paragraph, when distributing the stock bonus, include the employees of subsidiaries of the Company meeting certain

criteria. The Board of Directors is authorized to determine the above "certain criteria" or the Board of Directors may authorize the Chairman of the Board of Directors to ratify the above "certain criteria".

Article 22-1: The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, retained earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner under consideration of the appropriate retained earnings which may be retained or distributed in stock dividend or cash dividend, or both, so as to maintain continuous growth. The Company is now fast growing and expanding and is in an industry that requires intensive capital, technologies, and labors. Factoring in these industry characteristics, the dividend policy is highly dependent upon future needs for capital expenditures and working capital. As a result, the appropriation of retained earnings is preferably by way of cash dividends, nevertheless, stock dividends would also be applicable if the conditions so warrant. Based on the current policy, the distribution of stock dividends is subject to a condition that stock dividends shall not be more than 50% of total dividends. Nonetheless, the conditions, timing, amount or type of surplus earnings reserved or dividends distributed may be adjusted at appropriate time in accordance with economic and industrial fluctuations, in particular, the Company's need for future development and profitability.

Section 7 : Supplementary Regulations

Article 23: For matters not covered herein, provisions in the Company Act shall govern.

Article 24: Organizational rules of the Company shall be separately stipulated.

Article 25: These Articles of Incorporation were enacted on September 1, 1987, and were first amended on November 20, 1987. The second amendment was made on May 23, 1988; the third amendment was made on August 23, 1988; the fourth amendment was made on May 5, 1989; the fifth amendment was made on October 21, 1989; the sixth amendment was made on March 30, 1990; the seventh amendment was made on April 30, 1991; the eighth amendment was made on March 26, 1992; the ninth amendment was made on March 25, 1993; the tenth amendment was made on March 30, 1994; the eleventh amendment was made on March 17, 1995; the twelfth amendment was made on April 9; the thirteenth amendment was made on April 22, 1997; the fourteenth amendment was made on 17 April, 1998; the fifteenth amendment was made on April 23, 1999; the sixteenth amendment was made on April 27, 2000; the seventeenth amendment was made on April 16, 2001; the eighteenth amendment was made on May 17, 2002; the nineteenth amendment was made on May 6, 2003; the twentieth amendment was made on June 10, 2005; the twenty-first amendment on June 9, 2006; the twenty-second amendment was made on April 30, 2008; the twenty-third amendment was made on June 18, 2010. The twenty-fourth amendment was made on June 22, 2011; and the twenty-fifth amendment was made on June 19, 2013 and shall become effective after approval by a resolution of the shareholders meeting. Any subsequent amendments to these Articles of Incorporation shall follow the same procedure.