



Stock Code: 2344

(English Translation)

Winbond Electronics Corporation

2015 Annual General Shareholders Meeting

Agenda Handbook¹

Date: June 18, 2015

Time: 9:00 A.M.

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

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



INDEX

- I. Table of Meeting Procedure and Agenda
- II. Attachments
 - 1. 2014 Business Report and Financial Statements
 - 2. Independent Auditors' Report
 - 3. Supervisors' Review Report
 - 4. Shareholdings of All Directors and Supervisors of the Tenth Term
- III. Appendices
 - 1. Rules Governing the Conduct of Shareholders Meeting
 - 2. Articles of Incorporation



Procedure and Agenda for the 2015 Annual General Meeting of Shareholders

- I. Announcement of the Commencement of the Meeting
- II. Opening Speech of the Chairman
- III. Meeting Agenda
 - A. Matters to be reported
 - 1. Business report of fiscal year 2014
 - 2. The 2014 Supervisors' Review Report
 - 3. Other matters to be reported
 - B. Matters to be acknowledged and discussed
 - 1. To acknowledge and recognize business report and financial statements of fiscal year 2014.
 - 2. To acknowledge and recognize the making-up of loss for fiscal year 2014.
 - 3. Discussion on the release of directors from the non-competition restriction.

Voting by Poll:

- IV. Other Matters and Motions
- V. Adjournment



Matters to be reported

1. Business Report of Fiscal Year 2014

Both the business report and the financial statements of fiscal year 2014 are hereby prepared (Please refer to Attachment 1 for details). Please examine. To be reported by General Manager

2. The 2014 Supervisors' Review Report

The 2014 Supervisors' Review Report is hereby prepared (Please refer to Attachment 3 for details). Please examine. To be reported by supervisor

3. Other matters to be reported

(1) Report of shareholdings of all directors and supervisors

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

(a) The minimum combined shareholding of all directors required by laws and regulations is 88,679,573 shares

(b) The minimum combined shareholding of all supervisors required by laws and regulations is 8,867,958 shares.

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

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

(2) During the period for accepting shareholders' proposals (from April 1 , 2015 to April 13 , 2015), no shareholder submitted any written proposal to the Company for the 2015 annual general shareholders meeting in accordance with Article 172-1 of the Company Act .



Matters to be acknowledged and discussed

Motion 1: (proposed by the Board of Directors)

Proposal: The business report and financial statements of fiscal year 2014 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 2014.
2. The aforementioned financial statements have been approved by the Sixth Meeting of the Board of Directors of the Tenth Term and after audited by the certified public accountants, together with the business report, have been submitted to and reviewed by the supervisors.

Motion 2: (proposed by the Board of Directors)

Proposal: The plan for making up the Company's loss for fiscal year 2014 is hereby presented. Please acknowledge and recognize the same.

Explanation:

1. The Company has an after-tax profit of NT\$3,075,968,780 for fiscal year 2014. The plan for making up the loss is as follows.
2. The proposal was approved by the Seventh Meeting of the Board of Directors of the Tenth Term.

Winbond Electronics Corporation
Statement of Accumulated Deficit and Loss Making-up
For the year ended December 31, 2014

(Unit : NTD\$)	
Items	Total
Accumulated Deficit, Beginning of Year	(4,187,772,044)
Net income for 2014	3,075,968,780
Actuarial losses on defined benefit plans	(7,881,397)
Accumulated Deficit, End of Year	(1,119,684,661)

Chairman: Arthur Yu-Cheng Chiao

Manager: Tung-Yi Chan

Chief Accountant: Chin-Hao Wu



Motion 3: (proposed by the Board of Directors)

Proposal: It is proposed to release the directors of the Company from the non-competition restrictions.

Please review and approve the same.

Explanation:

1. It is conducted in accordance with Paragraph 1 of Article 209 of the Company Act which provides that "A director who acts for himself/herself or on behalf of another person in a manner that is within the scope of the company's business shall explain to the shareholders meeting the essential contents of such act and secure its approval."
2. Mr. Arthur Yu-Cheng Chiao, the Chairman of the Company, has been a director of company that engages in the same business as that of the Company as described below: Since February 26, 2015, Mr. Arthur Yu-Cheng Chiao has been a director of TECHDESIGN CORPORATION, a company that engages in the same business as that of the Company. TECHDESIGN CORPORATION mainly engages in marketing logic IC products through electronic commerce transaction platform. TECHDESIGN CORPORATION's business in selling electronic parts and components such as chips is same as that of the Company.

It is proposed to release Mr. Arthur Yu-Cheng Chiao from the non-competition restrictions starting from the date when he became a director of the above company and waive the Company's right to request disgorgement of profits against him.

