



Winbond Electronics Corporation
Minutes of 2017 Annual General Meeting of Shareholders¹
(English Translation)

Time and Date: 9:00 a.m., June 13, 2017 (Tuesday)

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

Shares present at the meeting: Shareholders who were present in person or by proxy together held 2,861,459,981 shares (including 1,062,235,804 shares present by electronic means), representing 80.09 % of the total number of issued shares of the Company, which is 3,572,481,829 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 Chiou-Jii Huang

Attendees :

Director : Mr. Tung-Yi Chan (President), Mr. Francis Tsai (Independent Director),

Mr. Allen Hsu (Independent Director), Mr. Yuan-Mou Su (New Appointment)

Supervisor : Mr. James Wen (Representative of Chin Xin Investment Co., Ltd.) , Mr. Yeu-Yuh Chu

Others : Mr. Ker-Chang Wu and Ms. Ming-Yu Chiu, CPA, Deloitte

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

Meeting called:

The total number of issued shares of the Company (excluding 7,518,364 non-voting shares pursuant to Article 179 of the Company Act) is 3,572,481,829 shares. As of 9:00 a.m., the number of shares present were 2,861,198,550 shares (including 1,059,421,992 shares in person, 739,540,754 shares by proxy, and 1,062,235,804 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.

I. Matters to be reported

1. Business report of fiscal year 2016

Both the business report and the financial statements of fiscal year 2016 are hereby presented (please refer to Attachment 1 for details). Please examine. To be reported by General Manager.

2. The 2016 supervisors' review report

The 2016 supervisors' review report is hereby presented (please refer to Attachment 3 for details). Please examine. To be reported by supervisor.

3. Report of remuneration of employees, directors and supervisors for fiscal year 2016.

After the certified public accountants audited the Company's earnings for 2016, it is proposed to, in accordance with Article 22 of the Company's Articles of Incorporation, allot 1% of the balance to be the remuneration of directors and supervisors, which is NT\$34,400,306 in total, and to allot 1% of the balance to be the remuneration of employees, which is NT\$34,400,306 in total. The above amounts will all be paid in cash. The aforesaid ratios and amounts for allocation have been approved respectively by the Company's Compensation Committee and Board of Directors.

4. Other matters to be reported

(1) Report on 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 85,920,005 shares.
 - (b) The minimum combined shareholding of all supervisors required by laws and regulations is 8,592,001 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 and nomination of director candidates, except for the nomination of 11 directors (inclusive of 4 independent directors) by the Company's Board of Directors, no shareholder submitted any written proposal or nomination to the Company for the 2017 annual general shareholders meeting in accordance with Article 172-1 and Article 192-1 of the Company Act.

Matters to be acknowledged and discussed and election

Motion 1: (proposed by the Board of Directors)

Proposal: The business report and financial statements of fiscal year 2016 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 2016.
2. The aforementioned financial statements have been approved by the Nineteenth 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: 2,861,459,981. Yes votes:

2,620,633,320 (including voting via electronic transmission); No votes: 113,614 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 240,713,047 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 91.58% of the voting shares present.

Motion 2: (proposed by the Board of Directors)

Proposal: The proposal for distribution of 2016 profit of the Company is presented. Please acknowledge and recognize the same.

Explanation:

1. The Company has a net profit after tax of NT\$2,897,790,921 for the year of 2016. The proposed statement of profit distribution is as follows.
2. The proposal was approved by the Twentieth Meeting of the Board of Directors of the Tenth Term.

Winbond Electronics Corporation

Statement of Profit Distribution

For the year ended December 31, 2016

(Unit : NTD\$)

Items	Total
Unappropriated Retained Earnings, Beginning of Year	124,390,272
Minus : Losses on Remeasurement of Defined Benefit Plans	(69,280,181)
Unappropriated Retained Earnings after adjustment	55,110,091
Plus : Net Income of 2016	2,897,790,921
Minus : 10% Legal Reserve Appropriated	(289,779,092)
Plus : Reversal of Appropriated Special Reserve	1,363,634,240
Retained Earnings Available for Distribution as of December 31, 2016	3,971,646,069
Distributable items:	
Cash Dividends to Common Shareholders (NT\$0.6 per share)	(2,148,000,116)
Unappropriated Retained Earnings, End of Year	1,878,756,044

(Note: Cash dividends will be calculated and distributed in whole New Taiwan Dollar. Any fractional amount less than one New Taiwan Dollar will be accounted in the Company's other income.)

Chairman: Arthur Yu-Cheng Chiao

Manager: Tung-Yi Chan

Chief Accountant: Jessica Chiou-Jii Huang

Resolution: Total number of voting rights present at the time of voting: 2,861,459,981. Yes votes: 2,638,253,995 (including voting via electronic transmission); No votes: 140,070 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 223,065,916 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 92.19% of

the voting shares present.

Motion 3: (proposed by the Board of Directors)

Proposal: It is proposed to amend the Company's Articles of Incorporation. Please review and approve the same.

Explanation:

1. It is conducted in accordance with the letter issued by the Ministry of Economic Affairs ("MOEA") dated June 21, 2006 (Ref. No: Ching-Shan-1-Tze-09502320300) and the actual needs.
2. Please refer to Attachment 5 for the comparison chart of the articles proposed to be amended.
3. The proposal was approved by the Twentieth Meeting of the Board of Directors of the Tenth Term.

Resolution: Total number of voting rights present at the time of voting: 2,861,459,981. Yes votes: 2,589,304,409 (including voting via electronic transmission); No votes: 37,408,666 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 234,746,906 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 90.48% of the voting shares present.

Motion 4: (proposed by the Board of Directors)

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

Explanation:

1. Amendments to the internal rules of the Company are as follows:
 - A. It is proposed to amend the Rules of Election of Directors and Supervisors and to change the name thereof into the Rules Governing the Election of the Directors.
 - (a) It is conducted in accordance with the amended Articles of Incorporation and with reference to the examples in the Election Procedures for the Directors and Supervisors of Companies Limited by Shares promulgated by Taiwan Stock Exchange Corporation
 - (b) Please refer to Attachment 6 for the comparison chart of the articles proposed to be amended.
 - B. It is proposed to amend the Rules Governing the Conduct of Shareholders Meeting of the Company.
 - (a) It is conducted in accordance with the letter dated March 10, 2015 issued by the MOEA (Ref. No: Ching-Shan-Tze-10402404570) and the actual needs.
 - (b) Please refer to Attachment 7 for the comparison chart of the articles proposed to be amended.
 - C. It is proposed to amend the Procedures of Acquisition or Disposal of Assets of the Company. Please review and approve the same.
 - (a) It is conducted in accordance with the letter dated February 9, 2017 issued by the Financial Supervisory Commission (Ref. No.: Jin-Guan-Jeng-Fa-Tze- 1060001296) and

the letter dated February 13, 2017 issued by the same (Ref. No.: Jin-Guan-Jeng-Fa-Tze-1060004523).

- (b) Please refer to Attachment 8 for the comparison chart of the articles proposed to be amended.
- D. It is proposed to amend the Regulations Governing Endorsements and Guarantees of the Company. Please review and approve the same.
 - (a) It is conducted in accordance with the amended Article 13 of the Articles of Incorporation and the actual needs.
 - (b) Please refer to Attachment 9 for the comparison chart of the articles proposed to be amended.
- E. It is proposed to amend the Procedures for Governing Loaning of Funds of the Company.
 - (a) It is conducted in accordance with the amended Article 13 of the Articles of Incorporation and the actual needs.
 - (b) Please refer to Attachment 10 for the comparison chart of the articles proposed to be amended.
- 2. The proposal was approved by the Twentieth Meeting of the Board of Directors of the Tenth Term.

Resolution: Total number of voting rights present at the time of voting: 2,861,459,981. Yes votes: 2,589,278,625 (including voting via electronic transmission); No votes: 37,430,292 (including voting via electronic transmission) ; invalid votes: 0; abstained votes and uncast votes: 234,751,064 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 90.48% of the voting shares present.

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

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

Explanation:

1. The directors and supervisors of the tenth term were elected at the annual general shareholders' meeting on June 17, 2014 and their term of office will expire on June 16, 2017. Since the convention of the annual general shareholders' meeting will shift to an earlier date of June 13, 2017, it is proposed to elect all the directors (including the independent directors) of the eleventh term before expiry of the term of office of the tenth term in accordance with Article 199-1 of the Company Act.
2. According to amended Article 13 of the Articles of Incorporation, the Company has nine to eleven directors and the number of independent directors should not be less than three and should account for not less than one-fifth of the total number of directors. The term of office of directors is three years. The Twentieth Meeting of the Board of Directors of the Tenth Term resolved and passed that the total number of the directors (including independent directors) of the eleventh term shall be eleven (inclusive of four independent directors), and the newly-elected directors will take office and their term of office (from June 13, 2017 to June 12, 2020) will be effective after the 2017 annual general shareholders' meeting.
3. The Company's directors (including independent directors) of the eleventh term shall be elected according to the candidate nomination system and procedures. The list of director candidates (including independent directors) for this election has been reviewed and approved by the Twenty-First Meeting of the Board of Directors of the Tenth Term as follows:

Category	Name	Education	Work Experience	Current Job	Shareholding (Unit : Share)
Director Candidate	Arthur Yu-Cheng Chiao	Master in Electrical Engineering and Researcher of Management College of Washington Univ.	Chairman, Walsin Lihwa Corporation Director, Walsin Lihwa Corporation Chairman and CEO, Winbond Electronics Corporation Chairman, Nuvoton Technology Corporation Chairman, Nuvoton Technology Corporation Independent Director and Convener of Compensation Committee, Taiwan Cement Corporation Independent Director and Member of Compensation Committee, Synnex Technology International Corporation Supervisor, MiTAC Holdings Corporation	Director, Walsin Lihwa Corporation Chairman and CEO, Winbond Electronics Corporation Chairman, Nuvoton Technology Corporation Independent Director and Convener of Compensation Committee, Taiwan Cement Corporation Independent Director and Member of Compensation Committee, Synnex Technology International Corporation Supervisor, MiTAC Holdings Corporation	58,264,955
Director Candidate	Yuan-Mou Su	Master in Electrical Engineering/ University of Southern California Electrical Engineering BA of the National Chiao Tung University	Assistant Vice President of DRAM Product Center, Winbond Electronics Corp. Senior Design Engineer, Integrated Devices Technology, Inc. Senior Design Engineer, Digital Equipment Corp. Senior Design Engineer, Advanced Micro Devices, Inc.	Vice President, Winbond Electronics Corporation	1,330,859
Director Candidate	Yung Chin	Master in Applied Mathematics, Washington Univ.	Chief Auditor, Walsin Lihwa Corporation Vice President, Winbond Electronics Corporation Director and Executive Director, Winbond Electronics Corporation Director, Nuvoton Technology Corporation	Director and Chief Executive Officer , Winbond Electronics Corporation Director, Nuvoton Technology Corporation	10,720,537
Director Candidate	Matthew Feng-Chiang Miau	Master in Business Administration of Santa Clara University Electrical Engineering BA of the University of California at Berkely	Chairman, Lien Hwa Industrial Corporation Chairman, UPC Technology Corporation Chairman, MiTAC Holdings Corporation Chairman, Synnex Technology International Corporation Director, Getac Technology Corporation	Chairman, Lien Hwa Industrial Corporation Chairman, UPC Technology Corporation Chairman, MiTAC Holdings Corporation Chairman, Synnex Technology International Corporation Director, Getac Technology Corporation	100,000

