Stock Code: 3105

WIN Semiconductors Corp.

Handbook of the 2014 Annual General Shareholders' Meeting

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Time: 9:00 a.m., June 20, Friday, 2014

Place: 2F, No. 68, Wuner 1st St., Gueishan Township, Taoyuan County, Taiwan, R.O.C. (Fullon Hotel Linkou)

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I. MEETING PROCEDURE

WIN Semiconductors Corp.
Procedure for the 2014 Annual General Shareholders' Meeting

Call the Meeting to Order

Chairperson Remarks

Report Items

Proposed Items

Discussion Items

Voting for Proposed Items and Discussion Items

Special Motions

Adjournment

II. MEETING AGENDA

WIN Semiconductors Corp.
Agenda of the 2014 Annual General Shareholders' Meeting

Time: 9:00 a.m., June 20, Friday, 2014

Place: 2F, No. 68, Wuner 1st St., Gueishan Township, Taoyuan County, Taiwan, R.O.C. (Fullon Hotel Linkou)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

1. 2013 business report
2. 2013 supervisors' report
3. Share buyback execution report
4. Certificate of Corporate Governance System CG6008 General Assessment
5. Other report item

IV. Proposed Items

1. Adoption of the 2013 business report and financial statements
2. Adoption of the proposal for distribution of 2013 profits

V. Discussion Items

1. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets"
2. Amendment to the Company's "Rules and Procedures of Shareholders' Meeting"

Voting for Proposed Items and Discussion Items.

VI. Special Motions

VII. Adjournment

REPORT ITEMS

Report 1: 2013 business report
See Attachment I (page 7-10).

Report 2: 2013 supervisors' report
See Attachment II (page 11).

Report 3: Share buyback execution report
The Board of Directors resolved to repurchase its common stocks for the cancellation of shares on October 3, 2013. The execution is reported as followings:

Number of Batches	1st Batch
Purpose of redemption	Preserving company good will and shareholders' equity
Timeframe of redemption	2013/10/04~2013/12/03
Price range	NT$26 to NT$40 per share
Type and number of shares redeemed	Common stock 20,000,000 shares
Total monetary amount of redeemed shares	NT$ 515,315,595
Shares cancelled	Common stock 20,000,000 shares
Accumulated number of shares held by the Company	0
Percentage of total shares held by the Company (%)	0%

Report 4: Certificate of Corporate Governance System CG6008 General Assessment
The Company passed “Corporate Governance System CG6008 General Assessment” conducted by Taiwan Corporate Governance Association (TCGA) and get the CG6008 (General) certificate in September 2013.

Report 5: Other report items

PROPOSED ITEMS

1. **Proposed by the Board**

Proposal:

Adoption of the 2013 business report and financial statements.

Explanation:

(1) The Company's Financial Statements, including the balance sheets, statements of comprehensive income, statement of changes in equity, and statements of cash flows, were audited by independent auditors, Fion Chen and Mei-Yen Chen of KPMG. Also the Business Report and Financial Statements have been approved by the Board on March 07, 2014 and have been examined by the supervisors of the Company.

(2) The 2013 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached hereto as Attachments I (page 7-10), III and IV. (page 12-22).

2. **Proposed by the Board**

Proposal:

Adoption of the proposal for distribution of 2013 profits.

Explanation:

(1) The Board has adopted a proposal for distribution of 2013 profits. The 2013 profit allocation proposal is attached hereto as Attachment V (page 23).

(2) The proposed dividend to shareholders is cash dividend of NT$1.5 per common share. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman of the Board be authorized to resolve the ex-dividend date. The total amount of common shares outstanding may change and the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly should WIN subsequently redeem its common shares or issue new common shares to its employees as a result of their exercise of stock options. It is proposed that the Chairman of the Board of Directors of WIN be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

DISCUSSION ITEMS

1. Proposed by the Board

Proposal:

Amendment to the Company's "Procedures for Acquisition or Disposal of Assets".

Explanation:

(1) The Financial Supervisory Commission amended its "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" on Dec. 30, 2013. Therefore, WIN's "Procedures for Acquisition or Disposal of Assets" should be amended to reflect the regulatory changes and operation need of the Company.

(2) The proposed amendments to the "Procedures for Acquisition or Disposal of Assets" is attached hereto as Attachment VI (page 24-35).

2. Proposed by the Board

Proposal:

Amendment to the Company's "Rules and Procedures of Shareholders' Meeting"

Explanation:

(1) WIN's "Rules and Procedures of Shareholders' Meeting" should be amended to reflect the related regulations and operation need of the Company.

(2) The proposed amendments to the "Rules and Procedures of Shareholders' Meeting" is attached hereto as Attachment VII (page 36).

VOTING FOR PROPOSED ITEMS AND DISCUSSION ITEMS.

SPECIAL MOTIONS

ADJOURNMENT

III. ATTACHMENT

ATTACHMENT I: 2013 BUSINESS REPORT

In 2013 the global economy continued moving away from the shadows of the financial crisis, however, the recovery remained somewhat slow and GDP has nearly returned to pre-crisis levels in developed countries such as the U.S., Japan and the Eurozone. Amidst continued accommodative monetary policy by many of the world's central banks, the U.S. Federal Reserve Board announced in mid 2013 a reduction in monthly bond purchases, known as Quantitative Easing, with the goal of exiting QE by the end of 2014. This policy shift sparked a rapid movement of global capital away from emerging market equities and bonds, leading to increased price volatility in commodity sectors such as oil and gold. This rapid movement of capital also impacted foreign exchange rates and capital markets in those regions. With these changes in central bank policy and the continued evolution of technology, global enterprises, including WIN, were faced with ever-greater challenges and business risks.

