

WIN Semiconductors Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2014 and 2013,
(Expressed in Thousands of New Taiwan Dollars)

	2014.12.31	2013.12.31		2014.12.31	2013.12.31
Assets			Liabilities and Equity		
Current assets :			Current liabilities :		
Cash and cash equivalents	\$ 2,677,199	1,966,881	Accounts payable	\$ 929,773	635,119
Current financial assets at fair value through profit or loss	1,321,271	1,162,001	Other payables	1,173,860	1,028,229
Current available-for-sale financial assets	677,271	584,716	Long-term liabilities, current portion	545,444	545,444
Notes and accounts receivable, net	690,051	650,438	Other current liabilities	<u>99,529</u>	<u>118,656</u>
Inventories	1,499,917	1,126,775	Total current liabilities	<u>2,748,606</u>	<u>2,327,448</u>
Other current assets	<u>259,035</u>	<u>198,153</u>	Non-current liabilities :		
Total current assets	<u>7,124,744</u>	<u>5,688,964</u>	Long-term borrowings	2,938,331	3,721,466
Non-current assets :			Deferred tax liabilities	30,362	20,642
Non-current available-for-sale financial assets	1,061,717	489,152	Other non-current liabilities	<u>158,959</u>	<u>150,371</u>
Non-current debt instrument investment without active market	159,600	190,000	Total non-current liabilities	<u>3,127,652</u>	<u>3,892,479</u>
Investments accounted for using equity method	381,566	386,229	Total liabilities	<u>5,876,258</u>	<u>6,219,927</u>
Property, plant and equipment	11,652,510	12,636,304	Equity :		
Investment property	1,091,162	1,096,479	Ordinary share	7,422,377	7,392,754
Intangible assets	54,422	64,248	Capital surplus	3,768,620	3,728,358
Deferred tax assets	66,135	132,425	Retained earnings	4,527,782	3,671,483
Prepayments for business facilities	178,911	384,446	Other equity interest	<u>220,871</u>	<u>98,982</u>
Other non-current assets	<u>45,141</u>	<u>43,257</u>	Total equity	<u>15,939,650</u>	<u>14,891,577</u>
Total non-current assets	<u>14,691,164</u>	<u>15,422,540</u>	Total liabilities and equity	<u>\$ 21,815,908</u>	<u>21,111,504</u>
Total assets	<u>\$ 21,815,908</u>	<u>21,111,504</u>			

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2014 and 2013

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

	2014	2013
Operating revenue	\$ 9,910,010	10,481,303
Operating costs	<u>(6,400,414)</u>	<u>(7,249,118)</u>
Gross profit from operations	<u>3,509,596</u>	<u>3,232,185</u>
Operating expenses :		
Selling expenses	(135,698)	(128,220)
Administrative expenses	(497,423)	(499,069)
Research and development expenses	<u>(561,783)</u>	<u>(495,281)</u>
Total operating expenses	<u>(1,194,904)</u>	<u>(1,122,570)</u>
Net operating income	<u>2,314,692</u>	<u>2,109,615</u>
Non-operating income and expenses :		
Other income	95,628	83,876
Other gains and losses	71,857	259,647
Finance costs	(48,304)	(80,678)
Share of loss of associates and joint ventures accounted for using equity method	<u>(4,919)</u>	<u>(160,065)</u>
Total non-operating income and expenses	<u>114,262</u>	<u>102,780</u>
Profit before tax	2,428,954	2,212,395
Total tax expense	<u>(465,485)</u>	<u>(400,885)</u>
Profit	<u>1,963,469</u>	<u>1,811,510</u>
Other comprehensive income (loss):		
Other comprehensive income, before tax, exchange differences on translation	22,322	7,328
Other comprehensive income, before tax, available-for-sale financial assets	99,567	244,696
Other comprehensive income, before tax, actuarial gains on defined benefit plans	3,166	11,768
Income tax expense related to components of other comprehensive income	<u>(538)</u>	<u>(904)</u>
Other comprehensive income, net	<u>124,517</u>	<u>262,888</u>
Comprehensive income	<u>\$ 2,087,986</u>	<u>2,074,398</u>
Profit , attributable to :		
Profit, attributable to owners of parent	<u>\$ 1,963,469</u>	<u>1,811,510</u>
Comprehensive income attributable to :		
Comprehensive income, attributable to owners of parent	<u>\$ 2,087,986</u>	<u>2,074,398</u>
Earnings per common share (expressed in dollars)		
Basic earnings per share	<u>\$ 2.65</u>	<u>2.40</u>
Diluted earnings per share	<u>\$ 2.62</u>	<u>2.37</u>

