Stock Code:3105

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

WIN Semiconductors Corp.
and Its Subsidiaries

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2017 and 2016
(With Independent Auditors' Review Report Thereon)

Address: No. 69, Keji 7th Rd., Hwaya Technology Park, Guishan Dist., Taoyuan City, Taiwan
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The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of WIN Semiconductors Corp.:

We have reviewed the accompanying consolidated balance sheets of WIN Semiconductors Corp. (the "Company") and its subsidiaries as of March 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2017 and 2016. These consolidated interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

We conducted our reviews in accordance with Statement on Auditing Standard 36, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Company's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

The Company and its subsidiaries' investments accounted for using the equity method of NT$301,712 thousand and NT$540,808 thousand as of March 31, 2017 and 2016, and the share of loss of associates and joint ventures accounted for using the equity method of NT$18,523 thousand, NT$5,927 thousand for the three months ended March 31, 2017 and 2016, respectively, were accounted for in accordance with the equity method based on the unreviewed financial statements of the related investees.

Based on our reviews, except for the effects of possible adjustments, if any, that might have been determined to be necessary had the investee companies' financial statements been reviewed as discussed in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to in the first paragraph in order for them to be in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

In accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China, we have previously audited the consolidated financial statements of the Company and its subsidiaries, which comprise the consolidated financial statements as of and for the year ended December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information (not presented herein). In our auditors' report dated March 23, 2017, we expressed an unmodified audit opinion on those consolidated financial statements. Based on the opinion dated March 23, 2017, the information set forth in the accompanying consolidated statement of financial position as at December 31, 2016 is fairly stated, in all material respects, in conformity with the consolidated financial statements from which it has been derived.

KPMG

Taipei, Taiwan (The Republic of China)
May 5, 2017

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2017 and 2016

WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Balance Sheets

March 31, 2017, December 31, and March 31, 2016

(Expressed in Thousands of New Taiwan Dollars)

	Assets	March 31, 2017 Amount	%	December 31, 2016 Amount	%	March 31, 2016 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 3,277,960	12	2,388,143	9	1,717,761	7
1110	Current financial assets at fair value through profit or loss (note 6(b))	233,974	1	218,250	1	773,501	3
1125	Current available-for-sale financial assets (note 6(b))	1,313,717	5	974,767	4	838,533	3
1170	Notes and accounts receivable, net (note 6(c))	1,001,958	3	1,068,714	4	911,195	4
1310	Inventories (note 6(d))	2,793,013	10	2,727,432	10	2,534,218	10
1400	Current biological assets (note 6(e))	125,472	-	133,029	1	-	-
1470	Other current assets (note 6(k))	302,542	1	309,074	1	210,478	1
	Total current assets	9,048,636	32	7,819,409	30	6,985,686	28
	Non-current assets:						
1523	Non-current available-for-sale financial assets (note 6(b))	1,752,171	7	1,625,267	6	1,387,881	6
1543	Non-current financial assets at cost (note 6(b))	23,354	-	24,832	-	-	-
1546	Non-current investments in debt instrument without active market (note 6(b))	92,600	-	92,600	-	159,600	1
1550	Investments accounted for using equity method (note 6(f))	301,712	1	291,036	1	540,808	2
1600	Property, plant and equipment (notes 6(h) and 8)	13,536,853	48	13,348,978	51	11,317,307	46
1760	Investment property (notes 6(i) and 8)	1,462,959	6	1,468,113	6	1,084,517	5
1780	Intangible assets (notes 6(j))	220,026	1	229,539	1	60,595	-
1830	Non-current biological assets (note 6(e))	97,518	-	48,290	-	-	-
1840	Deferred tax assets	84,804	-	75,354	-	97,741	-
1915	Prepayments for business facilities	1,322,386	5	1,263,897	5	2,655,379	11
1960	Non-current prepayments for investments (note 6(f))	-	-	-	-	193,140	1
1990	Other non-current assets (notes 6(k) and 8)	128,440	-	123,324	-	49,969	-
	Total non-current assets	19,022,823	68	18,591,230	70	17,546,937	72
	Total assets	$ 28,071,459	100	26,410,639	100	24,532,623	100

	Liabilities and Equity	March 31, 2017 Amount	%	December 31, 2016 Amount	%	March 31, 2016 Amount	%
	Current liabilities:						
2170	Notes and accounts payable	$ 1,035,196	4	975,478	4	1,117,697	5
2200	Other payables	1,804,563	6	2,056,522	7	1,794,233	7
2320	Long-term liabilities, current portion (notes 6(m) and 8)	940,194	3	940,194	4	940,194	4
2399	Other current liabilities	193,460	1	222,226	1	275,313	1
	Total current liabilities	3,973,413	14	4,194,420	16	4,127,437	17
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(m) and 8)	4,811,107	17	3,673,749	14	1,977,730	8
2570	Deferred tax liabilities	31,377	-	33,728	-	27,486	-
2600	Other non-current liabilities	194,457	1	190,858	1	170,316	1
	Total non-current liabilities	5,036,941	18	3,898,335	15	2,175,532	9
	Total liabilities	9,010,354	32	8,092,755	31	6,302,969	26
	Equity (notes 6(p), 6(q) and 6(r)) :						
3110	Ordinary share	4,026,664	14	4,076,664	15	5,966,663	24
3200	Capital surplus	3,712,896	13	3,758,737	14	3,822,420	16
3300	Retained earnings	9,525,133	34	9,376,801	36	7,884,991	32
3400	Other equity interest	1,024,313	4	761,897	2	555,580	2
3500	Treasury shares	-	-	(347,660)	(1)	-	-
	Total equity attributable to owners of parent	18,289,006	65	17,626,439	66	18,229,654	74
36XX	Non-controlling interests (note 6(g))	772,099	3	691,445	3	-	-
	Total equity	19,061,105	68	18,317,884	69	18,229,654	74
	Total liabilities and equity	$ 28,071,459	100	26,410,639	100	24,532,623	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards

WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2017		2016	
		Amount	%	Amount	%
4000	**Operating revenue**	$ 3,282,331	100	3,292,082	100
5000	**Operating costs (notes 6(d),6(e),6(f),6(h),6(j),6(o),6(t), 7 and 12)**	(2,177,662)	(66)	(1,918,494)	(58)
	Gross profit from operating	1,104,669	34	1,373,588	42
	Operating expenses (notes 6(h),6(i),6(j),6(o),6(t),7 and 12):				
6100	Selling expenses	(45,229)	(1)	(43,130)	(1)
6200	Administrative expenses	(180,723)	(6)	(159,111)	(5)
6300	Research and development expenses	(147,200)	(5)	(165,216)	(5)
	Total operating expenses	(373,152)	(12)	(367,457)	(11)
	Net operating income	731,517	22	1,006,131	31
	Non-operating income and expenses (notes 6(c), 6(f) and 6(u)) :				
7010	Other income	29,536	-	15,871	-
7020	Other gains and losses	(140,158)	(4)	(12,718)	-
7050	Finance costs	(13,122)	-	(95)	-
7770	Share of loss of associates and joint ventures accounted for using equity method	(15,973)	-	(4,306)	-
	Total non-operating income and expenses	(139,717)	(4)	(1,248)	-
7900	**Profit before tax**	591,800	18	1,004,883	31
7950	Total tax expense (note 6(p))	(95,373)	(3)	(165,390)	(5)
	Profit	496,427	15	839,493	26
	Other comprehensive income (loss):				
	Components of other comprehensive income (loss) that will be reclassified to profit or loss (notes 6(f),6(p) and 6(q))				
8361	Exchange differences on translation of foreign financial statements	(83,487)	(3)	(14,833)	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	353,025	11	190,378	5
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	781	-	(2,909)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	270,319	8	172,636	5
	Other comprehensive income	270,319	8	172,636	5
8500	**Total comprehensive income**	$ 766,746	23	1,012,129	31
	Profit (loss), attributable to:				
8610	Profit attributable to owners of parent	$ 496,468	15	839,493	26
8620	Loss attributable to non-controlling interests	(41)	-	-	-
		$ 496,427	15	839,493	26
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 758,884	23	1,012,129	31
8720	Comprehensive income , attributable to non-controlling interests	7,862	-	-	-
		$ 766,746	23	1,012,129	31
	Earnings per common share (expressed in dollars)(note 6(s))				
9750	Basic earnings per share	$	1.23		1.41
9850	Diluted earnings per share	$	1.23		1.40

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

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WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings			Other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2016	$ 5,965,641	3,815,017	800,954	6,244,544	7,045,498	19,783	363,161	382,944	-	17,209,100	-	17,209,100
Profit for the three months ended March 31, 2016	-	-	-	839,493	839,493	-	-	-	-	839,493	-	839,493
Other comprehensive income for the three months ended March 31, 2016	-	-	-	-	-	(17,742)	190,378	172,636	-	172,636	-	172,636
Total comprehensive income for the three months ended March 31, 2016	-	-	-	839,493	839,493	(17,742)	190,378	172,636	-	1,012,129	-	1,012,129
Changes in equity of associates and joint ventures accounted for using equity method	-	5,523	-	-	-	-	-	-	-	5,523	-	5,523
Exercise of employee stock options	1,022	1,880	-	-	-	-	-	-	-	2,902	-	2,902
Balance at March 31, 2016	$ 5,966,663	3,822,420	800,954	7,084,037	7,884,991	2,041	553,539	555,580	-	18,229,654	-	18,229,654
Balance at January 1, 2017	$ 4,076,664	3,758,737	1,068,117	8,308,684	9,376,801	1,719	760,178	761,897	(347,660)	17,626,439	-	17,626,439
Profit for the three months ended March 31, 2017	-	-	-	496,468	496,468	-	-	-	-	496,468	-	496,468
Other comprehensive income for the three months ended March 31, 2017	-	-	-	-	-	(90,609)	353,025	262,416	-	262,416	-	262,416
Total comprehensive income for the three months ended March 31, 2017	-	-	-	496,468	496,468	(90,609)	353,025	262,416	-	758,884	-	758,884
Purchase of treasury share	-	-	-	-	-	-	-	-	(96,317)	(96,317)	-	(96,317)
Retirement of treasury share	(50,000)	(45,841)	-	(348,136)	(348,136)	-	-	-	443,977	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	$ 4,026,664	3,712,896	1,068,117	8,457,016	9,525,133	(88,890)	1,113,203	1,024,313	-	18,289,006	-	18,289,006