3. Mr. Hui-Ming Cheng, the representative of the corporate director of the Company, has been a director of companies that engage in the same business as that of the Company as described below:
 - (a) From March 1, 2014 to February 28, 2015, Mr. Hui-Ming Cheng was the representative of the corporate director of GOGORO INC., a company that engages in the same business as that of the Company. GOGORO INC. mainly engages in electronic parts and components manufacturing and international trade, same as the Company.
 - (b) Since June 6, 2014, Mr. Hui-Ming Cheng has been the representative of the corporate director of Acme Electronics Corporation, a company that engages in the same business as that of the Company. Acme Electronics Corporation mainly engages in electronic parts and components manufacturing and international trade, same as the Company.

It is proposed to release Mr. Hui-Ming Cheng from the non-competition restrictions starting from the date when he became the Company's director and waive the Company's right to request disgorgement of profits against him.

4. Mr. Allen Hsu, a director of the Company, has been a director of the companies that engage in the same business as that of the Company as described below:
 - (a) Since June 25, 2013, Mr. Allen Hsu has been a director of Hestia Power Inc., a company that engages in the same business as that of the Company. Hestia Power Inc. mainly engages in electronic parts and components manufacturing, software design services, data processing services, product designing and international trade, same as the Company.
 - (b) Since June 6, 2014, Mr. Allen Hsu has been the representative of the corporate director of Acme



Electronics Corporation, a company that engages in the same business as that of the Company.

Acme Electronics Corporation mainly engages in electronic parts and components manufacturing and international trade, same as the Company.

It is proposed to release Mr. Allen Hsu from the non-competition restrictions starting from the date when he became the Company's director and waive the Company's right to request disgorgement of profits against him.

Voting by Poll :

Other Extemporaneous Matters and Motions

Meeting Adjourned



Attachment



(English Translation)

Business Report 2014

In 2014, Winbond continued to achieve in market expansion, product development and profit improvement. By keeping abreast of industry and market movements, Winbond reported stand-alone revenue of NT\$30,930 million for 2014, an increase of 18.2% from last year. The consolidated revenue, including Winbond Electronics Corp. and Nuvoton Technology Corp. etc., amounted to NT\$37,990 million, up 14.6% YOY. We recorded a consolidated earnings of NT\$3,211 million, or NT\$0.83 per share in 2014, which is the second highest since 2001. It demonstrated the rewarding result of our efforts in transforming into a specialty memory supplier and focusing on stable profit.

Market Expansion

We position ourselves as a specialty memory solution provider to satisfy customer needs with full spectrum of products and high-quality services. Our products used in computer, consumer electronics and communication applications accounted for respectively 31%, 28% and 34% of our revenue in 2014. Revenue from automotive and industrial applications grew from 5% in 2013 to 7% in 2014. By product lines, DRAM products accounted for 65% of revenue, while flash memory products contributed 35% of revenue in 2014. Specialty DRAM made up 53% of 2014 revenue as we steadily gained market share in KGD, automotive and industrial segments. Mobile DRAM accounted for 12% of 2014 revenue, which mainly used in peripheral modules of mobile devices and portable products. With regard to Flash, we are the worldwide No. 1 supplier of Serial Flash and the fourth largest provider of the Code Storage Flash.

Product and Technology Development

Our efforts in developing own process technology achieved good results. The 46nm DRAM products contributed more than 60% of our revenue and offered our clients high-quality, cost-competitive products. We are also developing 38nm DRAM technology. In Flash Memory, 58nm products accounted for 57% of Flash revenue, and 46nm products, for 1Gb and 2Gb Code Storage Flash, have entered mass production.

Production and Manufacturing

Given strong market growth in mobile devices and automotive electronics, plus our full spectrum product lines and global customer base, we invested NT\$13 billion in advanced processes and capacity expansion to 44,000 wafers per month. Through prudent capital expenditure and production allocation, we continued to enhance our production advantages of cost-effective solutions and flexibility to offer our clients innovative services.

Future Outlook

As the automotive electronics will drive a new wave of growth, our capability to deliver stable and high-quality products will be the key success factor in the market. Under the worldwide trend of Internet of Things (IoT), which interconnects various smart devices, demand of low to medium density products are expected to rise. Winbond is ready to seize these new opportunities by meeting market demands with our high-quality, low-power and high-performance products. We endeavor to become an outstanding specialty memory solution provider with "passion, innovation and execution."

