



**Winbond Electronics Corporation**

**Minutes of 2020 Annual General Meeting of Shareholders<sup>1</sup>**  
**(English Translation)**

Time and Date: 9:00 a.m., June 12, 2020 (Friday)

Place: 1st Floor-The Ballroom, No.15, Ln.168, Xingshan Rd., Neihu Dist., Taipei City.

Shares present at the meeting: Shareholders who were present in person or by proxy together held 2,994,569,939 shares (including 912,442,161 shares present by electronic means), representing 75.24 % of the total number of issued shares of the Company, which is 3,980,000,193 shares.

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

Recorder: Jessica Chiou-Jii Huang

Attendees :

Directors : Mr. Yuan-Mou Su (Vice Chairman), Mr. Allen Hsu (Chairman of the Audit Committee),

Mr. Francis Tsai (Independent Director), Ms. Wei-Hsin Ma (Director),

Ms. Sophi Pan (Director Representative of Walsin Lihwa Corporation)

Mr. Tung-Yi Chan (New Appointment)

Others : Mr. Wen-Yea Shyu and Ms. Ming-Yu Chiu, CPA, Deloitte

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

Meeting called:

The total number of issued shares of the Company is 3,980,000,193 shares. As of 9:00 a.m., the number of shares present were 2,994,435,470 shares (including 1,182,879,456 shares in person, 899,113,853 shares by proxy, and 912,442,161 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 of fiscal year 2019  
Both the business report and the financial statements of fiscal year 2019 are hereby presented (please refer to Attachment 1 for details). Please examine. To be reported by the President.
2. The Audit Committee's review report on 2019 financial statements  
The Audit Committee's review report is hereby presented (please refer to Attachment 3 for details). Please examine.
3. Report of remuneration of employees and directors for fiscal year 2019  
According to the Company's 2019 earnings audited by the certified public accountants, it is proposed to, in accordance with Article 22 of the Company's Articles of Incorporation, allot 1% of the balance to be the remuneration of directors, which is NT\$14,019,096 in total, and allot 2% of the balance to be the remuneration of employees, which is NT\$28,038,192 in total. The above amounts will all be paid in cash. The aforesaid ratios and amounts for allocation have been approved respectively by the Company's Compensation Committee and Board of Directors.
4. Report on distribution of cash dividends from the 2019 profits.  
Based on the authorization of Article 240 of the Company Act and the Articles of Incorporation of the Company, the Board of Directors meeting held on March 12, 2020 has resolved to issue cash dividends amounting to NT\$398,000,019 for fiscal year 2019, at NT\$0.1 cash dividend per common share, and rounded to the whole New Taiwan dollar (the part below one New Taiwan dollar will be unconditionally discarded). Any fractional amount less than one New Taiwan dollar will be accounted in the Company's other income. The Chairman of the Board of Directors is authorized to modify the cash dividend per share distributable to shareholders based on the actual number of the outstanding shares in the Company as of the ex-dividend record date if such cash dividend is changed due to changes in the number of the outstanding shares in the Company arising from any event such as a share buyback by the Company.
5. Other matters to be reported
  - (1) Report of the merger with Mobile Magic Design Corporation  
For the purpose of simplifying the organizational structure and creating group synergy, the Boards of Directors of the Company and its wholly owned subsidiary, Mobile Magic Design Corporation, approved the merger on July 26, 2019, respectively. The record date for the merger was scheduled for October 1, 2019. The Company is the surviving entity and Mobile Magic Design Corporation is the dissolved entity after the merger. The rights and obligations of the dissolving company are generally assumed by the Company. The Company has completed registration of change with the Central Taiwan Science Park Administration, Ministry of Science and Technology per approval letter No.Zhong-Shang-Zi-1090011125 dated May 29, 2020.
  - (2) Report on shareholdings of all directors
    - a. According to 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, the minimum combined shareholdings of all directors required should be 95,520,005 shares. The Company has set up an Audit Committee and thus the requirement on the minimum shareholdings of all supervisors is not applicable.
    - b. Please refer to Attachment 4 for the shareholding of each director and the shareholdings of all directors as of the record date for determining the shareholders eligible to attend this annual general shareholders meeting.
    - c. The aggregate shareholdings of all directors meet the minimum shareholding required by laws and regulations.
  - (3) During the period for accepting shareholders' proposals and nomination of director candidates, no shareholder submitted any written proposal or nomination to the Company for the 2020

annual general shareholders meeting in accordance with Article 172-1 and Article 192-1 of the Company Act.

## Matters to be recognized and discussed and election of directors

### Motion 1: (proposed by the Board of Directors)

Proposal: The business report and financial statements of fiscal year 2019 are hereby presented. Please acknowledge and recognize the same.

Explanation:

1. Please refer to Attachment 1 for the business report and financial statements of fiscal year 2019.
2. The aforementioned financial statements had been approved by the Board of Directors and after audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the Audit Committee.

Resolution: Total number of voting rights present at the time of voting: 2,994,505,939. Yes votes: 2,702,063,135 (including voting via electronic transmission); No votes: 228,334 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 292,214,470 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 90.2 % of the voting shares present.

### Motion 2: (proposed by the Board of Directors)

Proposal: The proposal for distribution of 2019 profit of the Company is presented. Please acknowledge and recognize the same.

Explanation:

1. The Company made a profit of NT\$1,256,387,182 after tax for fiscal year 2019. The proposed statement of profit distribution is as follows.
2. The distribution of cash dividends for common shares has been approved by the resolution of the Board of Directors held on March 12, 2020.

Winbond Electronics Corporation  
Statement of Profit Distribution  
For the year ended December 31, 2019

(Unit : NT\$)

Summary	Total
Unappropriated Earnings, Beginning of Year	\$5,843,194,972
Plus : Net income of 2019	\$1,256,387,182
Minus : Losses on remeasurement of defined benefit plans	(115,561,039)
Plus : Gain on disposals of investments in equity instruments designated as at fair value through other comprehensive income and the cumulative gain or loss transferred to retained earnings	11,430,515
Net income of 2019 and other adjustments transferred to unappropriated earnings in 2019	1,152,256,658
Minus : 10% legal reserve appropriated	(115,225,666)
Earnings available for distribution as of December 31, 2019	\$6,880,225,964
Distributable items:	
Cash dividends to common shareholders (NT\$ 0.1 per share)[Note]	(398,000,019)
Unappropriated Earnings, End of Year	\$6,482,225,945

Note 1: Calculation and distribution of cash dividends will be rounded to the whole New Taiwan dollar (the part below one New Taiwan dollar will be unconditionally discarded). Any fractional amount less than one New Taiwan dollar will be accounted in the Company's other income.

Note 2: Distribution of the Company's interim profit or making up its losses for the end of half of 2019: None.

Chairman: Arthur Yu-Cheng Chiao

Manager: Pei-Ming Chen

Chief Accountant: Chin-Feng Yang

Resolution: Total number of voting rights present at the time of voting: 2,994,505,939. Yes votes: 2,711,176,121 (including voting via electronic transmission); No votes: 423,767 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 282,906,051 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 90.5 % of the voting shares present.

**Motion 3:** (proposed by the Board of Directors)

Proposal: It is proposed to amend the Procedures for Endorsements and Guarantees of the Company.

Explanation:

1. It is conducted in accordance with Item 19 of Article 17 of the Articles of Incorporation of the Company and according to the actual needs.
2. It is proposed to adjust the limit on the total amount of endorsements and/or guarantees for any single entity specified in Paragraph (2) of Article 3 of the Procedures for Endorsements and Guarantees based on the Company's operational needs.
3. Please refer to Attachment 5 for the comparison table of amended articles and the full text of said procedures.
4. The proposal was approved by the Board of Directors.

Resolution: Total number of voting rights present at the time of voting: 2,994,505,939. Yes votes: 2,484,437,787 (including voting via electronic transmission); No votes: 225,634,830 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 284,433,322 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 82.9 % of the voting shares present.

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

Proposal: It is proposed to elect directors of the twelfth term.

Explanation:

1. The directors (including independent directors) of the eleventh term were elected at the annual general shareholders' meeting on June 13, 2017, with the term of office of three years, and their term of office will expire on June 12, 2020.
2. According to Article 13 of the Articles of Incorporation, the Company has nine to eleven directors and the number of independent directors should not be less than three and should account for not less than one-fifth of the total number of directors. The term of office of directors is three years. The twentieth-first meeting of the Board of Directors of the eleventh term resolved and passed that the total number of the directors (including independent directors) of the twelfth term shall be eleven (inclusive of four independent directors), and the newly-elected directors will take office and their term of office (from June 12, 2020 to June 11, 2023) will be effective after the 2020 annual general shareholders' meeting.
3. The Company's directors (including independent directors) of the twelfth term shall be elected according to the candidate nomination system and procedures. The list of director candidates (including independent directors) for this election has been reviewed and approved by the twenty-first meeting of the Board of Directors of the eleventh term. Please refer to Attachment 6 for the list of director candidates.

