

WIN Semiconductors Corp.

Balance Sheets

March 31, 2011 and 2012

(Expressed in Thousands of New Taiwan Dollars)

	2011	2012		2011	2012
<b>Assets</b>			<b>Liabilities and Stockholders' Equity</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$ 548,257	851,669	Short-term borrowings	\$ 345,355	-
Financial assets at fair value through profit or loss — current	1,624,423	1,859,991	Accounts payable	1,170,398	1,539,911
Available-for-sale financial assets — current	-	144,866	Accrued expenses	603,108	682,985
Notes and accounts receivable, net	280,644	302,571	Payable on equipment	217,104	194,436
Accounts receivable — related parties	468,173	381,752	Current portion of long-term borrowings	1,135,447	1,285,698
Other receivable — related parties	587	-	Other current liabilities	<u>31,889</u>	<u>37,092</u>
Other financial assets — current	308,299	460,253	<b>Total current liabilities</b>	<u>3,503,301</u>	<u>3,740,122</u>
Inventories	1,677,806	1,826,591	<b>Long-term liabilities:</b>		
Other current assets	217,831	276,602	Long-term borrowings	<u>4,748,460</u>	<u>5,053,291</u>
Deferred income tax assets — current	<u>18,474</u>	<u>324,621</u>	<b>Other liabilities:</b>		
<b>Total current assets</b>	<u>5,144,494</u>	<u>6,428,916</u>	Accrued pension liabilities	<u>2,885</u>	<u>4,867</u>
<b>Funds and investments:</b>			<b>Total liabilities</b>	<u>8,254,646</u>	<u>8,798,280</u>
Available-for-sale financial assets — noncurrent	-	198,687	<b>Stockholders' equity:</b>		
Financial assets carried at cost — noncurrent	916,746	558,934	Common stock	<u>6,209,895</u>	<u>6,486,767</u>
Long-term investments under equity method	711,807	478,930	Capital surplus:		
Investment in bonds with no active market — noncurrent	<u>344,783</u>	<u>344,783</u>	Capital surplus — additional paid-in capital	1,286,326	1,532,340
<b>Total funds and investments</b>	<u>1,973,336</u>	<u>1,581,334</u>	Capital surplus — long-term equity investments	31,237	24
<b>Property, plant and equipment:</b>			Capital surplus — employee stock options	<u>62,798</u>	<u>344,216</u>
Cost:			Total capital surplus	<u>1,380,361</u>	<u>1,876,580</u>
Land	802,337	802,337	Retained earnings:		
Buildings	721,851	721,851	Legal reserve	-	130,842
Machinery and equipment	8,507,893	9,837,358	Retained earnings	<u>1,622,932</u>	<u>2,397,810</u>
Factory and equipment	1,834,644	1,958,997	Total retained earnings	<u>1,622,932</u>	<u>2,528,652</u>
Office equipment	107,331	108,883	Other stockholders' equity adjustments:		
Other equipment	<u>19,082</u>	<u>93,596</u>	Cumulative translation adjustments	1,651	10,872
	11,993,138	13,523,022	Unrealized gain (loss) on financial instruments	<u>35,501</u>	<u>(191,162)</u>
Less: accumulated depreciation	(4,715,274)	(3,463,980)	Total other stockholders' equity adjustments	<u>37,152</u>	<u>(180,290)</u>
Construction in progress	491,438	709,611	<b>Total stockholders' equity</b>	9,250,340	10,711,709
Prepayment for purchases of equipment	<u>2,235,955</u>	<u>445,481</u>			
<b>Net property, plant and equipment</b>	<u>10,005,257</u>	<u>11,214,134</u>			
<b>Intangible assets</b>	<u>126,374</u>	<u>104,137</u>			
<b>Other assets:</b>					
Refundable deposits	19,292	19,263			
Deferred expenses	47,258	-			
Restricted assets — noncurrent	23,163	23,327			
Deferred income tax assets — noncurrent	<u>165,812</u>	<u>138,878</u>			
<b>Total other assets</b>	<u>255,525</u>	<u>181,468</u>			
<b>Total Assets</b>	<b>\$ <u>17,504,986</u></b>	<b><u>19,509,989</u></b>	<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>17,504,986</u></b>	<b><u>19,509,989</u></b>

## WIN Semiconductors Corp.

### Statements of Operations

For the three months ended March 31, 2011 and 2012

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

	2011	2012
<b>Operating revenue</b>	\$ 1,810,190	2,482,594
Less: sales returns	(1,979)	(9,519)
sales discounts and allowances	<u>(1,500)</u>	<u>(1,226)</u>
<b>Net revenue</b>	1,806,711	2,471,849
<b>Cost of goods sold</b>	<u>(1,308,170)</u>	<u>(1,872,684)</u>
<b>Gross profit</b>	<u>498,541</u>	<u>599,165</u>
<b>Operating expenses</b>		
Marketing expenses	(16,810)	(24,022)
General and administrative expenses	(80,111)	(201,501)
Research and development expenses	<u>(97,942)</u>	<u>(149,563)</u>
<b>Operating income</b>	<u>(194,863)</u>	<u>(375,086)</u>
	<u>303,678</u>	<u>224,079</u>
<b>Non-operating income and gains:</b>		
Interest income	54	210
Investment gain recognized under equity method	16,719	-
Gain on disposal of investments, net	-	151,835
Gain on valuation of financial assets, net	14,740	168,613
Other income	<u>8,593</u>	<u>1,733</u>
	<u>40,106</u>	<u>322,391</u>
<b>Non-operating expenses and losses:</b>		
Interest expense	(12,285)	(22,640)
Investment loss recognized under equity method	-	(47,014)
Loss on disposal of property, plant and equipment	(7,705)	-
Exchange loss, net	(9,286)	(7,476)
Other loss	<u>-</u>	<u>(3,173)</u>
	<u>(29,276)</u>	<u>(80,303)</u>
<b>Income before income tax</b>	314,508	466,167
<b>Income tax expense</b>	<u>-</u>	<u>(11,258)</u>
<b>Net income</b>	<u>\$ 314,508</u>	<u>454,909</u>

