



**Winbond Electronics Corporation**  
**Minutes of 2014 Annual General Meeting of Shareholders<sup>1</sup>**  
**(English Translation)**

Time and Date: 9:00 a.m., June 17, 2014 (Tuesday)

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

Shares present at the meeting: Shareholders who were present in person or by proxy together held 2,726,881,722 shares (including 569,420,259 shares present by electronic means), representing 73.96 % of the total number of issued shares of the Company, which is 3,686,969,829 shares (excluding 7,518,364 non-voting shares pursuant to Article 179 of the Company Act).

Chairman: Arthur Yu-Cheng Chiao, the Chairman of the Board of Directors

Recorder: James Wen

Attendees :

Director : Mr. Tung-Yi Chan ,

Mr. Yeu-Yuh Chu, a representative of Walsin Lihwa Corp. who is a director of the Company

Supervisor : Mr. Wang-Tsai Lin

Others : Ms. Hsin-Lan Hsu, Attorney-at-Law, Lee and Li

Mr. Hong, Kuo-Tyan, CPA, Deloitte and Ms. Hong ji tsuey Assistant Vice President

Meeting called:

The total number of issued shares of the Company (excluding 7,518,364 non-voting shares pursuant to Article 179 of the Company Act) is 3,686,969,829 shares. As of 9:00 a.m., the number of shares present were 2,726,556,322 shares (including 1,101,995,101 shares in person, 1,055,140,962 shares by proxy, and 569,420,259 shares by electronic means), which constituted the quorum of shareholders representing at least two-thirds of issued shares of the Company, and therefore the Chairman announced the commencement of the meeting.

Opening Speech of the Chairman : (omitted )

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

## 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 the 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 the 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 eligibility 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's 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 being audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the Supervisors.

Resolution: Total number of voting rights present at the time of voting: 2,726,680,322. Approval Vote: 2,529,759,055 (including voting via electronic transmission); Disapproval Vote: 10,867 (including voting via electronic transmission); Abstain from Voting: 76,891,702 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

**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 the Ninth Term.

Winbond Electronics Corporation  
Statement of Accumulated Losses and Its Make-up  
For the year ended on 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

Resolution: Total number of voting rights present at the time of voting: 2,726,680,322. Approval Vote: 2,543,449,190 (including voting via electronic transmission); Disapproval Vote: 14,512 (including voting via electronic transmission); Abstain from Voting: 63,197,922 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

**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.

Resolution: Total number of voting rights present at the time of voting: 2,726,680,322. Approval Vote: 2,543,345,371 (including voting via electronic transmission); Disapproval Vote: 119,274 (including voting via electronic transmission); Abstain from Voting: 63,196,979 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

**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 no less than two independent directors accounting for no 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.	General Director of Electronic Research and	Chairman of Vanguard International Semiconductor	10,067,591	None

		Master in Business Management of Graduate School of Stanford Univ.	Service Organization of the International Technology Research Institute  Vice Chairman of Winbond Electronics Corporation	Corporation  Director of Winbond Electronics Corporation		
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	Director and Chief Administrative Officer of Winbond	10,720,537	None

			of Winbond Electronics Corporation	Electronics Corporation		
				Director of Nuvoton Technology Corporation		
Director	Hui-Ming Cheng	Master in Science in Chemical Engineering, University of California, Los Angeles Master in Business Administration, Kelley School of Business at Indiana University	CFO of Winbond Electronics Corporation CFO of Taiwan Mobile Corporation Ltd. CFO of Fubon Financial Holding Corporation Ltd. CFO of HTC Corporation	Director and President of Walsin Lihwa Corp. Supervisor of Winbond Electronics Corporation	858,091,531	Walsin Lihwa Corp.
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	Vice Chairman of Getac Technology Corporation Chairman and CEO of Waffer Technology Corporation Chairman of National Aerospace	0	None