Chairman: Arthur Yu-Cheng Chiao

President: Tung-Yi Chan

Chief Accountant: Chin-Hao Wu



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars)

	2014		2013	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 6,975,514	11	\$ 7,670,379	14
Available-for-sale financial assets, current (Note 8)	2,902,576	4	1,790,113	3
Notes and accounts receivable, net (Note 9)	5,433,212	8	4,906,167	9
Accounts receivable due from related parties, net (Note 28)	85,234	-	89,754	-
Other receivables (Note 10)	310,447	1	300,116	1
Inventories (Note 11)	6,316,936	10	6,973,887	12
Other current assets	952,819	1	677,839	1
Total current assets	22,976,738	35	22,408,255	40
NON-CURRENT ASSETS				
Available-for-sale financial assets, non-current (Note 8)	-	-	281,070	1
Held-to-maturity financial assets, non-current (Note 12)	101,840	-	97,770	-
Financial assets measured at cost, non-current (Note 13)	719,378	1	656,676	1
Investments accounted for using equity method (Note 14)	2,416,386	4	2,407,094	4
Property, plant and equipment (Note 15)	33,986,751	52	24,804,025	45
Investment properties (Note 16)	78,506	-	80,401	-
Intangible assets (Note 17)	311,616	1	193,947	1
Deferred income tax assets (Note 22)	3,490,222	6	4,088,406	7
Other non-current assets (Notes 6 and 10)	810,271	1	661,034	1
Total non-current assets	41,914,970	65	33,270,423	60
TOTAL	\$ 64,891,708	100	\$ 55,678,678	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 390,213	1	\$ 2,072,708	4
Financial liabilities at fair value through profit or loss, current (Note 7)	16,894	-	16,545	-
Notes and accounts payable	3,823,082	6	3,262,977	6
Accounts payable to related parties (Note 28)	642,564	1	521,618	1
Payable on equipment	1,287,996	2	472,496	1
Other payables	2,290,033	3	2,213,020	4
Current portion of long-term borrowings (Note 18)	5,879,760	9	3,863,097	7
Other current liabilities	120,836	-	79,149	-
Total current liabilities	14,451,378	22	12,501,610	23
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	9,814,030	15	6,076,193	11
Accrued pension liabilities (Note 19)	974,840	1	929,453	2
Other non-current liabilities	351,369	1	283,320	-
Total non-current liabilities	11,140,239	17	7,288,966	13
Total liabilities	25,591,617	39	19,790,576	36
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Common stock (Note 20)	36,949,822	57	36,940,232	66
Capital surplus	2,143,393	3	2,148,359	4
Accumulated deficits	(1,119,684)	(2)	(4,187,772)	(8)
Exchange differences on translation of foreign financial statements	23,265	-	(59,567)	-
Unrealized gains (losses) on available-for-sale financial assets	292,835	1	79,055	-
Treasury stock	(106,387)	-	(106,387)	-
Total equity attributable to owners of the parent	38,183,244	59	34,813,920	62
NON-CONTROLLING INTERESTS	1,116,847	2	1,074,182	2
Total equity	39,300,091	61	35,888,102	64
TOTAL	\$ 64,891,708	100	\$ 55,678,678	100

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, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 37,989,660	100	\$ 33,135,448	100
OPERATING COST (Note 11)	<u>27,199,199</u>	<u>72</u>	<u>26,226,516</u>	<u>79</u>
GROSS PROFIT	<u>10,790,461</u>	<u>28</u>	<u>6,908,932</u>	<u>21</u>
OPERATING EXPENSES				
Selling expenses	1,127,300	3	972,433	3
General and administrative expenses	1,112,579	3	980,725	3
Research and development expenses	<u>4,892,159</u>	<u>13</u>	<u>4,190,576</u>	<u>13</u>
Total operating expenses	<u>7,132,038</u>	<u>19</u>	<u>6,143,734</u>	<u>19</u>
PROFIT FROM OPERATIONS	<u>3,658,423</u>	<u>9</u>	<u>765,198</u>	<u>2</u>
NON-OPERATING INCOME AND LOSSES				
Interest income	166,289	-	53,033	-
Dividend income	114,709	-	29,715	-
Gains on doubtful debt recoveries	902	-	6,330	-
Other income	43,045	-	33,742	-
Gains (losses) on disposal of investments	40,657	-	(7,674)	-
Foreign exchange gains	250,790	1	161,934	1
Share of profit or loss of associates accounted for using equity method (Note 14)	14,663	-	(92,057)	-
Interest expense	(177,339)	-	(259,402)	(1)
Other expense	(34,162)	-	(37,652)	-
Losses on disposal of property, plant and equipment	(7,643)	-	(3,807)	-
Losses on financial instruments at fair value through profit or loss	(129,296)	-	(89,923)	-
Impairment loss on financial assets (Note 13)	<u>-</u>	<u>-</u>	<u>(783)</u>	<u>-</u>
Total non-operating income and losses	<u>282,615</u>	<u>1</u>	<u>(206,544)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	3,941,038	10	558,654	2
INCOME TAX EXPENSE (Note 22)	<u>730,494</u>	<u>2</u>	<u>271,288</u>	<u>1</u>
NET PROFIT	<u>3,210,544</u>	<u>8</u>	<u>287,366</u>	<u>1</u>