	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
	<u>income tax</u>	<u>income tax</u>	<u>income tax</u>	<u>income tax</u>

**Earnings per common share (expressed in dollars):**

Basic earnings per share	\$ <u>0.51</u>	<u>0.51</u>	<u>0.72</u>	<u>0.70</u>
Diluted earnings per share	\$ <u>0.50</u>	<u>0.50</u>	<u>0.71</u>	<u>0.69</u>

WIN Semiconductors Corp.

Statements of Cash Flows

For the three months ended March 31, 2011 and 2012  
(Expressed in Thousands of New Taiwan Dollars)

	2011	2012
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	\$ 314,508	454,909
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	214,675	307,066
Amortization	37,943	13,811
Amortization of cost of long-term borrowings	864	1,028
Investment loss (gain) recognized under equity method	(16,719)	47,014
Compensation cost arising from employee stock options	18,628	185,893
Unrealized exchange loss on long-term borrowings	4,391	-
Loss on valuation of inventories and obsolescence	-	7,141
Deferred income tax benefit	(33,887)	(12,659)
Loss on disposal of property, plant and equipment	7,705	-
Gain on disposal of investments	-	(151,835)
<b>Change in operating assets:</b>		
Financial assets at fair value through profit or loss – current	(22,741)	(258,786)
Notes and accounts receivable	(67,246)	(64,684)
Accounts receivable – related parties	(186,182)	(101,649)
Other receivable – related parties	(73)	-
Other financial assets – current	(218,397)	(330,409)
Inventories	(343,647)	51,720
Other current assets	(112,619)	(150,735)
<b>Change in operating liabilities:</b>		
Accounts payable	298,919	449,900
Accrued expenses	18,472	(33,266)
Other current liabilities	(10,987)	5,929
Accrued pension liabilities	418	621
<b>Net cash provided by (used in) operating activities</b>	<u>(95,975)</u>	<u>421,009</u>
<b>Cash flows from investing activities:</b>		
Increase in available-for-sale financial assets – current	-	(146,276)
Payment for purchase of long-term investments under equity method	(123,764)	-
Proceeds from disposal of long-term investments under equity method	-	259,220
Payment for purchase of available-for-sale financial assets – noncurrent	-	(25,192)
Payment for purchase of property, plant and equipment	(1,384,721)	(262,350)
Proceeds from disposal of property, plant and equipment	2,557	-
Increase in deferred expenses	(17,235)	-
(Increase) decrease in refundable deposit	(1,085)	395
Increase in restricted assets – noncurrent	(35)	(43)
Payment for purchase of intangible assets	(7,463)	(4,473)
<b>Net cash used in investing activities</b>	<u>(1,531,746)</u>	<u>(178,719)</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(20,010)	-
Increase in long-term borrowings	2,367,000	230,000
Redemption of long-term borrowings	(538,740)	(383,333)
Exercise of employee stock options	34,220	844
<b>Net cash provided by financing activities</b>	<u>1,842,470</u>	<u>(152,489)</u>
<b>Net increase in cash and cash equivalents</b>	214,749	89,801
<b>Cash and cash equivalents at the beginning of year</b>	<u>333,508</u>	<u>761,868</u>
<b>Cash and cash equivalents at the end of year</b>	<u>\$ 548,257</u>	<u>851,669</u>
<b>Additional disclosure of cash flow information:</b>		
Income tax paid	<u>\$ 6</u>	<u>21</u>
Interest paid (excluding capitalized interest)	<u>\$ 11,408</u>	<u>22,845</u>
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Inventories reclassified to plant, property and equipment	<u>\$ 35,231</u>	<u>8,383</u>
Other current assets reclassified to intangible assets	<u>\$ -</u>	<u>114</u>
Unrealized gain (loss) on financial instruments	<u>\$ 6,198</u>	<u>33,564</u>
Translation adjustments	<u>\$ (392)</u>	<u>7,808</u>
Reclassification of current portion of long-term borrowings	<u>\$ 1,135,447</u>	<u>1,285,698</u>

WIN Semiconductors Corp.

Statements of Cash Flows (Continued)

For the three months ended March 31, 2011 and 2012  
(Expressed in Thousands of New Taiwan Dollars)

	2011	2012
<b>Purchase of property, plant and equipment</b>		
Increase in property, plant and equipment	\$ 1,508,200	246,166
Add: payable on equipment—beginning of year	93,625	210,620
Less: payable on equipment—end of year	<u>(217,104)</u>	<u>(194,436)</u>
Cash paid	<u>\$ 1,384,721</u>	<u>262,350</u>
<b>Disposal of property, plant and equipment</b>		
Disposal of property, plant and equipment	\$ 57	-
Add: other financial assets—current—beginning of year	<u>2,500</u>	<u>-</u>
Cash received	<u>\$ 2,557</u>	<u>-</u>
<b>Purchase of intangible assets</b>		
Increase in intangible assets	\$ 7,463	296
Add: accrued expenses—beginning of year	15,335	4,487
Less: accrued expenses—end of year	<u>(15,335)</u>	<u>(310)</u>
Cash paid	<u>\$ 7,463</u>	<u>4,473</u>