			Aerospace Fasteners Corporation	Fasteners Corporation the Compensation Committee convener of Winbond Electronics		
Independent Director	Allen Hsu	MBA, National Chengchi University Refresher course of Walton Business School	Chairman of Altek Corporation Chairman of Taiwan Mask Corporation Chairman of Myson Century, Inc.	Director of Pilot Electronics Corporation Director of 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	0	None
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	0	None

				Winbond Electronics Corporation  Deputy Manager of Investment Management, Compal Electronics, Inc.		
Supervisor	Wang-Tsai Lin	Taiwan Provincial Taipei Commercial School	Advisor Chairman's office of Walsin Lihwa Corp. Director of Walsin Lihwa Corp. (a representative of Tien Mu Investment Corporation Ltd)  Supervisor of Walsin Technology Corporation (a representative of Winbond Electronics Corporation)  Supervisor of Winbond Electronics Corporation	Advisor Chairman's office of Walsin Lihwa Corp. Director of Walsin Lihwa Corp. (a representative of Tien Mu Investment Corporation Ltd)  Supervisor of Walsin Technology Corporation (a representative of Winbond Electronics Corporation)  Supervisor of Winbond Electronics Corporation	145,047,000	Chin Xin Investment Co., Ltd.
Supervisor	Yeu-Yuh Chu	International Trade Department, Feng Chia University University of Hawaii Advanced Management Program	Director & President of Global Brands Manufacture Limited  Director of HannStar Board Corporation  Director of Walsin Technology Corporation	Director & President of Global Brands Manufacture Limited  Director of HannStar Board Corporation  Director of Walsin Technology Corporation	0	None

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

(4) Please vote.

Election results :

Category	Name	Voting Rights
Director	Arthur Yu-Cheng Chiao	2,965,329,366
Director	Ching-Chu Chang	2,596,633,422
Director	Matthew Feng-Chiang Miao	2,547,430,609
Director	Yung Chin	2,541,109,859
Director	Hui-Ming Cheng(Representative of Walsin Lihwa Corporation)	2,539,205,651
Director	Tung-Yi Chan	2,520,365,323
Independent Director	Francis Tsai	2,514,963,384
Independent Director	Allen Hsu	2,512,391,362
Independent Director	Jerry Hsu	2,509,818,070
Supervisor:	Wang-Tsai Lin(Representative of Chin Xin Investment Co., Ltd.)	2,661,344,500
Supervisor:	Yeu-Yuh, Chu	2,573,394,509
Supervisor:	Hong-Chi Yu	2,572,098,575

**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 be submitted 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 wafers, 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 to 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 acting as the agent and sale of electronic components, information products and communications products, providing maintenance and technologic services of personal computers, peripherals and communications products, and 3C distributor and service providers, 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 computers, 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 computers, industrial computers and peripheral equipments, hardware and software, notebooks/laptops, 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 wafers, 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 computers, industrial computers and peripheral equipments, hardware and software, notebooks/laptops, aerospace carriers and its components, same as that of the Company.

H. Mr. Allen Hsu

- (1) Mr. Allen Hsu has been acting as an 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 wafers, 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 provide supplemental explanation for 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

Resolution:

(5-A) Total number of voting rights present at the time of voting: 2,668,616,767 excluding 58,264,955 voting shares held by shareholder Arthur Yu-Cheng Chiao (shareholder no.84) voluntarily abstained. Approval Vote: 2,496,446,911 (including voting via electronic transmission); Disapproval Vote: 46,954,812 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-B) Total number of voting rights present at the time of voting: 2,716,814,131 excluding 10,067,591 voting shares held by shareholder Ching-Chu Chang (shareholder no.7158) voluntarily abstained. Approval Vote: 2,496,446,911 (including voting via electronic transmission); Disapproval Vote: 46,954,812 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-C) Mr. Matthew Feng-Chiang Miao did not attend the stockholders meeting and thus abstention from voting was not applicable. Total number of voting rights present at the time of voting: 2,726,881,722. Approval Vote: 2,496,446,911 (including voting via electronic transmission); Disapproval Vote: 46,954,812 (including voting via electronic transmission); Abstain from



Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-D) Total number of voting rights present at the time of voting: 2,716,161,185 excluding 10,720,537 voting shares held by shareholder Yung Chin (shareholder no.89) voluntarily abstained. Approval Vote: 2,529,791,469 (including voting via electronic transmission); Disapproval Vote: 13,610,254 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-E) Total number of voting rights present at the time of voting: 1,868,540,191 excluding 858,091,531 voting shares held by shareholder Walsin Lihwa Corp. (shareholder no.1) voluntarily abstained and 250,000 voting shares held by shareholder Hui-Ming Cheng (shareholder no.491927) voluntarily abstained. Approval Vote: 1,638,352,751 (including voting via electronic transmission); Disapproval Vote: 46,957,441 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-F) Total number of voting rights present at the time of voting: 2,726,381,722 excluding 500,000 voting shares held by shareholder Tung-Yi Chan (shareholder no.7813) voluntarily abstained. Approval Vote: 2,496,981,262 (including voting via electronic transmission); Disapproval Vote: 46,420,461 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-G) Mr. Francis Tsai did not own any shares in the Company and thus abstention from voting was not applicable. Total number of voting rights present at the time of voting: 2,726,881,722. Approval Vote: 2,496,439,912 (including voting via electronic transmission); Disapproval Vote: 46,961,811 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed



the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

(5-H) Mr. Allen Hsu did not own any shares in the Company and thus abstention from voting was not applicable. Total number of voting rights present at the time of voting: 2,726,881,722 (including voting via electronic transmission). Approval Vote: 2,496,439,912 (including voting via electronic transmission); Disapproval Vote: 46,961,811 (including voting via electronic transmission); Abstain from Voting: 63,259,901 (including voting via electronic transmission). Approval votes exceed the legally required amount of votes. Resolved, that the above proposal be and is hereby approved as proposed.

**Other Extemporaneous Matters and Motions : None.**

**Meeting Adjourned : (10:21 a.m.).**



Attachment 1

(English Translation)

## **Business Report of Winbond Electronics Corporation For 2013<sup>2</sup>**

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.

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<sup>2</sup> 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	%
<b>CURRENT ASSETS</b>						
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	605,843	1	370,674	1	328,827	1
Total current assets	17,675,258	33	15,664,873	29	14,540,125	25
<b>NON-CURRENT ASSETS</b>						
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)	610,813	1	191,597	1	193,602	-
Total non-current assets	35,180,457	67	37,774,365	71	43,776,442	75
<b>TOTAL</b>	<b>\$ 52,855,715</b>	<b>100</b>	<b>\$ 53,439,238</b>	<b>100</b>	<b>\$ 58,316,567</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
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	34,514	-	22,962	-	23,503	-
Total current liabilities	11,125,426	21	13,055,594	24	14,708,588	25
<b>NON-CURRENT LIABILITIES</b>						
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	379,265	1	338,229	1	226,423	-
Total non-current liabilities	6,916,369	13	7,377,592	14	8,581,233	15
Total liabilities	18,041,795	34	20,433,186	38	23,289,821	40
<b>EQUITY</b>						
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	(106,387)	-	(106,387)	-	(106,387)	-
Total equity	34,813,920	66	33,006,052	62	35,026,746	60
<b>TOTAL</b>	<b>\$ 52,855,715</b>	<b>100</b>	<b>\$ 53,439,238</b>	<b>100</b>	<b>\$ 58,316,567</b>	<b>100</b>

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)

	<b>For the Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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	11,524	19,708
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	(427)	18,850
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)

