

WIN Semiconductors Corp.

Balance Sheets

March 31, 2010 and 2011

(Expressed in Thousands of New Taiwan Dollars)

	2010 (unaudited)	2011		2010 (unaudited)	2011
Assets			Liabilities and Stockholders' Equity		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 377,501	548,257	Short-term borrowings	\$ 335,549	345,355
Financial assets at fair value through profit or loss — current	425,934	1,624,423	Notes and accounts payable	1,013,903	1,170,398
Notes and accounts receivable, net	264,629	280,644	Accrued expenses	217,099	603,108
Account receivable — related parties	444,461	468,173	Current portion of long-term borrowings	748,004	1,135,447
Other receivables — related parties	-	587	Other current liabilities	<u>255,358</u>	<u>248,993</u>
Other financial assets — current	106,920	308,299	Total current liabilities	<u>2,569,913</u>	<u>3,503,301</u>
Inventories	1,048,764	1,677,806	Long-term liabilities:		
Deferred income tax assets — current	-	18,474	Long-term borrowings	<u>2,760,607</u>	<u>4,748,460</u>
Other current assets	<u>188,077</u>	<u>217,831</u>	Other liabilities:		
Total current assets	<u>2,856,286</u>	<u>5,144,494</u>	Accrued pension liabilities	1,723	2,885
Funds and investments:			Deferred income tax liabilities — noncurrent	<u>1,319</u>	<u>-</u>
Available-for-sale financial assets — noncurrent	683	-	Total other liabilities	<u>3,042</u>	<u>2,885</u>
Financial assets carried at cost — noncurrent	1,070,182	916,746	Total liabilities	<u>5,333,562</u>	<u>8,254,646</u>
Long-term investments under equity method	452,658	711,807	Stockholders' equity:		
Prepayment for long-term investment	360,002	-	Common stock	<u>5,982,935</u>	<u>6,209,895</u>
Investment in bonds with no active market — noncurrent	<u>-</u>	<u>344,783</u>	Capital surplus:		
Total funds and investments	<u>1,883,525</u>	<u>1,973,336</u>	Capital surplus — additional paid-in capital	1,250,000	1,286,326
Property, plant and equipment:			Capital surplus — long-term equity investments	17,165	31,237
Cost:			Capital surplus — employee stock options	<u>19,179</u>	<u>62,798</u>
Land	597,708	802,337	Total capital surplus	<u>1,286,344</u>	<u>1,380,361</u>
Buildings	525,254	721,851	Retained earnings	<u>(251,713)</u>	<u>1,622,932</u>
Machinery and equipment	8,007,898	8,507,893	Other stockholders' equity adjustments:		
Factory and equipment	1,879,017	1,834,644	Cumulative translation adjustments	5,600	1,651
Office equipment	68,750	107,331	Unrealized gain (loss) on financial instruments	<u>13,440</u>	<u>35,501</u>
Other equipment	<u>17,274</u>	<u>19,082</u>	Total other stockholders' equity adjustments	<u>19,040</u>	<u>37,152</u>
	11,095,901	11,993,138	Total stockholders' equity	7,036,606	9,250,340
Less: accumulated depreciation	(4,490,605)	(4,715,274)			
Construction in progress	20,891	491,438			
Prepayment for purchases of equipment	<u>819,361</u>	<u>2,235,955</u>			
Net property, plant and equipment	<u>7,445,548</u>	<u>10,005,257</u>			
Other assets:					
Refundable deposits	18,668	19,292			
Deferred expense	143,093	173,632			
Restricted assets — noncurrent	23,048	23,163			
Deferred income tax assets — noncurrent	<u>-</u>	<u>165,812</u>			
Total other assets	<u>184,809</u>	<u>381,899</u>			
Total Assets	\$ <u>12,370,168</u>	<u>17,504,986</u>	Total Liabilities and Stockholders' Equity	\$ <u>12,370,168</u>	<u>17,504,986</u>

WIN Semiconductors Corp.