Election results : Elected list announced by chairman , details are as follows

Category	Name	Voting Rights
Director	Arthur Yu-Cheng Chiao	3,060,059,912
Director	Yung Chin	2,781,959,018
Director	Walsin Lihwa Corporation	2,680,124,109
Director	Chin-Xin Investment Co., Ltd	2,679,053,375
Director	Tung-Yi Chan	2,649,058,733
Director	Jamie Lin	2,637,889,722
Director	Wei-Hsin Ma	2,609,564,556
Independent Director	Allen Hsu	2,574,936,350
Independent Director	Stephen Tso	2,555,729,250
Independent Director	Francis Tsai	2,487,897,813
Independent Director	Jerry Hsu	2,077,118,912

**Motion 5:** (proposed by the Board of Directors)

Proposal: It is proposed to release the directors (including independent directors) of the Company from 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.
2. Please refer to Attachment 7 for the items of competitive conduct of the newly elected directors of the twelfth term and the director of the eleventh term who act as directors or managers in other companies which engage in the same businesses as those of the Company.
3. It is proposed to lift the non-competition restriction on the directors (including independent directors) who conduct activities that fall within the Company's business scope and to waive the Company's right to request disgorgement of the profits gained by such directors from the date of acting as directors or managers of other companies in the same business.
4. The proposal was approved by the Board of Directors.

Resolution:

(5-A) Total number of voting rights present at the time of voting: 2,993,764,660 after deducting 801,279 voting shares held by shareholder Yuan-Mou Su who voluntarily abstained from voting. Yes votes: 2,679,485,552 (including voting via electronic transmission); No votes: 620,430 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,658,678 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.5% of the voting shares present.

(5-B) Total number of voting rights present at the time of voting: 2,931,092,944 after deducting 63,472,995 voting shares held by shareholder Arthur Yu-Cheng Chiao who voluntarily abstained from voting. Yes votes: 2,605,534,173 (including voting via electronic transmission); No votes: 11,900,325 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,658,446 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 88.8% of the voting shares present.

(5-C) Total number of voting rights present at the time of voting: 2,773,562,867 after deducting 221,003,072 voting shares held by shareholder Chin-Xin Investment Co., Ltd who voluntarily abstained from voting. Yes votes: 1,995,423,740 (including voting via electronic transmission); No votes: 463,551,683 (including voting via electronic transmission) ; invalid votes: 0; abstain

votes and uncast votes: 314,587,444 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 71.9 % of the voting shares present.

- (5-D) Mr. Jamie Lin did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,994,565,939 (including voting via electronic transmission). Yes votes: 2,676,209,850 (including voting via electronic transmission); No votes: 4,694,643 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,661,446 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.3 % of the voting shares present.
- (5-E) Ms. Wei-Hsin Ma did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,994,565,939 (including voting via electronic transmission). Yes votes: 2,676,218,200 (including voting via electronic transmission); No votes: 4,649,901 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,697,838 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.3 % of the voting shares present.
- (5-F) Total number of voting rights present at the time of voting: 2,110,717,516 after deducting 883,848,423 voting shares held by shareholder Walsin Lihwa Corporation who voluntarily abstained from voting. Yes votes: 1,332,613,068 (including voting via electronic transmission); No votes: 463,533,265 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 314,571,183 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 63.1 % of the voting shares present.
- (5-G) Total number of voting rights present at the time of voting: 2,993,664,939 after deducting 901,000 voting shares held by shareholder Tung-Yi Chan who voluntarily abstained from voting. Yes votes: 2,678,056,016 (including voting via electronic transmission); No votes: 1,927,739 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,681,184 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.4 % of the voting shares present.
- (5-H) Total number of voting rights present at the time of voting: 2,982,787,142 after deducting 11,778,797 voting shares held by shareholder Yung Chin who voluntarily abstained from voting. Yes votes: 2,667,181,320 (including voting via electronic transmission); No votes: 1,917,638 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,688,184 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.4 % of the voting shares present.
- (5-I) Mr. Allen Hsu did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,994,565,939 (including voting via electronic transmission). Yes votes: 2,678,535,777 (including voting via electronic transmission); No votes: 2,348,423 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,681,739 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.4 % of the voting shares present.
- (5-J) Mr. Francis Tsai did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,994,565,939 (including voting via electronic transmission). Yes votes: 2,668,622,274 (including voting via electronic transmission); No votes: 12,260,929 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 313,682,736 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 89.1 % of the voting shares present.
- (5-K) Mr. Jerry Hsu did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,994,565,939 (including

voting via electronic transmission). Yes votes: 2,218,414,166 (including voting via electronic transmission); No votes: 461,607,836 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 314,543,937 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 74.0 % of the voting shares present.

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

**Meeting Adjourned. (10:12 a.m.).**

(The video recording of this shareholder's annual general meeting concerning detailed contents, procedures, and shareholder statements will prevail in the event of any discrepancy.)

(English Translation)  
**Winbond Electronics Corporation**  
**2019 Business Report**

The global economic growth slowed down in 2019 amid U.S.-China trade war and rising geopolitical risk. The memory industry suffered as a result of slow inventory digestion and weaker than expected market demands. However, Winbond turned in a stable performance on the strength of diversified market deployment, good partnerships with customers, high value-added products and a flexible yet prudent capacity policy.

**Financial Performance**

In 2019, our consolidated revenue amounted to NT\$48.8 billion, down 5% in comparison with 2018. Memory and logic products made up respectively 79% and 21 % of total revenue. The consolidated gross margin was 27% and the operating margin was 3%. The Company recorded NT\$1.48 billion of consolidated net income after tax, down 81% from 2018. Earnings per share was NT\$0.32.

**Market and Product Applications**

In 2019, the revenue of our Code Storage Flash hit a record high, accounting for 51% of memory revenue and surpassing the DRAM revenue for the first time in the company's history. We have been diligently cultivating the Code Storage Flash market, provided high-quality and high-efficiency products to international clients with close partnership. We are the world's number 1 NOR Flash supplier, which contributes a major revenue stream and steady growth momentum for the Company. DRAM made up 49% of memory revenue. We are currently the world's top 5 own-brand DRAM supplier, focusing on R&D, production and sales of specialty DRAM. We have successfully positioned ourselves in a differentiated market with stable supply.

In terms of application, our products are evenly distributed among four major electronics product lines and we continue to optimize product mix. The weight of communication products as a percentage of memory revenue increased slightly to 30% in 2019, due to the booming mobile and networking market, while consumer products stayed at 28% of total revenue. The revenue of computer and peripheral products on the other hand dropped to 22% from 26% in the previous year, mainly due to decline in global PC shipment. Our high-quality products for automotive and industrial applications accounted for 20% of memory revenue.

**Capacity planning**

The production capacity of our fab at Central Taiwan Science Park (CTSP) has increased to 54,000 wafers per month in 2019. We will continue to increase the capacity at CTSP by using industry 4.0, smart manufacturing and flexible production in the hope to maximize output. We believe it will bring promising growth momentum to further lift Winbond's share and position in the memory market.

**Technology Development and Manufacturing**

We possess own memory process technology and embark on the development of innovative products to address future demands at Internet of Everything (IoE) and edge computing. For Code Storage Flash memory products, after having launched Low Power Flash, we furthermore released high-speed and high-quality SLC NAND Flash to broaden the scope of product application. For DRAM, we have developed a new generation of LPDDR4 with unique features of lower power, high bandwidth and better data transmission rate. We also make headway into low-pin-count and easy-to-design HyperRam, which markedly improves the efficiency of IoT terminal devices and human-machine interface devices, showing our commitment to green technology.

Our 25nm process has begun volume production in 2019. As we continue to invest in the development of advanced technology, we expect the 20nm DRAM process to enter scale production when it achieves satisfactory yield. It will set a solid foundation for Winbond's long-term growth and development. For Code Storage Flash products, we will continue to develop 45nm NOR Flash to accommodate demand of high density. We have always been relentlessly building up our R&D capability. We continue to enhance the technological competitiveness through strong core technology and value-added products.

**Honors and Awards**

We received several awards in quality certification and sustainable development in 2019. Winbond is the first



automotive memory manufacturer in Taiwan to obtain ISO 26262 – Road vehicles functional safety certified, thus enhancing reliability and safety of our automotive electronics products. We are a trustworthy partner of international automakers for our memory products.

In terms of sustainable development, Winbond won the Corporate Sustainability Report Gold Award in the 12th Taiwan Corporate Sustainability Awards (TCSA), which recognized Winbond's leadership and positive influence in corporate social responsibility and sustainable development.

### **Future Outlook**

Under the robust development of new applications such as IoT, AI and 5G, technology innovation leads to applications in information security, smart cloud, terminal sensing and edge computing. Holding onto the beliefs in business continuity and environmental sustainability, Winbond develops low power consumption, securing and highly efficient products which offer clients the best solutions. Winbond also strives to create maximum value for shareholders, customers and employees alike and aspires to become a hidden champion in providing sustainable semiconductors to enrich human life and meets the expectations of society.

On behalf of the management team at Winbond, I would like to thank you for your continued support.

