



Winbond Electronics Corporation
Minutes of 2015 Annual General Meeting of Shareholders¹
(English Translation)

Time and Date: 9:00 a.m., June 18, 2015 (Thursday)

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

Shares present at the meeting: Shareholders who were present in person or by proxy together held 2,537,107,926 shares (including 616,891,898 shares present by electronic means), representing 68.80 % of the total number of issued shares of the Company, which is 3,687,463,829 shares (excluding 7,518,364 non-voting shares pursuant to Article 179 of the Company Act).

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

Recorder: Jessica Huang

Attendees :

Director : Mr. Tung-Yi Chan (president)

Supervisor : Mr. Yeu-Yuh Chu

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

Mr. Ker-Chang Wu, CPA, Deloitte and Ms. Ji-Tsuey Hong

Meeting called:

The total number of issued shares of the Company (excluding 7,518,364 non-voting shares pursuant to Article 179 of the Company Act) is 3,687,463,829 shares. As of 9:00 a.m., the number of shares present were 2,537,007,926 shares (including 1,021,946,351 shares in person, 898,169,677 shares by proxy, and 616,891,898 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)

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.

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.

Resolution: Total number of voting rights present at the time of voting: 2,537,007,926. Yes votes: 2,388,187,713 (including voting via electronic transmission); No votes: 329,517 (including voting via electronic transmission); abstained votes and uncast votes: 148,490,696 (including voting via electronic transmission); invalid votes: 0. This Proposal was passed as originally made by a simple majority, with affirmative vote of 94.1% of the voting shares present.

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



Resolution: Total number of voting rights present at the time of voting: 2,537,007,926. Yes votes: 2,401,013,931 (including voting via electronic transmission); No votes: 336,298 (including voting via electronic transmission); abstained votes and uncast votes: 135,657,697 (including voting via electronic transmission); invalid votes: 0. This Proposal was passed as originally made by a simple majority, with affirmative vote of 94.6% of the voting shares present.

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.

Resolution:

- (3-A) Total number of voting rights present at the time of voting: 2,333,695,971 after deducting 58,264,955 voting shares held by shareholder Arthur Yu-Cheng Chiao (shareholder no.84) who voluntarily abstained from voting and 145,047,000 voting shares held by shareholder Chin Xin Investment Co., Ltd. (shareholder no.10573) who voluntarily abstained from voting. Yes votes: 2,192,286,165 (including voting via electronic transmission); No votes: 370,091 (including voting via electronic transmission); abstained votes and uncast votes: 141,039,715 (including voting via electronic transmission); invalid votes: 0. This Proposal was passed as originally made by a simple majority, with affirmative vote of 93.9% of the voting shares present.
- (3-B) Total number of voting rights present at the time of voting: 1,724,364,395 after deducting 812,393,531 voting shares held by shareholder Walsin Lihwa Corp. (shareholder no.1) who voluntarily abstained from voting and 250,000 voting shares held by shareholder Hui-Ming Cheng (shareholder no.491927) who voluntarily abstained from voting. Yes votes: 1,583,194,589 (including voting via electronic transmission); No votes: 370,091 (including voting via electronic transmission); abstain votes and uncast votes: 140,799,715 (including voting via electronic transmission); invalid votes: 0. This Proposal was passed as originally made by a simple majority, with affirmative vote of 91.8% of the voting shares present.
- (3-C) 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: 2,537,007,926 (including voting via electronic transmission). Yes votes: 2,395,588,124 (including voting via electronic transmission); No votes: 370,087 (including voting via electronic transmission); abstain votes and uncast votes: 141,049,715 (including voting via electronic transmission); invalid votes: 0. This Proposal was passed as originally made by a simple majority, with affirmative vote of 94.4% of the voting shares present.



Other Extemporaneous Matters and Motions : None.

Meeting Adjourned : (9:42 a.m.).



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	<u>952,819</u>	<u>1</u>	<u>677,839</u>	<u>1</u>
Total current assets	<u>22,976,738</u>	<u>35</u>	<u>22,408,255</u>	<u>40</u>
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)	<u>810,271</u>	<u>1</u>	<u>661,034</u>	<u>1</u>
Total non-current assets	<u>41,914,970</u>	<u>65</u>	<u>33,270,423</u>	<u>60</u>
TOTAL	<u>\$ 64,891,708</u>	<u>100</u>	<u>\$ 55,678,678</u>	<u>100</u>
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	<u>120,836</u>	<u>-</u>	<u>79,149</u>	<u>-</u>
Total current liabilities	<u>14,451,378</u>	<u>22</u>	<u>12,501,610</u>	<u>23</u>
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	<u>351,369</u>	<u>1</u>	<u>283,320</u>	<u>-</u>
Total non-current liabilities	<u>11,140,239</u>	<u>17</u>	<u>7,288,966</u>	<u>13</u>
Total liabilities	<u>25,591,617</u>	<u>39</u>	<u>19,790,576</u>	<u>36</u>
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	<u>(106,387)</u>	<u>-</u>	<u>(106,387)</u>	<u>-</u>
Total equity attributable to owners of the parent	38,183,244	59	34,813,920	62
NON-CONTROLLING INTERESTS	<u>1,116,847</u>	<u>2</u>	<u>1,074,182</u>	<u>2</u>
Total equity	<u>39,300,091</u>	<u>61</u>	<u>35,888,102</u>	<u>64</u>
TOTAL	<u>\$ 64,891,708</u>	<u>100</u>	<u>\$ 55,678,678</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, 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.

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, which appears to read "Deloitte & Touche", written in a cursive style.

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.