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards

WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2017	2016
Cash flows from (used in) operating activities:		
Profit before tax	$ 591,800	1,004,883
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	573,644	504,393
Amortization expense	11,037	6,769
Net gain on financial assets or liabilities at fair value through profit or loss	(20,679)	(11,837)
Interest expense	13,122	95
Interest income	(3,819)	(2,656)
Dividend income	(2,346)	(1,201)
Share of loss of associates and joint ventures accounted for using equity method	18,523	5,927
Loss on disposal of property, plan and equipment	-	5
Loss (gain) on disposal of investments	1,369	(609)
Impairment loss on financial assets	880	-
Changes in biological assets at fair value	(1,884)	-
Total adjustments to reconcile profit	589,847	500,886
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current financial assets at fair value through profit or loss	962	(49,464)
Decrease (increase) in notes and accounts receivable, net	66,756	(211,167)
Increase in inventories	(65,581)	(89,127)
Increase in biological assets	(52,158)	-
Decrease in other current assets	9,004	88,260
Total changes in operating assets	(41,017)	(261,498)
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	59,718	(192,170)
Decrease in other payable	(151,985)	(10,417)
Decrease in other current liabilities	(28,766)	(345,136)
Increase in other non-current liabilities	531	502
Total changes in operating liabilities	(120,502)	(547,221)
Total changes in operating assets and liabilities	(161,519)	(808,719)
Cash inflow generated from operations	1,020,128	697,050
Income taxes paid	(308)	(199)
Net cash flows from operating activities	1,019,820	696,851
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	(65,963)	(1,046,802)
Proceeds from disposal of current financial assets at fair value through profit or loss	69,745	1,349,899
Acquisition of current available-for-sale financial assets	-	(21,732)
Acquisition of non-current available-for-sale financial assets	(120,000)	(117,119)
Proceeds from disposal non-current available-for-sale financial assets	1,053	-
Acquisition of investments accounted for using equity method	(30,330)	-
Proceeds from capital reduction of investments accounted for using equity method	-	109,426
Increase in prepayments for investments	-	(193,140)
Acquisition of property, plant and equipment	(544,569)	(270,972)
Acquisition of intangible assets	(11,136)	(244)
Increase in other non-current assets	(5,116)	(1,228)
Increase in prepayments for business facilities	(468,899)	(608,137)
Interest received	3,667	2,481
Dividends received	-	1,201
Net cash flows used in investing activities	(1,171,548)	(796,367)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	-	(23,656)
Proceeds from long-term debt	1,766,500	250,000
Repayments of long-term debt	(629,410)	(272,722)
Increase in other non-current liabilities	3,068	-
Exercise of employee share options	-	2,902
Payments to acquire treasury shares	(114,515)	-
Interest paid	(12,299)	157
Change in non-controlling interests	72,792	-
Net cash flows from (used in) financing activities	1,086,136	(43,319)
Effect of exchange rate changes on cash and cash equivalents	(44,591)	(9,061)
Net increase (decrease) in cash and cash equivalents	889,817	(151,896)
Cash and cash equivalents at beginning of period	2,388,143	1,869,657
Cash and cash equivalents at end of period	$ 3,277,960	1,717,761

See accompanying notes to financial statements.

WIN Semiconductors Corp. and Its Subsidiaries

Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history:

WIN Semiconductors Corp. (the "Company") was incorporated on October 16, 1999 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No. 69, Keji 7th Rd., Hwaya Technology Park, Guishan Dist., Taoyuan City, Taiwan.

The main operation the Company and its subsidiaries (together referred to as "the Group") are as follows:

(a) Researching, developing, manufacturing, and selling of GaAs wafers.

(b) Developing hog farming technology and trading.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated interim financial statements for the three months ended March 31, 2017 and 2016 were reported to the Board of Directors and issued on May 5, 2017.

(3) New standards, amendments and interpretations adopted:

(a) Impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already taken effect.

The Group is are required to conform to the IFRSs which were issued by the International Accounting Standards Board (IASB) before January 1, 2016, and were endorsed by the FSC on January 1, 2017 in preparing their consolidated financial statements. The related new standards, interpretations and amendments are as follows:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014

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WIN Semiconductors Corp. and Its Subsidiaries
Notes to Consolidated Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
Annual improvements cycles 2010-2012 and 2011-2013	July 1, 2014
Annual improvements cycle 2012-2014	January 1, 2016
IFRIC 21 "Levies"	January 1, 2014

Except for the following items, the Group believes that the adoption of the above IFRSs would not have a material impact on the consolidated financial statements:

Amendments to IAS 36 "Recoverable Amount Disclosures for Non Financial Assets":

Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. In such cases, the amendments also require that the following be disclosed if the recoverable amount is based on fair value less costs of disposal:

(i) the level of the fair value hierarchy within which the fair value measurement is categorized; and

(ii) the valuation technique(s) used for fair value measurements categorized within Levels 2 and 3 of the fair value hierarchy, and the key valuation assumptions made.

The Group will include the required disclosures.

(b) Newly released or amended standards and interpretations not yet endorsed by the FSC

A summary of the new standards and amendments issued by the IASB but not yet endorsed by the FSC. The FSC announced that the Group should apply IFRS 9 and IFRS 15 starting January 1, 2018. As of the date the Group's financial statements were issued, the FSC has yet to announce the effective dates of the other IFRSs. As of the end of reporting date is as follows:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018

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WIN Semiconductors Corp. and Its Subsidiaries
Notes to Consolidated Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
Amendment to IFRS 2 "Clarifications of Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendment to IFRS 15 "Clarifications of IFRS 15"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendment to IFRS 4 " Insurance Contracts"("Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts")	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2017
IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 28 "Investments in Associates and Joint Ventures"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018
Amendment to IAS 40 Investment Property	January 1, 2018

The Group is still currently determining the potential impact of the standards listed below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
May 28, 2014 April 12, 2016	IFRS 15 "Revenue from Contracts with Customers"	IFRS 15 establishes a five-step model for recognizing revenue that applies to all contracts with customers, and will supersede IAS 18 "Revenue," IAS 11 "Construction Contracts," and a number of revenue-related interpretations. Final amendments issued on April 12, 2016, clarify how to (i) identify performance obligations in a contract; (ii) determine whether a company is a principal or an agent; (iii) account for a license for intellectual property (IP); and (iv) apply transition requirements.

Issuance / Release Dates	Standards or Interpretations	Content of amendment
November 19, 2013 July 24, 2014	IFRS 9 "Financial Instruments"	The standard will replace IAS 39 "Financial Instruments: Recognition and Measurement", and the main amendments are as follows: • Classification and measurement: Financial assets are measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial assets' contractual cash flow characteristics. Financial liabilities are measured at amortized cost or fair value through profit or loss. Furthermore, there is a requirement that "own credit risk" adjustments be measured at fair value through other comprehensive income. • Impairment: The expected credit loss model is used to evaluate impairment. • Hedge accounting: Hedge accounting is more closely aligned with risk management activities, and hedge effectiveness is measured based on the hedge ratio.
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease is amended as follows: • For a contract that is, or contains, a lease, the lessee shall recognize a right-of-use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of use asset during the lease term. • A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.

Issuance / Release Dates	Standards or Interpretations	Content of amendment
December 8, 2016	Amendment to IAS 40 "Investment Property"	The amendments specify that a transfer into, or out of, investment property would be made only when there has been a change in use of a property, supported by evidence that a change in use has occurred. The amendments also clarify that the list of circumstances that provide evidence of a change in use includes the commencement of development with a view to owner-occupation.

The Group is evaluating the impact on its financial position and financial performance of the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

(4) Summary of significant accounting policies:

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2016. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2016.

(a) Statement of compliance

The consolidated interim financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

(b) Basis of consolidation

(i) Except the following principles of preparation mentioned below, the Principles of preparation of the consolidated interim financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2016. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2016.

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(ii) List of subsidiaries in the consolidated interim financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding March 31, 2017	December 31, 2016	March 31, 2016
The Company	WIN SEMI. USA, INC.	Marketing	100.00 %	100.00 %	100.00 %
The Company	Win Semiconductors Cayman Islands Co., Ltd. (abbrev. Win Cayman)	Selling of GaAs wafers	100.00 %	100.00 %	100.00 %
The Company	WIN Venture Capital Corp.	Investment activities	100.00 %	100.00 %	100.00 %
Win Cayman	Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd. (abbrev. Chainwin Cayman)	Investment activities	43.75 % (Note 1)	43.75 % (Note 1)	-
Chainwin Cayman	Jiangsu Chainwin Kang Yuan Agriculture Development Co., Ltd. (Note 2)	Developing hog farming technology and trading	100.00 %	100.00 %	-
Chainwin Cayman	Jiangsu CM / Merit Agriculture Development Co., Ltd.	Developing hog farming technology and trading	60.00 %	60.00 %	-
Chainwin Cayman	Jiangsu Merit / CM Agriculture Development Co., Ltd.	Developing hog farming technology and trading	60.00 %	60.00 %	-
Chainwin Cayman	Jiangsu Merit / Cofcojoycome Agriculture Development Co., Ltd.	Developing hog farming technology and trading	60.00 %	60.00 %	-
Chainwin Cayman	Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd.	Developing hog farming technology and trading	100.00 %	100.00 %	-
Chainwin Cayman	Formosa Fortune Group Co., Ltd. (abbrev. Formosa BVI)	Investment activities	100.00 %	100.00 %	-
Chainwin Cayman	Jiangsu Merit Runfu Agriculture Development Co., Ltd.	Developing hog farming technology and trading	50.44 %	50.44 %	-
Fortune BVI	Jiangsu Merit Runfu Agriculture Development Co., Ltd.	Developing hog farming technology and trading	49.56 %	49.56 %	-

Note 1: Win Cayman does not hold more than half of the equity shares of Chainwin Cayman, directly or indirectly. However, Win Cayman has acquired the right to manage the operating policies of Chainwin Cayman and has control over its Board of Directors since August 19, 2016. Therefore, Chainwin Cayman is deemed to be a subsidiary of Win Cayman. Please refer to note 6(g) of the consolidated financial statements for the year ended December 31, 2016 for further information.