Chairman: Arthur Yu-Cheng Chiao

President: Tung-Yi Chan

CFO: Jessica Chiou-Jii Huang

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 11,467,907	11	\$ 12,559,631	13
Current financial assets at fair value through profit or loss (Notes 4 and 7)	75,462	-	8,290	-
Current financial assets at fair value through other comprehensive income (Notes 4 and 8)	7,225,588	7	6,249,212	7
Accounts receivable, net (Notes 4 and 9)	6,085,003	6	6,469,413	7
Accounts receivable due from related parties, net (Note 27)	45,903	-	44,297	-
Other receivables (Note 6)	750,720	1	406,879	-
Inventories (Notes 4 and 10)	10,332,143	10	10,908,106	11
Other current assets	<u>1,574,560</u>	<u>1</u>	<u>882,418</u>	<u>1</u>
Total current assets	<u>37,557,286</u>	<u>36</u>	<u>37,528,246</u>	<u>39</u>
<b>NON-CURRENT ASSETS</b>				
Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	1,501,756	2	861,853	1
Investments accounted for using equity method (Notes 4 and 11)	4,548,939	4	3,585,328	4
Property, plant and equipment (Notes 4 and 12)	56,977,114	54	52,484,183	55
Right-of-use assets (Notes 4 and 13)	2,298,393	2	-	-
Investment properties (Notes 4 and 14)	44,207	-	50,527	-
Intangible assets (Notes 4 and 15)	407,722	-	229,195	-
Deferred income tax assets	923,902	1	953,726	1
Other non-current assets (Note 6)	<u>545,581</u>	<u>1</u>	<u>349,406</u>	<u>-</u>
Total non-current assets	<u>67,247,614</u>	<u>64</u>	<u>58,514,218</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 104,804,900</u>	<u>100</u>	<u>\$ 96,042,464</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 1,000,000	1	\$ -	-
Notes and accounts payable	4,786,251	5	4,317,866	4
Accounts payable to related parties (Note 27)	911,529	1	629,681	1
Payables on machinery and equipment	3,013,266	3	2,860,869	3
Other payables	3,125,368	3	3,776,574	4
Current tax liabilities (Note 21)	198,242	-	178,690	-
Lease liabilities - current (Notes 4 and 13)	186,556	-	-	-
Long-term borrowings - current portion (Note 16)	4,123,520	4	4,563,520	5
Other current liabilities	<u>170,736</u>	<u>-</u>	<u>142,544</u>	<u>-</u>
Total current liabilities	<u>17,515,468</u>	<u>17</u>	<u>16,469,744</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 17)	9,931,746	10	9,919,779	10
Long-term borrowings (Note 16)	9,730,473	9	4,179,273	4
Lease liabilities - non-current (Notes 4 and 13)	2,096,115	2	-	-
Net defined benefit liabilities, non-current (Notes 4 and 18)	1,251,869	1	1,167,325	1
Other non-current liabilities	<u>422,042</u>	<u>-</u>	<u>415,246</u>	<u>1</u>
Total non-current liabilities	<u>23,432,245</u>	<u>22</u>	<u>15,681,623</u>	<u>16</u>
Total liabilities	<u>40,947,713</u>	<u>39</u>	<u>32,151,367</u>	<u>33</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 19)</b>				
Share capital	39,800,002	38	39,800,002	41
Capital surplus	7,536,396	7	7,540,440	8
Retained earnings				
Legal reserve	1,798,091	2	1,053,441	1
Unappropriated earnings	6,995,451	6	10,567,845	11
Exchange differences on translation of foreign financial statements	(119,246)	-	(50,780)	-
Unrealized gains on financial assets measured at fair value through other comprehensive income	<u>5,009,928</u>	<u>5</u>	<u>3,533,423</u>	<u>4</u>
Total equity attributable to owners of the parent	61,020,622	58	62,444,371	65
<b>NON-CONTROLLING INTERESTS</b>	<u>2,836,565</u>	<u>3</u>	<u>1,446,726</u>	<u>2</u>
Total equity	<u>63,857,187</u>	<u>61</u>	<u>63,891,097</u>	<u>67</u>
<b>TOTAL</b>	<u>\$ 104,804,900</u>	<u>100</u>	<u>\$ 96,042,464</u>	<u>100</u>

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

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 48,771,434	100	\$ 51,190,323	100
OPERATING COSTS (Note 10)	<u>35,857,582</u>	<u>73</u>	<u>32,039,220</u>	<u>63</u>
GROSS PROFIT	<u>12,913,852</u>	<u>27</u>	<u>19,151,103</u>	<u>37</u>
OPERATING EXPENSES				
Selling expenses	1,408,662	3	1,486,523	3
General and administrative expenses	2,123,292	4	2,045,248	4
Research and development expenses	8,132,031	17	7,697,343	15
Expected credit (gain) loss (Note 9)	<u>(5,342)</u>	<u>-</u>	<u>(4,708)</u>	<u>-</u>
Total operating expenses	<u>11,658,643</u>	<u>24</u>	<u>11,224,406</u>	<u>22</u>
INCOME FROM OPERATIONS	<u>1,255,209</u>	<u>3</u>	<u>7,926,697</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	95,203	-	93,833	-
Dividend income	531,803	1	416,339	1
Other income	49,788	-	45,572	-
Gains (losses) on disposal of property, plant and equipment	(1,039)	-	764	-
Foreign exchange gains (losses)	(137,534)	-	280,264	1
Gains (losses) on financial instruments at fair value through profit or loss	64,016	-	(328,890)	(1)
Share of profit of associates accounted for using equity method	241,034	-	228,981	-
Interest expense	(218,980)	-	(182,299)	-
Other expenses	(126,983)	-	(73,471)	-
Other impairment loss	<u>-</u>	<u>-</u>	<u>(12,890)</u>	<u>-</u>
Total non-operating income and expenses	<u>497,308</u>	<u>1</u>	<u>468,203</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,752,517	4	8,394,900	16
INCOME TAX EXPENSE (Notes 4 and 22)	<u>275,230</u>	<u>1</u>	<u>667,242</u>	<u>1</u>
NET PROFIT	<u>1,477,287</u>	<u>3</u>	<u>7,727,658</u>	<u>15</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Gains (losses) on remeasurement of defined benefit plans	\$ (135,829)	-	\$ (142,113)	-
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	724,814	1	(505,248)	(1)
Share of other comprehensive income (loss) of associates accounted for using the equity method	777,428	2	(1,157,275)	(2)
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>(71,657)</u>	<u>-</u>	<u>66,164</u>	<u>-</u>
Other comprehensive income (loss)	<u>1,294,756</u>	<u>3</u>	<u>(1,738,472)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,772,043</u>	<u>6</u>	<u>\$ 5,989,186</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 1,256,387	3	\$ 7,446,496	14
Non-controlling interests	<u>220,900</u>	<u>-</u>	<u>281,162</u>	<u>1</u>
	<u>\$ 1,477,287</u>	<u>3</u>	<u>\$ 7,727,658</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,560,295	5	\$ 5,810,825	12
Non-controlling interests	<u>211,748</u>	<u>1</u>	<u>178,361</u>	<u>-</u>
	<u>\$ 2,772,043</u>	<u>6</u>	<u>\$ 5,989,186</u>	<u>12</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 0.32</u>		<u>\$ 1.87</u>	
Diluted	<u>\$ 0.32</u>		<u>\$ 1.87</u>	

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

(Concluded)

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent										
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gains (Losses) on Financial Assets measured at Fair Value Through Other Comprehensive Income	Unrealized Gains (Losses) on Available-for-sale Financial Assets			
BALANCE AT JANUARY 1, 2018	\$ 39,800,002	\$ 7,540,440	\$ 498,385	\$ 31,429	\$ 7,355,893	\$ (120,988)	\$ -	\$ 5,107,003	\$ 60,212,164	\$ 1,414,827	\$ 61,626,991
Effect of retrospective application and retrospective restatement	-	-	-	-	471,170	-	5,065,763	(5,107,003)	429,930	55,874	485,804
BALANCE AT JANUARY 1, 2018 RESTATED	39,800,002	7,540,440	498,385	31,429	7,827,063	(120,988)	5,065,763	-	60,642,094	1,470,701	62,112,795
Appropriation of 2017 earnings											
Legal reserve appropriated	-	-	555,056	-	(555,056)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(31,429)	31,429	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,980,000)	-	-	-	(3,980,000)	-	(3,980,000)
Total appropriations	-	-	555,056	(31,429)	(4,503,627)	-	-	-	(3,980,000)	-	(3,980,000)
Net profit for the year ended December 31, 2018	-	-	-	-	7,446,496	-	-	-	7,446,496	281,162	7,727,658
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	(115,861)	70,208	(1,590,018)	-	(1,635,671)	(102,801)	(1,738,472)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	7,330,635	70,208	(1,590,018)	-	5,810,825	178,361	5,989,186
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(86,226)	-	57,678	-	(28,548)	-	(28,548)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(202,336)	(202,336)
BALANCE AT DECEMBER 31, 2018	39,800,002	7,540,440	1,053,441	-	10,567,845	(50,780)	3,533,423	-	62,444,371	1,446,726	63,891,097
Appropriation of 2018 earnings											
Legal reserve appropriated	-	-	744,650	-	(744,650)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,980,000)	-	-	-	(3,980,000)	-	(3,980,000)
Total appropriations	-	-	744,650	-	(4,724,650)	-	-	-	(3,980,000)	-	(3,980,000)
Net profit for the year ended December 31, 2019	-	-	-	-	1,256,387	-	-	-	1,256,387	220,900	1,477,287
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(115,561)	(68,466)	1,487,935	-	1,303,908	(9,152)	1,294,756
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,140,826	(68,466)	1,487,935	-	2,560,295	211,748	2,772,043
Changes in ownership interests in subsidiaries	-	(4,044)	-	-	-	-	-	-	(4,044)	-	(4,044)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	11,430	-	(11,430)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	1,178,091	1,178,091
BALANCE AT DECEMBER 31, 2019	\$ 39,800,002	\$ 7,536,396	\$ 1,798,091	\$ -	\$ 6,995,451	\$ (119,246)	\$ 5,009,928	\$ -	\$ 61,020,622	\$ 2,836,565	\$ 63,857,187