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange differences on translation of foreign financial statements	\$ 90,597	-	\$ 43,138	-
Unrealized gains on available-for-sale financial assets	213,780	1	1,487,472	5
Actuarial gains and losses on defined benefit plans	(10,274)	-	36,810	-
Other comprehensive income	294,103	1	1,567,420	5
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,504,647</u>	<u>9</u>	<u>\$ 1,854,786</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the parent	\$ 3,075,969	8	\$ 206,564	1
Non-controlling interests	134,575	-	80,802	-
	<u>\$ 3,210,544</u>	<u>8</u>	<u>\$ 287,366</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the parent	\$ 3,364,700	9	\$ 1,752,631	5
Non-controlling interests	139,947	-	102,155	1
	<u>\$ 3,504,647</u>	<u>9</u>	<u>\$ 1,854,786</u>	<u>6</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$0.83</u>		<u>\$0.06</u>	
Diluted	<u>\$0.83</u>		<u>\$0.06</u>	

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

(Concluded)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent								Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Accumulated Deficits	Other Equity		Treasury Stock	Total			
				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets					
BALANCE, JANUARY 1, 2013	\$ 36,856,012	\$ 2,177,342	\$ (4,430,750)	\$ (81,748)	\$ (1,408,417)	\$ (106,387)	\$ 33,006,052	\$ 1,109,483	\$ 34,115,535	
Change in equity of associates accounted for using equity method	-	29,347	-	-	-	-	29,347	133	29,480	
Net income for 2013	-	-	206,564	-	-	-	206,564	80,802	287,366	
Other comprehensive income for 2013	-	-	36,414	22,181	1,487,472	-	1,546,067	21,353	1,567,420	
Total comprehensive income for 2013	-	-	242,978	22,181	1,487,472	-	1,752,631	102,155	1,854,786	
Issue of ordinary shares under employee stock options	84,220	(58,330)	-	-	-	-	25,890	-	25,890	
Decrease in non-controlling interests	-	-	-	-	-	-	-	(137,589)	(137,589)	
BALANCE, DECEMBER 31, 2013	36,940,232	2,148,359	(4,187,772)	(59,567)	79,055	(106,387)	34,813,920	1,074,182	35,888,102	
Change in equity of associates accounted for using equity method	-	(252)	-	-	-	-	(252)	(161)	(413)	
Net income for 2014	-	-	3,075,969	-	-	-	3,075,969	134,575	3,210,544	
Other comprehensive income for 2014	-	-	(7,881)	82,832	213,780	-	288,731	5,372	294,103	
Total comprehensive income for 2014	-	-	3,068,088	82,832	213,780	-	3,364,700	139,947	3,504,647	
Issue of ordinary shares under employee stock options	9,590	(4,714)	-	-	-	-	4,876	-	4,876	
Decrease in non-controlling interests	-	-	-	-	-	-	-	(97,121)	(97,121)	
BALANCE, DECEMBER 31, 2014	\$ 36,949,822	\$ 2,143,393	\$ (1,119,684)	\$ 23,265	\$ 292,835	\$ (106,387)	\$ 38,183,244	\$ 1,116,847	\$ 39,300,091	

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, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 3,941,038	\$ 558,654
Adjustments for:		
Depreciation expenses	4,759,388	6,277,692
Amortization expenses	115,818	169,142
Provision for allowance for doubtful accounts	5,285	5,138
Provision for (reversal of) decline in market value and obsolescence and abandonment of inventories	230,527	(177,945)
Net loss on financial assets and liabilities at fair value through profit or loss	349	39,904
Interest expense	177,339	259,402
Interest income	(166,289)	(53,033)
Dividend income	(114,709)	(29,715)
Share of (profit) loss of associates accounted for using equity method	(14,663)	92,057
Impairment loss on financial assets	-	783
Loss on disposal of property, plant and equipment	7,643	3,807
(Gain) loss on disposal of investments	(40,657)	7,674
Realized profit on the transactions with associates	(118)	(137)
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	-	5,529
Increase in notes and accounts receivable	(533,864)	(308,018)
Decrease (increase) in accounts receivable due from related parties	4,520	(43,681)
Decrease in other receivables	26,629	62,983
Decrease in inventories	426,424	1,312,735
Increase in other current assets	(274,980)	(150,998)
Increase in other non-current assets	(83,558)	(5,567)
Increase (decrease) in notes and accounts payable	560,105	(436,803)
Increase (decrease) in accounts payable to related parties	120,946	(12,721)
Increase (decrease) in other payables	123,711	(60,474)
Increase in other current liabilities	41,687	1,320
Increase in other non-current liabilities	58,681	81,803
Cash inflow generated from operations	9,371,252	7,599,531
Interest received	48,770	44,203
Dividend received	122,653	34,530
Interest paid	(272,935)	(298,559)
Income tax paid	(134,535)	(122,104)
Net cash flows generated from operating activities	9,135,205	7,257,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(828,260)	(631,036)
Proceeds from disposal of available-for-sale financial assets	148,292	206,111
Acquisition of held-to-maturity financial assets	-	(94,584)

