

Reviewed only, not audited in accordance with generally accepted auditing standards as of June 30, 2014 and 2013
WIN Semiconductors Corp. and Subsidiaries

Condensed Consolidated Balance Sheets

June 30, 2014, December 31 and June 30, 2013
(Expressed in Thousands of New Taiwan Dollars)

	2014.6.30	2013.12.31	2013.6.30		2014.6.30	2013.12.31	2013.6.30
Assets				Liabilities and Equity			
Current assets :				Current liabilities :			
Cash and cash equivalents	\$ 1,842,123	1,966,881	3,792,514	Short-term borrowings	\$ -	-	122,597
Current financial assets at fair value through profit or loss	2,141,584	1,162,001	2,174,812	Accounts payable	1,180,000	635,119	1,275,875
Current available-for-sale financial assets	703,714	584,716	665,337	Other payables	1,967,416	1,028,229	2,304,089
Notes and accounts receivable, net	856,133	650,438	1,036,817	Long-term liabilities, current portion	545,444	545,444	1,059,444
Inventories	1,562,698	1,126,775	2,068,908	Other current liabilities	<u>103,337</u>	<u>118,656</u>	<u>97,899</u>
Other current assets	<u>370,442</u>	<u>198,153</u>	<u>369,682</u>	Total current liabilities	<u>3,796,197</u>	<u>2,327,448</u>	<u>4,859,904</u>
Total current assets	<u>7,476,694</u>	<u>5,688,964</u>	<u>10,108,070</u>	Non-current liabilities :			
Non-current assets :				Long-term borrowings	3,724,068	3,721,466	4,699,266
Non-current available-for-sale financial assets	593,287	489,152	490,617	Deferred tax liabilities	23,482	20,642	24,021
Non-current bond investment without active market	190,000	190,000	190,000	Other non-current liabilities	<u>161,465</u>	<u>150,371</u>	<u>160,949</u>
Investments accounted for using equity method	384,188	386,229	276,668	Total non-current liabilities	<u>3,909,015</u>	<u>3,892,479</u>	<u>4,884,236</u>
Property, plant and equipment	12,144,236	12,636,304	11,339,777	Total liabilities	<u>7,705,212</u>	<u>6,219,927</u>	<u>9,744,140</u>
Investment property	1,093,821	1,096,479	1,099,137	Equity :			
Intangible assets	61,176	64,248	73,513	Ordinary share	7,406,379	7,392,754	7,578,548
Deferred tax assets	63,341	132,425	193,359	Capital surplus	3,744,791	3,728,358	3,810,913
Prepayments for business facilities	224,258	384,446	746,523	Retained earnings	3,214,941	3,671,483	3,403,294
Non-current prepayments for investments	12,000	-	-	Other equity interest	<u>215,258</u>	<u>98,982</u>	<u>23,485</u>
Other non-current assets	<u>43,580</u>	<u>43,257</u>	<u>42,716</u>	Total equity	14,581,369	14,891,577	14,816,240
Total non-current assets	<u>14,809,887</u>	<u>15,422,540</u>	<u>14,452,310</u>	Total liabilities and equity	<u>\$ 22,286,581</u>	<u>21,111,504</u>	<u>24,560,380</u>
Total assets	<u>\$ 22,286,581</u>	<u>21,111,504</u>	<u>24,560,380</u>				

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WIN Semiconductors Corp. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