Statements of Operations

For the three months ended March 31, 2010 and 2011

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

	2010	2011	
	(unaudited)		
Operating revenue	\$ 1,332,023	1,810,190	
Less: sales returns	(1,899)	(1,979)	
sales discounts and allowances	<u>(2,852)</u>	<u>(1,500)</u>	
Net revenue	1,327,272	1,806,711	
Cost of goods sold	<u>(1,019,336)</u>	<u>(1,311,422)</u>	
Gross profit	<u>307,936</u>	<u>495,289</u>	
 Operating expenses			
Marketing expenses	(16,036)	(16,810)	
General and administrative expenses	(65,051)	(80,111)	
Research and development expenses	<u>(75,959)</u>	<u>(97,942)</u>	
Operating income	<u>(157,046)</u>	<u>(194,863)</u>	
	<u>150,890</u>	<u>300,426</u>	
 Non-operating income and gains:			
Interest income	57	54	
Investment gain recognized under equity method	-	16,719	
Gain on disposal of investments, net	243	-	
Exchange gain, net	8,883	-	
Gain on valuation of financial assets, net	394	14,740	
Other income	<u>2,963</u>	<u>11,845</u>	
	<u>12,540</u>	<u>43,358</u>	
 Non-operating expenses and losses:			
Interest expense	(8,743)	(12,285)	
Investment loss recognized under equity method	(4,214)	-	
Loss on disposal of property, plant and equipment	-	(7,705)	
Exchange loss, net	<u>-</u>	<u>(9,286)</u>	
	<u>(12,957)</u>	<u>(29,276)</u>	
Income before income tax	150,473	314,508	
Income tax expense	<u>(1,327)</u>	<u>-</u>	
Net income	<u>\$ 149,146</u>	<u>314,508</u>	
	Before	After	Before
	income tax	income tax	income tax
 Earnings per common share (expressed in dollars):			
Basic earnings per share	\$ <u>0.25</u>	<u>0.25</u>	<u>0.51</u>
Diluted earnings per share	\$ <u>0.25</u>	<u>0.25</u>	<u>0.50</u>

WIN Semiconductors Corp.

Statements of Cash Flows

For the three months ended March 31, 2010 and 2011
(Expressed in Thousands of New Taiwan Dollars)

	2010 (unaudited)	2011
Cash flows from operating activities:		
Net income	\$ 149,146	314,508
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	181,536	214,675
Amortization	37,779	37,943
Amortization of cost of long-term borrowings	610	864
Investment loss (gain) recognized under equity method	4,214	(16,719)
Compensation cost arising from employee stock options	6,888	18,628
Unrealized exchange loss (gain) on long-term borrowings	(1,755)	4,391
Deferred income tax benefit	-	(33,887)
Loss on disposal of property, plant and equipment	-	7,705
Gain on disposal of investments	(243)	-
Change in operating assets:		
Financial assets at fair value through profit or loss — current	135,749	(22,741)
Notes and accounts receivable	(22,939)	(67,246)
Accounts receivable — related parties	(66,838)	(186,182)
Other receivable — related parties	10	(73)
Other financial assets — current	(69,533)	(218,397)
Inventories	(78,297)	(343,647)
Other current assets	(144,587)	(112,619)
Change in operating liabilities:		
Notes and accounts payable	144,917	298,919
Accrued expenses	22,950	18,472
Other current liabilities	32,973	(10,987)
Accrued pension liabilities	(215)	418
Net cash provided by (used in) operating activities	<u>332,365</u>	<u>(95,975)</u>
Cash flows from investing activities:		
Payment for purchase of long-term investments under equity method	-	(123,764)
Increase in prepayment for long-term investment	(360,002)	-
Payment for purchase of property, plant and equipment	(344,210)	(1,384,721)
Proceeds from disposal of property, plant and equipment	-	2,557
Increase in deferred expenses	(31,214)	(24,698)
(Increase) decrease in refundable deposit	1,085	(1,085)
Increase in restricted assets — noncurrent	(24)	(35)
Net cash used in investing activities	<u>(734,365)</u>	<u>(1,531,746)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	109,347	(20,010)
Increase in long-term borrowings	271,924	2,367,000
Redemption of long-term borrowings	(42,857)	(538,740)
Exercise of employee stock options	3,240	34,220
Net cash provided by financing activities	<u>341,654</u>	<u>1,842,470</u>
Net increase in cash and cash equivalents	(60,346)	214,749
Cash and cash equivalents at the beginning of year	437,847	333,508
Cash and cash equivalents at the end of year	<u>\$ 377,501</u>	<u>548,257</u>
Additional disclosure of cash flow information:		
Income tax paid	<u>\$ 6</u>	<u>6</u>
Interest paid (excluding capitalized interest)	<u>\$ 8,341</u>	<u>11,408</u>
Supplemental schedule of non-cash investing and financing activities:		
Unrealized gain (loss) on financial instruments	<u>\$ 5,775</u>	<u>6,198</u>
Translation adjustments	<u>\$ 324</u>	<u>(392)</u>
Reclassification of current portion of long-term borrowings	<u>\$ 748,004</u>	<u>1,135,447</u>
Purchase of property, plant and equipment		
Increase in property, plant and equipment	\$ 447,783	1,508,200
Add: payable on equipment — beginning of year	104,423	93,625
Less: payable on equipment — end of year	(207,996)	(217,104)
Cash paid	<u>\$ 344,210</u>	<u>1,384,721</u>
Disposal of property, plant and equipment		
Disposal of property, plant and equipment	\$ -	57
Add: other financial assets — current — beginning of year	-	2,500
Cash received	<u>\$ -</u>	<u>2,557</u>