			<p>Chairman, MiTAC Inc</p> <p>Director, MiTAC Information Technology Corp.</p> <p>Director, BOC LienHwa Industrial Co., Ltd.</p> <p>Director, Winbond Electronics Corporation</p> <p>Director, Taita Chemical Company, Limited</p> <p>Director, Asia Polymer Corporation</p> <p>Director, Synnex Corporation</p> <p>Independent Director, Cathay Financial Holding Co., Ltd.</p> <p>Independent Director, Cathay Life Insurance Co., Ltd.</p> <p>Independent Director, Cathay Century Insurance Co., Ltd.</p> <p>Independent Director, Cathay United Bank Company Limited</p>	<p>Chairman, MiTAC Inc</p> <p>Director, MiTAC Information Technology Corp.</p> <p>Director, LienHwa Industrial Gases Co., Ltd.</p> <p>Director, Winbond Electronics Corporation</p> <p>Director, Taita Chemical Company, Limited</p> <p>Director, Asia Polymer Corporation</p> <p>Director, Synnex Corporation</p> <p>Independent Director, Cathay Financial Holding Co., Ltd.</p> <p>Independent Director, Cathay Life Insurance Co., Ltd.</p> <p>Independent Director, Cathay Century Insurance Co., Ltd.</p> <p>Independent Director, Cathay United Bank Company Limited</p>	
Director Candidate	Chih-Chen Lin	<p>Bachelor of Science in Chemical Engineering, National Taiwan University</p> <p>MBA, Stern School of Business, New York University</p>	<p>Founding Partner, AppWorks Ventures</p> <p>Director, HannsTouch Solution Incorporated</p> <p>Independent Director, Kingwaytek Technology Co., Ltd.</p> <p>Independent Director, Taiwan Taomee Technology Co., Ltd.</p>	<p>Chairman, AppWorks Ventures CO., LTD.</p> <p>Director, HannsTouch Solution Incorporated</p> <p>Independent Director, Kingwaytek Technology Co., Ltd.</p> <p>Independent Director, Taiwan Taomee Technology Co., Ltd.</p>	0
Director Candidate	Wei-Hsin Ma	<p>Master of Business Administration for Senior Managers</p> <p>Peking University, University of California (Berkeley), Department of East Asian Languages</p>	<p>Chairman, HannStar Display Corporation</p> <p>Director, HannStar Display Corporation</p> <p>Director, Walsin Lihwa Corporation</p> <p>Chairman, HannsTouch Solution Incorporated</p> <p>Chairman, Xin shi yue ma investment company limited</p> <p>Chairman, Hannspree, Inc.</p>	<p>Director, HannStar Display Corporation</p> <p>Director, Walsin Lihwa Corporation</p> <p>Chairman, HannsTouch Solution Incorporated</p> <p>Chairman, Xin shi yue ma investment company limited</p> <p>Chairman, Hannspree, Inc.</p>	0
Director Candidate	Walsin Lihwa Corporation	NA	<p>Director, Walsin Technology Corporation</p> <p>Director, Walton Advanced Engineering, Inc.</p> <p>Director, HannStar Display Corporation</p>	<p>Director, Walsin Technology Corporation</p> <p>Director, Walton Advanced Engineering, Inc.</p> <p>Director, HannStar Display Corporation</p>	811,327,531

			Director, Winbond Electronics Corporation	Director, Winbond Electronics Corporation	
Independent Director Candidate	San-Cheng Chang	Ph.D., Civil and Environmental Engineering, Cornell University, USA	Premier, Executive Yuan Vice Premier, Executive Yuan Minister, Ministry of Science and Technology Minister without Portfolio, Executive Yuan Regional Director of Hardware Operations in Asia, Google Inc. Vice President, e-Enabling Services Business Group, Acer Inc. Director, Department of Planning and Evaluation, National Science Council, Executive Yuan Director, National Center for High-performance Computing	Director, Taiwan Mobile Co., Ltd. Chairman, Taiwan Mobile Foundation Chairman, beingNet Alliance Chairman, Institute for Biotechnology and Medicine Industry	0
Independent Director Candidate	Francis Tsai	Computer/Control Engineering Department, Chiao-Tung University, Taiwan	Chairman and CEO, Waffer Technology Corp. Chairman, National Aerospace Fasteners Corporation Vice Chairman, Getac Technology Corporation Independent Director and Convener of Compensation Committee, Winbond Electronics Corporation	Chairman and CEO, Waffer Technology Corp. Chairman, National Aerospace Fasteners Corporation Vice Chairman, Getac Technology Corporation Independent Director and Convener of Compensation Committee, Winbond Electronics Corporation	0
Independent Director Candidate	Allen Hsu	MBA, National Chengchi University Refresher course of Walton Business School	Chairman, altek Corporation Chairman, Taiwan Mask Corporation Chairman, Myson Century, Inc. Director, Parpro Corporation Director, Innodisk Corporation Independent Director, ANZ Bank (Taiwan) Limited Independent Director, Nuvoton Technology Corporation Independent Director and member of Compensation Committee, Winbond Electronics Corporation	Director, Parpro Corporation Director, Innodisk Corporation Independent Director, ANZ Bank (Taiwan) Limited Independent Director, Nuvoton Technology Corporation Independent Director and member of Compensation Committee, Winbond Electronics Corporation	0

Independent Director Candidate	Jerry Hsu	MBA, Waseda Business School.	Director, Kinpo Electronics, Inc. Director, PCHOMESTORE INC. Independent Director, Nuvoton Technology Corporation Independent Director, SIRTEC INTERNATIONAL CO.,LTD Independent Director and member of Compensation Committee, Winbond Electronics Corporation	Director, Kinpo Electronics, Inc. Director, PCHOMESTORE INC. Independent Director, Nuvoton Technology Corporation Independent Director, SIRTEC INTERNATIONAL CO.,LTD Independent Director and member of Compensation Committee, Winbond Electronics Corporation	0
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(4) Please vote.

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

Category	Name	Voting Rights
Director	Arthur Yu-Cheng Chiao	2,715,137,397
Director	Yuan-Mou Su	2,536,001,468
Director	Yung Chin	2,513,141,412
Director	Matthew Feng-Chiang Miao	2,486,616,163
Director	Chih-Chen Lin	2,458,669,071
Director	Wei-Hsin Ma	2,443,246,046
Director	Walsin Lihwa Corporation	2,415,363,491
Independent Director	San-Cheng Chang	2,346,347,433
Independent Director	Francis Tsai	2,312,800,175
Independent Director	Allen Hsu	2,265,391,040
Independent Director	Jerry Hsu	2,160,530,368

Motion 6: (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.
2. Please refer to Attachment 11 for the items of competitive conduct of the newly elected directors of the eleventh term and the director of the tenth term who act as director in other companies which engage in the same businesses as those of the Company.
3. It is proposed to the shareholders meeting to release at this meeting the newly elected directors' of the eleventh term from the non-competition restrictions starting from the day such directors enter

office as the Company's directors, and to release the director of the tenth term from the non-competition restriction starting from the day when such director became the director of other companies and waive the Company's right to request disgorgement of profits against such director from the date when such director became the director of other companies in accordance with Paragraph 1 of Article 209 of the Company Act.

Resolution:

- (6-A) Total number of voting rights present at the time of voting: 2,803,195,026 after deducting 58,264,955 voting shares held by shareholder Arthur Yu-Cheng Chiao (shareholder no.84) who voluntarily abstained from voting. Yes votes: 2,415,768,565 (including voting via electronic transmission); No votes: 51,688,482 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,737,979 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.17 % of the voting shares present.
- (6-B) Total number of voting rights present at the time of voting: 2,850,739,444 after deducting 10,720,537 voting shares held by shareholder Yung Chin (shareholder no.89) who voluntarily abstained from voting. Yes votes: 2,473,997,635 (including voting via electronic transmission); No votes: 51,688,493 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 325,053,316 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.78% of the voting shares present.
- (6-C) Total number of voting rights present at the time of voting: 2,861,359,981 after deducting 100,000 voting shares held by shareholder Matthew Feng-Chiang Miao (shareholder no. 707958) who voluntarily abstained from voting. Yes votes: 2,473,883,143 (including voting via electronic transmission); No votes: 51,800,491 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,676,347 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.45 % of the voting shares present.
- (6-D) Mr. Chih-Chen Lin did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,861,459,981 (including voting via electronic transmission). Yes votes: 2,473,881,638 (including voting via electronic transmission); No votes: 51,802,489 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,775,854 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.45% of the voting shares present.
- (6-E) Ms. Wei-Hsin Ma did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,861,459,981 (including voting via electronic transmission). Yes votes: 2,473,995,636

(including voting via electronic transmission); No votes: 51,690,492 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,773,853 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.45% of the voting shares present.

(6-F) Total number of voting rights present at the time of voting: 2,050,132,450 after deducting 811,327,531 voting shares held by shareholder Walsin Lihwa Corp. (shareholder no.1) who voluntarily abstained from voting. Yes votes: 1,634,339,403 (including voting via electronic transmission); No votes: 90,839,777 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 324,953,270 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 79.71 % of the voting shares present.

(6-G) Mr. Francis Tsai did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,861,459,981 (including voting via electronic transmission). Yes votes: 2,488,036,006 (including voting via electronic transmission); No votes: 37,649,122 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,774,853 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.94% of the voting shares present.

(6-H) 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: 2,861,459,981 (including voting via electronic transmission). Yes votes: 2,488,151,910 (including voting via electronic transmission); No votes: 37,533,248 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 335,774,823 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 86.95% of the voting shares present.

(6-I) Mr. Jerry Hsu did not own any shares in the Company and thus is not required to abstain from voting. Total number of voting rights present at the time of voting: 2,861,459,981 (including voting via electronic transmission). Yes votes: 2,093,857,988 (including voting via electronic transmission); No votes: 435,910,110 (including voting via electronic transmission) ; invalid votes: 0; abstain votes and uncast votes: 331,691,883 (including voting via electronic transmission). This Proposal was passed as originally made by a simple majority, with affirmative vote of 73.17% of the voting shares present.



Other Extemporaneous Matters and Motions : None.

Meeting Adjourned : (10:19 a.m.).

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



Attachment



(English Translation)

Business Report 2016

Dear Shareholders,

In 2016, a number of events, such as the Brexit referendum, the U.S. presidential election, and the decline of international maritime transportation, reflected the impact of anti-globalization on the global economy. Taiwan, as an export-oriented economy, faced the same challenge. Winbond has built on a solid foundation on memory products for niche market and continued to introduce innovative technology, expand production capacity at a steady pace, and optimize the product portfolio. We earned stable profits for the fourth consecutive year by extending our reach in the diverse application market and winning clients' trust.

Financial Performance

The consolidated revenue, including that of Nuvoton Technology Corp and other subsidiaries, amounted to NT\$42,090 million in 2016, up 9.8% from 2015. We reported consolidated net profit of NT\$3,140 million and stand-alone net profit of NT\$2,898 million or NT\$0.81 per share in 2016.

Market and Product Applications

In 2016, Winbond's memory revenue was 9% higher than that in the previous year. In terms of product lines, DRAM, including Specialty DRAM and Mobile DRAM, accounted for 63% of the memory revenue, while Code Storage Flash memory revenue accounted for 37% of the memory revenue. The company had started displaying unique advantages after years of working with international clients and staying abreast of market trends.

With respect to product applications, Winbond made progress in various areas of application and achieved balanced growth in these areas. In 2016, the percentages of communication products and of consumer products out of the total memory revenue were 32% and 25%, respectively. This was the same level as the previous year. As conventional PCs were slowly being replaced by mobile devices, the percentage accounted by PCs and peripherals fell to 25%. Taking advantage of fast growth in automotive electronics and industrial automation, Winbond saw the percentage of automotive electronics and industrial automation revenue jumped to 18% this year.

Technology and Manufacturing

Following the core philosophy of increasing product value, we are dedicated to creating new product features and refining production technology. In particular, the 38nm DRAM will enter mass production soon. Winbond's product lines offer the best solutions for the memory required by the Internet of Things, which needs IT security and low energy consumption.

In 2016, our capital expenditure on memory product lines amounted to NT\$4.8 billion. The monthly output of our fabrication plant is currently over 40,000 pieces of 12-inch wafer. Since electronic end products and applications are demanding for more and higher density of memory, we hope to continue to take a prudent approach to expanding production capacity as we endeavor to meet customer demands with ample capacity.

Future Outlook

While there have been several times of business cycles in memory industry in the past, Winbond is starting to deliver satisfactory results since we shifted our focus to the niche memory market. The company had not only eliminated the cumulative loss in 2015, but also distributed dividends for the first time in eight years in 2016.