Note 2: Jiangsu Kang Yuan Merit Agriculture Development Co., Ltd renamed Jiangsu Chainwin Kang Yuan Agriculture Development Co., Ltd. in January 2017.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Income taxes

Income tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expenses for the period are best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and their respective tax bases which were recognized directly in equity or in other comprehensive income as tax expense shall be measured based on the tax rates that have been enacted or substantively enacted at the time when the asset or liability is realized or settled.

(d) Defined benefit plans

The pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated interim financial statements in conformity with IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and approved by FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2016. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2016.

(6) Explanation of significant accounts:

Except for the following disclosure, the significant account disclosure in the consolidated interim financial statements for the three months ended March 31, 2017, which compare with the consolidated financial statements for the year ended December 31, 2016, was not changed significantly. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2016.

(a) Cash and cash equivalents

	March 31, 2017	December 31, 2016	March 31, 2016
Cash on hand	$ 264	227	199
Cash in bank	3,263,289	2,212,048	591,466
Time deposits	14,407	175,868	1,126,096
	$ 3,277,960	2,388,143	1,717,761

Refer to note 6(v) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Financial instruments

(i) Current financial assets at fair value through profit or loss:

	March 31, 2017	December 31, 2016	March 31, 2016
Stocks listed on domestic markets	$ 159,542	153,794	133,182
Money market funds, equity funds and bond funds	74,432	64,456	640,319
	$ 233,974	218,250	773,501

Refer to note 6(u) for the gains or losses on disposals of investment and the amount of remeasurement at fair value though profit or loss.

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(ii) Current available-for-sale financial assets:

	March 31, 2017	December 31, 2016	March 31, 2016
Stocks listed on domestic markets	$ 1,313,717	974,767	838,533

(iii) Non-current available-for-sale financial assets:

	March 31, 2017	December 31, 2016	March 31, 2016
Stocks listed on domestic markets	$ 12,748	13,628	20,183
Stocks listed on foreign markets	498,079	427,563	373,002
Non-public stocks	655,896	656,245	632,276
Private fund (Note)	585,448	527,831	362,420
	$ 1,752,171	1,625,267	1,387,881

Note: As of March 31, 2017, the private fund is during the lock-up period.

Refer to note 6(u) for the gain or losses on disposals of investments.

(iv) Non-current financial assets at cost:

	March 31, 2017	December 31, 2016	March 31, 2016
Foreign unlisted stocks	$ 23,354	24,832	-
Less: accumulated impairment	-	-	-
Total	$ 23,354	24,832	-

According to the Group's intention, its investment in foreign unlisted stocks should be classified as available-for-sale financial assets. However, as foreign unlisted stocks are not traded in active market, and no sufficient industry information of companies similar to such foreign unlisted stocks' or its financial information cannot be obtained, the fair value of the investment in foreign unlisted stocks cannot be measured reliably. The Group classified those stocks as "Non-current financial assets at cost".

(v) Non-current investments in debt instrument without active market:

	Issue period	Nominal rate (%)	March 31, 2017	December 31, 2016	March 31, 2016
Preferred stock B	2012.11.23~2019.11.22	- %	$ 92,600	92,600	159,600

(vi) As of March 31, 2017, December 31 and March 31, 2016, the financial assets were not pledged. For information on the Group's currency risk and credit risk was disclosed in note 6(v).

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(c) Notes and accounts receivable, net

	March 31, 2017	December 31, 2016	March 31, 2016
Notes receivable	$ -	-	857
Accounts receivable	1,004,084	1,071,937	915,966
Less：allowance for doubtful accounts	(2,126)	(3,223)	(5,628)
	$ 1,001,958	1,068,714	911,195

At the reporting date, the Group's aging analysis of notes and accounts receivable that were past due and not impaired, were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Past due 1~60 days	$ 22,021	96,438	63,683
Past due 61~180 days	-	2,023	-
Past due more than 181 days	-	-	-
	$ 22,021	98,461	63,683

The movement of allowance for doubtful accounts were as follows:

	Individually assessed impairment	Collectively assessed impairment	Total
Balance at January 1, 2017	$ 3,223	-	3,223
Impairment loss reversed	(962)	-	(962)
Effect of changes in foreign exchange rates	(135)	-	(135)
Balance at March 31, 2017	$ 2,126	-	2,126

	Individually assessed impairment	Collectively assessed impairment	Total
Balance at January 1, 2016	$ 5,673	-	5,673
Effect of changes in foreign exchange rates	(45)	-	(45)
Balance at March 31, 2016	$ 5,628	-	5,628

The Group's policy of allowance for receivables is as follows:

Assessment method:

(i) At the balance sheet date, the Group evaluates the probability of collection regarding the receivable in accordance with each customer.

(ii) The Group may recognise 100% allowance of doubtful accounts based on the expectancy of bad debt by assessing the financial and operating conditions of each customer.

Impairment loss recognised for individually assessed impairment was the difference between the carrying amount and the amount expected to be collected. The Group also considered the fluctuation of the economic circumstances and historical collection to determine the recognition of impairment.

The Group establishes a policy of allowance for doubtful accounts based on historical trends of the probability of default and the timing of recoveries and the amount of loss incurred. The policy is mainly based on the characteristic of industry and the conservative of business cove.

The Group believed that no impairment allowance was necessary with respect to the past due receivables that were collectable.

As of March 31, 2017, December 31 and March 31, 2016, the notes and accounts receivable, net were not pledged.

(d) Inventories

		March 31, 2017	December 31, 2016	March 31, 2016
Raw materials, supplies and spare parts	$	1,773,268	1,868,533	1,601,188
Work in process		673,666	559,185	579,077
Finished goods		346,079	299,714	353,953
	$	2,793,013	2,727,432	2,534,218

Except cost of goods sold and inventories recognized as expenses, the remaining gain or losses which were recognised as operating cost or deduction of operating cost were as follows:

		Three months ended March 31, 2017	Three months ended March 31, 2016
Reversal of inventories write-downs	$	3,874	21,403
Revenue from sale of scraps	$	2,541	1,195

As of March 31, 2017, December 31 and March 31, 2016, the inventories were not pledged.

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(e) Biological assets

(i) List of biological assets:

	March 31, 2017	December 31, 2016	March 31, 2016
Consumable biological assets	$ 125,472	133,029	-
Bearer biological assets	$ 97,518	48,290	-

(ii) Change in biological assets:

	Three months ended March 31, 2017
Balance as of January 1, 2017	$ 181,319
Increase due to purchase	26,875
Input costs	127,795
Depreciation expenses	(3,171)
Decrease due to sales	(102,512)
Changes in fair value less costs to sell due to price changes	1,884
Effect of changes in foreign exchange rates	(9,200)
Balance as of March 31, 2017	$ 222,990
Current	$ 125,472
Non-current	97,518
	$ 222,990

The gain of $1,884 thousand was recognized as operating costs of the consolidated statement of comprehensive income as a result of the remeasurement of biological assets at the lower of its carrying amount or fair value less costs to sell.

(iii) As of March 31, 2017 and December 31, 2016, number of the biological assets as follows:

	March 31, 2017	December 31, 2016
Farrows, hogs and breeders	33,509	34,100

For the three months ended March 31, 2017, the Group sold 13,042 hogs.

(iv) Fair value

The Group uses valuation method to measure its biological assets to determine the fair value of the hogs and the farrows (which are required to reach a certain weight), less, cost to sell at the end of the reporting period. If biological asset does not have a quoted market price in an active market, the asset is measured at cost less accumulated depreciation and impairment losses.

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Costs of the biological assets include all of the costs within the growth cycle, such as the cost of new-born farrows, the feed and the raising farm. The cost of the productive biological assets shall be depreciated on a systematic basis over the producible term. The amortized term are within 24 to 36 months. For the three months ended March 31, 2017, the depreciation expenses of biological assets (which will be converted into its breeding biological assets) were $3,171 thousand.

(v) The Group is exposed to the following risks relating to its hog farming.

1) Regulations and environmental risks

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at complying with the local environment and other laws. Management performs regular reviews to identify environmental risks and to ensure that systems in place are adequate to manage those risks.

2) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of hogs. When possible, the Group manages this risk by aligning its farming volume with market supply and demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected farming volumes are consistent with the expected demand.

3) Climate and other risks

The Group's hog farming is exposed to the risk of damage from climate change, diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular pig health inspections and industry pest and disease surveys.

(vi) As of March 31, 2017 and December 31, 2016, the biological assets were not pledged.

(f) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Associates	$ 301,712	291,036	540,808

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(i) Associates

On December 14, 2015, the Group acquired 40% of the shares of Rainbow Star Group Limited for $32,590 thousand in cash, and has significant influence on it. In March 31,2017, the Group subscribed the new shares contributed by Rainbow Star Group Limited for $30,330 thousand and the percentage of the Group's ownership increased to 49.3%. However, the Group do not have the current ability to direct the relevant activities of Rainbow Star Group Limited. The Group did not control it.