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

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,752,517	\$ 8,394,900
Adjustments for:		
Depreciation expense	8,666,391	7,480,661
Amortization expense	111,440	102,201
Expected credit (gain) loss recognized on accounts receivable	(5,342)	(4,708)
(Reversal of) provision for declines in market value, obsolescence and scraps of inventories	1,146,371	113,910
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(67,172)	24,455
Interest expense	218,980	182,299
Interest income	(95,203)	(93,833)
Dividend income	(531,803)	(416,339)
Share of (profit) loss of associates accounted for using equity method	(241,034)	(228,981)
(Gains) losses on disposal of property, plant and equipment	1,039	(764)
Impairment loss on non-financial assets	-	12,890
Compensation costs of employee share options	49,920	-
Other adjustments to reconcile (profit) loss	(679)	-
Changes in operating assets and liabilities		
(Increase) decrease in notes and accounts receivable	391,215	187,018
(Increase) decrease in accounts receivable due from related parties	(1,606)	(10,751)
(Increase) decrease in other receivables	(345,490)	257,184
(Increase) decrease in inventories	(570,408)	(2,882,034)
(Increase) decrease in other current assets	68,173	101,095
(Increase) decrease in other non-current assets	(118,045)	(59,222)
Increase (decrease) in notes and accounts payable	471,003	(103,079)
Increase (decrease) in accounts payable to related parties	281,848	132,894
Increase (decrease) in other payables	(695,784)	449,962
Increase (decrease) in other current liabilities	28,192	(51,483)
Increase (decrease) in other non-current liabilities	(44,489)	(69,160)
Cash flows from (used in) operations	10,470,034	13,519,115
Interest received	94,164	89,052
Dividends received	586,655	416,339
Interest paid	(348,667)	(206,744)
Income taxes paid	(226,290)	(284,520)
Net cash flows from (used in) operating activities	<u>10,575,896</u>	<u>13,533,242</u>
		(Continued)

# WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial asset at fair value through other comprehensive income	\$ (992,439)	\$ (280,233)
Proceeds from disposal of financial asset at fair value through other comprehensive income	106,799	147,925
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,000	24,072
Acquisition of investments accounted for using the equity method	-	(750)
Net cash flow from acquisition of subsidiaries	(127,514)	-
Acquisition of property, plant and equipment	(13,431,076)	(16,930,434)
Proceeds from disposal of property, plant and equipment	1,967	2,549
Acquisition of intangible assets	<u>(197,990)</u>	<u>(25,260)</u>
Net cash flows from (used in) investing activities	<u>(14,636,253)</u>	<u>(17,062,131)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	1,000,000	(553,539)
Proceeds from issuing bonds	-	10,000,000
Proceeds from long-term borrowings	10,350,000	-
Repayments of long-term borrowings	(5,123,520)	(3,323,520)
Cash dividends paid	(3,980,000)	(3,980,000)
Change in non-controlling interests	1,124,126	(202,336)
Repayments of lease liabilities	(202,489)	-
Other financing activities	<u>(135,000)</u>	<u>(86,171)</u>
Net cash flows from (used in) financing activities	<u>3,033,117</u>	<u>1,854,434</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(64,484)</u>	<u>61,645</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,091,724)	(1,612,810)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>12,559,631</u>	<u>14,172,441</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 11,467,907</u>	<u>\$ 12,559,631</u>

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

(Concluded)

# WINBOND ELECTRONICS CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,424,966	6	\$ 9,384,525	10
Current financial assets at fair value through profit or loss (Notes 4 and 7)	69,425	-	7,526	-
Current financial assets at fair value through other comprehensive income (Notes 4 and 8)	7,173,101	7	6,174,768	7
Accounts receivable, net (Notes 4 and 9)	2,940,289	3	3,918,246	4
Accounts receivable due from related parties, net (Note 26)	1,477,313	2	1,213,213	1
Other receivables	221,601	-	469,494	1
Inventories (Notes 4 and 10)	8,750,071	9	9,330,646	10
Other current assets	<u>1,413,779</u>	<u>1</u>	<u>689,621</u>	<u>1</u>
Total current assets	<u>27,470,545</u>	<u>28</u>	<u>31,188,039</u>	<u>34</u>
NON-CURRENT ASSETS				
Non-current financial assets at fair value through other comprehensive income (Notes 4 and 8)	17,476	-	23,657	-
Investments accounted for using equity method (Notes 4 and 11)	11,931,184	12	8,413,315	9
Property, plant and equipment (Notes 4 and 12)	55,691,405	57	51,577,630	56
Right-of-use assets (Notes 4 and 13)	1,716,292	2	-	-
Investment properties (Notes 4 and 14)	295,251	-	-	-
Intangible assets (Notes 4 and 15)	123,949	-	104,925	-
Deferred income tax assets (Notes 4 and 21)	652,000	1	667,000	1
Other non-current assets (Note 6)	<u>350,829</u>	<u>-</u>	<u>199,263</u>	<u>-</u>
Total non-current assets	<u>70,778,386</u>	<u>72</u>	<u>60,985,790</u>	<u>66</u>
TOTAL	<u>\$ 98,248,931</u>	<u>100</u>	<u>\$ 92,173,829</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 1,000,000	1	\$ -	-
Notes payable	181,352	-	207,394	-
Accounts payable	3,488,513	4	3,233,658	4
Accounts payable to related parties (Note 26)	911,529	1	629,681	1
Payables on machinery and equipment	2,919,647	3	2,790,736	3
Other payables	2,410,968	3	3,083,269	3
Current tax liabilities (Note 21)	86,193	-	73,504	-
Lease liabilities - current (Notes 4 and 13)	74,527	-	-	-
Long-term borrowings - current portion (Note 16)	4,123,520	4	4,563,520	5
Other current liabilities	<u>71,350</u>	<u>-</u>	<u>56,674</u>	<u>-</u>
Total current liabilities	<u>15,267,599</u>	<u>16</u>	<u>14,638,436</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	9,931,746	10	9,919,779	11
Long-term borrowings (Note 16)	9,230,473	9	4,179,273	4
Lease liabilities - non-current (Notes 4 and 13)	1,660,704	2	-	-
Net defined benefit liabilities, non-current (Notes 4 and 18)	952,775	1	758,432	1
Other non-current liabilities	<u>185,012</u>	<u>-</u>	<u>233,538</u>	<u>-</u>
Total non-current liabilities	<u>21,960,710</u>	<u>22</u>	<u>15,091,022</u>	<u>16</u>
Total liabilities	<u>37,228,309</u>	<u>38</u>	<u>29,729,458</u>	<u>32</u>
EQUITY (Note 19)				
Share capital	39,800,002	40	39,800,002	43
Capital surplus	7,536,396	8	7,540,440	8
Retained earnings				
Legal reserve	1,798,091	2	1,053,441	1
Unappropriated earnings	6,995,451	7	10,567,845	12
Exchange differences on translation of foreign financial statements	(119,246)	-	(50,780)	-
Unrealized gains on financial assets measured at fair value through other comprehensive income	<u>5,009,928</u>	<u>5</u>	<u>3,533,423</u>	<u>4</u>
Total equity	<u>61,020,622</u>	<u>62</u>	<u>62,444,371</u>	<u>68</u>
TOTAL	<u>\$ 98,248,931</u>	<u>100</u>	<u>\$ 92,173,829</u>	<u>100</u>

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



# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 37,884,848	100	\$ 40,733,527	100
OPERATING COSTS (Note 10)	<u>29,645,436</u>	<u>78</u>	<u>25,952,289</u>	<u>64</u>
GROSS PROFIT	<u>8,239,412</u>	<u>22</u>	<u>14,781,238</u>	<u>36</u>
OPERATING EXPENSES				
Selling expenses	930,591	2	1,034,591	3
General and administrative expenses	1,407,488	4	1,400,498	3
Research and development expenses	5,539,492	15	5,399,222	13
Expected credit (gain) loss (Note 9)	<u>(18,000)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total operating expenses	<u>7,859,571</u>	<u>21</u>	<u>7,837,311</u>	<u>19</u>
INCOME FROM OPERATIONS	<u>379,841</u>	<u>1</u>	<u>6,943,927</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	56,775	-	65,662	-
Dividend income	461,274	1	342,184	1
Other income	42,671	-	38,459	-
Gains (losses) on financial instruments at fair value through profit or loss	64,269	-	(298,216)	(1)
Share of profit of subsidiaries and associates accounted for using equity method	808,579	2	830,792	2
Interest expense	(204,095)	(1)	(182,299)	(1)
Other expenses	(117,052)	-	(62,909)	-
Losses on disposal of property, plant and equipment	(903)	-	(411)	-
Foreign exchange (losses) gains	(131,507)	-	272,717	1
Other impairment loss	<u>-</u>	<u>-</u>	<u>(12,890)</u>	<u>-</u>
Total non-operating income and expenses	<u>980,011</u>	<u>2</u>	<u>993,089</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,359,852	3	7,937,016	19
INCOME TAX EXPENSE (Notes 4 and 21)	<u>103,465</u>	<u>-</u>	<u>490,520</u>	<u>1</u>
NET PROFIT	<u>1,256,387</u>	<u>3</u>	<u>7,446,496</u>	<u>18</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
(Gains) losses on remeasurement of defined benefit plans (Note 18)	\$ (74,024)	-	\$ (85,080)	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive loss	700,754	2	(301,203)	(1)
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	745,644	2	(1,319,596)	(3)
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	(10,985)	-	(1,486)	-
Share of other comprehensive (loss) income of subsidiaries and associates accounted for using equity method	<u>(57,481)</u>	<u>-</u>	<u>71,694</u>	<u>-</u>
Other comprehensive income (loss)	<u>1,303,908</u>	<u>4</u>	<u>(1,635,671)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,560,295</u>	<u>7</u>	<u>\$ 5,810,825</u>	<u>14</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 0.32</u>		<u>\$ 1.87</u>	
Diluted	<u>\$ 0.32</u>		<u>\$ 1.87</u>	