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	2014	2013
Acquisition of financial assets measured at cost	\$ -	\$ (16,000)
Proceeds from disposal of financial assets measured at cost	-	2,467
Proceeds from capital reduction of financial assets measured at cost	5,368	32,603
Acquisition of investments accounted for using equity method	-	(151,236)
Proceeds from disposal of investments accounted for using equity method	33,872	-
Acquisitions of property, plant and equipment	(13,192,897)	(2,245,724)
Proceeds from disposal of property, plant and equipment	1,351	5,076
Decrease in financial lease receivables	152,728	64,246
Acquisition of intangible assets	<u>(192,673)</u>	<u>(155,663)</u>
Net cash used in investing activities	<u>(13,872,219)</u>	<u>(2,983,740)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,682,495)	(643,766)
Decrease in short-term bills payable	-	(500,000)
Increase in long-term borrowings	9,617,600	3,510,000
Repayments of long-term borrowings	(3,863,100)	(4,604,040)
Dividend paid to non-controlling interests	(97,121)	(137,588)
Proceeds from exercise of employee stock options	4,876	25,890
Increase in non-controlling interests	<u>7,764</u>	<u>21,352</u>
Net cash generated from (used in) financing activities	<u>3,987,524</u>	<u>(2,328,152)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>54,625</u>	<u>13,757</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(694,865)</u>	<u>1,959,466</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,670,379</u>	<u>5,710,913</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,975,514</u>	<u>\$ 7,670,379</u>

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

(Concluded)



WINBOND ELECTRONICS CORPORATION

BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars)

ASSETS	2014		2013	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 4,146,238	7	\$ 4,957,922	9
Available-for-sale financial assets, current (Note 8)	2,826,103	4	1,736,895	3
Notes and accounts receivable, net (Note 9)	3,535,090	6	3,152,950	6
Accounts receivable due from related parties, net (Note 27)	983,807	2	868,460	2
Other receivables (Note 10)	250,428	-	242,054	-
Inventories (Note 11)	5,534,586	9	6,111,134	12
Other current assets	852,710	1	605,843	1
Total current assets	18,128,962	29	17,675,258	33
NON-CURRENT ASSETS				
Available-for-sale financial assets, non-current (Note 8)	-	-	281,070	1
Held-to-maturity financial assets, non-current (Note 12)	101,840	-	97,770	-
Financial assets measured at cost, non-current (Note 13)	40,161	-	40,161	-
Investments accounted for using equity method (Note 14)	6,576,196	11	6,224,488	12
Property, plant and equipment (Note 15)	33,304,147	54	24,132,155	46
Intangible assets (Note 16)	52,000	-	52,000	-
Deferred income tax assets (Note 21)	3,146,000	5	3,742,000	7
Other non-current assets (Notes 6 and 10)	712,275	1	610,813	1
Total non-current assets	43,932,619	71	35,180,457	67
TOTAL	\$ 62,061,581	100	\$ 52,855,715	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 390,213	1	\$ 1,893,878	4
Financial liabilities at fair value through profit or loss, current (Note 7)	11,253	-	15,841	-
Notes payable	534,789	1	517,550	1
Accounts payable	2,747,750	4	2,186,622	4
Accounts payable to related parties (Note 27)	642,308	1	521,832	1
Payable on equipment	1,249,178	2	427,371	1
Other payables	1,667,581	3	1,664,721	3
Current portion of long-term borrowings (Note 17)	5,879,760	9	3,863,097	7
Other current liabilities	71,663	-	34,514	-
Total current liabilities	13,194,495	21	11,125,426	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 17)	9,814,030	16	6,076,193	11
Accrued pension liabilities (Note 18)	481,684	1	460,911	1
Other non-current liabilities	388,128	-	379,265	1
Total non-current liabilities	10,683,842	17	6,916,369	13
Total liabilities	23,878,337	38	18,041,795	34
EQUITY				
Common stock (Note 19)	36,949,822	60	36,940,232	70
Capital surplus	2,143,393	3	2,148,359	4
Accumulated deficits	(1,119,684)	(2)	(4,187,772)	(8)
Exchange differences on translation of foreign financial statements	23,265	-	(59,567)	-
Unrealized gains (losses) on available-for-sale financial assets	292,835	1	79,055	-
Treasury stock	(106,387)	-	(106,387)	-
Total equity	38,183,244	62	34,813,920	66
TOTAL	\$ 62,061,581	100	\$ 52,855,715	100