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2014 and 2013

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest			Total equity attributable to owners of parent	Non - controlling interests	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total			
Balance on January 1, 2013	\$ 7,541,877	3,763,045	258,703	221,662	2,722,399	3,202,764	(24,741)	(129,397)	(154,138)	14,353,548	-	14,353,548
Appropriation of 2012 earnings approved by stockholders during their meeting in 2013												
Legal reserve	-	-	164,753	-	(164,753)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,136,245)	(1,136,245)	-	-	-	(1,136,245)	-	(1,136,245)
Reversal of special reserve	-	-	-	(187,647)	187,647	-	-	-	-	-	-	-
	-	-	164,753	(187,647)	(1,113,351)	(1,136,245)	-	-	-	(1,136,245)	-	(1,136,245)
Net income for the year ended December 31, 2013	-	-	-	-	1,811,510	1,811,510	-	-	-	1,811,510	-	1,811,510
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	9,768	9,768	7,328	245,792	253,120	262,888	-	262,888
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	1,821,278	1,821,278	7,328	245,792	253,120	2,074,398	-	2,074,398
Changes in equity of associates and joint ventures accounted for using equity method	-	13,442	-	-	-	-	-	-	-	13,442	-	13,442
Exercise of employee stock options	50,877	45,040	-	-	-	-	-	-	-	95,917	-	95,917
Compensation cost arising from employee stock options	-	5,832	-	-	-	-	-	-	-	5,832	-	5,832
Retirement of treasury shares	(200,000)	(99,001)	-	-	(216,314)	(216,314)	-	-	-	(515,315)	-	(515,315)
Balance on December 31, 2013	7,392,754	3,728,358	423,456	34,015	3,214,012	3,671,483	(17,413)	116,395	98,982	14,891,577	-	14,891,577
Appropriation of 2013 earnings approved by stockholders during their meeting in 2014												
Legal reserve	-	-	181,151	-	(181,151)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,109,798)	(1,109,798)	-	-	-	(1,109,798)	-	(1,109,798)
Reversal of special reserve	-	-	-	(34,015)	34,015	-	-	-	-	-	-	-
	-	-	181,151	(34,015)	(1,256,934)	(1,109,798)	-	-	-	(1,109,798)	-	(1,109,798)
Net income for the year ended December 31, 2014	-	-	-	-	1,963,469	1,963,469	-	-	-	1,963,469	-	1,963,469
Other comprehensive income for the year ended December 31, 2014	-	-	-	-	2,628	2,628	22,322	99,567	121,889	124,517	-	124,517
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	1,966,097	1,966,097	22,322	99,567	121,889	2,087,986	-	2,087,986
Changes in equity of associates and joint ventures accounted for using equity method	-	256	-	-	-	-	-	-	-	256	-	256
Exercise of employee stock options	29,623	34,383	-	-	-	-	-	-	-	64,006	-	64,006
Compensation cost arising from employee stock options	-	5,623	-	-	-	-	-	-	-	5,623	-	5,623
Balance on December 31, 2014	\$ <u>7,422,377</u>	<u>3,768,620</u>	<u>604,607</u>	<u>-</u>	<u>3,923,175</u>	<u>4,527,782</u>	<u>4,909</u>	<u>215,962</u>	<u>220,871</u>	<u>15,939,650</u>	<u>-</u>	<u>15,939,650</u>

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013
(Expressed in Thousands of New Taiwan Dollars)