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

(Concluded)

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Other Equity		Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Unrealized Gains (Losses) on Available-for-sale Financial Assets	
BALANCE AT JANUARY 1, 2018	\$ 39,800,002	\$ 7,540,440	\$ 498,385	\$ 31,429	\$ 7,355,893	\$ (120,988)	\$ -	\$ 5,107,003	\$ 60,212,164
Effect of retrospective application and retrospective restatement	-	-	-	-	471,170	-	5,065,763	(5,107,003)	429,930
BALANCE AT JANUARY 1, 2018 RESTATED	<u>39,800,002</u>	<u>7,540,440</u>	<u>498,385</u>	<u>31,429</u>	<u>7,827,063</u>	<u>(120,988)</u>	<u>5,065,763</u>	-	<u>60,642,094</u>
Appropriation of 2017 earnings									
Legal reserve appropriated	-	-	555,056	-	(555,056)	-	-	-	-
Reversal of special reserve	-	-	-	(31,429)	31,429	-	-	-	-
Cash dividends	-	-	-	-	(3,980,000)	-	-	-	(3,980,000)
Total appropriations	-	-	<u>555,056</u>	<u>(31,429)</u>	<u>(4,503,627)</u>	-	-	-	<u>(3,980,000)</u>
Net profit for the year ended December 31, 2018	-	-	-	-	7,446,496	-	-	-	7,446,496
Other comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	(115,861)	70,208	(1,590,018)	-	(1,635,671)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	<u>7,330,635</u>	<u>70,208</u>	<u>(1,590,018)</u>	-	<u>5,810,825</u>
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(86,226)	-	57,678	-	(28,548)
BALANCE AT JANUARY 1, 2018	39,800,002	7,540,440	1,053,441	-	10,567,845	(50,780)	3,533,423	-	62,444,371
Appropriation of 2018 earnings									
Legal reserve appropriated	-	-	744,650	-	(744,650)	-	-	-	-
Cash dividends	-	-	-	-	(3,980,000)	-	-	-	(3,980,000)
Total appropriations	-	-	<u>744,650</u>	-	<u>(4,724,650)</u>	-	-	-	<u>(3,980,000)</u>
Net profit for the year ended December 31, 2019	-	-	-	-	1,256,387	-	-	-	1,256,387
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(115,561)	(68,466)	1,487,935	-	1,303,908
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	<u>1,140,826</u>	<u>(68,466)</u>	<u>1,487,935</u>	-	<u>2,560,295</u>
Changes in ownership interest in subsidiaries	-	(4,044)	-	-	-	-	-	-	(4,044)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	11,430	-	(11,430)	-	-
BALANCE AT DECEMBER 31, 2019	<u>\$ 39,800,002</u>	<u>\$ 7,536,396</u>	<u>\$ 1,798,091</u>	<u>\$ -</u>	<u>\$ 6,995,451</u>	<u>\$ (119,246)</u>	<u>\$ 5,009,928</u>	<u>\$ -</u>	<u>\$ 61,020,622</u>

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

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,359,852	\$ 7,937,016
Adjustments for:		
Depreciation expense	8,328,952	7,285,916
Amortization expense	30,120	24,420
Expected credit (gain) loss recognized on accounts receivable	(18,000)	3,000
(Reversal of) provision for declines in market value, obsolescence and scraps of inventories	1,087,821	69,522
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(61,898)	23,509
Interest expense	204,095	182,299
Interest income	(56,775)	(65,662)
Dividend income	(461,274)	(342,184)
Share of profit of subsidiaries and associates accounted for using equity method	(808,579)	(830,792)
Gains (losses) on disposal of property, plant and equipment	903	411
(Reversal of) impairment loss on non-financial assets	-	12,890
Unrealized profit (loss) on the transactions with subsidiaries	(14,010)	(15,664)
Other adjustments to reconcile (profit) loss	(669)	-
Changes in operating assets and liabilities		
(Increase) decrease in notes and accounts receivable	995,957	(91,067)
(Increase) decrease in accounts receivable due from related parties	(198,643)	540,388
(Increase) decrease in other receivables	(10,826)	55,396
(Increase) decrease in inventories	(507,246)	(2,902,906)
(Increase) decrease in other current assets	40,542	44,360
(Increase) decrease in other non-current assets	(122,838)	(26,480)
Increase (decrease) in notes payable	(26,042)	(26,293)
Increase (decrease) in accounts payable	257,472	(38,328)
Increase (decrease) in accounts payable to related parties	281,744	132,894
Increase (decrease) in other payables	(689,328)	455,655
Increase (decrease) in other current liabilities	14,421	(28,117)
Increase (decrease) in other non-current liabilities	17,296	20,848
Cash generated from (used in) operations	9,643,047	12,421,031
Interest received	62,000	60,695
Dividends received	832,677	694,614
Interest paid	(335,849)	(206,744)
Income taxes paid	(70,855)	(130,233)
Net cash flows from (used in) operating activities	<u>10,131,020</u>	<u>12,839,363</u>

(Continued)

# WINBOND ELECTRONICS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	\$ -	\$ 11,914
Acquisition of financial assets at fair value through other comprehensive income	(291,398)	(183,229)
Acquisition of investments accounted for using the equity method	(2,451,142)	(433,252)
Proceeds from capital reduction of investments accounted for using equity method	284,436	148,609
Acquisition of property, plant and equipment	(13,158,790)	(16,714,392)
Proceeds from disposal of property, plant and equipment	495	608
Acquisition of intangible assets	(29,423)	-
Net cash inflows from business combination	<u>26,375</u>	<u>-</u>
Net cash flows from (used in) investing activities	<u>(15,619,447)</u>	<u>(17,169,742)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	1,000,000	(553,539)
Proceeds from issuing bonds	-	10,000,000
Proceeds from long-term borrowings	9,850,000	-
Repayments of long-term borrowings	(5,123,520)	(3,323,520)
Cash dividends paid	(3,980,000)	(3,980,000)
Repayments of lease liabilities	(82,612)	-
Other financing activities	<u>(135,000)</u>	<u>(86,171)</u>
Net cash flows from (used in) financing activities	<u>1,528,868</u>	<u>2,056,770</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,959,559)</b>	<b>(2,273,609)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>9,384,525</b></u>	<u><b>11,658,134</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 5,424,966</b></u>	<u><b>\$ 9,384,525</b></u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Winbond Electronics Corporation

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Occurrence of Sales Revenues

There is a significant risk on revenue recognition, and customers' line of credit and delivery of products are highly correlated to recognition of sales revenue. We therefore considered that the occurrence of sales revenue from the twenty largest customers with changes in credit limits and temporary increase in credit limits in 2019 as a key audit matter for the year ended December 31, 2019. Refer to Note 4 to the consolidated financial statements for the Group's revenue recognition policies.

Our audit procedures in response to the validity of sales revenue included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items to verify that revenue transactions have indeed occurred.

### **Other Matter**

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including audit committees, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

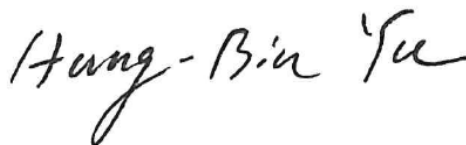
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea Shyu and Hung-Bin Yu.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 7, 2020

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*

The Board of Directors and Shareholders  
Winbond Electronics Corporation

## **Opinion**

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

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

## **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Occurrence of Sales Revenues

There is a significant risk on revenue recognition, and customers’ line of credit and delivery of products are highly correlated to recognition of sales revenue. We therefore considered that the occurrence of sales revenue from the twenty largest customers with changes in credit limits and temporary increase in credit limits in 2019 as a key audit matter for the year ended December 31, 2019. Refer to Note 4 to the consolidated financial statements for the Company’s revenue recognition policies.

Our audit procedures in response to the validity of sales revenue included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items to verify that revenue transactions have indeed occurred.

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

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

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

Those charged with governance, including audit committees, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

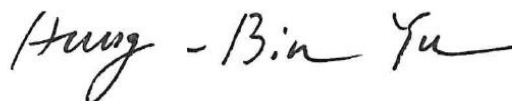
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea Shyu and Hung-Bin Yu.



Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 7, 2020

Notice to Readers

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*For the convenience of readers, the independent 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 independent auditors' report and financial statements shall prevail*

(English Translation)

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

To: The 2020 Annual General Meeting of Shareholders

The Board of Directors has prepared the Company's 2019 Business Report, the financial statements (including the consolidated financial statements) and proposal for distribution of earnings. The consolidated financial statements have been audited by Wen-Yea Shyu and Hung-Bin Yu from Deloitte & Touche, which has been retained by the Board of Directors as independent auditors. The independent auditors have issued an unmodified opinion. The Audit Committee has reviewed and determined the above Business Report, the consolidated financial statements, and proposal for distribution of earnings to be correct and accurate. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, it is hereby submitted for your review and perusal.