WIN has grown very fast over the past few years by enabling the proliferation and growth of 3G services and the increased popularity of high-end smartphones. For 2013 onwards, competition and market challenges were more severe than ever due to high-end smartphone saturation in developed countries and delayed deployment of 4G LTE services in many parts of the world. Fortunately, WIN can rely on its considerable technology advantages, manufacturing scale and close customer relation-ships to continually provide our markets with more cost-effective and value-added products, particularly in the high-frequency non-handset segment, to maintain our long-term competitiveness.

2013 operating results and 2014 outlook are reported as follows:

A. Operating Performance in 2013

1. Operating Performance

The Company's 2013 non-consolidated revenues totaled NT$10,340,949 thousand, representing a decrease of 6.55% compared to the year 2012. 2013 net income was NT$ 1,811,510 thousand, representing an increase of 16.55% compared to the prior year, and EPS for 2013 was NT$2.40.

2. Analysis of Receipts, Expenditures, and Profitability

Unit: NT$ thousands; %

Items			2013	2012
Interest Income & Interest Expense	Interest Income		16,789	4,570
	Interest Expense		80,678	102,946
Profitability	Return on Total Assets (%)		8.41	7.74
	Return on Stockholders' Equity (%)		12.39	12.67
	Ratio to Issued Capital (%)	Operating Income	27.68	31.75
		Pre-tax Income	29.93	24.36
	Profit Ratio (%)		17.52	14.04
	Earnings per Share ($)		2.40	2.31

3. Budget Implementation

The Company is not required to make public its 2013 financial forecast information; however, the Board of Directors approved the budget plan and the overall operating plan is in good condition.

4. Research and Development Status

Since its inception, WIN has been at the forefront of GaAs manufacturing for RF, microwave and millimeter wave applications, providing our customers with monolithic microwave integrated circuit (MMIC) foundry services based on heterojunction bipolar transistor (HBT) and pseudomorphic high electron mobility transistor (pHEMT) processes. WIN's technology portfolio covers operating frequencies ranging from 0.1 to 100 GHz meeting the needs of virtually all wireless, optical and defense market segments, and provides a competitive advantage among our peers. For example, WIN's BiHEMT technology integrates both an HBT power amplifier and a pHEMT switch into one chip allowing the realization of both functionalities in one single piece of GaAs. The benefits of integrating the power amplifier and RF switch on a single chip not only reduces packaging costs but also improves product performance by eliminating the external connections required by separate functional modules. Addition-ally, BiHEMT can significantly enhance the our customers' ability to achieve competitive and highly differentiated RF products by integrating power amplifiers, low noise amplifiers, logic control and power switching in one single chip. Another example of WIN's technological breadth is our GaN HEMT platform, which has been developed to provide an excellent solution for high power base station applications, particularly in the fast-growing 4G LTE market.

Finally, WIN's copper back-metal process provides a low-cost alternative to the baseline gold process while providing the same product performance. This approach combined with WIN's unique backside process provides excellent thermal dissipation and design flexibility, and is especially important for high frequency, high performance components. In addition to use as a wafer backside metal, copper has also been employed to form bond-pad bump structures that are required for advanced flip chip assembly, which drastically reduces chip size and mitigates undesired parasitic effects at high frequency when compared to traditional wire bond assembly techniques. The reduction in die size achievable through the use of copper pillar bumps results in significant product cost advantages and provides our customers with a competitive advantage. These are just a few of the many R&D areas where WIN continues to invest for our long-term competitiveness.

B. Business Plan in 2014

Rapidly changing consumer preferences for handheld devices creates a fast evolving situation for the related supply chains, with intense competition amongst industry players and more challenging customer delivery schedules with diminished lead times. The key for survival is to keep abreast of market trends, customer needs and industry cycles, and continued diversification of our technologies, applications and markets. Through these actions WIN can maintain the role of market leader for many years.

The company's core operating principle is to adhere to industry trends and provide our global wireless communications customers with complete GaAs foundry solutions. The company sets the pursuit of excellence along with social responsibility as our mission. WIN adheres to the core values of integrity, accountability, a forward-looking perspective and innovation. To maintain and expand our market position, the company will continue to devote more resources to drive technology innovation, quality improvement, and manufacturing cost reduction. This intense focus provides significant added value for our customers, creating a differentiation in service instead of just price competition and maintains flexibility in operations. Concurrently, with the pursuit of revenue growth and production volume, WIN is tuning our business strategy with market trends to sustain the position of market leader.

C. Development Strategy

The global tech industry has been shifting focus away from PC and notebook related markets to mobile computing devices. Driving this shift is consumers' preference for slim mobile devices with fast connections accessing data-rich content and the ability to be connected anytime and anywhere. To reliably provide this user experience, future handheld device will come equipped with more computational power and seamless access to very high data rate wireless connections. These devices can be used to watch movies, search the Internet, and share or download cloud-based content from any location, without interruption or an unsatisfactory user experience due to insufficient bandwidth or low connection speed. A key element enabling constant access to these data intensive services is reliable RF technologies and components, especially those using GaAs, which provide wireless connectivity to the mobile device. Without these components this level of mobile access and user satisfaction will become impossible.

WIN's business strategy is to provide complete product solutions by offering access to leading edge GaAs technology and foundry services to meet customer demand. WIN has penetrated the handset market through strong partnerships with its customers. WIN is also very active in the "Blue Ocean Market" for non-handset products through its unique pHEMT and GaN technologies used in millimeter-wave and high power applications such as wireless base stations, fiber optic networks and satellite communications. Our expanding presence in these markets not only widens the performance gap with silicon-based solutions but also provides for higher margin and reduced operational volatility. In the long term, WIN is closely monitoring the evolution of new product applications, especially Internet of Things and 5G to be well-prepared for the next round of growth opportunities.

D. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

As market competition increases, the external economic environment rapidly changes. Although the overall economy appears to have stabilized, the business environment has not significantly improved. Therefore, WIN has to maintain its flexibility, under the laws and in line with the norms, continually innovating our technology and business model. No matter what the external changes are, WIN will maintain its footing in Taiwan with a global vision, and constantly challenge our employees to maintain long-term competitiveness.

Sincerely yours,

Dennis Chen	*Yu-Chi Wang*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*

WIN Semiconductors Corp.

ATTACHMENT II: 2013 SUPERVISORS' REPORT

2013 SUPERVISORS' REPORT

The Board of Directors has prepared and submitted to us the Company's 2013 Business Report, Parent-company-only Financial Statements, Consolidated Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audited WIN's Parent-company-only Financial Statements and Consolidated Financial Statements and has issued an audit report relating to the Parent-company-only Financial Statements and Consolidated Financial Statements. The Business Report, Parent-company-only Financial Statements, Consolidated Financial Statements, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by us, supervisors of WIN Semiconductors Corp. According to article 219 of the Company Law, we hereby submit this report.

WIN Semiconductors Corp.
Supervisors

Mei-Lan Wang

Cheng-Li Huang

International Fiber Technology Co, Ltd.
Representative: Shih-Chuan Hsieh

March 07, 2014

ATTACHMENT III: INDEPENDENT AUDITORS' REPORT AND 2013 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors
WIN Semiconductors Corp.

We have audited the accompanying balance sheets of WIN Semiconductors Corp. (the "Company") as of December 31, 2013 and 2012, and January 1, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the parent-company-only financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the parent-company-only financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the parent-company-only financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and January 1, 2012, and the results of their operations and their cash flows for the years then ended, in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

Taipei, Taiwan (the Republic of China)
March 7, 2014

Note to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers". The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.
The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

WIN Semiconductors Corp.

Balance Sheets

December 31, 2013 and 2012, and January 1, 2012
(Expressed in Thousands of New Taiwan Dollars)

	2013.12.31	2012.12.31	2012.1.1
Assets			
Current assets：			
Cash and cash equivalents	$ 1,883,857	2,845,717	761,868
Current financial assets at fair value through profit or loss	1,162,001	1,501,172	1,623,860
Current available-for-sale financial assets	584,716	512,068	-
Notes and accounts receivable, net	323,228	466,496	237,887
Accounts receivable due from related parties, net	99,041	536,618	280,103
Inventories	1,126,775	2,101,205	1,893,835
Other current assets	197,751	353,805	255,825
Total current assets	5,377,369	8,317,081	5,053,378
Non-current assets：			
Non-current available-for-sale financial assets	370,928	422,345	648,182
Non-current bond investment without active market	190,000	534,783	344,783
Investments accounted for using equity method	804,304	637,386	836,288
Property, plant and equipment	12,636,187	11,617,640	9,594,108
Investment property	1,096,479	-	-
Intangible assets	64,248	82,708	117,652
Deferred tax assets	132,425	318,162	471,134
Prepayments for business facilities	384,446	1,610,700	1,672,429
Other non-current assets	43,257	42,867	42,942
Total non-current assets	15,722,274	15,266,591	13,727,518
Total assets	**$ 21,099,643**	**23,583,672**	**18,780,896**

	2013.12.31	2012.12.31	2012.1.1
Liabilities and Equity			
Current liabilities：			
Current financial liabilities at fair value through profit or loss	$ -	417	-
Accounts payable	635,119	1,121,867	1,090,011
Other payables	1,017,419	759,834	931,048
Long-term liabilities, current portion	545,444	1,650,185	1,007,672
Other current liabilities	117,605	76,090	52,940
Total current liabilities	2,315,587	3,608,393	3,081,671
Non-current liabilities：			
Long-term borrowings	3,721,466	5,558,677	5,483,622
Deferred tax liabilities	20,642	12,815	14,740
Other non-current liabilities	150,371	50,239	21,577
Total non-current liabilities	3,892,479	5,621,731	5,519,939
Total liabilities	6,208,066	9,230,124	8,601,610
Equity：			
Ordinary share	7,392,754	7,541,877	6,485,930
Capital surplus	3,728,358	3,763,045	1,707,122
Retained earnings	3,671,483	3,202,764	2,223,056
Other equity interest	98,982	(154,138)	(236,822)
Total equity	14,891,577	14,353,548	10,179,286
Total liabilities and equity	**$ 21,099,643**	**23,583,672**	**18,780,896**

WIN Semiconductors Corp.

Statements of Comprehensive Income

For the years ended December 31, 2013 and 2012

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

		2013	2012
Operating revenue	$	10,340,949	11,066,244
Operating costs		(7,249,118)	(7,602,018)
Gross profit from operations		3,091,831	3,464,226
Operating expenses：			
Selling expenses		(74,671)	(78,824)
Administrative expenses		(475,323)	(459,843)
Research and development expenses		(495,281)	(531,233)
Total operating expenses		(1,045,275)	(1,069,900)
Net operating income		2,046,556	2,394,326
Non-operating income and expenses：			
Other income		81,888	36,692
Other gains and losses		276,928	(434,319)
Finance costs		(80,678)	(102,946)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		(112,323)	(56,761)
Total non-operating income and expenses		165,815	(557,334)
Profit before tax		2,212,371	1,836,992
Total tax expense		(400,861)	(282,739)
Profit		1,811,510	1,554,253
Other comprehensive income (loss):			
Other comprehensive income, before tax, available-for-sale financial assets		196,273	88,779
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		11,768	(8,894)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method		55,751	(5,840)
Income tax benefit (expense) related to components of other comprehensive income		(904)	1,257
Other comprehensive income, net		262,888	75,302
Comprehensive income	$	2,074,398	1,629,555
Earnings per common share (expressed in dollars)			
Basic earnings per share	$	2.40	2.31
Diluted earnings per share	$	2.37	2.27

WIN Semiconductors Corp.