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



WINBOND ELECTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 30,929,689	100	\$ 26,165,961	100
OPERATING COSTS (Note 11)	<u>23,315,561</u>	<u>75</u>	<u>22,226,165</u>	<u>85</u>
GROSS PROFIT	<u>7,614,128</u>	<u>25</u>	<u>3,939,796</u>	<u>15</u>
OPERATING EXPENSES				
Selling expenses	725,368	2	629,159	3
General and administrative expenses	634,278	2	531,366	2
Research and development expenses	<u>3,029,747</u>	<u>10</u>	<u>2,434,587</u>	<u>9</u>
Total operating expenses	<u>4,389,393</u>	<u>14</u>	<u>3,595,112</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>3,224,735</u>	<u>11</u>	<u>344,684</u>	<u>1</u>
NON-OPERATING INCOME AND LOSSES				
Interest income	144,173	-	33,656	-
Dividend income	29,776	-	816	-
Gains on doubtful debt recoveries	902	-	6,330	-
Other income	27,390	-	20,889	-
Gains (losses) on disposal of investments	9,824	-	(467)	-
Foreign exchange gains	204,547	1	122,733	1
Share of profit of subsidiaries and associates accounted for using equity method (Note 14)	345,085	1	44,211	-
Interest expense	(177,101)	(1)	(259,105)	(1)
Other expense	(23,195)	-	(26,171)	-
Losses on disposal of property, plant and equipment	(6,769)	-	(659)	-
Losses on financial instruments at fair value through profit or loss	<u>(107,398)</u>	<u>-</u>	<u>(80,353)</u>	<u>-</u>
Total non-operating income and losses	<u>447,234</u>	<u>1</u>	<u>(138,120)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	3,671,969	12	206,564	1
INCOME TAX EXPENSE (Note 21)	<u>596,000</u>	<u>2</u>	<u>-</u>	<u>-</u>
NET PROFIT	<u>3,075,969</u>	<u>10</u>	<u>206,564</u>	<u>1</u>

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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

	2014		2013	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange differences on translation of foreign financial statements	\$ 82,832	-	\$ 22,181	-
Unrealized gains on available-for-sale financial assets	213,780	1	1,487,472	6
Actuarial gains and losses on defined benefit plans	<u>(7,881)</u>	<u>-</u>	<u>36,414</u>	<u>-</u>
Other comprehensive income	<u>288,731</u>	<u>1</u>	<u>1,546,067</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 3,364,700</u>	<u>11</u>	<u>\$ 1,752,631</u>	<u>7</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 0.83</u>		<u>\$ 0.06</u>	
Diluted	<u>\$ 0.83</u>		<u>\$ 0.06</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, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Accumulated Deficits	Other Equity		Treasury Stock	Total
				Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets		
BALANCE, JANUARY 1, 2013	\$ 36,856,012	\$ 2,177,342	\$ (4,430,750)	\$ (81,748)	\$ (1,408,417)	\$ (106,387)	\$ 33,006,052
Change in equity of subsidiaries and associates accounted for using equity method	-	29,347	-	-	-	-	29,347
Net income for 2013	-	-	206,564	-	-	-	206,564
Other comprehensive income for 2013	-	-	36,414	22,181	1,487,472	-	1,546,067
Total comprehensive income for 2013	-	-	242,978	22,181	1,487,472	-	1,752,631
Issue of ordinary shares under employee stock options	84,220	(58,330)	-	-	-	-	25,890
BALANCE, DECEMBER 31, 2013	36,940,232	2,148,359	(4,187,772)	(59,567)	79,055	(106,387)	34,813,920
Change in equity of subsidiaries and associates accounted for using equity method	-	(252)	-	-	-	-	(252)
Net income for 2014	-	-	3,075,969	-	-	-	3,075,969
Other comprehensive income for 2014	-	-	(7,881)	82,832	213,780	-	288,731
Total comprehensive income for 2014	-	-	3,068,088	82,832	213,780	-	3,364,700
Issue of ordinary shares under employee stock options	9,590	(4,714)	-	-	-	-	4,876
BALANCE, DECEMBER 31, 2014	<u>\$ 36,949,822</u>	<u>\$ 2,143,393</u>	<u>\$ (1,119,684)</u>	<u>\$ 23,265</u>	<u>\$ 292,835</u>	<u>\$ (106,387)</u>	<u>\$ 38,183,244</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, 2014 AND 2013