On November 18, 2015, the Group acquired 28.63% shares of Merit Biotech (Cayman Islands) Co., Ltd. for $195,540 thousand in cash, and has a significant influence on it. On January 4, 2016, Merit Biotech (Cayman Islands) Co., Ltd. approved a cash subscription, wherein the Group did not subscribe any new shares. Therefore, the percentage of the Group's ownership decreased to 22.22%. The Group still has a significant influence on Merit Biotech (Cayman Islands). Co., Ltd. In March 2016, the Group subscribed the new shares contributed by Merit Biotech (Cayman Islands) Co., Ltd. for $193,140 thousand. However, the process of the subscription has not yet been completed and therefore, on March 31, 2016, the prepayment mentioned above, was recognized as non-current prepayments for investments.

The Group subscribed the new shares contributed by Merit Bitech (Cayman Islands) Co., Ltd. for $293,580 thousand from April 1, 2016 to June 30, 2016. On August 19, 2016, Merit Biotech (Cayman Islands) Co., Ltd. was renamed Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd. (abbrev. Chainwin Cayman). The Group has controlled over Chainwin Cayman through its re-elected Board of Directors on August 19, 2016. The Group held 43.75% of equity shares.

Summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. The aforementioned financial information was included in the consolidated financial statements of the Group:

	March 31, 2017	December 31, 2016	March 31, 2016
Total equity of the individually insignificant investments in associates	$ 301,712	291,036	540,808

	Three months ended March 31, 2017	Three months ended March 31, 2016
Attributable to the Group:		
Net loss	$ (18,523)	(5,927)
Other comprehensive income (loss)	781	(2,909)
Total comprehensive income (loss)	$ (17,742)	(8,836)

(Continued)

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(ii) As of March 31, 2017, December 31 and March 31, 2016, the investments accounted for using equity method were not pledged.

(g) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests March 31, 2017
Chainwin Cayman	Cayman Islands	56.25 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

	March 31, 2017	December 31, 2016
Current assets	$ 816,536	1,000,869
Non-current assets	594,378	334,984
Current liabilities	(145,308)	(85,042)
Non-current liabilities	(2,878)	-
Net assets	$ 1,262,728	1,250,811

	Three months ended March 31, 2017
Operating revenue	$ 115,769
Profit	$ 2,014
Other comprehensive income (loss)	11,880
Total comprehensive income (loss)	$ 13,894
Net cash flows from operating activities	$ 281
Net cash flows used in investing activities	(223,233)
Net cash flows from financing activities	75,670
Effect of changes in foreign exchange rate	2,829
Decrease on cash and cash equivalents	$ (144,453)

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From the acquisition date, the non-controlling interests are allocated during the reporting period as follows:

Non-controlling interests	$	772,099
Loss, attributable to non-controlling interests	$	(41)
Comprehensive income (loss), attributable to non-controlling interests	$	7,862

(h) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2017 and 2016 were as follows:

		Land	Buildings and structures	Machinery and equipment	Factory and equipment	Other equipment	Construction in progress	Total
Cost :								
Balance as of January 1, 2017	$	2,546,534	2,130,540	15,179,485	4,050,349	285,457	359,902	24,552,267
Additions		-	4,744	88,828	13,709	12,149	270,156	389,586
Reclassification (Note 1)		-	189	376,520	13,763	136	(13,952)	376,656
Disposals		-	-	(77,238)	(2,479)	(13,660)	-	(93,377)
Effect of changes in foreign exchange rates		-	(524)	-	(1,478)	(1,461)	(10,407)	(13,870)
Balance as of March 31, 2017	$	2,546,534	2,134,949	15,567,595	4,073,864	282,621	605,699	25,211,262
Balance as of January 1, 2016	$	2,546,534	1,000,117	12,551,818	2,820,770	228,809	2,257,410	21,405,458
Additions		-	-	37,240	3,152	9,910	53,372	103,674
Reclassification (Note 2)		-	-	93,512	-	-	-	93,512
Disposals		-	-	(33,115)	-	(5,313)	-	(38,428)
Balance as of March 31, 2016	$	2,546,534	1,000,117	12,649,455	2,823,922	233,406	2,310,782	21,564,216
Accumulated depreciation :								
Balance as of January 1, 2017	$	-	485,288	9,058,857	1,560,930	98,214	-	11,203,289
Depreciation		-	24,990	417,899	100,068	22,362	-	565,319
Disposals		-	-	(77,238)	(2,479)	(13,660)	-	(93,377)
Effect of changes in foreign exchange rates		-	(126)	-	(388)	(308)	-	(822)
Balance as of March 31, 2017	$	-	510,152	9,399,518	1,658,131	106,608	-	11,674,409
Balance as of January 1, 2016	$	-	429,291	7,514,001	1,681,770	157,206	-	9,782,268
Depreciation		-	12,754	423,962	56,807	9,541	-	503,064
Disposals		-	-	(33,111)	-	(5,312)	-	(38,423)
Balance as of March 31, 2016	$	-	442,045	7,904,852	1,738,577	161,435	-	10,246,909
Carrying value :								
Balance as of January 1, 2017	$	2,546,534	1,645,252	6,120,628	2,489,419	187,243	359,902	13,348,978
Balance as of March 31, 2017	$	2,546,534	1,624,797	6,168,077	2,415,733	176,013	605,699	13,536,853
Balance as of January 1, 2016	$	2,546,534	570,826	5,037,817	1,139,000	71,603	2,257,410	11,623,190
Balance as of March 31, 2016	$	2,546,534	558,072	4,744,603	1,085,345	71,971	2,310,782	11,317,307

Note 1: Prepayments for business facilities were reclassified as property, plant and equipment.

Note 2: Prepayments for business facilities and inventories were reclassified as property, plant and equipment.

(Continued)

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(i) Pledge to secure:

As of March 31, 2017, December 31 and March 31, 2016, property, plant and equipment were subject to a registered debenture to secured bank loans, the collateral for these long-term borrowings was disclosed in note 8.

(ii) For the three months ended March 31, 2017 and 2016, capitalized interest expenses amounted to $5,432 thousand and $11,462 thousand, respectively. The annual interest rates at which these interest expenses were capitalized ranged from 1.21%~1.45% and 1.46%~1.64%, respectively.

(i) Investment property

	Land	Buildings and structures	Total
Cost：			
Balance as of January 1, 2017	$ 963,127	536,008	1,499,135
Additions	-	-	-
Balance as of March 31, 2017	$ 963,127	536,008	1,499,135
Balance as of January 1, 2016	$ 963,127	138,225	1,101,352
Additions	-	-	-
Balance as of March 31, 2016	$ 963,127	138,225	1,101,352
Accumulated depreciation：			
Balance as of January 1, 2017	$ -	31,022	31,022
Depreciation	-	5,154	5,154
Balance as of March 31, 2017	$ -	36,176	36,176
Balance as of January 1, 2016	$ -	15,506	15,506
Depreciation	-	1,329	1,329
Balance as of March 31, 2016	$ -	16,835	16,835
Carrying value：			
Balance as of January 1, 2017	$ 963,127	504,986	1,468,113
Balance as of March 31, 2017	$ 963,127	499,832	1,462,959
Balance as of January 1, 2016	$ 963,127	122,719	1,085,846
Balance as of March 31, 2016	$ 963,127	121,390	1,084,517
Fair value：			
Balance as of March 31, 2017			$ 1,628,944
Balance as of March 31, 2016			$ 1,225,983

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When measuring the fair value of its investment property, the Group considered the present value of net cash flows to be generated from leasing the property. The expected net cash flows were discounted using the yield to reflect its specified inherit risk on the net cash flows. The inputs to the valuation technique used for measuring fair value were categorized as a Level 2 fair value.

The yield applied to the net annual rentals to determine fair value of property for which current prices in an active market were unavailable, was as follows:

Location	For the three months ended March 31, 2017
Hsinchu	0.25%
Taoyuan	1.58%

As of March 31, 2017, December 31 and March 31, 2016, investment property were subject to a registered debenture to secured bank loans, the collateral for these long-term borrowings was disclosed in note 8.

(j) Intangible assets

(i) The movement in intangible assets for the three months ended March 31, 2017 and 2016 were as follows:

	Technical know-how	Computer software and information systems	Goodwill	Others	Total
Cost :					
Balance as of January 1, 2017	$ 46,051	84,736	133,645	27,768	292,200
Additions	-	10,676	-	-	10,676
Effect of changes in foreign exchange rates	(2)	(12)	(7,956)	(1,319)	(9,289)
Balance as of March 31, 2017	$ 46,049	95,400	125,689	26,449	293,587
Balance as of January 1, 2016	$ 46,005	57,702	-	1,843	105,550
Additions	-	4,994	-	-	4,994
Balance as of March 31, 2016	$ 46,005	62,696	-	1,843	110,544
Amortisation :					
Balance as of January 1, 2017	$ 23,656	34,930	-	4,075	62,661
Amortisation	960	8,073	-	2,004	11,037
Effect of changes in foreign exchange rates	(1)	-	-	(136)	(137)
Balance as of March 31, 2017	$ 24,615	43,003	-	5,943	73,561
Balance as of January 1, 2016	$ 19,808	22,767	-	605	43,180
Amortisation	959	5,503	-	307	6,769
Balance as of March 31, 2016	$ 20,767	28,270	-	912	49,949
Carrying value :					
Balance as of January 1, 2017	$ 22,395	49,806	133,645	23,693	229,539
Balance as of March 31, 2017	$ 21,434	52,397	125,689	20,506	220,026
Balance as of January 1, 2016	$ 26,197	34,935	-	1,238	62,370
Balance as of March 31, 2016	$ 25,238	34,426	-	931	60,595

(Continued)

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(ii) Amortization expense recognized in profit or loss

For the three months ended March 31, 2017 and 2016, the amortization expenses of intangible assets were as follows:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Operating costs	$ 3,607	2,173
Operating expenses	7,430	4,596
	$ 11,037	6,769

(iii) Impairment testing for goodwill

The goodwill of $132,278 thousand was derived from the acquisition of and the control over Chainwin Cayman by the Group on August 19, 2016. The goodwill was mainly attributed to the profitability of the hog farming in Mainland China. In accordance with IAS 36, goodwill through business combinations shall be tested for impairment at least annually. To test for impairment, goodwill must be allocated to the cash-generating units (the "CGU") that are expected to benefit from the synergies of the combination. Chainwin Cayman is regarded as a CGU to generate cash inflows that are independent of those from others. Therefore, the amont on impairment loss of goodwill, which was evaluated by using the value in use, exceeds the carrying amount of the net asset.