Looking to the future and facing a world of changing political and economic conditions, we will continue to grow up by developing advanced technologies as well as high-quality and high-performance products to position ourselves for coming technology trends such as smart network, big data, and artificial intelligence (AI). A diverse product portfolio, coupled with a variety of technological platforms and the core competencies of high-performance factories, allows us to devote our efforts to innovative product development and environmentally friendly designs for the world of Internet of Things, and IT security. We hope to fuel business growth with higher value products and create stable long-term returns for our shareholders, clients, and employees.

On behalf of the management team at Winbond, I would like to thank our shareholders for your support and encouragement.

Chairman: Arthur Yu-Cheng Chiao President: Tung-Yi Chan CAO: Jessica Chiou-Jii Huang



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

ASSETS	2016		2015	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,683,817	11	\$ 6,396,615	10
Current financial assets at fair value through profit or loss (Notes 4 and 7)	5,559	-	-	-
Current available-for-sale financial assets (Notes 4 and 8)	4,486,893	7	2,500,550	4
Current held-to-maturity financial assets (Notes 4 and 9)	-	-	99,900	-
Notes and accounts receivable, net (Notes 4 and 10)	5,756,815	8	5,184,287	8
Accounts receivable due from related parties, net (Note 27)	49,531	-	80,915	-
Other receivables (Notes 6 and 11)	518,048	1	794,939	1
Inventories (Notes 4 and 12)	7,536,161	11	8,535,835	14
Other current assets	<u>1,222,919</u>	<u>2</u>	<u>1,119,716</u>	<u>2</u>
Total current assets	<u>27,259,743</u>	<u>40</u>	<u>24,712,757</u>	<u>39</u>
NON-CURRENT ASSETS				
Non-current available-for-sale financial assets (Notes 4 and 8)	146,913	-	-	-
Non-current financial assets measured at cost (Notes 4 and 13)	611,699	1	727,786	1
Investments accounted for using equity method (Notes 4 and 14)	2,654,477	4	1,724,898	3
Property, plant and equipment (Notes 4 and 15)	34,372,537	51	31,915,030	51
Investment properties (Notes 4 and 16)	61,673	-	71,866	-
Intangible assets (Notes 4 and 17)	285,304	-	270,926	-
Deferred income tax assets (Notes 4 and 22)	2,353,422	4	2,853,873	5
Other non-current assets (Notes 6 and 11)	<u>243,727</u>	<u>-</u>	<u>320,631</u>	<u>1</u>
Total non-current assets	<u>40,729,752</u>	<u>60</u>	<u>37,885,010</u>	<u>61</u>
TOTAL	<u>\$ 67,989,495</u>	<u>100</u>	<u>\$ 62,597,767</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current financial liabilities at fair value through profit or loss (Notes 4 and 7)	\$ 47,288	-	\$ 22,427	-
Notes and accounts payable	4,209,720	6	3,846,484	6
Accounts payable to related parties (Note 27)	472,489	1	707,064	1
Payables on machinery and equipment	3,826,462	6	811,277	2
Other payables	2,786,505	4	2,455,022	4
Long-term borrowings, current portion (Note 18)	3,090,180	4	4,352,267	7
Other current liabilities	<u>173,091</u>	<u>-</u>	<u>138,654</u>	<u>-</u>
Total current liabilities	<u>14,605,735</u>	<u>21</u>	<u>12,333,195</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	6,638,273	10	8,755,160	14
Net defined benefit liabilities, non-current (Notes 4 and 19)	1,062,706	1	1,025,969	2
Other non-current liabilities	<u>461,982</u>	<u>1</u>	<u>384,904</u>	<u>-</u>
Total non-current liabilities	<u>8,162,961</u>	<u>12</u>	<u>10,166,033</u>	<u>16</u>
Total liabilities	<u>22,768,696</u>	<u>33</u>	<u>22,499,228</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 20)				
Common stock	35,800,002	53	35,800,002	57
Capital surplus	2,471,044	3	2,470,292	4
Retained earnings				
Legal reserve	208,606	-	-	-
Special reserve	1,395,063	2	-	-
Unappropriated earnings	2,952,901	5	2,086,060	3
Exchange differences on translation of foreign financial statements	23,433	-	88,771	-
Unrealized gains (losses) on available-for-sale financial assets	1,176,299	2	(1,436,767)	(2)
Treasury shares	<u>(106,387)</u>	<u>-</u>	<u>(106,387)</u>	<u>-</u>
Total equity attributable to owners of the parent	<u>43,920,961</u>	<u>65</u>	<u>38,901,971</u>	<u>62</u>
NON-CONTROLLING INTERESTS	<u>1,299,838</u>	<u>2</u>	<u>1,196,568</u>	<u>2</u>
Total equity	<u>45,220,799</u>	<u>67</u>	<u>40,098,539</u>	<u>64</u>
TOTAL	<u>\$ 67,989,495</u>	<u>100</u>	<u>\$ 62,597,767</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, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 42,091,709	100	\$ 38,350,315	100
OPERATING COST (Note 12)	<u>30,073,937</u>	<u>71</u>	<u>26,528,662</u>	<u>69</u>
GROSS PROFIT	<u>12,017,772</u>	<u>29</u>	<u>11,821,653</u>	<u>31</u>
OPERATING EXPENSES				
Selling expenses	1,243,513	3	1,193,005	3
General and administrative expenses	1,308,571	3	1,257,611	3
Research and development expenses	<u>5,752,732</u>	<u>14</u>	<u>5,262,111</u>	<u>14</u>
Total operating expenses	<u>8,304,816</u>	<u>20</u>	<u>7,712,727</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>3,712,956</u>	<u>9</u>	<u>4,108,926</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	175,417	-	173,461	1
Dividend income	126,790	-	124,449	-
Other income	38,495	-	53,143	-
Gains (losses) on financial instruments at fair value through profit or loss	55,725	-	(121,027)	-
Share of profit of associates accounted for using equity method (Note 14)	12,384	-	21,884	-
Interest expenses	(187,010)	-	(263,751)	(1)
Other expenses	(33,008)	-	(35,172)	-
Losses on disposal of property, plant and equipment	(4,520)	-	(8,341)	-
(Losses) gains on disposal of investments	(1,811)	-	32,047	-
Foreign exchange (losses) gains	(94,713)	-	162,565	-
Impairment loss on financial assets (Note 13)	(30,000)	-	-	-
Impairment loss on property, plant and equipment (Note 15)	<u>(16,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>41,664</u>	<u>-</u>	<u>139,258</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	3,754,620	9	4,248,184	11
INCOME TAX EXPENSE (Notes 4 and 22)	<u>614,546</u>	<u>2</u>	<u>775,311</u>	<u>2</u>
NET PROFIT	<u>3,140,074</u>	<u>7</u>	<u>3,472,873</u>	<u>9</u>

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Losses on remeasurement of defined benefit plans (Note 19)	\$ (82,556)	-	\$ (97,066)	-
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	(77,894)	-	72,285	-
Unrealized gains (losses) on available-for-sale financial assets	1,728,371	4	(1,016,229)	(3)
Share of the other comprehensive income (loss) of associates accounted for using equity method	<u>917,195</u>	<u>2</u>	<u>(713,373)</u>	<u>(2)</u>
Other comprehensive income (loss)	<u>2,485,116</u>	<u>6</u>	<u>(1,754,383)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,625,190</u>	<u>13</u>	<u>\$ 1,718,490</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 2,897,791	7	\$ 3,291,251	9
Non-controlling interests	<u>242,283</u>	<u>-</u>	<u>181,622</u>	<u>-</u>
	<u>\$ 3,140,074</u>	<u>7</u>	<u>\$ 3,472,873</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 5,376,238	13	\$ 1,541,648	4
Non-controlling interests	<u>248,952</u>	<u>-</u>	<u>176,842</u>	<u>-</u>
	<u>\$ 5,625,190</u>	<u>13</u>	<u>\$ 1,718,490</u>	<u>4</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 0.81</u>		<u>\$ 0.90</u>	
Diluted	<u>\$ 0.81</u>		<u>\$ 0.90</u>	

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

(Concluded)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent										
	Retained Earnings					Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings						
BALANCE, JANUARY 1, 2015	\$ 36,949,822	\$ 2,143,393	\$ -	\$ -	\$ (1,119,684)	\$ 23,265	\$ 292,835	\$ (106,387)	\$ 38,183,244	\$ 1,116,847	\$ 39,300,091
Net profit for 2015	-	-	-	-	3,291,251	-	-	-	3,291,251	181,622	3,472,873
Other comprehensive income for 2015	-	-	-	-	(85,507)	65,506	(1,729,602)	-	(1,749,603)	(4,780)	(1,754,383)
Total comprehensive income for 2015	-	-	-	-	3,205,744	65,506	(1,729,602)	-	1,541,648	176,842	1,718,490
Acquisition of treasury share	-	-	-	-	-	-	-	(822,921)	(822,921)	-	(822,921)
Retirement of treasury share	(1,149,820)	326,899	-	-	-	-	-	822,921	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(97,121)	(97,121)
BALANCE, DECEMBER 31, 2015	35,800,002	2,470,292	-	-	2,086,060	88,771	(1,436,767)	(106,387)	38,901,971	1,196,568	40,098,539
Appropriation of 2015 earnings											
Legal reserve	-	-	208,606	-	(208,606)	-	-	-	-	-	-
Special reserve	-	-	-	1,395,063	(1,395,063)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(358,000)	-	-	-	(358,000)	-	(358,000)
Total appropriations	-	-	208,606	1,395,063	(1,961,669)	-	-	-	(358,000)	-	(358,000)
Net profit for 2016	-	-	-	-	2,897,791	-	-	-	2,897,791	242,283	3,140,074
Other comprehensive income for 2016	-	-	-	-	(69,281)	(65,338)	2,613,066	-	2,478,447	6,669	2,485,116
Total comprehensive income for 2016	-	-	-	-	2,828,510	(65,338)	2,613,066	-	5,376,238	248,952	5,625,190
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	752	-	-	-	-	-	-	752	-	752
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(145,682)	(145,682)
BALANCE, DECEMBER 31, 2016	\$ 35,800,002	\$ 2,471,044	\$ 208,606	\$ 1,395,063	\$ 2,952,901	\$ 23,433	\$ 1,176,299	\$ (106,387)	\$ 43,920,961	\$ 1,299,838	\$ 45,220,799

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, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 3,754,620	\$ 4,248,184
Adjustments for:		
Depreciation expense	5,570,860	5,755,004
Amortization expense	99,669	101,995
Provision for allowance for doubtful accounts	4,932	1,698
(Reversal of) provision for decline in market value and obsolescence and abandonment of inventories	(44,645)	141,831
Net loss on financial assets and liabilities at fair value through profit or loss	19,302	5,532
Interest expense	187,010	263,751
Interest income	(175,417)	(173,461)
Dividend income	(126,790)	(124,449)
Share of profit of associates accounted for using equity method	(12,384)	(21,884)
Loss on disposal of property, plant and equipment	4,520	8,341
Impairment loss on financial assets	30,000	-
Impairment loss on non-financial assets	16,111	-
Loss (gain) on disposal of investments	1,811	(32,047)
Changes in operating assets and liabilities		
(Increase) decrease in notes and accounts receivable	(576,408)	245,974
Decrease in accounts receivable due from related parties	31,384	4,319
Increase in other receivables	(45,677)	(202,610)
Decrease (increase) in inventories	1,044,319	(2,360,730)
Increase in other current assets	(103,203)	(166,897)
Decrease (increase) in other non-current assets	37	(13,524)
Increase in notes and accounts payable	366,754	23,402
(Decrease) increase in accounts payable to related parties	(234,575)	64,500
Increase in other payables	355,737	204,975
Increase in other current liabilities	34,437	17,818
Increase (decrease) in other non-current liabilities	43,305	(2,833)
Cash inflow generated from operations	10,245,709	7,988,889
Interest received	34,907	46,855
Dividends received	126,790	124,449
Interest paid	(238,139)	(330,970)
Income taxes paid	(177,843)	(170,700)
Net cash flows from operating activities	9,991,424	7,658,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(504,432)	(686,329)
Proceeds from disposal of available-for-sale financial assets	146,565	80,433
Proceeds from capital reduction of available-for-sale financial assets	7,913	23,187
Acquisition of financial assets measured at cost	-	(40,000)
Proceeds from disposal of financial assets measured at cost	8,243	-
Proceeds from repayment of held-to-maturity financial assets	101,100	-