For the periods from April 1 to June 30, 2014 and 2013, and for the six months ended June 30, 2014 and 2013
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Operating revenue	\$ 2,461,166	3,183,734	4,128,192	6,031,784
Operating costs	<u>(1,599,426)</u>	<u>(2,138,332)</u>	<u>(2,766,289)</u>	<u>(4,070,321)</u>
Gross profit from operations	<u>861,740</u>	<u>1,045,402</u>	<u>1,361,903</u>	<u>1,961,463</u>
Operating expenses :				
Selling expenses	(29,488)	(32,330)	(63,491)	(65,537)
Administrative expenses	(105,849)	(137,520)	(199,800)	(270,204)
Research and development expenses	<u>(157,373)</u>	<u>(111,053)</u>	<u>(326,046)</u>	<u>(245,304)</u>
Total operating expenses	<u>(292,710)</u>	<u>(280,903)</u>	<u>(589,337)</u>	<u>(581,045)</u>
Net operating income	<u>569,030</u>	<u>764,499</u>	<u>772,566</u>	<u>1,380,418</u>
Non-operating income and expenses :				
Other income	12,705	13,523	24,655	25,852
Other gains and losses	1,877	(58,354)	56,240	341,972
Finance costs	(12,411)	(22,231)	(26,303)	(48,043)
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>3,941</u>	<u>(30,277)</u>	<u>(2,041)</u>	<u>(48,193)</u>
Total non-operating income and expenses	<u>6,112</u>	<u>(97,339)</u>	<u>52,551</u>	<u>271,588</u>
Profit before tax	575,142	667,160	825,117	1,652,006
Total tax expense	<u>(135,266)</u>	<u>(120,376)</u>	<u>(171,861)</u>	<u>(315,231)</u>
Profit	<u>439,876</u>	<u>546,784</u>	<u>653,256</u>	<u>1,336,775</u>
Other comprehensive income (loss) :				
Other comprehensive income, before tax, exchange differences on translation	(6,782)	1,787	486	9,332
Other comprehensive income, before tax, available-for-sale financial assets	2,558	59,832	115,790	168,288
Income tax benefit (expense) relating to components of other comprehensive income	<u>-</u>	<u>(56)</u>	<u>-</u>	<u>3</u>
Other comprehensive income, net	<u>(4,224)</u>	<u>61,563</u>	<u>116,276</u>	<u>177,623</u>
Comprehensive income	<u>\$ 435,652</u>	<u>608,347</u>	<u>769,532</u>	<u>1,514,398</u>
Profit, attributable to :				
Profit, attributable to owners of parent	<u>\$ 439,876</u>	<u>546,784</u>	<u>653,256</u>	<u>1,336,775</u>
Comprehensive income attributable to :				
Comprehensive income, attributable to owners of parent	<u>\$ 435,652</u>	<u>608,347</u>	<u>769,532</u>	<u>1,514,398</u>
Earnings per common share				
Basic earnings per share	<u>\$ 0.59</u>	<u>0.72</u>	<u>0.88</u>	<u>1.77</u>
Diluted earnings per share	<u>\$ 0.59</u>	<u>0.71</u>	<u>0.87</u>	<u>1.74</u>

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WIN Semiconductors Corp. and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

For the six months ended June 30, 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 six months ended June 30, 2013	-	-	-	-	1,336,775	1,336,775	-	-	-	1,336,775	-	1,336,775
Other comprehensive income for the six months ended June 30, 2013	-	-	-	-	-	-	9,332	168,291	177,623	177,623	-	177,623
Total comprehensive income for the six months ended June 30, 2013	-	-	-	-	1,336,775	1,336,775	9,332	168,291	177,623	1,514,398	-	1,514,398
Exercise of employee stock options	36,671	43,271	-	-	-	-	-	-	-	79,942	-	79,942
Compensation cost arising from employee stock options	-	4,597	-	-	-	-	-	-	-	4,597	-	4,597
Balance on June 30, 2013	\$ 7,578,548	3,810,913	423,456	34,015	2,945,823	3,403,294	(15,409)	38,894	23,485	14,816,240	-	14,816,240
Balance on January 1, 2014	\$ 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 six months ended June 30, 2014	-	-	-	-	653,256	653,256	-	-	-	653,256	-	653,256
Other comprehensive income for the six months ended June 30, 2014	-	-	-	-	-	-	486	115,790	116,276	116,276	-	116,276
Total comprehensive income for the six months ended June 30, 2014	-	-	-	-	653,256	653,256	486	115,790	116,276	769,532	-	769,532
Exercise of employee stock options	13,625	15,339	-	-	-	-	-	-	-	28,964	-	28,964
Compensation cost arising from employee stock options	-	1,094	-	-	-	-	-	-	-	1,094	-	1,094
Balance on June 30, 2014	\$ 7,406,379	3,744,791	604,607	-	2,610,334	3,214,941	(16,927)	232,185	215,258	14,581,369	-	14,581,369