Also, the Group estimated its operating revenue for certain periods based on the purchase price allocation valuation report issued by the specialist, who was entrusted by the Group. The preceding estimation was analyzed based on the financial forecasts from 2016 to 2021. There were no significant differences between the actual results and the forecasts from the acquisition date to March 31, 2017.

The total amount of goodwill has been allocated to the agriculture technology for the Group's impairment testing purpose. The CGU are used as the minimum level for investment return of goodwill supervised by the management.

According to the results of impairment tests executed by Group's, the recoverable amount of the abovementioned CGU was determined to be higher than the carrying amount of the CGU. As a result, there were no impairment loss incurred as of March 31, 2017. The discounted cash flows are used to estimate fair values less disposal cost. The measurements of the fair value are based on unobservable inputs and are categorized as a Level 3 fair value.

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The key assumption used in the estimation of the value in use of the CGU were as follows:

1) The future cash flow was based on expectations of future operations, taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years, and the estimated sales volume and price growth for the next five years. The assumptions were in line with the information obtained from external local market who publish a statistical analysis on market trends.

2) The assumption on before-tax discount rate is based on the weighted average cost of capital. The applied before-tax discount rate of the recoverable amount of the units was as follow:

	March 31, 2017
Discount rate	16.50%

(iv) As of March 31, 2017, December 31 and March 31, 2016, the intangible assets were not pledged.

(k) Other current assets and other non-current assets

	March 31, 2017	December 31, 2016	March 31, 2016
Other receivable from metal recycling	$ 177,890	156,090	97,427
Tax refund receivable	41,983	68,579	66,102
Long-term prepaid rent	51,997	62,822	-
Prepaid expenses	64,354	65,706	30,889
Refundable deposits	49,590	34,930	24,463
Restricted assets	25,593	25,571	25,506
Others	19,575	18,700	16,060
	$ 430,982	432,398	260,447

Long-term prepaid rent

For the hog farming purpose, the Group signed agreements with agriculture developing committees and other institutions in China to acquire lands for lease in 2016. The durations of the agreements are 5~30 years. The payments for rental were made in accordance with the signed agreements. Total agreement price amounted to RMB168,884 thousand.

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(l) Short-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2017
Unsecured short-term borrowings	$ -	-	-
Unused bank credit lines for short-term borrowings	$ 2,178,352	1,941,748	3,094,479
Unused bank credit lines for short-term and long-term borrowings	$ 975,609	1,352,188	1,684,189
Annual interest rate	-	0.63%~1.66%	-

(m) Long-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
Unsecured long-term borrowings (settled in NTD)	$ 4,022,500	2,514,000	250,000
Secured long-term borrowings (settled in NTD)	1,728,801	2,099,943	2,667,924
Less：long-term liabilities, current portion	(940,194)	(940,194)	(940,194)
Total	$ 4,811,107	3,673,749	1,977,730
Unused bank credit lines for long-term borrowings	$ 1,183,500	2,002,200	1,208,000
Annual interest rate	1.23%~1.50%	1.23%~1.64%	1.41%~1.54%
Expiry date	2018/2/18~2020/3/31	2018/2/18-2020/3/1	2018/2/18~2020/3/1

As of March 31, 2017, the remaining balances of the borrowing due were as follows:

Year due	Amount
April 1, 2017~March 31, 2018	$ 940,194
April 1, 2018~March 31, 2019	1,220,750
April 1, 2019~March 31, 2020	3,590,357
	$ 5,751,301

The unused bank credit lines for short-term and long-term borrowings at the reporting date were disclosed in note 6(l).

(i) For the three months ended March 31, 2017 and 2016, the Group proceeded from long-term borrowings amounting to $1,766,500 thousand and $250,000 thousand with an interest rate of 1.26%~1.33% and 1.41%, respectively. For the three months ended March 31, 2017 and 2016, the repayment amounted to $629,410 thousand and $272,722 thousand, respectively.

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(ii) The collateral for these long-term borrowings was disclosed in note 8.

(iii) In January 2011, the Company entered into a seven-year syndicated loan agreement with Mega International Commercial Bank and other sixteen banks. The total credit facility under this loan agreement is $4,800,000 thousand and is due in February 2018.

The related financial covenants and restrictions for the syndicated loan mentioned above were as follows:

At the ended of the annual reporting period, current ratio shall not be lower than 100%, liability ratio (Liabilities/Net asset value) shall not be higher than 120%, interest coverage ratio shall not be less than 300%, and net equity shall not be less than $6,000,000 thousand.

For the year ended December 31, 2016 and 2015, the Company was in compliance with the above financial covenants and restrictions.

(n) Operating lease

(i) Lease-lessor

The Group leased its investment property under operating lease, which was disclosed in note 6(i).

(ii) Lease-lessee

The Group leases a number of parking lots etc. under operating lease. The leases typically run for a period of 1 to 5 years.

There were no significant addition to lease contracts for the period from January 1 to March 31, 2017 and 2016. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2016.

(o) Employee benefits

(i) Defined benefit plans

At the end of the prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate as of December 31, 2016 and 2015.

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The Group's expenses recognized in profit or loss for the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Operating costs	$ -	-
Operating expenses	612	580
	$ 612	580

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Operating costs	$ 13,759	10,526
Operating expenses	3,346	3,028
	$ 17,105	13,554

(iii) The Group's Mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. For the three months ended March 31, 2017, the Group recognized the pension costs in accordance with the pension regulations and amounted to $120 thousand. For the three months ended March 31, 2016, there was no the aforementioned pension cost recognized.

(p) Income tax

(i) The amount of income tax expenses for the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Income tax expense	$ 95,373	165,390

(ii) There were no income tax expenses recognized in other comprehensive income for the three months ended March 31, 2017 and 2016.

(Continued)

(iii) Examination and approval

The Company's corporate income tax returns for the years through 2014 were assessed and approved by the tax authorities National Taxation Bureau of the Northern Area, Ministry of Finance. However, there was controversy over the expiration of the loss carryfowards for the year 2012. Therefore, the Company expected to apply for constitutional interpretation.

(iv) The Company's integrated income tax information at the reporting date were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Unappropriated earnings after 1997	$ 8,457,016	8,308,684	7,084,037
Balance of imputation credit account (ICA)	$ 1,540,704	1,540,683	786,268

	2016(Estimated)	2015(Actual)
Creditable ratio for distributed to domestic shareholders of earnings	24.06 %	24.04 %

According to the amendment by the Ministry of Finance on October, 17, 2013 under Decree No. 10204562810, the Company's integrated income tax should be covering the disclosed information of imputation tax credit as above.

(q) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to March 31, 2017 and 2016. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2016.

(i) Ordinary share

For the three months ended March 31, 2016, the Company had issued 102 thousand shares resulting from the exercise of employee stock options. The record dates were agreed on the end of each calendar quarter. All issued shares were paid up upon issuances. The aforementioned stock issuance, which was authorized by and registered with the government authorities, was included in ordinary share.

The resolution was passed during the meeting of Board of Directors held on March 17, 2016 for the capital reduction of $1,789,999 thousand representing 179,000 thousand shares of outstanding shares. Subsequently, the above resolution was approved in the shareholders' meetings on June 24, 2016. On August 1, 2016, the authority had already approved the application and the Company's Board of Directors resolved the record date as August 2, 2016. The related registration process had been completed.

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(ii) Capital surplus

Balance of capital surplus at the reporting date were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Additional paid-in capital	$ 3,691,035	3,736,867	3,800,564
Changes in equity of associates and joint ventures accounted for using equity method	21,163	21,163	21,137
Employee stock options	698	707	719
	$ 3,712,896	3,758,737	3,822,420

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the balance of annual income or earnings after deducting accumulated deficit, if any, must be set aside as a legal reserve and a special capital reserve is likewise appropriated or the annual income or earnings are retained in accordance with the relevant laws or regulations or as requested by the authorities. Otherwise, the distribution of remaining balance of the earnings should be further proposed by the Board of Directors and resolved by the shareholders' meeting. And the cash dividends should not lower than 10% of the total stockholders' dividends.

As the Company is a technology and capital-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in appropriating its remaining earnings as its dividend policy in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth.

The appropriations of earning for 2016 had been proposed in the meeting of Board of Directors held on March 23, 2017, and the appropriations of earnings of earnings for 2015 had been approved in a shareholders' meeting held on June 24, 2016, respectively. The and dividends were as follows:

	2016	2015
Cash dividends	$ 1,811,999	298,333

The above-mentioned appropriations of earnings for 2015 were consistent with the resolutions of the meeting of the Board of Directors. The appropriations of earnings for 2016 is waiting for the resolutions of the meeting of the shareholders.

The related information mentioned above can be found on websites such as the Market Observation Post System.

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(iv) Treasury shares

For the three months ended March 31, 2017 in accordance with the requirements under article 28-2 of the Securities and Exchange Act, the Company repurchased 1,080 thousand shares as treasury shares in order to protect the Company's integrity and shareholders' equity. As of March 31, 2017, all the shares repurchased by the Company were cancelled.