(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 3,671,969	\$ 206,564
Adjustments for:		
Depreciation expenses	4,600,207	6,124,453
Amortization expenses	20,731	61,241
Provision for (reversal of) allowance for doubtful accounts	5,740	(2,330)
Provision for (reversal of) decline in market value and obsolescence and abandonment of inventories	250,629	(193,725)
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(4,588)	39,392
Interest expense	177,101	259,105
Interest income	(144,173)	(33,656)
Dividend income	(29,776)	(816)
Share of profit of subsidiaries and associates accounted for using equity method	(345,085)	(44,211)
Loss on disposal of property, plant and equipment	6,769	659
(Gain) loss on disposal of investments	(9,824)	467
Gain on foreign currency exchange of held-to-maturity financial assets	(4,070)	(3,186)
Unrealized profit on the transactions with subsidiaries	13,215	34
Changes in operating assets and liabilities		
Increase in notes and accounts receivable	(388,782)	(152,088)
Increase in accounts receivable due from related parties	(106,978)	(295,683)
Decrease (increase) in other receivables	37,297	(38,714)
Decrease in inventories	325,919	1,190,278
Increase in other current assets	(246,867)	(235,169)
Increase in other non-current assets	(35,409)	(23)
Increase (decrease) in notes payable	17,239	(294,703)
Increase (decrease) in accounts payable	561,128	(78,368)
Increase (decrease) in accounts payable to related parties	120,476	(12,100)
Increase in other payables	3,348	16,363
Increase in other current liabilities	37,183	11,518
Increase in other non-current liabilities	20,256	11,524
Cash inflow generated from operations	8,553,655	6,536,826
Interest received	27,167	20,184
Dividend received	181,720	216,071
Interest paid	(272,557)	(298,402)
Income tax refund (paid)	1,251	(427)
Net cash flows generated from operating activities	8,491,236	6,474,252

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	\$ (801,410)	\$ (402,085)
Proceeds from disposal of available-for-sale financial assets	122,879	5,863
Acquisition of held-to-maturity financial assets	-	(94,584)
Proceeds from capital reduction of financial assets measured at cost	-	16,320
Acquisition of investments accounted for using equity method	(1,206)	(400,425)
Proceeds from capital reduction of investments accounted for using equity method	-	24,951
Acquisitions of property, plant and equipment	(13,032,502)	(2,050,634)
Proceeds from disposal of property, plant and equipment	880	3,360
Decrease in finance lease receivables	<u>152,728</u>	<u>64,246</u>
Net cash used in investing activities	<u>(13,558,631)</u>	<u>(2,832,988)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,503,665)	(822,596)
Decrease in short-term bills payable	-	(500,000)
Increase in long-term borrowings	9,617,600	3,510,000
Repayments of long-term borrowings	(3,863,100)	(4,604,040)
Proceeds from exercise of employee stock options	<u>4,876</u>	<u>25,890</u>
Net cash generated from (used in) financing activities	<u>4,255,711</u>	<u>(2,390,746)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(811,684)</u>	<u>1,250,518</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,957,922</u>	<u>3,707,404</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,146,238</u>	<u>\$ 4,957,922</u>

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

(Concluded)



Attachment 2

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Winbond Electronics Corporation

We have audited the accompanying consolidated balance sheets of Winbond Electronics Corporation (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2014 and 2013 and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Winbond Electronics Corporation as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified report.

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

February 3, 2015

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.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Winbond Electronics Corporation

We have audited the accompanying balance sheets of Winbond Electronics Corporation (the "Company") as of December 31, 2014 and 2013, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013, and its financial performance and its cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

A handwritten signature in black ink, reading "Deloitte & Touche", with a stylized flourish at the end.

February 3, 2015

Notice to Readers

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

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



Attachment 3

(English Translation)

Supervisors' review report²

To: The 2015 Annual General Meeting of Shareholders

The Board of Directors of the Company has prepared the 2014 parent company only financial statements and the consolidated financial report, which have been audited by HONG, KUO-TYAN and WU, KER-CHANG at Deloitte who have been retained by the Board of Directors of the Company to issue an audit report. The audit report provides that the 2014 parent company only financial statements and the consolidated financial report of the Company can fairly present the Company's financial position. The undersigned supervisors have reviewed the audit report and the aforesaid documents, together with the business report, the consolidated business reports of affiliates and the plan for making up the Company's loss for fiscal year 2014 prepared by the Board of Directors, and did not find any incompliance. According to Article 219 of the Company Law, it is hereby submitted for your review and perusal.

Supervisor: Wang-Tsai Lin(Representative of Chin Xin Investment Co., Ltd.)