Statements of Changes in Equity

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Legal reserve	Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Other equity interest: Exchange differences on translation of foreign financial statements	Other equity interest: Unrealized gains (losses) on available-for-sale financial assets	Other equity interest: Total	Total equity
Balance on January 1, 2012	$ 6,485,930	1,707,122	130,842	-	2,092,214	2,223,056	(14,111)	(222,711)	(236,822)	10,179,286
Appropriation of 2011 earnings approved by stockholders during their meeting in 2012 (note 1)										
Legal reserve	-	-	127,861	-	(127,861)	-	-	-	-	-
Special reserve	-	-	-	221,662	(221,662)	-	-	-	-	-
Cash dividends	-	-	-	-	(518,874)	(518,874)	-	-	-	(518,874)
	-	-	127,861	221,662	(868,397)	(518,874)	-	-	-	(518,874)
Net income for the year ended December 31, 2012	-	-	-	-	1,554,253	1,554,253	-	-	-	1,554,253
Other comprehensive income for the year ended December 31, 2012	-	-	-	-	(7,382)	(7,382)	(10,630)	93,314	82,684	75,302
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	1,546,871	1,546,871	(10,630)	93,314	82,684	1,629,555
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	3,508	-	-	(48,289)	(48,289)	-	-	-	(44,781)
Disposal of investments accounted for using equity method	-	(28,445)	-	-	-	-	-	-	-	(28,445)
Exercise of employee stock options	55,947	(539)	-	-	-	-	-	-	-	55,408
Compensation cost arising from employee stock options	-	63,460	-	-	-	-	-	-	-	63,460
Issue of shares	1,000,000	2,017,939	-	-	-	-	-	-	-	3,017,939
Balance on December 31, 2012	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
Appropriation of 2012 earnings approved by stockholders during their meeting in 2013 (note 2)										
Legal reserve	-	-	164,753	-	(164,753)	-	-	-	-	-
Cash dividends	-	-	-	-	(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)
Net income for the year ended December 31, 2013	-	-	-	-	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
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
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	15,499	-	-	-	-	-	-	-	15,499
Exercise of employee stock options	50,877	45,040	-	-	-	-	-	-	-	95,917
Compensation cost arising from employee stock options	-	3,775	-	-	-	-	-	-	-	3,775
Retirement of treasury shares	(200,000)	(99,001)	-	-	(216,314)	(216,314)	-	-	-	(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

Note 1: The appropriations for 2011 employee’s bonus, directors’ and supervisors’ remuneration amounting to NT$92,900 and NT$27,800, respectively, were recognized and accrued in the 2011 earnings.

Note 2: The appropriations for 2012 employee’s bonus, directors’ and supervisors’ remuneration amounting to NT$167,000 and NT$50,100, respectively, were recognized and accrued in the 2012 earnings.

WIN Semiconductors Corp.

Statements of Cash Flows

For the years ended December 31, 2013 and 2012
(Expressed in Thousands of New Taiwan Dollars)

		2013	2012
Cash flows from (used in) operating activities：			
Profit before tax	$	2,212,371	1,836,992
Adjustments：			
Adjustments to reconcile profit (loss)：			
Depreciation expense		1,783,765	1,256,723
Amortization expense		38,142	50,206
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(409,837)	185,788
Interest expense		80,678	102,946
Interest income		(16,789)	(4,570)
Dividend income		(33,371)	(28,275)
Share-based payments		3,775	63,460
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		112,323	56,761
Gain on disposal of property, plant and equipment		(306,531)	(210)
Insurance claim on damaged and donated property, plant and equipment		20,691	54,610
Loss on disposal of investments		398,190	68,081
Impairment loss on financial assets		-	155,550
Total adjustments to reconcile profit		1,671,036	1,961,070
Changes in operating assets and liabilities：			
Changes in operating assets：			
Notes and accounts receivable, net		143,268	(228,609)
Accounts receivable due from related parties, net		437,577	(256,515)
Inventories		953,617	(276,682)
Other current assets		155,757	(98,301)
Total changes in operating assets		1,690,219	(860,107)
Changes in operating liabilities：			
Accounts payable		(486,748)	31,856
Other payables		124,814	(2,152)
Other current liabilities		41,515	23,150
Other non-current liabilities		1,900	19,768
Total changes in operating liabilities		(318,519)	72,622
Total changes in operating assets and liabilities		1,371,700	(787,485)
Cash inflow generated from operations		5,255,107	3,010,577
Income taxes paid		(129,825)	(193,358)
Net cash flows from operating activities		5,125,282	2,817,219

WIN Semiconductors Corp.

Statements of Cash Flows (Continued)

For the years ended December 31, 2013 and 2012
(Expressed in Thousands of New Taiwan Dollars)