Winbond Electronics Corporation

Chairman of the Audit Committee : Allen Hsu

Date: March 16 2020

(English Translation)

**Winbond Electronics Corporation**  
**Shareholdings of All Directors**

Book closure date: April 14, 2020

Position	Name	Current shareholding (Shares)	Shareholding ratio (%)
Chairman	Arthur Yu-Cheng Chiao	63,472,995	1.59%
Vice Chairman	Yuan-Mou Su	801,279	0.02%
Director	Yung Chin	11,778,797	0.30%
Independent Director	Francis Tsai	0	0.00%
Independent Director	Allen Hsu	0	0.00%
Independent Director	Jerry Hsu	0	0.00%
Independent Director	Stephen Tso	0	0.00%
Director	Wei-Hsin Ma	0	0.00%
Director	Jamie Lin	0	0.00%
Director	Walsin Lihwa Corporation (Representative: Sophi Pan)	883,848,423	22.21%
Shareholdings of All Directors		959,901,494	24.12%

**Note:** This Company had a total of 3,980,000,193 issued shares as of April 14, 2020

## Winbond Electronics Corporation (the "Company")

### Comparison Table of the Procedures for Endorsements and Guarantees

Amended Articles	Current Articles	Note
<p>Article 3: Ceiling amount for endorsement/guarantee</p> <p>(1)Omitted.</p> <p>(2) The limit on the total amount of endorsements/guarantees for any single entity The total amount of endorsements/guarantees made by either the Company or the Company and its subsidiaries altogether for a single corporation shall not exceed twenty percent of the Company's net worth shown on the Company's latest financial report, or <u>1.5 times</u> the net worth of such endorsee/guarantee company, whichever is lower. If the Company engages in endorsements/guarantees because of its business relations, in addition to the aforesaid restriction, the aggregate amount of endorsements/ guarantees provided by the Company to any single corporation shall not exceed the total trading amount between the Company and such endorsee/guarantee company in the most recent year. The trading amount referred to above means the higher of the total purchase amount or the total sales amount. The restriction on the amount of endorsements/guarantees that the Company may provide to any single corporation and the restriction relating to the net worth of the endorsee/guarantee company need not apply to the Company's endorsements/guarantees for its 100% owned subsidiaries.</p>	<p>Article 3: Ceiling amount for endorsement/guarantee</p> <p>(1)Omitted.</p> <p>(2) The limit on the total amount of endorsements/guarantees for any single entity The total amount of endorsements/guarantees made by either the Company or the Company and its subsidiaries altogether for a single corporation shall not exceed twenty percent of the Company's net worth shown on the Company's latest financial report, or the net worth of such endorsee/guarantee company, whichever is lower. If the Company engages in endorsements/guarantees because of its business relations, in addition to the aforesaid restriction, the aggregate amount of endorsements/guarantees provided by the Company to any single corporation shall not exceed the total trading amount between the Company and such endorsee/guarantee company in the most recent year. The trading amount referred to above means the higher of the total purchase amount or the total sales amount. The restriction on the amount of endorsements/guarantees that the Company may provide to any single corporation and the restriction relating to the net worth of the endorsee/guarantee company need not apply to the Company's endorsements/guarantees for its 100% owned subsidiaries.</p>	<p>Adjust the limit on the total amount of endorsements/guarantees for any single entity to meet operational needs.</p>

Amended Articles	Current Articles	Note
(3)~(4)Omitted.	(3)~(4)Omitted.	



**(Translation)**  
**Winbond Electronics Corporation (the "Company")**  
**Procedures for Endorsements and Guarantees**  
**(The " Procedures ")**

**I. PURPOSE**

To soundly manage endorsements and guarantees for others by the Company and to protect the assets and credit of the Company, the Company stipulates these Procedures as a basis for the execution of endorsements and guarantees.

**II. OBJECTIVE**

Execution of matters relative to endorsements and guarantees made by the Company for others shall be governed by these Procedures. Any matter not provided for in these Procedures shall be governed by the related laws and regulations to effectively manage endorsements and guarantees and to comply with the Company's goal of steady operation.

**III. CONTENTS**

**Article 1:**

The "endorsements and/or guarantees" referred to in these Procedures include following:

- (1) Endorsements and/or guarantees in connection with financing facilities, including:
  1. Financing facilities in connection with discounts on customers' check;
  2. Endorsements and/or guarantees provided in connection with financing facilities for other companies; and
  3. Instruments issued to non-financial enterprises as security in connection with the financing facilities for the Company.
- (2) Endorsements and/or guarantees in connection with customs duty, which mean endorsements and/or guarantees made for the Company or other companies with respect to matters involving customs duty;
- (3) Other endorsements and/or guarantees, which cannot be categorized in items (1) and (2) as mentioned above; and
- (4) When the Company creates a pledge or mortgage on its chattel or real property as security for the loans of another company, the Procedures shall apply.

**Article 2: Parties for whom the Company may provide endorsement/guarantee**

- (1) The Company may provide endorsement/guarantee for the following:
  1. A company who has business relationship with the Company.
  2. A company in which the Company directly and indirectly owns more than fifty percent of the voting shares.
  3. A company that directly and indirectly owns more than fifty percent of the voting shares of the Company.

- (2) The companies in which the Company directly and indirectly owns ninety percent or more of voting shares may provide endorsement/guarantee for one another; provided that, the amount of endorsement/guarantee provided by the Company may not exceed ten percent of the net value shown on the Company's latest financial report; provided further that, the endorsement/guarantee provided by a company which is directly and indirectly wholly owned by the Company to another company which is also directly and indirectly wholly owned by the Company is not subject to the restriction provided in the immediately preceding proviso.
- (3) Where the Company fulfills its contractual obligations by providing mutual endorsement/guarantee for another company in the same industry or the collaborative builders for purposes of undertaking a construction project, or where all the shareholders make endorsement/guarantee for their jointly invested company in proportion to their shareholding percentages, such endorsement/guarantee may be exempted from the restrictions under the preceding two paragraphs.
- (4) The investment as mentioned in the preceding paragraph means investment directly made by the Company or made through a company in which the Company owns one hundred percent of the voting shares.

### **Article 3: Amount ceiling for endorsement/guarantee**

- (1) The limit on the aggregate amount of endorsements and/or guarantees

Either the aggregate amount of endorsements and/or guarantees made by the Company itself, or the aggregate amount of endorsements and/or guarantees made by the Company and its subsidiaries together, shall not exceed fifty percent of the Company's net assets shown on the Company's latest financial report.

- (2) The limit on the total amount of endorsements and/or guarantees for any single entity  
The total amount of endorsements and/or guarantees made by either the Company or the Company and its subsidiaries altogether for a single corporation shall not exceed twenty percent of the Company's net worth shown on the Company's latest financial report, or 1.5 times the net worth of such endorsee/guarantee company, whichever is lower.

If the Company engages in endorsements and/or guarantees because of its business relations, in addition to the aforesaid restriction, the aggregate amount of endorsements and/or guarantees provided by the Company to any single corporation shall not exceed the total trading amount between the Company and such endorsee/guarantee company in the most recent year. The trading amount referred to above means the higher of the total purchase amount or the total sales amount.

The restriction on the amount of endorsements/guarantees that the Company may provide to any single corporation and the restriction relating to the net worth of the endorsee/guarantee company need not apply to the Company's endorsements/guarantees for its 100%-owned subsidiaries.

- (3) Where the Company needs to exceed the limits set out in these Procedures to satisfy its business needs, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors against losses that may be caused to the Company by the excess endorsement and/or guarantee provided that the conditions set out in these Procedures are complied with. It shall also amend the operating procedures for endorsements and/or guarantees accordingly and submit the same to the shareholders' meeting for its ratification. If the shareholders' meeting does not approve, the Company shall adopt a plan to discharge the amount in excess within a given time limit. Where there are independent directors on the board, when the Company submits the operating

procedures for endorsements and/or guarantees to the board meetings for discussion in accordance with the above provisions, it shall take into full consideration each independent director's opinions, which shall be included in the minutes of the board meetings, regardless of whether it was assenting or dissenting opinion.

- (4) Where changes in circumstances of the Company result in that the entity for which the Company provides endorsement/guarantee ceases to be a qualified entity under Article 2 of these Procedures, or the amount endorsed/guaranteed exceeds the ceiling due to changes in the calculation base for the ceiling, the Company shall adopt rectification plans, submit the relevant rectification plans to the independent directors and the audit committee and complete the rectification on schedule.

#### **Article 4: Corporate Chops for Endorsements and Guarantees**

The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements and/or guarantees.

When making a guarantee for a foreign company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

#### **Article 5: Custody of Corporate Seals and Notes for Endorsements and Guarantees**

The corporate seals and notes for endorsements and/or guarantees shall be kept in the custody of a designated person (the "Custodian") approved by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures. The Company shall submit the Custodian of the seals for endorsements and/or guarantees to and for approval by the board of directors. The same shall apply to any amendments to the Regulations.