In accordance with Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of the number of common shares issued. Also, the total amount of the repurchased shares should not exceed the sum of retained earnings, paid-in capital in excess of par value and other realized capital surplus. The shares and dollar amount that may be repurchased do not exceed the upper limit, which were calculated based on the audited or reviewed financial reports by a certified accountant, for the latest accounting period prior to a resolution of a meeting of the Board of Directors.

In accordance with the requirements of Securities and Exchange Act, treasury held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(v) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available- for-sale financial assets
Balance as of January 1, 2017	$ 1,719	760,178
Foreign currency differences (net of tax)：		
The Group	(91,390)	-
Associates	781	-
Changes in fair value of available-for-sale financial assets (net of tax)	-	359,775
Adjustments in reclassification of the impairment of available-for-sale financial assets (net of tax)	-	(7,908)
Cumulative gains (losses) reclassified to profit or loss upon disposal of available-for-sale financial assets (net of tax):	-	1,158
Balance as of March 31, 2017	$ (88,890)	1,113,203

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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available- for-sale financial assets
Balance as of January 1, 2016	$ 19,783	363,161
Foreign currency differences (net of tax):		
The Group	(14,833)	-
Associates	(2,909)	-
Changes in fair value of available-for-sale financial assets (net of tax)	-	190,378
Balance as of March 31, 2016	$ 2,041	553,539

(r) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment during the periods from January 1 to March 31, 2017 and 2016. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2016.

(i) For the three months ended March 31, 2017 and 2016, the related outstanding units and weighted-average exercise price of employee stock options were as follows:

	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Weighted-average exercise price (expressed in dollars)	Shares (in thousands)	Weighted-average exercise price (expressed in dollars)	Shares (in thousands)
Outstanding at the beginning	$ -	-	28.40	142
Granted	-	-	-	-
Exercised	-	-	28.40	(102)
Expired	-	-	-	(40)
Outstanding at the end	-	-	-	-

(ii) Compensation cost for employee stock options

For the three months ended March 31, 2017 and 2016, the compensation cost for employee stock options both amounted to $0 thousand.

(s) Earnings per share ("EPS")

For the three months ended March 31, 2017 and 2016, the Company's earnings per share were calculated as follows:

		Three months ended March 31, 2017	
	Profit	Weighted-average number of outstanding shares of common stock (in thousands)	EPS (in dollars)
Basic EPS:			
Profit belonging to common shareholders	$ 496,468	402,666	$ 1.23
Diluted EPS:			
Effect of potentially dilutive common stock:			
Employee remuneration	-	1,989	
Common shareholders' profit plus the effect of potentially dilutive common stock	$ 496,468	404,655	$ 1.23

		Three months ended March 31, 2016	
	Profit	Weighted-average number of outstanding shares of common stock (in thousands)	EPS (in dollars)
Basic EPS:			
Profit belonging to common shareholders	$ 839,493	596,666	$ 1.41
Diluted EPS:			
Effect of potentially dilutive common stock:			
Employee remuneration	-	4,669	
Common shareholders' profit plus the effect of potentially dilutive common stock	$ 839,493	601,335	$ 1.40

(t) Employees', directors' and supervisors' remuneration

According to the Company's Article of Incorporation, if there is any net profit after closing of a fiscal year, it shall be allocated according to the following principles:

(i) Employee remuneration: not less than 5% but no more than 10% and shall be determined and pursuant to Employee Bonus Procedure of the Company. In addition, employee's profit sharing remuneration shall be distributed in the form of shares or cash. Stock-type employee bonuses may be distributed to qualified employees of affiliates of the Company.

(ii) Remuneration of Directors and Supervisors: no more than 3%.

However, if there are any accumulated losses of the Company, the Company shall pre-reserve the amount to offset the loss. The distribution of employees' profit sharing bonus and remuneration of Directors and Supervisors shall follow the special resolution by Board of Directors, and report it to the shareholders' meeting.

For the three months ended March 31, 2017 and 2016 the Company accrued and recognised its employee remuneration amounting to $38,600 thousand and $66,600 thousand, and directors' and supervisors' remuneration amounting to $11,200 thousand and $19,300 thousand, respectively. The amount of employee remuneration, and directors' and supervisors' remuneration were estimated based on profit before tax, net of the amount of the bonuses and remuneration, and multiplied by the rule of Company's Article of Incorporation. The above remuneration were included in the operating costs and operating expenses of the three months ended March 31, 2017 and 2016. The differences between the actual distributed amounts as determined by the Board of Directors and those recognised in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognised in profit or loss in the following year.

For the years ended December 31, 2016 and 2015 the Company accrued and recognised its employee remuneration amounting to $263,000 thousand and $231,300 thousand, anddirectors' and supervisors' remuneration amounting to $76,300 thousand and $67,100 thousand, respectively. There was no differences between the actual distributed amounts as determined by the Board of Directors and those recognised in the financial statements, for the years ended December 31, 2016 and 2015.

The related information mentioned above can be found on websites such as the Market Observation Post System.

(u) Non-operating income and expenses

(i) Other income

	Three months ended March 31, 2017	Three months ended March 31, 2016
Interest income	$ 3,819	2,656
Dividend income	2,346	1,201
Rent income	23,371	12,014
	$ 29,536	15,871

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(ii) Other gains and losses

	Three months ended March 31, 2017	Three months ended March 31, 2016
Foreign exchange losses	$ (141,784)	(43,655)
Gains (losses) on disposals of investments	(2,375)	609
Gains on financial assets or liabilities at fair value through profit or loss	10,025	7,894
Losses on disposal of property, plant and equipment	-	(5)
Other	(6,024)	22,439
	$ (140,158)	(12,718)

(iii) Finance costs

	Three months ended March 31, 2017	Three months ended March 31, 2016
Interest expense on bank borrowings	$ 18,489	11,462
Other interest expenses	65	95
Less: capitalized interest expense	(5,432)	(11,462)
	$ 13,122	95

(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2016.

(i) Currency risk

1) Exposure to currency risk

The Group's significant exposure to foreign currency risk were as follows:

	March 31, 2017			December 31, 2016			March 31, 2016		
	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$
Financial assets									
Monetary items									
USD	$ 123,520	30.33	3,746,353	83,868	32.25	2,704,780	73,777	32.19	2,374,885
EUR	32	32.43	1,023	28	33.90	935	397	36.51	14,495
JPY	52,336	0.2713	14,196	67,409	0.2756	18,575	155,571	0.2863	44,540
GBP	12	37.82	442	12	39.61	463	18	46.17	813
HKD	62	3.90	242	63	4.16	261	63	4.15	260
			$ 3,762,256			2,725,014			2,434,993

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	March 31, 2017			December 31, 2016			March 31, 2016		
	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$
Non-monetary items									
USD	44,524	30.33	$ 1,307,937	40,623	32.25	1,316,726	29,159	32.19	939,156
Financial liabilities									
Monetary items									
USD	16,557	30.33	502,173	13,904	32.25	448,395	14,339	32.19	461,560
EUR	303	32.43	9,819	476	33.90	16,123	560	36.51	20,462
JPY	258,411	0.2713	70,105	292,688	0.2756	80,663	354,008	0.2863	101,353
GBP	-	-	-	-	-	-	8	46.17	354
			$ 582,097			545,181			583,729

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, net, other receivables, current financial assets at fair value through profit or loss, available-for-sale financial assets, loans and borrowings, notes and accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) 5 % of appreciation (depreciation) of the NTD against the USD, EUR, GBP, and the JPY etc. for the three months ended March 31, 2017 and 2016 would have increased (decreased) the net profit after tax by $131,977 thousand and $76,954 thousand, respectively, and other comprehensive income would have increased (decreased) by $8,504 thousand and $239 thousand, respectively. The analysis assumes that all other variables remain constant.

3) Exchange gain or loss

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2017 and 2016, foreign exchange gain (loss) (including realized and unrealized portions) amounted to loss $141,784 thousand and $43,655 thousand, respectively.

(ii) Interest rate risk

Please refer to the attached note for the liquidity risk and the Group's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

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If the interest rate increases (decreases) by 0.5%, the Group's net profit after tax would have (decreased) increased by $5,048 thousand and $2,895 thousand for the three months ended March 31, 2017 and 2016, all other variable factors that remain constant. This is mainly due to the Group's borrowing in floating rates.

(iii) Other price risk

For the three months ended March 31, 2017 and 2016, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	Three months ended March 31, 2017		Three months ended March 31, 2016	
Prices of securities at the reporting date	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increasing 3%	$ 91,977	7,019	66,279	23,205
Decreasing 3%	$ (91,977)	(7,019)	(66,279)	(23,205)

(iv) Fair value

1) Accounting classifications and fair values

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	March 31, 2017				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 159,542	159,542	-	-	159,542
Funds and investment	74,432	74,432	-	-	74,432
Subtotal	$ 233,974	233,974	-	-	233,974
Available-for-sale financial assets					
Stocks listed on domestic and foreign markets	$ 1,824,544	1,824,544	-	-	1,824,544
Non-public stocks	655,896	-	655,896	-	655,896
Private fund	585,448	-	585,448	-	585,448
Subtotal	$ 3,065,888	1,824,544	1,241,344	-	3,065,888
Loans and receivables					
Cash and cash equivalents (Note)	$ 3,277,960	-	-	-	-
Investments in debt instrument without active market (Note)	92,600	-	-	-	-
Accounts receivable (Note)	1,001,958	-	-	-	-
Other receivables (Note)	196,139	-	-	-	-
Subtotal	$ 4,568,657	-	-	-	-

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	March 31, 2017				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Amortized cost of financial liability					
Bank loan (Note)	$ 5,751,301	-	-	-	-
Notes and accounts payable (Note)	1,035,196	-	-	-	-
Other payables (Note)	721,655	-	-	-	-
Subtotal	$ 7,508,152	-	-	-	-