	2014	2013
Cash flows from (used in) operating activities :		
Profit before tax	\$ 2,428,954	2,212,395
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	1,852,273	1,783,832
Amortization expense	29,498	38,142
Net gain on financial assets or liabilities at fair value through profit or loss	(121,208)	(409,837)
Interest expense	48,304	80,678
Interest income	(17,159)	(16,813)
Dividend income	(46,845)	(35,335)
Share-based payments	5,623	5,832
Share of loss of associates and joint ventures accounted for using equity method	4,919	160,065
Loss (gain) on disposal of property, plant and equipment	19	(306,530)
Donated property, plant and equipment	-	20,691
Loss on disposal of investments	64,325	398,190
Prepayments for business facilities transferred to other losses	7,936	-
Total adjustments to reconcile profit	<u>1,827,685</u>	<u>1,718,915</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Current financial assets at fair value through profit or loss	(132,925)	-
Notes and accounts receivable, net	(39,613)	398,917
Inventories	(294,386)	953,617
Other current assets	(72,287)	156,797
Total changes in operating assets	<u>(539,211)</u>	<u>1,509,331</u>
Changes in operating liabilities :		
Accounts payable	294,654	(486,748)
Other payables	124,210	132,082
Other current liabilities	(19,127)	40,317
Other non-current liabilities	1,754	1,900
Total changes in operating liabilities	<u>401,491</u>	<u>(312,449)</u>
Total changes in operating assets and liabilities	<u>(137,720)</u>	<u>1,196,882</u>
Cash inflow generated from operations	4,118,919	5,128,192
Dividends received	375	-
Income taxes paid	(289,420)	(129,849)
Net cash flows from operating activities	<u>3,829,874</u>	<u>4,998,343</u>
Cash flows from (used in) investing activities :		
Acquisition of current financial assets at fair value through profit or loss	(4,329,787)	(2,033,000)
Proceeds from disposal of current financial assets at fair value through profit or loss	4,291,586	2,442,048
Acquisition of current available-for-sale financial assets	(282,148)	(190,705)
Proceeds from disposal of current available-for-sale financial assets	7,679	150,048
Acquisition of non-current available-for-sale financial assets	(345,000)	(25,000)
Proceeds from disposal of non-current available-for-sale financial assets	5,170	128,256
Proceeds from capital reduction of non-current available-for-sale financial assets	43,200	60,000
Proceeds from disposal of non-current debt instrument investments without active market	30,400	344,783
Acquisition of investments accounted for using equity method	-	(207,991)
Proceeds from disposal of investments accounted for using equity method	-	21,626
Acquisition of property, plant and equipment	(611,195)	(2,611,357)
Proceeds from disposal of property, plant and equipment	-	511,286
Acquisition of intangible assets	(16,323)	(18,929)
Increase in other non-current assets	(1,884)	(390)
Increase in prepayments for business facilities	(126,386)	(204,078)
Interest received	15,852	15,512
Dividends received	46,470	35,335
Net cash flows used in investing activities	<u>(1,272,366)</u>	<u>(1,582,556)</u>
Cash flows from (used in) financing activities :		
Proceeds from long-term borrowings	529,000	1,050,000
Repayments of long-term borrowings	(1,316,444)	(3,995,840)
Increase in other non-current liabilities	10,000	110,000
Payment of cash dividends	(1,109,798)	(1,136,245)
Issue of shares (transaction cost)	-	(10,989)
Exercise of employee share options	64,006	95,917
Payments to acquire treasury shares	-	(515,315)
Interest paid	(44,205)	(78,554)
Net cash flows used in financing activities	<u>(1,867,441)</u>	<u>(4,481,026)</u>
Effect of exchange rate changes on cash and cash equivalents	20,251	6,463
Net increase (decrease) in cash and cash equivalents	710,318	(1,058,776)
Cash and cash equivalents at the beginning of year	1,966,881	3,025,657
Cash and cash equivalents at the end of year	<u>\$ 2,677,199</u>	<u>1,966,881</u>