Supervisor: Yeu-Yuh Chu

Supervisor: Hong-Chi Yu

Date: March 27, 2015

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

(English Translation)

Winbond Electronics Corporation Shareholdings of All Directors and Supervisors of the Tenth Term³

Book closure date: April 20, 2015

Position	Name	Current shareholding (Shares)	Shareholding ratio (%)
Chairman	Arthur Yu-Cheng Chiao	58,264,955	1.58
Director	Ching-Chu Chang	10,067,591	0.27
Director	Matthew Feng-Chiang Miao	100,000	0.00
Director	Yung Chin	10,720,537	0.29
Director	Hui-Ming Cheng(Representative of Walsin Lihwa Corporation)	812,393,531	21.99
Director	Tung-Yi Chan	500,000	0.01
Independent Director	Francis Tsai	0	0.00
Independent Director	Allen Hsu	0	0.00
Independent Director	Jerry Hsu	0	0.00
Supervisor	Wang-Tsai Lin(Representative of Chin Xin Investment Co., Ltd.)	145,047,000	3.93
Supervisor	Yeu-Yuh Chu	0	0.00
Supervisor	Hong-Chi Yu	0	0.00
Shareholdings of All Directors		892,046,614	24.14
Shareholdings of All Supervisors		145,047,000	3.93
Shareholdings of All Directors and Supervisors		1,037,093,614	28.07

Note: This Company had a total of 3,694,982,193 issued shares as of April 20, 2015

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

Appendix



Appendix 1

(English Translation)

Winbond Electronics Corporation (hereinafter the "Company")⁴
"Rules Governing the Conduct of Shareholders Meeting"

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

Article 1

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

Article 2

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

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

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

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

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

Article 3

The shareholders holding one percent or more of the total number of issued shares of the Company may propose in writing to the Company a proposal for discussion at a annual shareholders meeting; provided that only one matter shall be allowed in each single proposal. In case a proposal submitted by shareholder(s) contains more than one matter, such proposal shall not be included in the agenda of the shareholders meeting. The number of words of a proposal submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders meeting. The "300 words" includes the reasons and punctuation marks. If any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act occurs to the proposal submitted by any shareholder, the Board of Directors of the Company may ignore that proposal.

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

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

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



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

Article 4

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

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

Article 5

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

Article 6

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

Article 7

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

Article 8

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

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



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

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

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

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

Article 9

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

Article 10

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

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

Article 11

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

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

Article 12

The chairman of the shareholders meeting may order disciplinary officers (or security guards) to



assist in keeping order at the meeting place. Such disciplinary officers (or security guards) shall wear arm badges marked "Disciplinary Personnel" when assisting in keeping order at the meeting place.

Article 13

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

Article 14

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

Article 15

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

Article 16

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

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

Article 17

The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The shareholders meeting shall be conducted according to the agenda, and unless otherwise provided by these Rules or laws and regulations, the agenda shall not be changed without the resolution of the shareholders meeting.

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

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

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

Article 18

When a shareholder present at the meeting wishes to speak, he/she shall fill in a speech note specifying the summary of his/her speech, the shareholder's account number (or the number of



attendance pass) and the account name of the shareholder. The chairman shall determine the sequence of shareholders' speeches.

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

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

Article 19

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

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

Article 20

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

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

Article 21

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

Article 22

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

Article 23

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

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

Article 24



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

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

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

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

Article 25

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

Article 26

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

Article 27

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

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

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

Article 28

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

Article 29



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



**ARTICLES OF INCORPORATION
WINBOND ELECTRONICS CORPORATION⁵**

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

Section 1 : General Principles

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

Article 2: The business scope of the Company is as follows:
Research and development, ODM, production and manufacture, repair, and sale of the following products:

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

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

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

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

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

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

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

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

Section 2 : Shares

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

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

Article 6: (Deleted)

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

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

Section 3: Shareholders Meetings

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

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

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

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

Section 4 : Directors and Supervisors

Article 13: The Company shall have 7 to 9 directors, among whom there should be not less than two

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

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

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

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

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

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

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

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

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

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

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

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

Where it is necessary and legally permissible, actions listed above may first be approved or conducted by the Chairman of the Board of Directors and later reported to the Board of Directors for recognition. Actions covered by items 11, 14 and 16 above intending for the same purpose shall not be separately contracted, applied for or spent without prior approval.

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

- (1) Audit the final accounting.
- (2) Examine business and financial conditions of the Company.
- (3) Examine the books, records and documents of the Company.

- (4) Perform such other supervisory matters provided by law.

Section 5: Management

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

Section 6 : Accounting

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

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

Article 21: (Deleted)

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

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

"Employees" referred to in Item 2 of the proceeding Paragraph, when distributing the stock bonus, include the employees of subsidiaries of the Company meeting certain criteria. The Board of Directors is authorized to determine the above "certain criteria" or the Board of Directors may authorize the Chairman of the Board of Directors to ratify the above "certain criteria".

Article 22-1: The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, retained earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady



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

Section 7 : Supplementary Regulations

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

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

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