#### **Article 6: Operation Procedures of Making Endorsements and Guarantees and Review Process**

Before making an endorsement or guarantee for others, the Company shall carefully evaluate whether the endorsement or guarantee is in compliance with the Regulations Governing Loaning of Funds and Making of Endorsements and/or Guarantees by Public Companies promulgated by the securities regulator and handle and review the following matters in accordance with these Procedures.

- (1) The guarantee company shall provide detailed financial information to the Finance Division of the Company.
- (2) The Finance Division shall prepare a report specifically stating the financial information of the guarantee company, examining the necessity and reasonableness of endorsements and/or guarantees, credit status and risk assessment of the entity for which the endorsement and/or guarantee is made and the impact on the Company's operational risks, financial condition and shareholders' equity. Such report shall be submitted to the chairman of the board of directors for approval.
- (3) If necessary, the ceiling on the amount of endorsements and/or guarantees proposed to be decided by the board of directors may be decided by the chairman of the board of directors provided the amount is within ten percent of the Company's net worth shown on the Company's latest financial report and then be reported to the upcoming board of directors for ratification. Where there are independent directors in the board, when making an endorsement or guarantee for others, the Company shall take into full consideration each independent director's opinions, which shall be included in the

minutes of the board meetings, regardless of whether it was assenting or dissenting opinion.

- (4) The chairman of the board of directors may approve the endorsement and/or guarantee made for the guarantee company within the ceiling decided by the board of directors and refer to the Finance Division for execution.
- (5) The endorsement and/or guarantee may be made by the Finance Division after receiving the guarantee notes of the same term and same amount and collaterals where necessary. Appraisal of the collateral shall be done carefully by the Finance Division. However, where the subsidiaries are one hundred percent invested directly and indirectly by the Company, receipt of guarantee notes and collaterals can exempt.
- (6) The Finance Division shall periodically prepare and report the statement of details of guarantees for the purpose of controlling and monitoring the financial conditions and usage of fund of the guarantee company. Should any significant change regarding the aforementioned matters arise, the Finance Division shall immediately report to the chairman of the board of directors and appropriate measures shall be taken in accordance with the instructions.
- (7) The Finance Division shall prepare a memorandum book and truthfully record the following information: entities for which the approved endorsements and/or guarantees are made, amount, date of approval by the board of directors or the chairman of the board of directors, endorsement and/or guarantee date, and matters to be carefully evaluated under paragraph (2) of this Article.
- (8) Prior approval of the Company's board of directors is required to provide endorsement/guarantee for the subsidiaries that the Company directly and indirectly owns ninety percent or more of the shares pursuant to Paragraph (2) of Article 2; provided that, the endorsement/guarantee provided by a company which is directly and indirectly wholly owned by the Company for another company which is also directly and indirectly wholly owned by the Company is not subject to the restriction provided above in this paragraph.
- (9) The Finance Division shall examine the net worth of the company for which the Company provides endorsement/guarantee at the end of each month. If the net worth of such company is lower than  $\frac{1}{2}$  of its paid-in capital, the Finance Division shall prepare a valuation report and submit such report to the chairman in order to determine whether to continue to provide endorsement/guarantee to such company. If the Company will continue to provide endorsement/guarantee for such company, the Finance Division shall obtain a negotiable instrument guaranteed by another person with the issuing amount equivalent to the amount of endorsement/guarantee or other security; provided that, no guaranteed negotiable instrument or security is required if the company for which the Company provides the endorsement/guarantee is directly and indirectly wholly owned by the Company.
- (10) In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital calculation pursuant to Paragraph 9 of this Article shall be the share capital plus premium for issuance of shares above par value.

Material endorsement or provision of guarantee by the Company shall be approved by at least one half of all audit committee members and submitted to the Board of Directors for resolution. If approval of the majority of all audit committee members is not obtained, such fund loaning may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" in paragraph 3 and "all directors" in

this paragraph shall be counted as the actual number of persons currently holding those positions.

#### **Article 7: Renewal of Endorsements and/or Guarantees**

Renewal of endorsements and/or guarantees shall be in accordance with Article 6.

#### **Article 8: Cancellation of Endorsement and Guarantee Record**

When the extinguishment of endorsements and/or guarantees is asked by the guarantee company or the Company, the Finance Division shall process it in accordance with the following procedures:

- (1) It shall be confirmed that the guarantee company has cancelled the record of the liability of guarantee.
- (2) A copy of cancellation of the guarantee notes by the guarantee company shall be obtained.

#### **Article 9: Internal Audit**

The Company's internal auditors shall at least quarterly audit these Procedures and the implementation thereof and prepare written records accordingly. They shall promptly notify the independent directors the audit committee in writing of any material violation found.

#### **Article 10: Procedures of Announcement and Report**

- (1) The Company shall announce and report the previous month's balance of endorsements and/or guarantees of itself and its subsidiaries by the 10th day of each month.
- (2) If the balance of endorsement/guarantee reaches any of the following thresholds, the Company shall announce and report within two days from the date of occurrence. The date of occurrence referred to above means the date of execution of the contract, date of payment, date of board resolutions, or other dates that may confirm the guaranteed/endorsed party and the monetary amount of the guarantee/endorsement, whichever date is earlier.
  1. The balance of endorsement/guarantee of the Company and its subsidiaries reaches fifty percent or more of the net worth of the Company as stated in its latest financial statement.
  2. The balance of endorsement/guarantee of the Company and its subsidiaries provided for a single entity reaches twenty percent or more of the net worth of the Company as stated in its latest financial statement.
  3. The balance of endorsement/guarantee of the Company and its subsidiaries provided for a single entity reaches NTD 10 million or more, and the aggregate balance of endorsement/guarantee provided for, the book value of investments under the equity method in and funds lending to, such entity reaches thirty percent or more of the net worth of the Company as stated in its latest financial

statements.

4. The amount of new endorsement/guarantee provided by the Company or its subsidiaries reaches NTD 30 million and reaches five percent of the net worth of the Company as stated in its latest financial statement.
- (3) Where any subsidiary of the Company is not a domestic public offering company, the Company shall make the required announcement and report on behalf of such subsidiary if the situation prescribed in the preceding Item 4 occurs.
- (4) The Company shall evaluate or record the contingent loss for endorsements and/or guarantees and shall adequately disclose information on endorsements and/or guarantees in its financial reports and provide relevant information to the certified public accountants for them to carry out necessary audit procedures.
- (5) "Net worth" as set forth in these Procedures means the equity attributable to owners of the parent company on the balance sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (6) "Subsidiary" and "parent company" as set forth in these Procedures shall be determined as per the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Article 11: Penalty**

In order to prevent managers or personnel in charge from taking advantage of their offices to engage in illegal endorsements and/or guarantees, when managers or personnel in charge violate these Procedures or the related laws and regulations, the Human Resource Department shall make a proposal for penalty to be approved by the responsible supervisor according to the seriousness of such violation based on the evidence provided by the division in charge or audit division. Penalty imposed on managers shall be submitted to the compensation committee and the board of directors for resolution.

In the event of unrecoverable losses incurred from violation of these Procedures or the related laws and regulations with intent or by negligence, suspension may be imposed on personnel in charge after being approved by the responsible supervisor.

The aforementioned managers shall mean the ones set up in accordance with the ruling issued by the Securities and Futures Commission dated March 27, 2003 (Ref. No.: Tai-Tsai-Jen-(3)-0920001301) and the aforementioned personnel in charge shall mean personnel involved and relevant supervisors in charge of review and approval of execution.

#### **Article 12: Control procedure to subsidiaries in providing endorsement /guarantee**

The Company shall require all of its subsidiaries to formulate their own Procedures for Endorsement and Guarantee in accordance with the Regulations Governing Lending Funds and Providing Endorsement and Guarantee by Public Offering Companies promulgated by the competent authorities and the Procedures for Endorsement and Guarantee of the Company. Any endorsement/guarantee provided by the subsidiaries shall comply with their own Procedures for Endorsement and Guarantee, and the internal audit department of the Company shall be responsible for reviewing all self-assessment reports prepared by all

subsidiaries.

#### **IV. VALIDATION AND AMENDMENTS**

These Procedures shall be approved by at least one half of all the audit committee members and then submitted to the Board of Directors for resolution. After approved by the Board of Directors, these Procedures shall be submitted to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to the audit committee and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. When the Procedures are submitted by the Company to the Board of Directors for discussion in accordance with relevant rules, the Board of Directors shall take into full consideration each independent director's opinions; any dissent from or qualification by the independent directors (if any) shall be included in the minutes of the Board of Directors' meetings.

If approval of the majority of all audit committee members as required in the preceding paragraph is not obtained, the Procedures or any amendment hereto may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" and "all directors" in this paragraph shall be counted as the actual number of persons currently holding those positions.