	December 31, 2016				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 153,794	153,794	-	-	153,794
Funds and investment	64,456	64,456	-	-	64,456
Subtotal	$ 218,250	218,250	-	-	218,250
Available-for-sale financial assets					
Stocks listed on domestic and foreign markets	$ 1,415,958	1,415,958	-	-	1,415,958
Non-public stocks	656,245	-	656,245	-	656,245
Private fund	527,831	-	527,831	-	527,831
Subtotal	$ 2,600,034	1,415,958	1,184,076	-	2,600,034
Loans and receivables					
Cash and cash equivalents (Note)	$ 2,388,143	-	-	-	-
Investments in debt instrument without active market (Note)	92,600	-	-	-	-
Accounts receivable (Note)	1,068,714	-	-	-	-
Other receivables (Note)	173,771	-	-	-	-
Subtotal	$ 3,723,228	-	-	-	-
Amortized cost of financial liability					
Bank loan (Note)	$ 4,613,943	-	-	-	-
Accounts payable (Note)	975,478	-	-	-	-
Other payables (Note)	971,411	-	-	-	-
Subtotal	$ 6,560,832	-	-	-	-

	March 31, 2016				
		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Stocks listed on domestic markets	$ 133,182	133,182	-	-	133,182
Funds and investment	640,319	640,319	-	-	640,319
Subtotal	$ 773,501	773,501	-	-	773,501
Available-for-sale financial assets					
Stocks listed on domestic and foreign markets	$ 1,231,718	1,231,718	-	-	1,231,718
Non-public stocks	632,276	-	632,276	-	632,276
Private fund	362,420	-	362,420	-	362,420
Subtotal	$ 2,226,414	1,231,718	994,696	-	2,226,414
Loans and receivables					
Cash and cash equivalents (Note)	$ 1,717,761	-	-	-	-
Investments in debt instrument without active market (Note)	159,600	-	-	-	-
Notes and accounts receivable (Note)	911,195	-	-	-	-
Other receivables (Note)	113,030	-	-	-	-
Subtotal	$ 2,901,586	-	-	-	-
Amortized cost of financial liability					
Bank loan (Note)	$ 2,917,924	-	-	-	-
Accounts payable (Note)	1,117,697	-	-	-	-
Other payables (Note)	516,756	-	-	-	-
Subtotal	$ 4,552,377	-	-	-	-

Note: The information on for value is not disclosed since the carrying amount is a reasonable approximation of fair value.

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2) Valuation techniques of financial instrument not valued at fair value

The valuation techniques of the Group's financial instruments not valued at fair value by using the methods and assumptions are as follows:

- Investments in debt instrument without active market and financial liability measured at amortized cost

  If recent transaction prices or market maker quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.

3) Valuation techniques of financial instruments valued at fair value

a) Non-derivative instruments

The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when:

- the bid-ask spread is increasing; or
- the bid-ask spread varies significantly; or
- there has been a significant decline in trading volume.

When the financial instrument of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

- Financial assets and liabilities with standard terms and conditions and traded in an active market, for example, investment in stock of listed companies: The fair value is based on the market quoted price.

- Close-end funds with standard terms and conditions, such as money market funds, and bond funds; Investors can require the investment trust company to redeem the fund at any time. The fair value is based on the net value of the fund.

Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is illustrated by the category and nature as follows:

- Equity instruments do not have any quoted market price: the fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

b) Derivative instruments

The fair value is determined by using the models that are acceptable to the market participants, for example, discounted cash flow analyses or option pricing models. Forward exchange contracts are measured using quoted forward exchange rates. The fair value of structured interest derivative financial instruments is determined by using the proper option pricing models, such as Black-Scholes model, or other valuation technique, such as Monte Carlo simulation.

4) Transfer between level 2 and level 1

For the three months ended March 31, 2017 and 2016, there was no change on the fair value hierarchy of level 2 and level 1 financial asset.

5) Movement of level 3

There were no financial assets with fair value hierarchy level 3 for the three months ended March 31, 2017 and 2016.

(w) Management of financial risk

There was no significant change in the Group's objective and policies for the management of financial risk of the consolidated interim financial statements for the three months ended March 31, 2017 and 2016 which compared with the consolidated financial statements for the year ended December 31, 2016. For the related information, please refer to note 6(x) of the consolidated financial statements for the year ended December 31, 2016.

(x) Capital management

The Group's objective, policies and process of capital management of the consolidated interim financial statements for the three months ended March 31, 2017 was the same as the consolidated financial statements for the year ended December 31, 2016. There was no significant change on summary of quantitative date of capital management compared with the consolidated financial statements for the year ended December 31, 2016. For the related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2016.

(7) Related-party transactions:

(a) Parent Company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

There were no transactions with related party during the periods covered in the consolidated interim financial statements. Therefore, the Group did not disclose the names of, and its relationships with, its related parties.

(c) Significant transactions with related parties : None.

(d) Transactions with key management personnel

For the three months ended March 31, 2017 and 2016, key management personnel compensation were comprised as below:

	Three months ended March 31, 2017	Three months ended March 31, 2016
Short-term employee benefits	$ 51,598	65,919
Post-employment benefits	191	177
	$ 51,789	66,096

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(8) Pledged assets:

The carrying amount of pledged assets were as follows:

Pledged assets	Pledged to secure	March 31, 2017	December 31, 2016	March 31, 2016
Other non-current assets	Gas deposits	$ 4,700	4,700	4,700
Other non-current assets	Customs guarantee	20,893	20,871	20,806
Property, plant and equipment	Long-term borrowings	3,098,348	3,176,314	3,884,921
Investment property	Long-term borrowings	1,462,959	1,468,113	1,084,517
		$ 4,586,900	4,669,998	4,994,944

(9) Commitments and contingencies:

(a) Contingencies: None.

(b) Commitment:

(i) In 2015, the Company signed a shareholder's agreement with CSDC Private Limited, a Singapore company. According to the agreement, the Company should purchase a certain amount of raw material from the main shareholders of CSDC Private Limited between 2014 to 2017. Moreover, the Company acquired 250 shares of CSDC Private Limited without consideration.

(ii) The unrecognized commitment of purchase of raw materials by the aforementioned shareholder's agreement and acquisition of plant expansion and machinery equipment were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
The unrecognized amount	$ 2,427,083	2,916,764	2,293,431

	March 31, 2017	December 31, 2016	March 31, 2016
(iii) The unused letters of credit	$ 60,768	234,314	291,332

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(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

For the purpose of strengthening its competitive advantages for business development in long-term, the Company plans to ally with strategic investors. The Company's board of directors made a decision on May 5, 2017, that the Company would issue stock through a private placement, for the number not in excess of 40,000 thousand shares. Proceeds of the capital raised will be used as capital expenditures, research and development expenditures and working capital. The proposal is schedule to be discussed on the shareholders' meeting. Also, it is proposed to authorize the Company's Board to implement the private placement based on the capital market status and Company's actual needs.

(12) Other:

(a) The followings were the summary statement of employee benefits, depreciation and amortization expenses by function for the three months ended March 31, 2017 and 2016:

	Three months ended March 31, 2017			Three months ended March 31, 2016		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salaries	368,653	166,166	534,819	341,756	164,149	505,905
Labor and health insurance	31,538	10,025	41,563	23,710	9,247	32,957
Pension	13,759	4,078	17,837	10,526	3,608	14,134
Others	12,093	14,959	27,052	10,394	22,892	33,286
Depreciation	532,718	40,926	573,644	470,735	33,658	504,393
Amortization	3,607	7,430	11,037	2,173	4,596	6,769

(b) Seasonality or cyclicality of interim operations

The business segment of the Group is neither seasonal nor cyclical.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

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(iii) Securities held as of March 31, 2017 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Green Seal Holding Limited/Stock	None	Current financial assets at fair value through profit or loss	500	82,750	0.34	82,750	
WIN Venture Capital Corp.	Green Seal Holding Limited/Stock	〃	〃	464	76,792	0.31	76,792	
〃	Allianz Global Investors Taiwan Money Market Fund	〃	〃	2,055	25,529	-	25,529	
〃	Capital Money Market Fund	〃	〃	1,180	18,877	-	18,877	
Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd.	CTBC Hwa-win Money Market Fund	〃	〃	2,749	30,026	-	30,026	
					233,974		233,974	
The Company	ITEQ CORPORATION/Stock	〃	Current available-for-sale financial assets	25,968	1,167,248	8.57	1,167,248	
〃	MAG. LAYERS Scientific-Technics Co., Ltd./Stock	〃	〃	2,125	144,910	2.50	144,910	
〃	Solar Applied Materials Technology Corp./Stock	The Company's vendor	〃	119	1,559	0.03	1,559	
					1,313,717		1,313,717	
〃	Inventec Solar Energy Corporation /Stock	None	Non-current available-for-sale financial assets	34,000	290,594	10.51	290,594	
〃	Tainergy Tech Co., Ltd./Stock	〃	〃	873	12,748	0.24	12,748	
〃	CDIB Capital Creative Industries Limited /Stock	〃	〃	5,000	91,149	3.33	91,149	
〃	Fuh Hwa Tung-ta Fund	〃	〃	20,710	284,248	-	284,248	
〃	MagiCap Venture Capital Co., Ltd. /Preferred Stock A	〃	〃	1,000	93,770	1.78	93,770	
〃	New Future Capital Co., Ltd./Stock	〃	〃	10,000	100,000	15.87	100,000	
〃	Magi Capital Fund II, L.P.	〃	〃	-	45,450	5.81	45,450	
〃	Grand Fortune Venture Corp. /Stock	〃	〃	5,000	49,686	6.87	49,686	
〃	Fuh Hwa Oriental Fund	〃	〃	15,000	135,750	-	135,750	
〃	Fuh Hwa Smart Energy Fund	〃	〃	12,000	120,000	-	120,000	
Win Semiconductors Cayman Islands Co., Ltd.	Broadcom Ltd. /Stock	Subsidiary's main client	〃	75	498,079	0.02	498,079	
〃	Anokiwave Inc./ Series B Preferred Stock	Subsidiary's client	〃	1,264	8,641	14.37	8,641	
WIN Venture Capital Corp.	Nisho Image Technology Inc. /Stock	The Company's client	〃	3,300	9,300	7.33	9,300	
〃	MOAI Electronics Corporation /Stock	None	〃	300	1,130	1.27	1,130	
〃	Merit Biotech INC. /Stock	Main shareholder of the Company's investment through subsidiaries	〃	1,320	11,626	2.93	11,626	
					1,752,171		1,752,171	
The Company	MagiCap Venture Capital Co., Ltd./ Preferred Stock B	None	Non-current investments in debt instrument without active market	9,260	92,600	16.50	(Note 1)	
Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd.	Formosa Fortune Group Cayman Island Co., Ltd.	〃	Non-current financial assets at cost	12	23,354	4.78	(Note 2)	

Note 1: The redeemable preferred stock was the nature of bond, which was recognised as non-current investment in debt instrument without active market.