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WIN Semiconductors Corp. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

For the six months ended June 30, 2014 and 2013

(Expressed in Thousands of New Taiwan Dollars)

	2014	2013
Cash flows from (used in) operating activities :		
Profit before tax	\$ 825,117	1,652,006
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	920,649	887,840
Amortization expense	16,273	20,207
Net gain on financial assets or liabilities at fair value through profit or loss	(133,333)	(385,397)
Interest expense	26,303	48,043
Interest income	(7,388)	(8,733)
Dividend income	(1,268)	(1,396)
Share-based payments	1,094	4,597
Share of loss of associates and joint ventures accounted for using equity method	2,041	48,193
Loss (gain) on disposal of property, plant and equipment	17	(306,531)
Loss on disposal of investments	53,299	404,497
Property, plant and equipment transferred to expense	-	20,691
Total adjustments to reconcile profit (loss)	<u>877,687</u>	<u>732,011</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Current financial assets at fair value through profit or loss	(159,000)	-
Notes and accounts receivable, net	(205,695)	12,538
Inventories	(435,923)	52,139
Other current assets	(173,132)	(14,336)
Total changes in operating assets	<u>(973,750)</u>	<u>50,341</u>
Changes in operating liabilities :		
Accounts payable	544,881	154,008
Other payables	31,208	343,686
Other current liabilities	(15,319)	19,560
Other non-current liabilities	1,094	710
Total changes in operating liabilities	<u>561,864</u>	<u>517,964</u>
Total changes in operating assets and liabilities	<u>(411,886)</u>	<u>568,305</u>
Cash inflow generated from operations	1,290,918	2,952,322
Income taxes paid	(205,363)	(128,636)
Net cash flows from operating activities	<u>1,085,555</u>	<u>2,823,686</u>
Cash flows from (used in) investing activities :		
Acquisition of current financial assets at fair value through profit or loss	(1,899,256)	(1,340,000)
Proceeds from disposal of current financial assets at fair value through profit or loss	1,159,217	712,710
Acquisition of current available-for-sale financial assets	(116,637)	(78,568)
Acquisition of non-current available-for-sale financial assets	-	(25,000)
Proceeds from disposal of non-current available-for-sale financial assets	2,648	54,465
Proceeds from disposal of non-current bond investments without active market	-	344,783
Proceeds from disposal of investments accounted for using equity method	-	21,626
Increase in non-current prepayments for investments	(12,000)	-
Acquisition of property, plant and equipment	(316,511)	(831,685)
Proceeds from disposal of property, plant and equipment	-	511,286
Acquisition of intangible assets	(4,465)	(6,546)
Decrease (increase) in other non-current assets	(323)	151
Increase in prepayments for business facilities	(46,593)	(244,425)
Interest received	6,697	7,973
Dividends received	1,268	1,396
Net cash flows used in investing activities	<u>(1,225,955)</u>	<u>(871,834)</u>
Cash flows from (used in) financing activities :		
Increase in short-term loans	-	122,597
Proceeds from long-term borrowings	529,000	1,050,000
Repayments of long-term borrowings	(529,722)	(2,502,118)
Increase in other non-current liabilities	10,000	110,000
Transaction costs of issuance of common stock	-	(6,740)
Exercise of employee stock options	28,964	79,942
Interest paid	(23,018)	(46,929)
Net cash flows from (used in) financing activities	<u>15,224</u>	<u>(1,193,248)</u>
Effect of exchange rate changes on cash and cash equivalents	418	8,253
Net increase (decrease) in cash and cash equivalents	(124,758)	766,857
Cash and cash equivalents at the beginning of period	1,966,881	3,025,657
Cash and cash equivalents at the end of period	<u>\$ 1,842,123</u>	<u>3,792,514</u>