(Continued)



WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
Proceeds from capital reduction of financial assets measured at cost	\$ 18,017	\$ 31,592
Acquisitions of property, plant and equipment	(4,988,580)	(4,093,513)
Proceeds from disposal of property, plant and equipment	1,121	3,835
Acquisition of intangible assets	(111,444)	(49,576)
Decrease in financial lease receivables	<u>574,353</u>	<u>299,817</u>
Net cash used in investing activities	<u>(4,747,144)</u>	<u>(4,430,554)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(390,213)
Proceeds in long-term borrowings	1,000,000	3,460,710
Repayments of long-term borrowings	(4,352,267)	(6,017,973)
Payments to acquire treasury shares	-	(822,921)
Increase in non-controlling interests	(158,238)	(90,342)
Cash dividends paid	(357,248)	-
Other financing activities	<u>(38,600)</u>	<u>-</u>
Net cash used in financing activities	<u>(3,906,353)</u>	<u>(3,860,739)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(50,725)</u>	<u>53,871</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,287,202	(578,899)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,396,615</u>	<u>6,975,514</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,683,817</u>	<u>\$ 6,396,615</u>

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



WINBOND ELECTRONICS CORPORATION

BALANCE SHEETS

DECEMBER 31, 2016 AND 2015

(In Thousands of New Taiwan Dollars)

ASSETS	2016		2015	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,874,171	8	\$ 3,634,615	6
Current financial assets at fair value through profit or loss (Notes 4 and 7)	5,559	-	-	-
Curent available-for-sale financial assets (Notes 4 and 8)	4,275,910	7	2,441,832	4
Current held-to-maturity financial assets (Notes 4 and 9)	-	-	99,900	-
Notes and accounts receivable, net (Notes 4 and 10)	3,320,240	5	2,802,110	5
Accounts receivable due from related parties, net (Note 26)	1,230,340	2	1,320,712	2
Other receivables (Note 11)	211,734	-	514,417	1
Inventories (Notes 4 and 12)	6,365,674	10	7,514,792	13
Other current assets	986,006	1	1,016,814	2
Total current assets	21,269,634	33	19,345,192	33
NON-CURRENT ASSETS				
Non-current financial assets measured at cost (Notes 4 and 13)	37,649	-	80,161	-
Investments accounted for using equity method (Notes 4 and 14)	7,201,908	11	6,049,338	10
Property, plant and equipment (Notes 4 and 15)	33,607,842	52	31,195,173	53
Intangible assets (Notes 4 and 16)	69,438	-	76,371	-
Deferred income tax assets (Notes 4 and 21)	2,066,000	3	2,527,000	4
Other non-current assets (Notes 6 and 11)	146,579	1	223,037	-
Total non-current assets	43,129,416	67	40,151,080	67
TOTAL	\$ 64,399,050	100	\$ 59,496,272	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current financial liabilities at fair value through profit or loss (Notes 4 and 7)	\$ 46,581	-	\$ 21,048	-
Notes payable	301,550	-	519,500	1
Accounts payable	3,023,405	5	2,677,142	5
Accounts payable to related parties (Note 26)	472,489	1	707,064	1
Payables on machinery and equipment	3,761,758	6	767,457	1
Other payables	2,018,276	3	1,753,839	3
Long-term borrowings, current portion (Note 17)	3,090,180	5	4,352,267	7
Other current liabilities	46,177	-	80,157	-
Total current liabilities	12,760,416	20	10,878,474	18
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 17)	6,638,273	10	8,755,160	15
Net defined benefit liabilities, non-current (Notes 4 and 18)	572,610	1	524,047	1
Other non-current liabilities	506,790	1	436,620	1
Total non-current liabilities	7,717,673	12	9,715,827	17
Total liabilities	20,478,089	32	20,594,301	35
EQUITY (Note 19)				
Common stock	35,800,002	55	35,800,002	60
Capital surplus	2,471,044	4	2,470,292	4
Retained earnings				
Legal reserve	208,606	-	-	-
Special reserve	1,395,063	2	-	-
Unappropriated earnings	2,952,901	5	2,086,060	3
Exchange differences on translation of foreign financial statements	23,433	-	88,771	-
Unrealized gains (losses) on available-for-sale financial assets	1,176,299	2	(1,436,767)	(2)
Treasury shares	(106,387)	-	(106,387)	-
Total equity	43,920,961	68	38,901,971	65
TOTAL	\$ 64,399,050	100	\$ 59,496,272	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, 2016 AND 2015

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

	2016		2015	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 33,534,343	100	\$ 30,843,606	100
OPERATING COSTS (Note 12)	<u>25,274,520</u>	<u>75</u>	<u>22,381,244</u>	<u>72</u>
GROSS PROFIT	<u>8,259,823</u>	<u>25</u>	<u>8,462,362</u>	<u>28</u>
OPERATING EXPENSES				
Selling expenses	808,914	3	773,989	3
General and administrative expenses	788,131	2	755,116	2
Research and development expenses	<u>3,692,984</u>	<u>11</u>	<u>3,426,559</u>	<u>11</u>
Total operating expenses	<u>5,290,029</u>	<u>16</u>	<u>4,955,664</u>	<u>16</u>
INCOME FROM OPERATIONS	<u>2,969,794</u>	<u>9</u>	<u>3,506,698</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	155,112	1	153,217	1
Dividend income	63,800	-	29,121	-
Other income	20,094	-	38,420	-
Gains (losses) on financial instruments at fair value through profit or loss	60,455	-	(109,851)	-
Share of profit of subsidiaries and associates accounted for using equity method (Note 14)	463,221	1	448,169	1
Interest expenses	(187,009)	(1)	(262,406)	(1)
Other expenses	(13,188)	-	(23,702)	-
Losses on disposal of property, plant and equipment	(4,327)	-	(8,238)	-
(Losses) gains on disposal of investments	(10,472)	-	1,625	-
Foreign exchange (losses) gains	(94,112)	-	137,198	-
Impairment loss on financial assets (Note 13)	(36,053)	-	-	-
Impairment loss on property, plant and equipment (Note 15)	<u>(16,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>401,436</u>	<u>1</u>	<u>403,553</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	3,371,230	10	3,910,251	13
INCOME TAX EXPENSE (Notes 4 and 21)	<u>473,439</u>	<u>1</u>	<u>619,000</u>	<u>2</u>
NET PROFIT	<u>2,897,791</u>	<u>9</u>	<u>3,291,251</u>	<u>11</u>

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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

	2016		2015	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Losses on remeasurement of defined benefit plans (Note 18)	\$ (46,647)	-	\$ (31,518)	-
Share of other comprehensive loss of subsidiaries accounted for using equity method	(22,634)	-	(53,989)	-
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	(93)	-	817	-
Unrealized gains (losses) on available-for-sale financial assets	1,642,970	5	(984,703)	(3)
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	<u>904,851</u>	<u>2</u>	<u>(680,210)</u>	<u>(3)</u>
Other comprehensive income (loss)	<u>2,478,447</u>	<u>7</u>	<u>(1,749,603)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 5,376,238</u>	<u>16</u>	<u>\$ 1,541,648</u>	<u>5</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 0.81</u>		<u>\$ 0.90</u>	
Diluted	<u>\$ 0.81</u>		<u>\$ 0.90</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, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total
			Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriate d Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for- sale Financial Assets		
BALANCE, JANUARY 1, 2015	\$ 36,949,822	\$ 2,143,393	\$ -	\$ -	\$ (1,119,684)	\$ 23,265	\$ 292,835	\$ (106,387)	\$ 38,183,244
Net profit for 2015	-	-	-	-	3,291,251	-	-	-	3,291,251
Other comprehensive income for 2015	-	-	-	-	(85,507)	65,506	(1,729,602)	-	(1,749,603)
Total comprehensive income for 2015	-	-	-	-	3,205,744	65,506	(1,729,602)	-	1,541,648
Acquisition of treasury share	-	-	-	-	-	-	-	(822,921)	(822,921)
Retirement of treasury share	(1,149,820)	326,899	-	-	-	-	-	822,921	-
BALANCE, DECEMBER 31, 2015	35,800,002	2,470,292	-	-	2,086,060	88,771	(1,436,767)	(106,387)	38,901,971
Appropriation of 2015 earnings									
Legal reserve	-	-	208,606	-	(208,606)	-	-	-	-
Special reserve	-	-	-	1,395,063	(1,395,063)	-	-	-	-
Cash dividends	-	-	-	-	(358,000)	-	-	-	(358,000)
Total appropriations	-	-	208,606	1,395,063	(1,961,669)	-	-	-	(358,000)
Net profit for 2016	-	-	-	-	2,897,791	-	-	-	2,897,791
Other comprehensive income for 2016	-	-	-	-	(69,281)	(65,338)	2,613,066	-	2,478,447
Total comprehensive income for 2016	-	-	-	-	2,828,510	(65,338)	2,613,066	-	5,376,238
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	752	-	-	-	-	-	-	752
BALANCE, DECEMBER 31, 2016	<u>\$ 35,800,002</u>	<u>\$ 2,471,044</u>	<u>\$ 208,606</u>	<u>\$ 1,395,063</u>	<u>\$ 2,952,901</u>	<u>\$ 23,433</u>	<u>\$ 1,176,299</u>	<u>\$ (106,387)</u>	<u>\$ 43,920,961</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, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 3,371,230	\$ 3,910,251
Adjustments for:		
Depreciation expense	5,393,102	5,589,185
Amortization expense	18,827	21,591
Provision for (reversal of) allowance for doubtful accounts	10,000	(13,398)
(Reversal of) provision for decline in market value and obsolescence and abandonment of inventories	(76,451)	121,523
Net loss on financial assets and liabilities at fair value through profit or loss	19,974	9,795
Interest expense	187,009	262,406
Interest income	(155,112)	(153,217)
Dividend income	(63,800)	(29,121)
Share of profit of subsidiaries and associates accounted for using equity method	(463,221)	(448,169)
Loss on disposal of property, plant and equipment	4,327	8,238
Loss (gain) on disposal of investments	10,472	(1,625)
Impairment loss on financial assets	36,053	-
Impairment loss on non-financial assets	16,085	-
(Gain) loss on foreign currency exchange of held-to-maturity financial assets	(1,200)	1,940
Unrealized profit on the transactions with subsidiaries	6,268	8,873
Changes in operating assets and liabilities		
(Increase) decrease in notes and accounts receivable	(528,130)	746,378
Decrease (increase) in accounts receivable due from related parties	94,830	(325,014)
(Increase) decrease in other receivables	(46,849)	16,232
Decrease (increase) in inventories	1,225,569	(2,101,729)
Decrease (increase) in other current assets	30,810	(164,104)
Increase in other non-current assets	(275)	(13,511)
Decrease in notes payable	(217,950)	(15,289)
Increase (decrease) in accounts payable	349,781	(70,608)
(Decrease) increase in accounts payable to related parties	(234,575)	64,756
Increase in other payables	253,245	88,315
(Decrease) increase in other current liabilities	(33,980)	8,494
Increase in other non-current liabilities	58,928	19,166
Cash inflow generated from operations	9,264,967	7,541,358
Interest received	19,285	26,121
Dividends received	303,706	181,066
Interest paid	(238,139)	(329,626)
Income taxes paid	(12,262)	(884)
Net cash flows from operating activities	9,337,557	7,418,035

(Continued)



WINBOND ELECTRONICS CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	\$ (319,655)	\$ (653,619)
Proceeds from disposal of available-for-sale financial assets	110,162	32,027
Proceeds from capital reduction of available-for-sale financial assets	7,913	23,187
Acquisition of financial assets measured at cost	-	(40,000)
Proceeds from repayments of held-to-maturity financial assets	101,100	-
Proceeds from capital reduction of financial assets measured at cost	12,512	-
Acquisition of investments accounted for using equity method	(50,000)	(5,947)
Proceeds from capital reduction of investments accounted for using equity method	-	114,651
Acquisitions of property, plant and equipment	(4,796,651)	(3,907,863)
Proceeds from disposal of property, plant and equipment	11,132	2,856
Acquisition of intangible assets	-	(24,371)
Decrease in finance lease receivables	<u>574,353</u>	<u>299,818</u>
Net cash used in investing activities	<u>(4,349,134)</u>	<u>(4,159,261)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(390,213)
Proceeds in long-term borrowings	1,000,000	3,460,710
Repayments of long-term borrowings	(4,352,267)	(6,017,973)
Payments to acquire treasury shares	-	(822,921)
Cash dividends paid	(358,000)	-
Other financing activities	<u>(38,600)</u>	<u>-</u>
Net cash used in financing activities	<u>(3,748,867)</u>	<u>(3,770,397)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,239,556	(511,623)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,634,615</u>	<u>4,146,238</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,874,171</u>	<u>\$ 3,634,615</u>

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

(Concluded)

Attachment 2

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Winbond Electronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of Winbond Electronics Corporation (the Company) and its subsidiaries (collectively referred as the Group), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Accounts Receivable

The recognition of allowance for doubtful accounts is subject to management's estimation of recoverable amount of past due and uncollectible accounts receivable, and the impairment loss on accounts receivable is influenced by management's assumptions of customer credit risk. We especially pay attention to material and slow-collecting balances of accounts receivable, and the rationale of impairment loss provisioned by management.