Note 2: Because the fair value of the investment cannot be measured reliably, the Group recognized it as financial assets measured at cost.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(Continued)

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(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remark
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Win Semiconductors Cayman Islands Co., Ltd.	Subsidiary	Sales	(1,213,262)	39 %	1~2 Month	-	-	413,558	40%	(Note)
Win Semiconductors Cayman Islands Co., Ltd.	The Company	Parent Company	Purchase	1,213,262	100 %	1~2 Month	-	-	(413,558)	100%	(Note)

Note: The amounts of the transaction and the ending balance had been offset in the consolidated interim financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Remark
					Amount	Action taken			
The Company	Win Semiconductors Cayman Islands Co., Ltd.	Subsidiary	413,558	10.38	-	-	413,558	-	(Note)

Note: The amounts of the transaction and the ending balance had been offset in the consolidated interim financial statements.

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Win Semiconductors Cayman Islands Co., Ltd.	1	Operating revenue	1,213,262	Note 3	36.96%
0	The Company	Win Semiconductors Cayman Islands Co., Ltd.	1	Accounts receivable－related parties	413,558	〃	1.47%
1	Win Semiconductors Cayman Islands Co., Ltd.	The Company	2	Accounts payable－related parties	413,558	〃	1.47%
1	Win Semiconductors Cayman Islands Co., Ltd.	The Company	2	Operating cost	1,213,262	〃	36.96%
1	Win Semiconductors Cayman Islands Co., Ltd.	WIN SEMI. USA, INC.	3	Operating expense	18,656	〃	0.57%
2	WIN SEMI. USA, INC.	Win Semiconductors Cayman Islands Co., Ltd.	3	Operating revenue	18,656	〃	0.57%

Note 1: Company numbering as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

Note 3: There is no significant difference from transaction terms with non-related parties.

(Continued)

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(b) Information on investments:

The following is the information on investees for the three months ended March 31, 2017 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: March 31, 2017	Original investment amount: December 31, 2016	Balance as of March 31, 2017: Shares (in thousands)	Balance as of March 31, 2017: Percentage of ownership	Balance as of March 31, 2017: Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Remark
The Company	WIN SEMI USA, INC.	California USA	Marketing	8,203	8,203	1,000	100.00 %	5,808	(1,546)	(1,546)	(Note)
〃	Win semiconductors Cayman Islands Co., Ltd.	Cayman Islands	Selling of GaAs wafers	718,136	718,136	22,000	100.00 %	1,262,487	5,511	5,511	(Note)
〃	Inventec Energy Corporation	Taiwan	Solar component module manufacturing	680,029	680,029	32,828	34.52 %	149,209	(25,130)	(8,808)	
〃	WIN Venture Capital Corp.	Taiwan	Investment activities	250,000	250,000	25,000	100.00 %	158,532	7,270	7,270	(Note)
〃	Phalanx Biotech Group Corp.	Taiwan	Microarray products manufacturing	180,400	180,400	16,400	31.06 %	72,405	(30,101)	(11,616)	
〃	CSDC Private Limited	Singapore	Development and manufacturing of compound semiconductors technologies	-	-	0.25	25.00 %	-	(11,469)	-	
WIN Venture Capital Corp.	Phalanx Biotech Group Corp.	Taiwan	Microarray products manufacturing	39,600	39,600	3,600	6.82 %	15,894	(30,101)	(2,550)	
Win Semiconductors Cayman Islands Co., Ltd.	Rainbow Star Group Limited	British Virgin Islands	Investment activities	62,920	32,590	38	49.30 %	64,204	11,342	4,450	
〃	Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd	Cayman Islands	〃	682,260	682,260	10,500	43.75 %	651,193	21,691	2,054	(Note)
Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd.	Formosa Fortune Group Co., Ltd.	British Virgin Islands	〃	38,573	38,573	1,283	100.00 %	28,259	(178)	(178)	(Note)

Note : The amount had been offset in the consolidated interim financial statements.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In thousands of Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of March 31, 2017	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Carrying value as of March 31, 2017 (Note 3)	Accumu-lated remittance of earnings in current period
Jiangsu Chainwin Kang Yuan Agriculture Development Co., Ltd	Developing hog farming technology and trading	189,379 (RMB 42,943)	(Note 1)	-	-	-	-	31,044 (USD 999)	43.75%	31,044 (USD 999)	361,985 (USD 11,935)	-
Jiangsu Chainwin Agriculture Development Co., Ltd	Developing hog farming technology and trading	45,495 (USD 1,500)	(Note 1)	-	-	-	-	(312) (USD (10))	43.75%	(312) (USD (10))	45,540 (USD 1,501)	-
Jiangsu CM / Merit Agriculture Development Co., Ltd.	Developing hog farming technology and trading	181,980 (USD 6,000)	(Note 1)	109,188 (USD 3,600)	-	-	109,188 (USD 3,600)	(5,061) (USD (163))	26.25%	(3,037) (USD (98))	198,632 (USD 6,549)	-
Jiansu Merit/ CM Agriculture Development Co., Ltd.	Developing hog farming technology and trading	90,990 (USD 3,000)	(Note (1)	54,594 (USD 1,800)	-	-	54,594 (USD 1,800)	(546) (USD (18))	26.25%	(328) (USD (11))	60,002 (USD 1,978)	-
Jiansu Merit/ Cofcojoycome Agriculture Development Co., Ltd.	Developing hog farming technology and trading	145,584 (USD 4,800)	(Note 1)	87,350 (USD 2,880)	-	-	87,350 (USD 2,880)	(1,017) (USD (33))	26.25%	(610) (USD (20))	85,754 (USD 2,827)	-
Jiangsu Merit Runfu Agriculture Development Co., Ltd.	Developing hog farming technology and trading	71,341 (RMB 16,177)	(Note 1)	-	-	-	-	(359) (USD (12))	43.75%	(359) (USD (12))	56,928 (USD 1,877)	-

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(ii) Limitation on investment in Mainland China:

(In thousands of Dollars)

Accumulated Investment in Mainland China as of March 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 5)
251,132 (USD 8,280)	649,153 (USD 21,403)	11,436,663

Note 1: The Group invested in Mainland China companies through Chainwin Agriculture and Animal Technology (Cayman Islands) Ltd., which is established in a third region.

Note 2: The amount of net income (losses) was recognized based on the reviewd financial statements of the investee companies.

Note 3: Carrying value as of March 31, 2017 was with reference to the amount recognized by the investment through subsidiaries to subsidiaries established in a third region.

Note 4: Investment income (loss) recognized was translated into New Taiwan Dollar at the average exchange rate for the three months ended March 31, 2017. The other amounts related to foreign currency were translated into New Taiwan Dollar at the exchange rate at the balance sheet date.

Note 5: Amount of upper limit on investment was the higher between sixty percentage of total equity or total consolidated equity.

(iii) Significant transactions: None.

(14) Segment information:

(a) The Group's reportable segment is the foundry segment. The foundry segment engages mainly in researching, developing, manufacturing, and selling of GaAs wafers etc.

Other operating segments are mainly engaged in investment activities and agriculture technology, which do not exceed the quantitative thresholds to be reported.

(b) Operating segment profit or loss (includes reportable segment revenue and expenses), segment assets, segment liabilities, and their measurement and reconciliations for the three months ended March 31, 2017 and 2016, the reportable amount is similar to that in the report used by the operating decision maker and the operating segment accounting policies are similar to the ones described in note 4 "significant accounting policies" were as follows:

for the three months ended March 31, 2017	Foundry	Other	Reconciliation and elimination	Total
Revenue：				
Revenue from external customers	$ 3,154,903	127,428	-	3,282,331
Interest expense	$ 13,122	-	-	13,122
Depreciation and amortization	$ 576,242	7,704	735	584,681
Share of loss of associates and joint ventures accounted for using equity method	$ (15,973)	(2,550)	-	(18,523)
Reportable segment profit or loss	$ 734,379	14,133	(16,995)	731,517
Assets:				
Capital expenditures in noncurrent assets	$ 797,454	227,150	-	1,024,604

for the three months ended March 31, 2016	Foundry	Other	Reconciliation and elimination	Total
Revenue：				
Revenue from external customers	$ 3,288,139	3,943	-	3,292,082
Interest expense	$ 95	-	-	95
Depreciation and amortization	$ 511,162	-	-	511,162
Share of loss of associates and joint ventures accounted for using equity method	$ (4,306)	-	-	(4,306)
Reportable segment profit or loss	$ 1,004,797	1,334	-	1,006,131
Assets:				
Capital expenditures in noncurrent assets	$ 879,353	-	-	879,353

The segment profit or loss, assets and liabilities of the operating segment above were consistent with the related accounts shown in the consolidated balance sheets and consolidated statements of comprehensive income of the Group.