	<b>For the Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
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	64,246	-
Net cash used in investing activities	<u>(2,832,988)</u>	<u>(3,171,358)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
(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	25,890	16,221
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	%
<b>CURRENT ASSETS</b>						
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
<b>NON-CURRENT ASSETS</b>						
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
<b>TOTAL</b>	<b>\$ 55,678,678</b>	<b>100</b>	<b>\$ 56,276,038</b>	<b>100</b>	<b>\$ 60,980,913</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
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
<b>NON-CURRENT LIABILITIES</b>						
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
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>						
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
<b>NON-CONTROLLING INTERESTS</b>	<b>1,074,182</b>	<b>2</b>	<b>1,109,483</b>	<b>2</b>	<b>1,031,924</b>	<b>2</b>
Total equity	35,888,102	64	34,115,535	61	36,058,670	59
<b>TOTAL</b>	<b>\$ 55,678,678</b>	<b>100</b>	<b>\$ 56,276,038</b>	<b>100</b>	<b>\$ 60,980,913</b>	<b>100</b>

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)**

	<b>For the Year Ended December 31</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
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)**

	<b>For the Year Ended December 31</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
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>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 1,854,786</u>	<u>6</u>	<u>\$ (1,852,262)</u>	<u>(6)</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
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>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
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>
<b>EARNINGS (LOSS) PER SHARE (Note 23)</b>				
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)

	<b>For the Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
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)

	<b>For the Year Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
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>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
(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>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>13,757</u>	<u>(56,908)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,959,466</b>	<b>(184,768)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>5,710,913</b></u>	<u><b>5,895,681</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><b>\$ 7,670,379</b></u>	<u><b>\$ 5,710,913</b></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:

	<b>Amount</b>
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><b>\$ 1,362,838</b></u>
Net cash outflow on disposal of subsidiary Win Investment Corporation	<u><b>\$ 258,088</b></u>

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

(Concluded)

Attachment 2

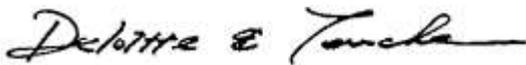
**INDEPENDENT AUDITORS' REPORT**

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, reading "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

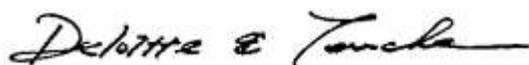
The Board of Directors and Stockholders  
Winbond Electronics Corporation

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, reading "Deloitte & Touche".

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 report<sup>3</sup>**

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

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<sup>3</sup> 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 Term<sup>4</sup>**

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.)

<sup>4</sup> 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 CORPORATION<sup>5</sup>**

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

<sup>5</sup> 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>	
Article 13	<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>	Amended in accordance with laws and regulations.
Article 14	<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.</p> <p>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</u> and future development, <u>rate of return on investment</u> and 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. In connection with the <u>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)	
Article19	<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 <sup>6</sup>**

AMENDED ARTICLE	ORIGINAL ARTICLE	NOTE
<p><b>Article 3: Separation of Powers and Obligations</b></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><b>Article 3: Separation of Powers and Obligations</b></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>

<sup>6</sup> 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
<b>Article 6: Authorization Threshold</b>		<b>Article 6: Authorization Threshold</b>		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)	
<b>Article 13: Periodical Evaluation</b>		<b>Article 13: Periodical Evaluation</b>		Amended in accordance with laws and regulations.
<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><b>Article 17:</b></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><b>Article 17:</b></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><b>Article 19:</b> (Omitted)</p>	<p><b>Article 18:</b> (Omitted)</p>	<p>the original paragraphs 18 was moved to paragraphs19.</p>
<p><b>Article 20:</b> (Omitted)</p>	<p><b>Article 19:</b> (Omitted)</p>	<p>the original paragraphs 19 was moved to paragraphs20.</p>
<p><b>Article 21:</b> (Omitted)</p>	<p><b>Article 20:</b> (Omitted)</p>	<p>the original paragraphs 20 was moved to paragraphs21</p>
<p><b>IV. PROMULGATION AND AMENDMENT</b></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><b>IV. PROMULGATION AND AMENDMENT</b></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><b>V. REFERENCE DOCUMENTS</b></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.	