Accounting policies for accounts receivable are set out within Note 4 of the consolidated financial statements. Refer to Note 10 of the consolidated financial statements for disclosures of the carrying amounts of accounts receivable.

Our audit procedures in response to impairment of accounts receivable consisted of the following,

evaluated the rationale of classification and provision rates used on aging report of accounts receivable prepared by management, examined the calculation of the aging report, compared the aging distribution and actual write-offs of accounts receivable of current year with those of prior year, assessed the collectability of outstanding balances of accounts receivable by checking cash collection after balance sheet date, inspected the authorization of customer credit line and reviewed transaction records of ledger book to ensure the validity of internal control of accounts receivable.

Valuation of Inventory

Fluctuating market prices of inventory caused by rapid changes of market demand and technology development may lead to slow-moving or obsolescent loss of inventory. In addition, cost allocation of inventory and the net realization value are subject to management's judgement and estimation. We especially pay attention to the Group's inventory held at lower of cost and realization value in conformity with the requirements of IAS 2 and the reasonableness of impairment loss of inventory provisioned by management.

The accounting policy for the valuation of inventory is set out within Note 4 of the consolidated financial statements. Refer to Note 12 of the consolidated financial statements for details of the inventory provisions and obsolescence.

Our audit procedures in response to inventory valuation included:

1. Performed test of details of inventory ledger to verify proper cost allocation of materials, labor costs and overheads to inventory items and ensure no understatement impairment loss caused by improper cost allocation.
2. Tested the aging report of inventory, compared the inventory provision policy of current year with prior year to analyze the differences, verified the numbers and forecast data used to calculate impairment loss of inventory, compared provisioned loss with actual inventory write-offs, and evaluated the fundamental hypothesis of forecast data to assess the validity of inventory provision policy.
3. Selected samples of inventory items and compared the latest actual selling prices with the book values to ensure inventory been stated at lower of cost and net realization value.
4. Compared the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete and damaged goods.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2016 and 2015 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ker-Chang Wu and Hung-Bin Yu.

A handwritten signature in black ink that reads "Deloitte & Touche".

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 3, 2017

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 Shareholders
Winbond Electronics Corporation

Opinion

We have audited the accompanying financial statements of Winbond Electronics Corporation (the Company), which comprise the balance sheets as of December 31, 2016 and 2015, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Accounts Receivable

The recognition of allowance for doubtful accounts is subject to management's estimation of recoverable amount of past due and uncollectible accounts receivable, and the impairment loss on accounts receivable is influenced by management's assumptions of customer credit risk. We especially pay attention to material and slow-collecting balances of accounts receivable, and the rationale of impairment loss provisioned by management.

Accounting policies for accounts receivable are set out within Note 4 of the financial statements. Refer to Note 10 of the financial statements for disclosures of the carrying amounts of accounts receivable.

Our audit procedures in response to impairment of accounts receivable consisted of the following, evaluated the rationale of classification and provision rates used on aging report of accounts receivable prepared by management, examined the calculation of the aging report, compared the aging distribution and actual write-offs of accounts receivable of current year with those of prior year, assessed the collectability of outstanding balances of accounts receivable by checking cash collection after balance sheet date, inspected the authorization of customer credit line and reviewed transaction records of ledger book to ensure the validity of internal control of accounts receivable.

Valuation of Inventory

Fluctuating market prices of inventory caused by rapid changes of market demand and technology development may lead to slow-moving or obsolescent loss of inventory. In addition, cost allocation of inventory and the net realization value are subject to management's judgement and estimation. We especially pay attention to the Company's inventory held at lower of cost and realization value in conformity with the requirements of IAS 2 and the reasonableness of impairment loss of inventory provisioned by management.

The accounting policy for the valuation of inventory is set out within Note 4 of the financial statements. Refer to Note 12 of the financial statements for details of the value of inventory provisions, depreciation, and obsolescence.

Our audit procedures in response to inventory valuation included:

1. Performed test of details of inventory ledger to verify proper cost allocation of materials, labor costs and overheads to inventory items and ensure no understatement impairment loss caused by improper cost allocation.
2. Tested the aging report of inventory, compared the inventory provision policy of current year with prior year to analyze the differences, verified the numbers and forecast data used to calculate impairment loss of inventory, compared provisioned loss with actual inventory write-offs, and evaluated the fundamental hypothesis of forecast data to assess the validity of inventory provision policy.
3. Selected samples of inventory items and compared the latest actual selling prices with the book values to ensure inventory been stated at lower of cost and net realization value.
4. Compared the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete and damaged goods.

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ker-Chang Wu and Hung-Bin Yu.

A handwritten signature in black ink that reads "Deloitte & Touche".

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 3, 2017

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

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



shall prevail.



Attachment 3

(English Translation)

Supervisors' review report

To: The 2016 Annual General Meeting of Shareholders

The Board of Directors of the Company has prepared the 2016 parent company only financial statements and the consolidated financial report, which have been audited by WU, KER-CHANG and YU, HUNG-BIN 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 2016 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 motion for Distribution of Earnings 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: James Wen (Representative of Chin Xin Investment Co., Ltd.)

Supervisor: Yeu-Yuh Chu

Supervisor: Hong-Chi Yu

Date: March 27, 2017

(English Translation)
Winbond Electronics Corporation
Shareholdings of All Directors and Supervisors of the Tenth Term

Book closure date: April 15, 2017

Position	Name	Current shareholding (Shares)	Shareholding ratio (%)
Chairman	Arthur Yu-Cheng Chiao	58,264,955	1.63
Director	Matthew Feng-Chiang Miao	100,000	0.00
Director	Yung Chin	10,720,537	0.30
Director	Hui-Ming Cheng(Representative of Walsin Lihwa Corporation)	811,327,531	22.66
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	James Wen (Representative of Chin Xin Investment Co., Ltd.)	182,047,000	5.09
Supervisor	Yeu-Yuh Chu	0	0.00
Supervisor	Hong-Chi Yu	0	0.00
Shareholdings of All Directors		880,913,023	24.61
Shareholdings of All Supervisors		182,047,000	5.09
Shareholdings of All Directors and Supervisors		1,062,960,023	29.70

Note: This Company had a total of 3,580,000,193 issued shares as of April 15, 2017

WINBOND ELECTRONICS CORPORATION
COMPARISON TABLE OF THE ARTICLES OF INCORPORATION

Article No.	Amended Article	Current Article	Note
Section IV	Directors and <u>Audit Committee</u>	Directors and Supervisors	Establish an audit committee to replace supervisor to conform to laws and regulations and delete provisions relating to supervisors.
Article 13	<p>The Company shall have nine to eleven directors, among whom there should be not less than three independent directors making up not less than one-fifth of the total number of directors whose term of office is three years. Election of directors shall adopt the candidate nomination system prescribed in Article 192-1 of the Company Act. All of the directors are elected by the shareholders' meeting from the candidate list of directors , 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.</p> <p>The method of candidate nomination, <u>examination</u> and election of directors, 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.</p> <p>The aggregate number of shares of nominal stock held by all the directors shall not be less than the percentage stipulated by the competent authority</p>	<p>The Company shall have nine to eleven directors, among whom there should be not less than three independent directors making up not less than one-fifth of the total number of directors, and two to three supervisors whose term of office is three years. Election of directors and supervisors shall adopt the candidate 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.</p> <p>The method of candidate nomination and election of directors and supervisors, 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.</p> <p>The aggregate number of shares of nominal stock held by all the directors and supervisors shall not be less than the percentage stipulated by the</p>	Establish an audit committee to replace supervisor to conform to laws and regulations, delete provisions relating to supervisors and make amendments based on practical needs.

Article No.	Amended Article	Current Article	Note
	<p>in accordance with law.</p> <p>The Company shall establish an audit committee and the audit committee or its members shall be responsible for performing the functions and duties of supervisors provided under the Company Act, Securities and Exchange Act <u>and</u> other laws and regulations. <u>The composition, convention, duties and meeting rules of the audit committee shall comply with relevant laws and regulations and the Company's rules.</u></p> <p>The Board of Directors may <u>additionally</u> establish a compensation committee. <u>The professional qualifications of the members, exercise of their duties, organizational rules and relevant matters of the compensation committee shall comply with relevant laws and regulations and the Company's rules.</u>The Board of Directors may also establish other committees with different functions. The organizational rules of those committees shall be stipulated by the Board of Directors.</p>	<p>competent authority in accordance with law.</p> <p>After the term of office of the directors and supervisors elected in 2014 expires, The Company shall, pursuant to Article 14-1 of the Securities and Exchange Act establish an audit committee to replace supervisors and the audit committee or its members shall be responsible for performing the functions and duties of supervisors provided under the Company Act, Securities and Exchange Act, and other laws and regulations and these Articles of Incorporation. After establishment of the audit committee, the provisions relating to supervisors in the Articles of Incorporation shall no longer apply.</p> <p>The Board of Directors may establish an audit committee and a compensation committee <u>in accordance with law</u> and may establish other committees with different functions. The organizational rules of those committees shall be stipulated by the Board of Directors.</p>	
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 with respect to the indemnification liabilities that the directors shall be liable resulting from exercising their duties during their terms of office according to law.	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.	Establishing an audit committee to replace supervisor to conform to laws and regulations.
Article 14-1	Meetings of the Board of Directors are convened by the Chairman of the Board of Directors. When	Meetings of the Board of Directors are convened by the Chairman of the Board of Directors. When	Same as above

Article No.	Amended Article	Current Article	Note
	convening a meeting of the Board of Directors, a meeting notice specifying the reasons for convening such meeting shall be sent to each director seven days prior to the meeting; provided that a meeting may be convened at any time in case of emergency. (Hereafter omitted)	convening a meeting of the Board of Directors, a meeting 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 in case of emergency. (Hereafter omitted)	
Article 16	Remuneration of directors shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company and by reference to remuneration for similar roles at comparable companies domestically and internationally.	Remuneration of 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 remuneration for similar roles at comparable companies domestically and internationally.	Same as above
Article 18	(Deleted)	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.	Same as above
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 statements (3) proposal for distribution of earnings or making up loss, and submit the same for recognition at the shareholders meeting <u>in accordance with legal procedure.</u>	After the end of each fiscal year, the Board of Directors shall have the following documents prepared: (1) business report (2) financial statements (3) proposal for distribution of earnings or making up loss, and submit the same for supervisors' examination and for recognition at the shareholders meeting.	Establish an audit committee to replace supervisor to conform to laws and regulations, delete provisions relating to supervisors and make amendments based on practical needs.
Article 22	From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors, no more than 1% shall be allocated as remuneration of directors and no less than 1% as remuneration of employees. The remuneration of employees may be distributed in stock	From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors and supervisors , no more than 1% shall be allocated as remuneration of directors and supervisors and no less than 1% as remuneration of employees. The remuneration of employees may be	Establish an audit committee to replace supervisor to conform to laws and regulations, delete provisions relating to supervisors and make amendments