		2013	2012
Cash flows from (used in) investing activities：			
Acquisition of current financial assets at fair value through profit or loss		(2,033,000)	(1,802,093)
Proceeds from disposal of current financial assets at fair value through profit or loss		2,442,048	1,823,606
Acquisition of current available-for-sale financial assets		(190,705)	(413,296)
Proceeds from disposal of current available-for-sale financial assets		150,048	34,656
Acquisition of non-current available-for-sale financial assets		(25,000)	(35,193)
Proceeds from disposal of non-current available-for-sale financial assets		128,256	-
Proceeds from capital reduction of non-current available-for-sale financial assets		60,000	-
Acquisition of non-current bond investments without active market		-	(190,000)
Proceeds from disposal of non-current bond investments without active market		344,783	-
Acquisition of investments accounted for using equity method		(207,991)	(287,591)
Proceeds from disposal of investments accounted for using equity method		-	259,220
Acquisition of property, plant and equipment		(2,611,303)	(2,052,734)
Proceeds from disposal of property, plant and equipment		511,286	298
Acquisition of intangible assets		(18,929)	(18,307)
Decrease (increase) in other non-current assets		(390)	75
Increase in prepayments for business facilities		(204,078)	(1,264,550)
Interest received		15,488	3,958
Dividends received		33,371	28,275
Net cash flows used in investing activities		(1,606,116)	(3,913,676)
Cash flows from (used in) financing activities：			
Proceeds from long-term borrowings		1,050,000	1,899,000
Repayments of long-term borrowings		(3,995,840)	(1,185,544)
Increase in other non-current liabilities		110,000	-
Payment of cash dividends		(1,136,245)	(518,874)
Issue of shares (transaction cost)		(10,989)	3,028,928
Exercise of employee share options		95,917	55,408
Payments to acquire treasury shares		(515,315)	-
Interest paid		(78,554)	(98,612)
Net cash flows (used in) financing activities		(4,481,026)	3,180,306
Net increase (decrease) in cash and cash equivalents		(961,860)	2,083,849
Cash and cash equivalents at the beginning of period		2,845,717	761,868
Cash and cash equivalents at the end of period	$	1,883,857	2,845,717

ATTACHMENT IV: INDEPENDENT AUDITORS' REPORT AND 2013 CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors
WIN Semiconductors Corp.

We have audited the accompanying consolidated balance sheets of WIN Semiconductors Corp. (the "Company") and subsidiaries as of December 31, 2013 and 2012, and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the generally accepted auditing standards and the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of WIN Semiconductors Corp. and subsidiaries as of December 31, 2013 and 2012, and January 1, 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

We have audited the parent-company-only financial statements as of and for the years ended December 31, 2013 and 2012 on which we have expressed an unqualified opinion.

Taipei, Taiwan (the Republic of China)
March 7, 2014

Note to Readers

The accompanying consolidated financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations approved by the Financial Supervisory Commission, R.O.C. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

WIN Semiconductors Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2013 and 2012, and January 1, 2012

(Expressed in Thousands of New Taiwan Dollars)

	2013.12.31	2012.12.31	2012.12.1
Assets			
Current assets：			
Cash and cash equivalents	$ 1,966,881	3,025,657	799,376
Current financial assets at fair value through profit or loss	1,162,001	1,501,172	1,623,860
Current available-for-sale financial assets	584,716	512,068	-
Notes and accounts receivable, net	650,438	1,049,355	652,822
Inventories	1,126,775	2,101,205	1,893,835
Other current assets	198,153	376,873	259,098
Total current assets	5,688,964	8,566,330	5,228,991
Non-current assets：			
Non-current available-for-sale financial assets	489,152	491,281	713,723
Non-current bond investment without active market	190,000	534,783	344,783
Investments accounted for using equity method	386,229	324,861	600,717
Property, plant and equipment	12,636,304	11,617,771	9,594,313
Investment property	1,096,479	-	-
Intangible assets	64,248	82,708	117,652
Deferred tax assets	132,425	318,162	471,134
Prepayments for business facilities	384,446	1,610,700	1,672,429
Other non-current assets	43,257	42,867	42,942
Total non-current assets	15,422,540	15,023,133	13,557,693
Total assets	$ 21,111,504	23,589,463	18,786,684

	2013.12.31	2012.12.31	2012.1.1
Liabilities and Equity			
Current liabilities：			
Current financial liabilities at fair value through profit or loss	$ -	417	-
Accounts payable	635,119	1,121,867	1,090,011
Other payables	1,028,229	763,376	932,349
Long-term liabilities, current portion	545,444	1,650,185	1,007,672
Other current liabilities	118,656	78,339	57,427
Total current liabilities	2,327,448	3,614,184	3,087,459
Non-current liabilities：			
Long-term borrowings	3,721,466	5,558,677	5,483,622
Deferred tax liabilities	20,642	12,815	14,740
Other non-current liabilities	150,371	50,239	21,577
Total non-current liabilities	3,892,479	5,621,731	5,519,939
Total liabilities	6,219,927	9,235,915	8,607,398
Equity：			
Ordinary share	7,392,754	7,541,877	6,485,930
Capital surplus	3,728,358	3,763,045	1,707,122
Retained earnings	3,671,483	3,202,764	2,223,056
Other equity interest	98,982	(154,138)	(236,822)
Total equity	14,891,577	14,353,548	10,179,286
Total liabilities and equity	$ 21,111,504	23,589,463	18,786,684

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2013 and 2012

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

		2013	2012
Operating revenue	$	10,481,303	11,237,964
Operating costs		(7,249,118)	(7,602,018)
Gross profit from operations		3,232,185	3,635,946
Operating expenses：			
Selling expenses		(128,220)	(177,360)
Administrative expenses		(499,069)	(479,217)
Research and development expenses		(495,281)	(531,233)
Total operating expenses		(1,122,570)	(1,187,810)
Net operating income		2,109,615	2,448,136
Non-operating income and expenses：			
Other income		83,876	38,065
Other gains and losses		259,647	(467,900)
Finance costs		(80,678)	(102,946)
Share of loss of associates and joint ventures accounted for using equity method		(160,065)	(78,339)
Total non-operating income and expenses		102,780	(611,120)
Profit before tax		2,212,395	1,837,016
Total tax expense		(400,885)	(282,763)
Profit		1,811,510	1,554,253
Other comprehensive income (loss):			
Other comprehensive income, before tax, exchange differences on translation		7,328	(10,716)
Other comprehensive income, before tax, available-for-sale financial assets		244,696	93,569
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		11,768	(8,894)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		-	86
Income tax benefit (expense) related to components of other comprehensive income		(904)	1,257
Other comprehensive income, net		262,888	75,302
Comprehensive income	$	2,074,398	1,629,555
Profit , attributable to：			
Profit, attributable to owners of parent	$	1,811,510	1,554,253
Comprehensive income attributable to：			
Comprehensive income, attributable to owners of parent	$	2,074,398	1,629,555
Earnings per common share (expressed in dollars)			
Basic earnings per share	$	2.40	2.31
Diluted earnings per share	$	2.37	2.27