### List of Candidates for Directors and Independent Directors of Twelfth Term

Category	Name	Education	Work Experience	Current Job	Shareholding (Unit : Share)	Name of institution Being represente
Director	Arthur Yu-Cheng Chiao	University of Washington Masters of Electrical Engineer and Business Administration	Chairman, Walsin Lihwa Corporation Chairman, Nuvoton Technology Corporation Supervisor, MiTAC Holdings Corporation Chairman, Taiwan Electrical and Electronic Manufacturers' Association	Chairman and CEO, Winbond Electronics Corporation Director, Nuvoton Technology Corporation Director, Walsin Lihwa Corporation Independent Director, Taiwan Cement Corporation Independent Director, Synnex Technology International Corporation Director, MiTAC Holdings Corporation	63,472,995	-
Director	Chin-Xin Investment Co., Ltd	Not applicable	Director, Walsin Lihwa Corporation Director, Nuvoton Technology Corporation Director, HannStar Board Corporation Director, Global Investment Holdings Co., Ltd. Director, Glorystone Inc.	Director, Walsin Lihwa Corporation Director, Nuvoton Technology Corporation Director, HannStar Board Corporation Director, Global Investment Holdings Co., Ltd. Director, Glorystone Inc.	221,003,072	Not applicable
Director	Jamie Lin	MBA, New York University Stern School of Business BS, Chemical Engineering (minor in economics), National Taiwan University	Founder, AppWorks Ventures Co., Ltd Director, HannsTouch Solution Incorporated Independent Director, Kingwaytek Technology Co., Ltd. Independent Director, Taiwan Taomee Co., Ltd.	Director and President, Taiwan Mobile Co., Ltd. Chairman and Partner, AppWorks Ventures Co., Ltd Director,Momo.com Inc. Managing Director, Taiwan Internet E-commerce Association Common Convener, Asian Silicon Valley Private Sector Advisory Committee Member, National Digital Innovation Economy Promotion Team, Executive Yuan Director, Winbond Electronics Corporation	-	-
Director	Wei-Hsin Ma	Ph.D., College of Humanities and Social Sciences, National Tsing Hua University Master of Business Administration for Senior Managers, Peking University, Department of East Asian Languages, University of California (Berkeley)	Chairman, Yuanta Securities Investment Trust Corporation Chairman, HannStar Display Corp.	Chairman, HannsTouch Solution Incorporated Chairman, Xin shi yue ma investment Co Ltd Chairman, Yuemayijao Investment Co Ltd Chairman, Glorystone Inc. Chairman, Golden Apple Investment Company Director, Walsin Lihwa Corporation Director, HannStar Display Corporation Director, Winbond Electronics Corporation	-	-
Director	Walsin Lihwa Corporation	Not applicable	Director, Walsin Technology Corporation Director, Walton Advanced Engineering, Inc. Director, HannStar Display Corporation Director, Winbond Electronics Corporation	Director, Walsin Technology Corporation Director, Walton Advanced Engineering, Inc. Director, HannStar Display Corporation Director, Winbond Electronics Corporation	883,848,423	Not applicable
Director	Tung-Yi Chan	Doctor of Science in Electrical Engineering, University of California, Berkeley Master of Management Science,	CEO, BCD Semiconductor Member of Compensation Committee, Walton Advanced Engineering, Inc. Director and President, Winbond Electronics Corporation	Vice CEO, Winbond Electronics Corporation Director, Walton Advanced Engineering, Inc.	901,000	-



		Stanford University				
Director	Yung Chin	Master of Applied Mathematics, University of Washington	Chief Auditor, Walsin Lihwa Corporation Vice President, Winbond Electronics Corporation	Director and Chief Administration Executive, Winbond Electronics Corporation Director, Nuvoton Technology Corporation Chairman, Hwa Bao Botanic Conservation Corp.	11,778,797	-
Independent Director	Allen Hsu	MBA, National Chengchi University, Further Education, Wharton College	Chairman, Altek Corporation Chairman, Taiwan Mask Corporation Chairman, Myson Century, Inc. Chairman, Chingis Technology Corporation Independent Director, ANZ Bank (Taiwan) Limited	Chairman, Hestia Power Inc. Chairman, Accelstor, Inc. Chairman, 3R Life Sciences Taiwan Ltd. Chairman, You Yuan Investment Ltd. Chairman, Fortune Star Investment Ltd. Director, Innodisk Corporation Director, Acme Electronics Corporation Director, Parpro Corporation Director, Bao Yue Investment Co. Independent Director, Nuvoton Technology Corporation Independent Director, Winbond Electronics Corporation	-	-
Independent Director	Stephen Tso	Ph.D & MS From Materials Science and Engineering U.C Berkeley	President, WaferTech General Manager, MCVD Applied Mate CIO & Sr. V.P, TMSC	Independent Director, Aopen Inc. Independent Director, Winbond Electronics Corporation	-	-
Independent Director	Francis Tsai	Department of Computing and Control Engineering, National Chiao Tung University	Vice President, Lian Tong Electronics Ltd. Vice President, Mitac Incorporated Vice Chairman, Mitac International Corporation Chairman/CEO, Getac Technology Corporation	Chairman/CEO, Waffer Technology Corp. Chairman, National Aerospace Fasteners Corporation Vice Chairman, Getac Technology Corporation Independent Director, Winbond Electronics Corporation	-	-
Independent Director	Jerry Hsu	International Business School, Waseda University	Director, Kinpo Electronics, Inc. Director, Cal-Comp Biotech Co., Ltd. Director, PCHOMESTORE INC.	Director and President, Acbel Polytech Inc. Director, Kinpo Electronics, Inc. Director, PChome online Inc. Director, The Eslite Spectrum Corporation Independent Director, Sirtec International Co., Ltd. Independent Director, Nuvoton Technology Corporation Independent Director, Winbond Electronics Corporation	-	-

## Explanations of involvement of directors in acts for themselves or others which fall into the field of the Company's business

### (1) Yuan-Mou Su :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Chairman/CEO	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing

### (2) Arthur Yu-Cheng Chiao :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
Walsin Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture

### (3) Chin-Xin Investment Co., Ltd :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
HannStar Board Corporation	Director	CC01080 Electronic Parts and Components Manufacture

### (4) Jamie Lin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
AppWorks Fund III Co., Ltd.	Chairman	F401010 International Trade

### (5) Wei-Hsin Ma :

Names of other companies Where he served	Title	Business items same or similar to the Company's
HannsTouch Solution	Chairman	CC01080 Electronic Parts and Components Manufacture

Incorporated		F401010 International Trade
HannStar Display Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade
Xin shi yue ma investment Co Ltd	Chairman	F401010 International Trade
Yuemayijao Investment Co Ltd	Chairman	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Glorystone Inc.	Chairman	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(6) Walsin Lihwa Corporation :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Waltuo Green Resources Corporation	Director	F401010 International Trade
HannStar Display Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade
Walsin Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture
Walton Advanced Engineering, Inc.	Director	CC01080 Electronic Parts and Components Manufacture
Min Maw Precision Industry Corp.)	Director	F401010 International Trade
Walsin Info-Electric Inc.	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
Kuang Tai Metal Industrial Co., Ltd.	Director	F401010 International Trade
One-Seven Trading Co., Ltd.	Director	F401010 International Trade

(7) Tung-Yi Chan :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Walton Advanced Engineering, Inc.	Director	CC01080 Electronic Parts and Components Manufacture

(8) Yung Chin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing

Nuvoton Electronics Technology (H.K.) Ltd.	Director	Sales of semiconductor
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(9) Allen Hsu :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Independent Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing
Parpro Corporation	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade
Innodisk Corporation	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade I301010 Software Design Services I501010 Product Designing
Hestia Power Inc.	Chairman	CC01080 Electronic Parts and Components Manufacture I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing F401010 International Trade
Acme Electronics Corporation	Director	CC01080 Electronic Parts and Components Manufacture F401010 International Trade

(10) Francis Tsai :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Getac Technology Corporation	Vice Chairman	CC01120 Data Storage Media Manufacture and Duplication CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture F401010 International Trade I301010 Software Design Services I501010 Product Designing
National Aerospace Fasteners Corporation	Chairman	F401010 International Trade I501010 Product Designing
Waffer Technology Corp.	Chairman/CEO	CC01080 Electronic Parts and Components Manufacture F401010 International Trade I501010 Product Designing

(11) Jerry Hsu :

Names of other companies Where he served	Title	Business items same or similar to the Company's
Nuvoton Technology Corporation	Independent Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I501010 Product Designing

PChome online Inc.	Director	F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing
Sirtec International Co., Ltd.	Independent Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture F401010 International Trade
Cal-Comp Biotech Co., Ltd.	Director	F401010 International Trade
Kinpo Electronics, Inc.	Director	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
Prudence Venture Investment Corp.	Director	H202011 Venture Investment
CAL-COMP BIG DATA, INC.	Director	CC01120 Data Storage Media Manufacture and Duplication F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
The Eslite Spectrum Corporation	Director	F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing
Acbel Polytech Inc.	Director and president	CC01080 Electronic Parts and Components Manufacture CC01110 Computers and Computing Peripherals Manufacture F401010 International Trade I301010 Software Design Services
Actel Electronic (Dongguan) Co., Ltd.	Director and president	The company mainly engages in the processing, manufacturing and sale of power supplies.
AcBel Electronic (Dongguan) Co., Ltd.	Director and president	The company mainly engages in the processing, manufacturing.
AcBel Polytech (Wuhan) Co., Ltd.	Director and president	The company mainly engages in the processing, manufacturing and sale of power supplies.
AcBel (USA) Polytech Inc.	Director	The company mainly engages in providing the after-sale maintenance services.
AcBel Polytech (SAMOA) Investment Inc.	Director	The company mainly engages in general investments.
AcBel Polytech (Singapore) Pte Ltd.	Director	The company mainly engages in general investments.
AcBel Polytech (UK) Limited	Director	The company mainly engages in providing the after-sale maintenance services.
AcBel Polytech Japan Inc.	Director	The company mainly engages in marketing and services of electronic products.
Power Station Holdings Ltd	Director	The company mainly engages in general investments.