Article No.	Amended Article	Current Article	Note
	<p>or cash upon resolution of the Board of Directors, and may be distributed to the employees of subsidiaries of the Company meeting certain criteria.</p> <p>However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.</p> <p><u>Before establishment of the audit committee, supervisors' remuneration shall be incorporated into directors' remuneration for the purpose of calculation of the distribution ceiling of the directors' remuneration provided in the first Paragraph.</u></p> <p>The Board of Directors is authorized to determine the "employees of subsidiaries of the Company meeting certain criteria" set forth in the first Paragraph or the Board of Directors may authorize the Chairman of the Board of Directors to determine the "employees of subsidiaries of the Company meeting certain criteria" set forth in the first Paragraph.</p>	<p>distributed in stock or cash upon resolution of the Board of Directors, and may be distributed to the employees of subsidiaries of the Company meeting certain criteria.</p> <p>However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors and supervisors according to the percentage set forth in the preceding paragraph.</p> <p>The Board of Directors is authorized to determine the "employees of subsidiaries of the Company meeting certain criteria" set forth in the first Paragraph or the Board of Directors may authorize the Chairman of the Board of Directors to determine the "employees of subsidiaries of the Company meeting certain criteria" set forth in the first Paragraph.</p>	based on practical needs.
Article 25	<p>These Articles of Incorporation were enacted on September 1, 1987.....(Omitted)..... 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 3; the twenty-sixth amendment was made on June 16, 2016 <u>and the twenty-seventh amendment was made on June 13, 2017</u> and shall become effective after approval by a resolution of the shareholders meeting. Any subsequent</p>	<p>These Articles of Incorporation were enacted on September 1, 1987.....(Omitted)..... 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 3; and the twenty-sixth amendment was made on June 16, 2016 and shall become effective after approval by a resolution of the shareholders meeting. Any subsequent amendments to these Articles of</p>	Add amendment date



Article No.	Amended Article	Current Article	Note
	amendments to these Articles of Incorporation shall follow the same procedure.	Incorporation shall follow the same procedure.	

Winbond Electronics Corporation (the "Company") Comparison Table of the Rules Governing Election of Directors

Article No.	Amended Article	Current Article	Note
Name of the Rules	Rules Governing Election of Directors	Rules Governing Election of Directors and Supervisors	Establish an audit committee to replace supervisor to conform to laws and regulations, and delete provisions relating to supervisors.
Article 1	The election of directors of the Company shall be handled in accordance with these Rules.	The election of directors and supervisors of the Company shall be handled in accordance with these Rules.	Same as above
Article 2	The candidate nomination system provided in Article 192-1 of the Company Act and the cumulated voting with single name registered on the ballot will be used for the election of directors. Each share has the number of exercisable votes same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates set forth on the list of candidates of directors. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected director. Independent directors and non-independent directors shall be elected at the same time but the number of the elected independent directors and non-independent directors shall be separately calculated. The attendance card number of the electors may be used on the ballot instead of the name of the electors.	The candidate nomination system provided in Article 192-1 of the Company Act and the cumulated voting with single name registered on the ballot will be used for the election of directors and supervisors . Each share has the number of exercisable votes same as the number of directors and supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates set forth on the list of candidates of directors and supervisors . A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected director or supervisor . Independent directors and non-independent directors shall be elected at the same time but the number of the elected independent directors and non-independent directors shall be separately calculated. The attendance card number of the electors may be used on the ballot	Establish an audit committee to replace supervisor to conform to laws and regulations, delete provisions relating to supervisors and make amendments based on practical needs.

Article No.	Amended Article	Current Article	Note
	<p>The candidate nomination, <u>examination</u> and election of directors, and the professional qualification, shareholding, restrictions on concurrent serving in other companies and other matters to be complied with by independent directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and rules.</p>	<p>instead of the name of the electors.</p> <p>The candidate nomination and election of directors and supervisors, and the professional qualification, shareholding, restrictions on concurrent serving in other companies and other matters to be complied with by independent directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and rules.</p>	
Article 4	<p>The number of directors will be as specified in the Company's articles of incorporation, with votes separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of votes will be elected sequentially according to their respective numbers of votes. If two or more persons receive the same number of votes, thus exceeding the specified number of positions, <u>the persons of the same number of votes</u> shall draw lots to determine who should win the seat available, and the chairperson shall draw lots on behalf of the candidate who is not present.</p>	<p>If a candidate is elected at the same time as director and supervisor, he/she/it should decide by himself/herself/itself to be either director or supervisor. The vacancy left by the above person will be supplemented by the elected who wins the second largest ballots. If two or more persons receive the same number of votes, thus exceeding the specified number of positions, who should win the seat available shall be decided by drawing lots, and the chairperson shall draw lots on behalf of the candidate who is not present.</p>	Amended to reflect the actual needs for electing independent directors of the Company and by reference to the "Sample Template for Procedures for Election of Directors and Supervisors of a Company Limited by Shares".
Article 8	<p>The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting.</p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year; provided, however, that the</u></p>	<p>The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting.</p>	Amended by reference to the "Sample Template for Procedures for Election of Directors and Supervisors of a Company Limited by Shares".



Article No.	Amended Article	Current Article	Note
	<u>ballots shall be retained until the conclusion of the litigation if a shareholder files a lawsuit pursuant to Article 189 of the Company Act.</u>		

Winbond Electronics Corporation (the "Company")

Comparison Table of the Rules Governing the Conduct of Shareholders Meeting

Amended Article	Current Article	Note
<p>Article 2(Paragraphs 1-3 are omitted)</p> <p>The election or discharge of directors, amendment to 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 <u>and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be listed among the reasons for the meeting, and may not be proposed as extemporary motions.</p> <p>Hereafter Omitted</p>	<p>Article 2(Paragraphs 1-3 are omitted)</p> <p>The election or discharge of directors and supervisors, amendment to 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.</p> <p>Hereafter Omitted</p>	<p>Amended to conform to laws and regulations.</p>
<p>Article 20</p> <p>A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.</p> <p><u>The number of representatives that a legal-entity shareholder appointed to attend the shareholders meeting should not exceed the number of directors to be elected at a shareholders meeting if there is an election of directors at that shareholders meeting, or the number of directors elected for a term of office if there is no election of directors at that shareholders meeting, and only one representative can speak for each motion.</u></p>	<p>Article 20</p> <p>A legal entity serving as proxy to attend a shareholders meeting may designate only one representative to attend such meeting.</p> <p>When a legal-entity shareholder has appointed two or more representatives to attend the shareholders meeting, only one representative can speak for each motion.</p>	<p>Amended to conform to laws and regulations.</p>

Amended Article	Current Article	Note
<p>Article 23(The first paragraph is omitted)</p> <p>A motion <u>is adopted by</u> vote.</p>	<p>Article 23(The first paragraph is omitted)</p> <p>A motion shall be may be resolve by way of shall be voted for resolution. or shall be deemed passed if no objection to the motion is expressed by the 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.</p>	<p>A motion should be adopted by vote and this Article was amended accordingly.</p>

Attachment 8

Winbond Electronics Corporation (the "Company") Comparison Table of the Procedures of Acquisition or Disposal of Assets (the "Procedures")

Amended Article	Current Article	Note
<p>Article 14: The procedures of acquisition or disposal of securities 1~3 Omitted</p> <p>4. If the Company acquires or disposes of securities from or to a Related Party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10 % or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 through 3 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures. Trading of government bonds, bonds under repurchase and resale agreements, and purchase or <u>repurchase</u> of money market funds <u>issued by domestic securities investment trust enterprises</u> shall be exempted from the procedures provided in Paragraphs 3 and 4 of Article 15 of these Procedures.</p>	<p>Article 14: The procedures of acquisition or disposal of securities 1~3 Omitted</p> <p>4. If the Company acquires or disposes of securities from or to a Related Party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10 % or more of the Company's total assets, or NT\$300 million or above, the transaction should be conducted in accordance with Paragraphs 1 through 3 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures. Trading of government bonds, bonds under repurchase and resale agreements, and purchase or <u>redemption</u> of domestic money market funds shall be exempted from the procedures provided in Paragraphs 3 and 4 of Article 15 of these Procedures.</p>	Amended to conform to laws and regulations.
<p>Article 15: The procedures of acquisition or disposal of real property 1. Omitted</p> <p>2. In acquiring or disposing of real property where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government <u>agency</u>, commissioning others to build on its own land, or commissioning others to build on rented land, an appraisal report should be obtained prior to the Date of Occurrence of the transaction from a Professional</p>	<p>Article 15: The procedures of acquisition or disposal of real property 1. Omitted</p> <p>2. In acquiring or disposing of real property where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government <u>institution</u>, commissioning others to build on its own land, or commissioning others to build on rented land, an appraisal report should be obtained prior to the Date of Occurrence of the</p>	Amended to conform to laws and regulations.

Amended Article	Current Article	Note
Appraiser and the transaction should comply with Article 18 of these Procedures. Hereafter Omitted	transaction from a Professional Appraiser and the transaction should comply with Article 18 of these Procedures. Hereafter Omitted	
Article 17: The procedures of acquisition or disposal of equipment 1. Omitted 2. If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government <u>agency</u> or acquisition or disposal of the equipment for operational use, prior to the Date of Occurrence of the transaction, an appraisal should be obtained by a Professional Appraiser who should issue an appraisal report and the transaction should comply with Article 18 of these Procedures. Hereafter Omitted	Article 17: The procedures of acquisition or disposal of equipment 1. Omitted 2. If the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, unless transacting with a government <u>institution</u> or acquisition or disposal of the equipment for operational use, prior to the Date of Occurrence of the transaction, an appraisal should be obtained by a Professional Appraiser who should issue an appraisal report and the transaction should comply with Article 18 of these Procedures. Hereafter Omitted	Amended to conform to laws and regulations.
Article 18: The valuation of real property or equipment In acquiring or disposing of real property or equipment where the transaction amount reaches 20 % of the Company's paid-in capital or NT\$300 million or above, the Company, unless transacting with a government <u>agency</u> , commissioning others to build on its own land, commissioning others to build on rented land, or acquiring, or disposing of equipment for operational use, shall obtain an appraisal report prior to the Date of Occurrence of the transaction from a Professional Appraiser and shall further comply with the following provisions: Hereafter Omitted	Article 18: The valuation of real property or equipment In acquiring or disposing of real property or equipment where the transaction amount reaches 20 % of the Company's paid-in capital or NT\$300 million or above, the Company, unless transacting with a government <u>institution</u> , commissioning others to build on its own land, commissioning others to build on rented land, or acquiring, or disposing of equipment for operational use, shall obtain an appraisal report prior to the Date of Occurrence of the transaction from a Professional Appraiser and shall further comply with the following provisions: Hereafter Omitted	Amended to conform to laws and regulations.
Article 19: The procedures of acquisition or disposal of	Article 19: The procedures of acquisition or disposal of	Amended to conform to laws and regulations.