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity interest					
	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	Total equity attributable to owners of parent	Non - controlling interests	Total equity
Balance on January 1, 2012	$ 6,485,930	1,707,122	130,842	-	2,092,214	2,223,056	(14,111)	(222,711)	(236,822)	10,179,286	-	10,179,286
Appropriation of 2011 earnings approved by stockholders during their meeting in 2012												
Legal reserve	-	-	127,861	-	(127,861)	-	-	-	-	-	-	-
Special reserve	-	-	-	221,662	(221,662)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(518,874)	(518,874)	-	-	-	(518,874)	-	(518,874)
	-	-	127,861	221,662	(868,397)	(518,874)	-	-	-	(518,874)	-	(518,874)
Net income for the year ended December 31, 2012	-	-	-	-	1,554,253	1,554,253	-	-	-	1,554,253	-	1,554,253
Other comprehensive income for the year ended December 31, 2012	-	-	-	-	(7,382)	(7,382)	(10,630)	93,314	82,684	75,302	-	75,302
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	1,546,871	1,546,871	(10,630)	93,314	82,684	1,629,555	-	1,629,555
Changes in equity of associates and joint ventures accounted for using equity method	-	(24)	-	-	(48,289)	(48,289)	-	-	-	(48,313)	-	(48,313)
Disposal of investments accounted for using equity method	-	(28,445)	-	-	-	-	-	-	-	(28,445)	-	(28,445)
Exercise of employee stock options	55,947	(539)	-	-	-	-	-	-	-	55,408	-	55,408
Compensation cost arising from employee stock options	-	66,992	-	-	-	-	-	-	-	66,992	-	66,992
Issue of shares	1,000,000	2,017,939	-	-	-	-	-	-	-	3,017,939	-	3,017,939
Balance on December 31, 2012	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

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WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2013 and 2012

(Expressed in Thousands of New Taiwan Dollars)

		2011	2012
Cash flows from operating activities:			
Net income	$	1,278,610	1,647,529
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation		975,969	1,256,812
Amortization		57,613	50,206
Amortization of cost of long-term borrowings		3,947	4,112
Loss on valuation of inventories and obsolescence		37,115	64,519
Investment loss recognized under equity method		114,698	78,339
Compensation cost arising from employee stock options		160,569	66,992
Deferred income tax (benefit) expense		(300,103)	150,351
Unrealized exchange loss on long-term borrowings		26,563	-
Loss (gain) on disposal of property, plant and equipment		14,688	(210)
Insurance claim on damaged and donated property, plant and equipment		-	54,610
Gain on disposal of investments		(183)	(22,461)
Impairment loss		-	190,129
Change in operating assets:			
Financial assets at fair value through profit or loss		1,873	183,016
Notes and accounts receivable		(171,806)	(396,533)
Other financial assets－current		(39,948)	(79,596)
Inventories		(627,472)	(341,201)
Other current assets		(23,554)	(17,486)
Change in operating liabilities:			
Financial liabilities at fair value through profit or loss		-	417
Accounts payable		218,532	31,856
Accrued expenses		145,191	(62,613)
Other current liabilities		(8,640)	14,857
Accrued pension liabilities		1,779	16,661
Net cash provided by operating activities		1,865,441	2,890,306
Cash flows from investing activities:			
Increase in available-for-sale financial assets－current		-	(367,034)
Payment for purchase of investment in bonds with no active market－noncurrent		-	(190,000)
Payment for purchase of available-for-sale financial assets－noncurrent		-	(25,192)
Proceeds from disposal of long-term investments under equity method		-	259,220
Payment for purchase of long-term investments under equity method		(123,764)	(287,591)
Payment for purchase of financial assets carried at cost－noncurrent		-	(10,000)
Payment for purchase of property, plant and equipment		(3,335,544)	(3,317,300)
Proceeds from disposal of property, plant and equipment		2,607	298
(Increase) decrease in refundable deposit		(1,451)	214
Increase in restricted assets－noncurrent		(156)	(139)
Payment for purchase of intangible assets		(49,319)	(18,307)
Net cash used in investing activities		(3,507,627)	(3,955,831)

ATTACHMENT V: PROFIT ALLOCATION PROPOSAL

WIN Semiconductors Corp.

2013 Profit Allocation Proposal

Unit: NT$

Net profit of 2013 (Note)	**1,811,510,498**
Less: 10% legal reserve	(181,151,050)
Add: special reserve	34,015,288
Retained earnings in 2013 available for distribution	**1,664,674,736**
Distributable item:	
Cash dividends to common share holders (NT$1.5 per share)	(1,109,797,572)
Unappropriated retained earnings of 2013	**554,577,164**
Unappropriated retained earnings, Dec. 31, 2012 (ROC GAAP)	1,560,392,810
Add: the effects on conversion date for the first of First-time Adoption of IFRS	149,313,211
Less: reconciliation of net income of 2012 from ROC GAAP into IFRS	(93,275,902)
Less: changes in actuarial gains (losses) of 2012	(7,382,020)
Unappropriated retained earnings, Dec. 31, 2012 (IFRS)	**1,609,048,099**
Add: changes in actuarial gains (losses) of 2013	9,767,440
Less: Cancellation of treasury stocks	(216,314,481)
Unappropriated retained earnings after adjustment, Dec. 31, 2012	**1,402,501,058**
Unappropriated retained earnings, Dec. 31, 2013	**1,957,078,222**

Note: After expensing the following and to be distributed after 2014 Annual General Shareholders' Meeting:
(1) Directors' and supervisors' remuneration 49,900,000
(2) Employees' cash bonus 166,400,000

If there is any net profit after closing of a fiscal year, the Company shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equal to the total capital amount of the Company; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. Any balance left over shall be allocated according to the following principles:

1. Employee bonus: not less than 5% but no more than 10%.
2. Compensation of Directors and Supervisors: not less than 1% but no more than 3%.
3. The balance is shareholders' dividend, in which cash dividend shall not be lower than 10% of entire dividend.

