

WIN Semiconductors Corp.

Balance Sheets

September 30, 2010 and 2011

(Expressed in Thousands of New Taiwan Dollars)

	2010 (unaudited)	2011		2010 (unaudited)	2011
<b>Assets</b>			<b>Liabilities and Stockholders' Equity</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash and cash equivalents	\$ 444,686	713,723	Short-term borrowings	\$ 236,185	-
Financial assets at fair value through profit or loss – current	1,957,981	828,575	Accounts payable	1,180,045	1,524,049
Accounts receivable, net	275,858	330,431	Accrued expenses	490,299	596,119
Accounts receivable – related parties	412,158	355,282	Payable on equipment	114,192	131,440
Other receivable – related parties	-	499	Current portion of long-term borrowings	853,069	1,052,287
Other financial assets – current	94,917	308,987	Other current liabilities	<u>41,745</u>	<u>32,007</u>
Inventories	1,172,708	1,877,230	<b>Total current liabilities</b>	<u>2,915,535</u>	<u>3,335,902</u>
Other current assets	103,261	163,726	<b>Long-term liabilities:</b>		
Deferred income tax assets – current	<u>60,039</u>	<u>243,159</u>	Long-term borrowings	<u>2,862,920</u>	<u>5,686,623</u>
<b>Total current assets</b>	<u>4,521,608</u>	<u>4,821,612</u>	<b>Other liabilities:</b>		
<b>Funds and investments:</b>			Accrued pension liabilities	<u>2,241</u>	<u>3,238</u>
Available-for-sale financial assets – noncurrent	-	202,419	<b>Total liabilities</b>	<u>5,780,696</u>	<u>9,025,763</u>
Financial assets carried at cost – noncurrent	341,780	500,523	<b>Stockholders' equity:</b>		
Long-term investments under equity method	466,195	703,587	Common stock	<u>6,050,185</u>	<u>6,235,865</u>
Prepayment for long-term investment	150,000	-	Capital surplus	<u>1,330,430</u>	<u>1,426,218</u>
Investment in bonds with no active market – noncurrent	<u>344,783</u>	<u>344,783</u>	Retained earnings:		
<b>Total funds and investments</b>	<u>1,302,758</u>	<u>1,751,312</u>	Legal reserve	-	130,842
<b>Property, plant and equipment:</b>			Retained earnings	<u>1,022,585</u>	<u>1,324,477</u>
Cost:			Total retained earnings	<u>1,022,585</u>	<u>1,455,319</u>
Land	802,337	802,337	Other stockholders' equity adjustments:		
Buildings	721,851	721,851	Cumulative translation adjustments	7,271	2,203
Machinery and equipment	8,501,861	9,105,768	Unrealized gain (loss) on financial instruments	<u>17,607</u>	<u>(173,182)</u>
Factory and equipment	1,905,382	1,863,763	Total other stockholders' equity adjustments	<u>24,878</u>	<u>(170,979)</u>
Office equipment	76,916	111,209	<b>Total stockholders' equity</b>	8,428,078	8,946,423
Other equipment	<u>18,218</u>	<u>21,302</u>			
	12,026,565	12,626,230			
Less: accumulated depreciation	(4,899,872)	(5,139,551)			
Construction in progress	80,975	622,163			
Prepayment for purchases of equipment	<u>933,097</u>	<u>2,975,630</u>			
<b>Net property, plant and equipment</b>	<u>8,140,765</u>	<u>11,084,472</u>			
<b>Other assets:</b>					
Refundable deposits	18,163	19,750			
Deferred expenses	154,535	213,906			
Restricted assets – noncurrent	23,097	23,241			
Deferred income tax assets – noncurrent	<u>47,848</u>	<u>57,893</u>			
<b>Total other assets</b>	<u>243,643</u>	<u>314,790</u>			
<b>Total Assets</b>	<b>\$ <u>14,208,774</u></b>	<b><u>17,972,186</u></b>	<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>14,208,774</u></b>	<b><u>17,972,186</u></b>