Amended Article	Current Article	Note
<p>memberships</p> <ol style="list-style-type: none"> Omitted Except for transactions with government <u>agencies</u>, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the usage after acquisition or the purpose of disposal and an opinion on the reasonableness of the transaction price issued by a certified public accountant in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF are required prior to the Date of Occurrence of the transaction. <p>Hereafter Omitted</p>	<p>memberships</p> <ol style="list-style-type: none"> Omitted Except for transactions with government <u>institutions</u>, if the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or above, the usage after acquisition or the purpose of disposal and an opinion on the reasonableness of the transaction price issued by a certified public accountant in accordance with the Statement of General Auditing Procedures No. 20 published by the ARDF are required prior to the Date of Occurrence of the transaction. <p>Hereafter Omitted</p>	
<p>Article 20: The procedures of acquisition or disposal of intangible assets</p> <p>1~2 Omitted</p> <ol style="list-style-type: none"> When the Company intends to acquire or dispose of intangible assets from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for transactions with government <u>agencies</u>, the transaction should be conducted in accordance with Paragraphs 1 and 2 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures. 	<p>Article 20: The procedures of acquisition or disposal of intangible assets</p> <p>1~2 Omitted</p> <ol style="list-style-type: none"> When the Company intends to acquire or dispose of intangible assets from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for transactions with government <u>institutions</u>, the transaction should be conducted in accordance with Paragraphs 1 and 2 of this Article and Paragraphs 3 and 4 of Article 15 of these Procedures. 	Amended to conform to laws and regulations.
<p>Article 22: The procedures of acquisition or disposal of assets through mergers, spin-offs, acquisitions or assignment of shares</p> <ol style="list-style-type: none"> Where the Company conducts a merger, spin-off, acquisition, or assignment of shares, the Responsible Unit shall attach evaluation explanation which shall be approved by the 	<p>Article 22: The procedures of acquisition or disposal of assets through mergers, spin-offs, acquisitions or assignment of shares</p> <ol style="list-style-type: none"> Where the Company conducts a merger, spin-off, acquisition, or assignment of shares, the Responsible Unit shall attach evaluation explanation which shall be approved by the 	Amended to conform to laws and regulations.

Amended Article	Current Article	Note
<p>Chairman and, prior to convening the board meeting for resolution, retain a certified public accountant, attorney-at-law or securities underwriter to issue an opinion on the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other property to shareholders and submit it to the board meeting for discussion and resolution. <u>No such fairness opinion of experts is required for a merger between the Company and a subsidiary whose issued shares or capital is directly or indirectly wholly-owned by the Company or a merger between two subsidiaries both of whose issued shares or capital is directly or indirectly wholly-owned by the Company.</u></p> <p>Hereafter Omitted</p>	<p>Chairman and, prior to convening the board meeting for resolution, retain a certified public accountant, attorney-at-law or securities underwriter to issue an opinion on the reasonableness of the share exchange ratio, acquisition price or distribution of cash or other property to shareholders and submit it to the board meeting for discussion and resolution.</p> <p>Hereafter Omitted</p>	
<p>Article 25: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of Occurrence of such fact:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property from or to a Related Party, or acquisition or disposal of assets other than real property from or to a Related Party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for the trading of government bonds, bonds under repurchase and resale agreements, and subscription/purchase or <u>repurchase</u> of money market funds <u>issued by domestic securities investment</u> 	<p>Article 25: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the FSC in the prescribed format within two days commencing immediately from the Date of Occurrence of such fact:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property from or to a Related Party, or acquisition or disposal of assets other than real property from or to a Related Party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or above, except for the trading of government bonds, bonds under repurchase and resale agreements, and subscription/purchase or <u>redemption</u> of domestic money market funds. 	<ol style="list-style-type: none"> 1. Subparagraph 1 of Paragraph 1 was modified to conform to laws and regulations. 2. Original Items 4 and 5 of Subparagraph 4 of Paragraph 1 was moved to Subparagraphs 4 and 5 of Paragraph 1 and modified to conform to laws and regulations. 3. Original Items (1) and (3) of Subparagraph 4 of Paragraph 1 was moved to Items (1) and (2) of Subparagraph 6 of Paragraph 1 and was modified to conform to

Amended Article	Current Article	Note
<p><u>trust enterprises.</u></p> <p>2. Mergers, spin-offs, acquisitions, or assignment of shares.</p> <p>3. Where losses from Derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>4. Where the type of the asset acquired or disposed of is equipment for operational use and the transaction counterpart is not a Related Party and the <u>transaction amount reaches any of the following:</u></p> <p style="padding-left: 20px;">(1)Where the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million; or</p> <p style="padding-left: 20px;">(2)Where the Company's paid-in capital is NT\$10 billion or more, the <u>transaction amount reaches NT\$1 billion.</u></p> <p>5. Where real property is acquired under an arrangement for commissioned construction on self-owned land or on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6. Where an asset transaction other than those referred to in the preceding <u>five</u> subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that this shall not apply in the following circumstances:</p> <p style="padding-left: 20px;">(1)Trading of government</p>	<p>2. Mergers, spin-offs, acquisitions, or assignment of shares.</p> <p>3. Where losses from Derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>4. Where an asset transaction other than those referred to in the preceding <u>three</u> subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT\$300 million; provided, that this shall not apply in the following circumstances:</p> <p style="padding-left: 20px;">(1)Trading of government</p>	<p>laws and regulations.</p> <p>Original Item (2) of Subparagraph 4 of Paragraph 1 which is not applicable to the Company was deleted.</p> <p>4. Original Subparagraph 4 of Paragraph 1 was moved to Subparagraph 6 of Paragraph 1 and modified to conform to laws and regulations.</p> <p>5. Paragraph 5 was modified to conform to laws and regulations.</p>

Amended Article	Current Article	Note
<p>bonds.</p> <p>(2) Trading of bonds under repurchase/resale agreements or subscription/purchase or <u>repurchase</u> of money market funds <u>issued by domestic securities investment trust enterprises.</u></p> <p>The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction.</p>	<p>bonds.</p> <p>(2) Securities trading by investment professionals on foreign or domestic securities exchanges or over the counter markets, or securities subscribed by securities firms in the primary market or in accordance with relevant regulations.</p> <p>(3) Trading of bonds under repurchase/resale agreements or subscription/purchase or <u>redemption</u> of domestic money market funds.</p> <p>(4) Where the type of asset acquired or disposed of is equipment for operational use, the trading counterparty is not a Related Party, and the transaction amount is <u>less than</u> NT\$500 million.</p> <p>(5) Where real property is acquired under an arrangement for commissioned construction on self-owned land or on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is <u>less than</u> NT\$500 million.</p> <p>The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction.</p>	

Amended Article	Current Article	Note
<p>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>"Within one year" as used in the preceding paragraph refers to the year preceding the Date of Occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be entered.</p> <p>The Finance Center shall enter monthly the status of Derivatives transactions undertaken by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month in the prescribed format into the information reporting website designated by the FSC by the tenth day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct such error, all the items shall be publicly announced again <u>within two days from the day of acknowledgement of the error</u> and reported in their entirety.</p>	<p>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>"Within one year" as used in the preceding paragraph refers to the year preceding the Date of Occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be entered.</p> <p>The Finance Center shall enter monthly the status of Derivatives transactions undertaken by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month in the prescribed format into the information reporting website designated by the FSC by the tenth day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct such error, all the items shall be publicly announced again and reported in their entirety.</p>	



Amended Article	Current Article	Note
Hereafter Omitted	Hereafter Omitted	

Winbond Electronics Corporation (the "Company") Comparison Table of the Regulations Governing Endorsements and Guarantees (the "Regulations")

Amended Article	Current Article	Note
<p>Article 3: Amount ceiling for endorsement/guarantee (1)~(3) Omitted (4) Where changes in circumstances of the Company result in that the entity for which the Company provides endorsement/guarantee ceases to be a qualified entity under Article 2 of the Regulations, or the amount endorsed/guaranteed exceeds the ceiling due to changes in the calculation base for the ceiling, the Company shall adopt rectification plans, submit the relevant rectification plans to <u>the audit committee</u> and complete the rectification on schedule.</p>	<p>Article 3: Amount ceiling for endorsement/guarantee (1)~(3) Omitted (4) Where changes in circumstances of the Company result in that the entity for which the Company provides endorsement/guarantee ceases to be a qualified entity under Article 2 of the Regulations, or the amount endorsed/guaranteed exceeds the ceiling due to changes in the calculation base for the ceiling, the Company shall adopt rectification plans, submit the relevant rectification plans to <u>each supervisor</u> and complete the rectification on schedule.</p>	<p>The language of this article is modified to conform to the change that the newly established audit committee replaces supervisors.</p>
<p>Article 6: Operating Procedures for Endorsements and Guarantees and Review Process Before making an endorsement or guarantee for others, the Company shall carefully evaluate whether the endorsement or guarantee is in compliance with the "Regulations Governing Loaning of Funds and Making of Endorsements and/or Guarantees by Public Companies" promulgated by the securities regulator and these Regulations. In addition, the Company shall handle and review the following matters. (1)~(10) Omitted <u>Material endorsement or provision of guarantee by the Company shall be approved by at least one half of all audit committee members and submitted to the Board of Directors for resolution. If approval of the majority of all audit committee</u></p>	<p>Article 6: Operating Procedures for Endorsements and Guarantees and Review Process Before making an endorsement or guarantee for others, the Company shall carefully evaluate whether the endorsement or guarantee is in compliance with the "Regulations Governing Loaning of Funds and Making of Endorsements and/or Guarantees by Public Companies" promulgated by the securities regulator and these Regulations. In addition, the Company shall handle and review the following matters. (1)~(10) Omitted</p>	<p>A paragraph is newly added to conform to the establishment of the audit committee and to take the practical operation of these Procedures into consideration.</p>

Amended Article	Current Article	Note
<u>members is not obtained, such fund loaning may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" in paragraph 3 and "all directors" in this paragraph shall be counted as the actual number of persons currently holding those positions.</u>		
Article 9: Internal Audit The Company's internal auditors shall audit the procedures for processing endorsements and guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the audit committee</u> in writing of any material violation matters.	Article 9: Internal Audit The Company's internal auditors shall audit the procedures for processing endorsements and guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors</u> in writing of any material violation matters.	The language of this article is modified to conform to the change that the newly established audit committee replaces supervisors.
Article 12: Control procedures for endorsements /guarantees provided by subsidiaries The Company shall require all of its subsidiaries to formulate their own "Rules of Endorsement and Guarantee" in accordance with the "Regulations Governing Lending Funds and Providing Endorsement and Guarantee by Public Offering Companies" promulgated by the competent authorities and the "Rules of Endorsement and Guarantee" of the Company. Any endorsement/guarantee provided by the subsidiaries shall comply with their own "Rules of Endorsement and Guarantee", and the internal audit department of the Company shall be responsible for reviewing all <u>self-assessment</u> reports prepared by all subsidiaries.	Article 12: Control procedures for endorsements /guarantees provided by subsidiaries The Company shall require all of its subsidiaries to formulate their own "Rules of Endorsement and Guarantee" in accordance with the "Regulations Governing Lending Funds and Providing Endorsement and Guarantee by Public Offering Companies" promulgated by the competent authorities and the "Rules of Endorsement and Guarantee" of the Company. Any endorsement/guarantee provided by the subsidiaries shall comply with their own "Rules of Endorsement and Guarantee", and the internal audit department of the Company shall be responsible for reviewing all <u>self-inspection</u> reports prepared by all subsidiaries.	The language of this article is modified to conform to the term used in laws and regulations.
IV. VALIDATION AND AMENDMENTS <u>The Regulations shall be approved by at least one half of all the audit committee members and then</u>	IV. VALIDATION AND AMENDMENTS <u>After passage by the Board of Directors, the Company shall submit the Regulations to each supervisor</u>	The language of this article is modified to conform to the establishment of the audit committee

Amended Article	Current Article	Note
<p><u>submitted to the Board of Directors for resolution. After approved by the Board of Directors, the Regulations shall be submitted to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to the audit committee and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Regulations. When the Regulations are submitted by the Company to the Board of Directors for discussion in accordance with relevant rules, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meetings.</u></p> <p><u>If approval of the majority of all audit committee members as required in the preceding paragraph is not obtained, the Regulations or any amendment hereto may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" and "all directors" in this paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>and for approval by the shareholders' meeting. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to <u>each supervisor</u> and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Regulations. <u>Where the Company has established the position of independent director,</u> when it submits the Regulations for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board of Directors' meetings.</p>	<p>replacing supervisors and adjusted to take the practical operation of these Regulations into consideration.</p>