As the Company is a high-tech firm with intensive capital expenditure, conditions, timing, amount and kinds of the above-stated dividend policy may be adjusted, taking into account economic cycles, industry change and the Company's growth and cash demand.

Dennis Chen	*Yu-Chi Wang*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*

ATTACHMENT VI: REVISIONS TO PROCEDURES FOR ACQUISITION OR DISPOSAL OF ASSETS

Mark-up and Clean Revisions

MARK-UP VERSION	CLEAN VERSION
Article 2: The term "assets" as used in these Procedures includes the following: 1. Securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities). 2. Real property ~~and other fixed assets~~ (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 7. Other major assets.	Article 2: The term "assets" as used in these Procedures includes the following: 1. Securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities). 2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 3. Memberships. 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets. 5. Derivatives. 6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. 7. Other major assets.
Article 3:Terms used in this Procedure are defined as follows: 1. Derivatives: refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the	Article 3:Terms used in this Procedure are defined as follows: 1. Derivatives: refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements. 2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the

MARK-UP VERSION	CLEAN VERSION
consideration therefore (hereinafter "transfer of shares") under the ~~sixth~~ eighth paragraph of Article 156of the Company Act. 3. Related party~~: refers to "related parties" as defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF)~~ or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. ~~4. Subsidiary: refers to "subsidiary" as defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.~~ ~~5~~4. Professional appraiser: refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or ~~other fixed assets~~ equipment. ~~6~~5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. ~~7~~6. Mainland China area investment: refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area. ~~8~~7. Net worth: refers to the value calculated according to the latest financial reports audited or reviewed by the certified public accountants (CPAs).	consideration therefore (hereinafter "transfer of shares") under the eighth paragraph of Article 156of the Company Act. 3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. 4. Professional appraiser: refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment. 5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. 6. Mainland China area investment: refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area. 7. Net worth: refers to the value calculated according to the latest financial reports audited or reviewed by the certified public accountants (CPAs).
Article 6: The Company specifies the following items in the procedures: 1. The scope of assets: refer to Article 2 of the Procedure. 2. Appraisal procedures: (1) The units responsible for implementation should report the reasons for acquisition or disposition of assets, subject matter, transaction counterparties, transaction	Article 6: The Company specifies the following items in the procedures: 1. The scope of assets: refer to Article 2 of the Procedure. 2. Appraisal procedures: (1) The units responsible for implementation should report the reasons for acquisition or disposition of assets, subject matter, transaction counterparties, transaction

MARK-UP VERSION	CLEAN VERSION
price, terms of payment, and appraisal results or evaluation reports etc. to the level in-charge for decision making. (2) The means of price determination: i. In acquiring or disposing real estate and ~~other fixed assets~~ equipment: refer to Article 8 in Section 2 of the Procedure. ii. In acquiring or disposing securities: (i) The price of securities trading at a centralized securities exchange market or at the place of business of a securities firm is determined by its listed price or market price. (ii) The price of securities not trading at a centralized securities exchange market, at the place of business of a securities firm or at a private placement: refer to Article 9 in Section 2 of the Procedure. iii. In acquiring or disposing memberships or intangible assets: refer to Article 10 in Section 2 of the Procedure. iv. Related party transactions: refer to Section 3 of the Procedure. v. Engaging in derivatives trading: refer to Section 4 of the Procedure. vi. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions and assignment of shares: refer to Section 5 of the Procedure. 3. Operating procedures: (1) Degree of authority delegated and the levels to which authority is delegated The acquisition and disposition of assets should be decided in accordance with the Company's delegation of authorization and in the following situations, provided, however, the matters shall be approved by the Board of Directors in advance: i. In acquiring or disposing real estate. ii. In acquiring or disposing of securities for any individual transaction, where the transaction amount reaches 10 percent or more of the Company’s net worth. iii. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares. iv. In acquiring of securities (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of securities (excluding balancing funds, bond funds and money market funds) reaches 60 percent or more of the Company’s net worth.	price, terms of payment, and appraisal results or evaluation reports etc. to the level in-charge for decision making. (2) The means of price determination: i. In acquiring or disposing real estate and equipment: refer to Article 8 in Section 2 of the Procedure. ii. In acquiring or disposing securities: (i) The price of securities trading at a centralized securities exchange market or at the place of business of a securities firm is determined by its listed price or market price. (ii) The price of securities not trading at a centralized securities exchange market, at the place of business of a securities firm or at a private placement: refer to Article 9 in Section 2 of the Procedure. iii. In acquiring or disposing memberships or intangible assets: refer to Article 10 in Section 2 of the Procedure. iv. Related party transactions: refer to Section 3 of the Procedure. v. Engaging in derivatives trading: refer to Section 4 of the Procedure. vi. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions and assignment of shares: refer to Section 5 of the Procedure. 3. Operating procedures: (1) Degree of authority delegated and the levels to which authority is delegated The acquisition and disposition of assets should be decided in accordance with the Company's delegation of authorization and in the following situations, provided, however, the matters shall be approved by the Board of Directors in advance: i. In acquiring or disposing real estate. ii. In acquiring or disposing of securities for any individual transaction, where the transaction amount reaches 10 percent or more of the Company’s net worth. iii. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares. iv. In acquiring of securities (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of securities (excluding balancing funds, bond funds and money market funds) reaches 60 percent or more of the Company’s net worth.