# WIN Semiconductors Corp.

## Statements of Operations

For the nine months ended September 30, 2010 and 2011

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

	2010 (unaudited)	2011		Before income tax	After income tax	Before income tax	After income tax
<b>Operating revenue</b>	\$ 5,239,894	6,283,894					
Less: sales returns	(12,513)	(8,647)					
sales discounts and allowances	<u>(58,924)</u>	<u>(15,888)</u>					
<b>Net revenue</b>	5,168,457	6,259,359					
<b>Cost of goods sold</b>	<u>(3,652,935)</u>	<u>(4,362,802)</u>					
<b>Gross profit</b>	<u>1,515,522</u>	<u>1,896,557</u>					
<b>Operating expenses</b>							
Marketing expenses	(56,059)	(58,337)					
General and administrative expenses	(228,579)	(248,506)					
Research and development expenses	<u>(279,935)</u>	<u>(309,527)</u>					
<b>Operating income</b>	<u>950,949</u>	<u>1,280,187</u>					
<b>Non-operating income and gains:</b>							
Interest income	211	354					
Investment gain recognized under equity method	3,135	4,525					
Gain on disposal of investments, net	385,877	265					
Dividend income	10,078	76,234					
Gain on valuation of financial assets, net	135,495	-					
Other income	<u>12,896</u>	<u>141,903</u>					
	<u>547,692</u>	<u>223,281</u>					
<b>Non-operating expenses and losses:</b>							
Interest expense	(30,237)	(41,822)					
Loss on disposal of property, plant and equipment	-	(14,688)					
Exchange loss, net	(12,319)	(13,073)					
Impairment loss	(26,060)	-					
Loss on valuation of financial assets, net	<u>-</u>	<u>(773,107)</u>					
	<u>(68,616)</u>	<u>(842,690)</u>					
<b>Income before income tax</b>	1,430,025	660,778					
<b>Income tax expense</b>	<u>(6,580)</u>	<u>(592)</u>					
<b>Net income</b>	<u>\$ 1,423,445</u>	<u>660,186</u>					
<b>Earnings per common share (expressed in dollars):</b>							
Basic earnings per share	\$ <u>2.39</u>	<u>2.37</u>		<u>1.06</u>	<u>1.06</u>		
Diluted earnings per share	\$ <u>2.34</u>	<u>2.33</u>		<u>1.05</u>	<u>1.05</u>		

WIN Semiconductors Corp.

Statements of Cash Flows

For the nine months ended September 30, 2010 and 2011  
(Expressed in Thousands of New Taiwan Dollars)

	2010 (unaudited)	2011
<b>Cash flows from operating activities:</b>		
<b>Net income</b>	\$ 1,423,445	660,186
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	590,803	648,758
Amortization	132,477	116,788
Amortization of cost of long-term borrowings	1,680	2,920
Investment gain recognized under equity method	(3,135)	(4,525)
Compensation cost arising from employee stock options	50,974	66,298
Unrealized exchange loss (gain) on long-term borrowings	(6,507)	26,563
Deferred income tax benefit	(109,376)	(150,766)
Loss on valuation of inventories and obsolescence	11,974	4,477
Loss on disposal of property, plant and equipment	-	14,688
Gain on disposal of investments	(385,877)	(265)
Impairment loss on financial assets carried at cost – noncurrent	26,060	-
<b>Change in operating assets:</b>		
Financial assets at fair value through profit or loss – current	(77,494)	773,372
Accounts receivable	(34,168)	(117,033)
Accounts receivable – related parties	(34,535)	(73,291)
Other receivable – related parties	10	15
Other financial assets – current	(57,530)	(219,085)
Inventories	(214,215)	(565,369)
Other current assets	(60,896)	(62,895)
<b>Change in operating liabilities:</b>		
Accounts payable	311,059	652,570
Accrued expenses	296,150	11,483
Other current liabilities	27,356	(10,869)
Accrued pension liabilities	303	771
<b>Net cash provided by operating activities</b>	<u>1,888,558</u>	<u>1,774,791</u>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of available-for-sale financial assets	1,115	-
Payment for purchase of investment in bonds with no active market	(344,783)	-
Payment for purchase of long-term investment under equity method	-	(123,764)
Payment for purchase of financial assets carried at cost	(231,440)	-
Payment for purchase of property, plant and equipment	(1,542,498)	(2,972,782)
Proceeds from disposal of property, plant and equipment	-	2,607
Increase in deferred expenses	(136,230)	(139,549)
Increase in prepayment for long-term investment	(150,000)	-
(Increase) decrease in refundable deposit	1,590	(1,543)
Increase in restricted assets	(73)	(113)
<b>Net cash used in investing activities</b>	<u>(2,402,319)</u>	<u>(3,235,144)</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	9,983	(365,365)
Increase in long-term borrowings	798,099	4,017,000
Redemption of long-term borrowings	(357,972)	(1,357,966)
Payment of cash dividends	-	(513,291)
Exercise of employee stock options	70,490	60,190
<b>Net cash provided by financing activities</b>	<u>520,600</u>	<u>1,840,568</u>
<b>Net increase in cash and cash equivalents</b>	6,839	380,215
<b>Cash and cash equivalents at the beginning of year</b>	437,847	333,508
<b>Cash and cash equivalents at the end of year</b>	<u>\$ 444,686</u>	<u>713,723</u>
<b>Additional disclosure of cash flow information:</b>		
Income tax paid	<u>\$ 3,611</u>	<u>151,331</u>
Interest paid (excluding capitalized interest)	<u>\$ 29,953</u>	<u>40,751</u>
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Unrealized gain (loss) on financial instruments	<u>\$ 9,942</u>	<u>(202,485)</u>
Translation adjustments	<u>\$ 1,995</u>	<u>160</u>
Reclassification of current portion of long-term borrowings	<u>\$ 853,069</u>	<u>1,052,287</u>
<b>Purchase of property, plant and equipment</b>		
Increase in property, plant and equipment	\$ 1,552,267	3,010,597
Add: payable on equipment – beginning of year	104,423	93,625
Less: payable on equipment – end of year	(114,192)	(131,440)
Cash paid	<u>\$ 1,542,498</u>	<u>2,972,782</u>
<b>Disposal of property, plant and equipment</b>		
Disposal of property, plant and equipment	\$ -	107
Add: other financial assets – current – beginning of year	-	2,500
Cash received	<u>\$ -</u>	<u>2,607</u>