Winbond Electronics Corporation (the "Company")
Comparison Table of the Operating Procedures of Fund Loaning

Amended Article	Current Article	Note
<p>Article 2: Reasons, necessities and amount ceiling for loaning funds to other parties (1)~(4) Omitted (5)) Where changes in circumstances of the Company result in that the entity to which the Company loans funds ceases to be a qualified entity under the Procedures or the loan balance exceeds the amount ceiling, the Company shall adopt rectification plans, submit the relevant rectification plans to <u>the audit committee</u> and complete the rectification on schedule.</p>	<p>Article 2: Reasons, necessities and amount ceiling for loaning funds to other parties (1)~(4) Omitted (5)) Where changes in circumstances of the Company result in that the entity to which the Company loans funds ceases to be a qualified entity under the Procedures or the loan balance exceeds the amount ceiling, the Company shall adopt rectification plans, submit the relevant rectification plans to <u>each supervisor</u> and complete the rectification on schedule.</p>	<p>The language of this article is modified to conform to the change that the newly established audit committee replaces supervisors.</p>
<p>Article 3: Operating Procedures of Fund Loaning and Review Process Before loaning funds to others, the Company shall carefully evaluate whether it is in compliance with the "Regulations Governing Loaning of Funds and Providing Endorsements and/or Guarantees by Public Companies" promulgated by Securities and Futures Commission and these Procedures. The Company may make loans to others only after the results of evaluation have been submitted to and resolved upon by the Board of Directors. The Company shall not authorize any other person to make such decision. Where the independent directors have been installed, when loaning funds to others, the Company shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meetings.</p>	<p>Article 3: Operating Procedures of Fund Loaning and Review Process Before loaning funds to others, the Company shall carefully evaluate whether it is in compliance with the "Regulations Governing Loaning of Funds and Providing Endorsements and/or Guarantees by Public Companies" promulgated by Securities and Futures Commission and these Procedures. The Company may make loans to others only after the results of evaluation have been submitted to and resolved upon by the Board of Directors. The Company shall not authorize any other person to make such decision. Where the independent directors have been installed, when loaning funds to others, the Company shall take into full consideration each independent director's opinions; the independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meetings.</p>	<p>A paragraph is newly added to conform to the establishment of the audit committee and to take the practical operation of these Procedures into consideration.</p>

Amended Article	Current Article	Note
<p>The operating procedures of fund lending and review process are as follows:</p> <p>(1)~(3) Omitted</p> <p>(4) The funds loaning between the Company and its subsidiaries shall be submitted to the Board of Directors for approval in accordance with this Article and the chairman of the Board of Directors may be authorized to loan the funds in installments or revolving within a certain amount resolved by the Board of Directors and within one year with respect to the same persons to whom the funds are loaned. The authorized amount of the funds loaned to a single enterprise shall not exceed ten percent of the net worth of the Company shown on the Company's latest financial report.</p> <p><u>Material fund loaning by the Company shall be approved by at least one half of all audit committee members and submitted to the Board of Directors for resolution. If approval of the majority of all audit committee members is not obtained, such fund loaning may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" in paragraph 3 and "all directors" in this paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>The operating procedures of fund lending and review process are as follows:</p> <p>(1)~(3) Omitted</p> <p>(4) The funds loaning between the Company and its subsidiaries shall be submitted to the Board of Directors for approval in accordance with this Article and the chairman of the Board of Directors may be authorized to loan the funds in installments or revolving within a certain amount resolved by the Board of Directors and within one year with respect to the same persons to whom the funds are loaned. The authorized amount of the funds loaned to a single enterprise shall not exceed ten percent of the net worth of the Company shown on the Company's latest financial report.</p>	
<p>Article 7: Internal Audit</p> <p>The Company's internal auditors shall audit the operating procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare</p>	<p>Article 7: Internal Audit</p> <p>The Company's internal auditors shall audit the operating procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare</p>	<p>The language of this article is modified to conform to the change that the newly established audit committee replaces</p>

Amended Article	Current Article	Note
written records accordingly. The Company's internal auditors shall promptly notify <u>the audit committee</u> in writing of any material violation found.	written records accordingly. The Company's internal auditors shall promptly notify <u>all the supervisors</u> in writing of any material violation found.	supervisors.
Article 10: Control procedures for lending funds to other parties by subsidiaries The Company shall require all of its subsidiaries to formulate their own "Procedures for Loaning Funds to Other Parties" in accordance with the "Regulations Governing Loaning Funds and Providing Endorsement and Guarantee by Public Offering Companies" promulgated by the competent authorities and the "Procedures for Loaning Funds to Other Parties" of the Company. Any loan made by the subsidiaries shall comply with their own "Procedures for Loaning Funds to Other Parties", and the internal audit department of the Company shall be responsible for reviewing all self- <u>assessment</u> reports prepared by all subsidiaries.	Article 10: Control procedures for lending funds to other parties by subsidiaries The Company shall require all of its subsidiaries to formulate their own "Procedures for Loaning Funds to Other Parties" in accordance with the "Regulations Governing Loaning Funds and Providing Endorsement and Guarantee by Public Offering Companies" promulgated by the competent authorities and the "Procedures for Loaning Funds to Other Parties" of the Company. Any loan made by the subsidiaries shall comply with their own "Procedures for Loaning Funds to Other Parties", and the internal audit department of the Company shall be responsible for reviewing all self- <u>inspection</u> reports prepared by all subsidiaries.	The language of this article is modified to conform to the term used in laws and regulations.
IV. THE EFFECTIVENESS AND AMENDMENT These Procedures shall be approved by at least one half of all the <u>audit committee members and then submitted to the Board of Directors</u> for resolution. After approved by <u>the Board of Directors</u> , these <u>procedures shall be submitted to the shareholders' meeting for approval</u> ; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to <u>the audit committee</u> and for discussion by the shareholders' meeting. The same shall apply to any amendment to the Procedures. When the Operating Procedures of Fund Loaning <u>are submitted by the Company to the Board of Directors for discussion in accordance with relevant rules</u> , the Board of Directors	IV. THE EFFECTIVENESS AND AMENDMENT After passed by the Board of <u>Directors</u> , these Procedures shall be <u>submitted to each supervisor and for approval by the shareholders' meeting</u> ; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to <u>each supervisor</u> and for discussion by the shareholders' meeting. The same shall apply to any amendment to the Procedures. <u>Where the Company has established the position of independent director</u> , when it submits its Operating Procedures of Fund Loaning for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinion; independent directors' opinions	A paragraph is newly added to conform to the establishment of the audit committee and to take the practical operation of these Procedures into consideration.

Amended Article	Current Article	Note
<p>shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meetings.</p> <p><u>If approval of the majority of all audit committee members as required in the preceding paragraph is not obtained, these Procedures or amendments thereto may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors. The terms "all audit committee members" in paragraph 3 and "all directors" in this paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board meetings.</p>	

Attachment 11

Explanations of involvement of directors or their related persons in the field of the Company's business

Mr. Arthur Yu-Cheng Chiao :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Chairman	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Software Design Services I501010 Product Designing
WALSIN TECHNOLOGY CORP.	Director	CC01080 Electronic Parts and Components Manufacturing

Ms. Yung Chin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Software Design Services I501010 Product Designing
Nuvoton Electronics Technology (H.K.) Ltd.	Director	Sales and service of semiconductor parts and components

Mr. Matthew Feng-Chiang Miao :

Names of other companies Where he served	Title	Business items same or similar to the Company's
LIEN HWA INDUSTRIAL CORP	Chairman	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
UPC TECHNOLOGY CORPORATION	Chairman	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
MiTAC Holdings Corporation	Chairman	H201010 Investment
Synnex Technology International Corp.	Chairman	CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I301010 Software Design Services
Getac Technology Corporation	Director	CC01120 Data Storage Media Manufacturing and Duplicating CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I501010 Product Designing I301010 Software Design Services
MiTAC INC.	Chairman	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing
MITAC INFORMATION TECHNOLOGY CORP.	Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing

LINDE LIENHWA INDUSTRIAL GASES CO. LTD	Director	F401010 International Trade
TAITA CHEMICAL CO., LTD.	Director	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
ASIA POLYMER CORPORATION	Director	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Synnex Corporation	Director	IT distribution, supply chain management, contract assembly and business process outsourcing

Mr. Chih-Chen Lin :

Names of other companies Where he served	Title	Business items same or similar to the Company's
HANNSTOUCH SOLUTION INCORPORATED	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade
KINGWAYTEK TECHNOLOGY CO., LTD.	Independent Director	CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
TAIWAN TAOMEE CO., LTD.	Independent Director	CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Software Design Services I301020 Data Processing Services

Ms. Wei-Hsin Ma :

Names of other companies Where he served	Title	Business items same or similar to the Company's
HANNSTOUCH SOLUTION INCORPORATED	Chairman	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade
HANNSTAR DISPLAY CORPORATION	Director	CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade
Xin shi yue ma investment company limited	Chairman	I501010 Product Designing
HANNSPREE INC.	Chairman	F401010 International Trade I501010 Product Designing

Walsin Lihwa Corporation :

Names of other companies Where he served	Title	Business items same or similar to the Company's
WALSIN TECHNOLOGY CORP.	Director	CC01080 Electronic Parts and Components Manufacturing
WALTON ADVANCED ENGINEERING, INC.	Director	CC01080 Electronic Parts and Components Manufacturing
HANNSTAR DISPLAY CORPORATION	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating
WALSIN INFO-ELECTRIC INC.	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
CHUNG-TAI TECHNOLOGY DEVELOPMENT ENGINEERING CORP.	Director	F401010 International Trade I301010 Software Design Services
MIN MAW PRECISION INDUSTRY CORP.	Director	F401010 International Trade
KUANG TAI METAL INDUSTRIAL CO., LTD.	Director	F401010 International Trade
One-Seven Trading Co., Ltd.	Director	F401010 International Trade

Mr. Francis Tsai :

Names of other companies Where he served	Title	Business items same or similar to the Company's
GETAC TECHNOLOGY CORPORATION	Vice Chairman	CC01120 Data Storage Media Manufacturing and Duplicating CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I501010 Product Designing I301010 Software Design Services
NATIONAL AEROSPACE FASTENERS CORP.	Director	F401010 International Trade I501010 Product Designing
WAFFER TECHNOLOGY CORP.	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade I501010 Product Designing

Mr. Allen Hsu :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Independent Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Software Design Services I501010 Product Designing
PARPRO CORPORATION	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade
INNODISK CORPORATION	Director	F401010 International Trade I301010 Software Design Services I501010 Product Designing CC01080 Electronic Parts and Components Manufacturing
HESTIA POWER INC.	Chairman	CC01080 Electronic Parts and Components Manufacturing I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing F401010 International Trade
ACME ELECTRONICS CORPORATION	Director	CC01080 Electronic Parts and Components Manufacturing F401010 International Trade
ANDERSON INDUSTRIAL CORP.	Director	F401010 International Trade

Mr. Jerry Hsu :

Names of other companies Where he served	Title	Business items same or similar to the Company's
NUVOTON TECHNOLOGY CORPORATION	Independent Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing CC01120 Data Storage Media Manufacturing and Duplicating F401010 International Trade I301010 Software Design Services I501010 Product Designing
PCHOME ONLINE INC.	Director	F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing
SIRTEC INTERNATIONAL CO., LTD.	Independent Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade
CAL-COMP BIOTECH CO., LTD.	Director	F401010 International Trade
PK Venture Capital Corp.	Director	Venture Investment

KINPO ELECTRONICS, INC.	Director	CC01080 Electronic Parts and Components Manufacturing CC01110 Computers and Computing Peripheral Equipment Manufacturing F401010 International Trade I301010 Software Design Services I301020 Data Processing Services
Prudence Venture Investment Corp.	Director	Venture Investment
PCHOMESTORE INC.	Director	F401010 International Trade I301010 Software Design Services I301020 Data Processing Services I501010 Product Designing
Breeze Integrated Development Co., Ltd.	Director	ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
CAL-COMP BIG DATA, INC.	Director	F401010 International Trade I301020 Data Processing Services