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v. In acquiring of individual security (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of the security reaches 10 percent or more of the Company's net worth.	v. In acquiring of individual security (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of the security reaches 10 percent or more of the Company's net worth.
vi. In acquiring or disposing of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.	vi. In acquiring or disposing of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.
(2) The units responsible for implementation	(2) The units responsible for implementation
i. Securities: the finance department.	i. Securities: the finance department.
ii. Real estate, ~~other fixed assets~~ equipment, memberships, intangible assets: the using department or the relevant department in-charge of assets management.	ii. Real estate, equipment, memberships, intangible assets: the using department or the relevant department in-charge of assets management.
iii. Derivatives: the finance department.	iii. Derivatives: the finance department.
iv. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares: the project team assembled by the relevant departments.	iv. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares: the project team assembled by the relevant departments.
4. Public announcement and regulatory filing procedures: refer to Chapter III of the Procedure.	4. Public announcement and regulatory filing procedures: refer to Chapter III of the Procedure.
5. Total amounts of real estate and securities acquired by the Company and each subsidiary not for business use in, and limits on individual securities.	5. Total amounts of real estate and securities acquired by the Company and each subsidiary not for business use in, and limits on individual securities.
(1) The total amount of any real estate purchased by the Company not for business use may not exceed 50 percent of the Company's net worth; the total amount of any real estate purchased by each subsidiary of the Company not for business use may not exceed 50 percent of the Company's net worth.	(1) The total amount of any real estate purchased by the Company not for business use may not exceed 50 percent of the Company's net worth; the total amount of any real estate purchased by each subsidiary of the Company not for business use may not exceed 50 percent of the Company's net worth.
(2) The total amount of all security investments by the Company and all of its subsidiaries may not exceed 100 percent of the Company's net worth.	(2) The total amount of all security investments by the Company and all of its subsidiaries may not exceed 100 percent of the Company's net worth.
(3) The amount of security investment by the Company in each individual security may not exceed 50 percent of the Company's net worth; the amount of security investment by the Company and all of its subsidiaries in each individual security may not exceed 100 percent of the	(3) The amount of security investment by the Company in each individual security may not exceed 50 percent of the Company's net worth; the amount of security investment by the Company and all of its subsidiaries in each individual security

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Company's net worth. The amount of security investment by each subsidiary of the Company in each individual security may not exceed 20 percent of the Company's net worth. 6. Control procedures for the acquisition and disposal of assets by subsidiaries (1) The Company shall urge its subsidiaries to enact the "Procedures for Acquisition or Disposal of Assets" and implement the procedures in accordance with proper authorizations of the organizations. (2) The Company shall supervise its subsidiaries to assure the latter's acquisition or disposal of assets are in compliance with the "Procedures for Acquisition or Disposal of Assets". 7. The Company's persons-in-charge engages in any acquisition or disposal of assets shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures. Subsequent castigation is subject to the related personnel guidelines and procedures of the Company.	may not exceed 100 percent of the Company's net worth. The amount of security investment by each subsidiary of the Company in each individual security may not exceed 20 percent of the Company's net worth. 6. Control procedures for the acquisition and disposal of assets by subsidiaries (1) The Company shall urge its subsidiaries to enact the "Procedures for Acquisition or Disposal of Assets" and implement the procedures in accordance with proper authorizations of the organizations. (2) The Company shall supervise its subsidiaries to assure the latter's acquisition or disposal of assets are in compliance with the "Procedures for Acquisition or Disposal of Assets". 7. The Company's persons-in-charge engages in any acquisition or disposal of assets shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures. Subsequent castigation is subject to the related personnel guidelines and procedures of the Company.
Article 8: In acquiring or disposing of real property or ~~other fixed assets~~ equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of ~~machinery and~~ equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.	Article 8: In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

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3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
Article 10: Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	Article 10: Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
Article 13: When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the	Article 13: When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the

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Company's total assets, or NT$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds,</u> the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with second paragraph Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use machinery and equipment between the Company and its subsidiaries, the Company's Board of Directors delegate the Chairman of Board of Directors to decide such matters when the transaction is within	Company's total assets, or NT$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading counterparty. 3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with second paragraph Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use machinery and equipment between the Company and its subsidiaries, the Company's Board of Directors delegate the Chairman of Board of Directors to decide such matters when the transaction is within

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10 percent of the Company's net value and subsequently submitted to and ratified by the next Board of Directors meeting. When a matter is submitted for discussion by the Board of Directors pursuant to the ~~pre-ceding~~ first paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.	10 percent of the Company's net value and subsequently submitted to and ratified by the next Board of Directors meeting. When a matter is submitted for discussion by the Board of Directors pursuant to the first paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.
Article 14: The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted-average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either the means listed in the preceding paragraph. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with first and second paragraphs of this Article shall also engage a CPA to check the appraisal and render a specific opinion. When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be	Article 14: The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means: 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted-average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either the means listed in the preceding paragraph. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with first and second paragraphs of this Article shall also engage a CPA to check the appraisal and render a specific opinion. When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be

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conducted in accordance with Article 13 and the preceding three paragraphs do not apply: 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.	conducted in accordance with Article 13 and the preceding three paragraphs do not apply: 1. The related party acquired the real property through inheritance or as a gift. 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
Article 18: Risk management: 1. Risk management measures are as below: (1) Credit risk management: Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information. (2) Market risk management: Market risk arising from the fluctuations of foreign exchange rates or from other factors shall be closely monitored and controlled. (3) Liquidity risk management: Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets. (4) Cash flow risk management: The Company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement. (5) Operating risk management: Delegation systems and operating procedures set forth herein are employed to control operating risk. (6) Legal risk management: Any legal documents in respect of financial derivative transactions shall first be reviewed by legal department before being executed to control legal risk. 2. Different personnel shall be assigned for trading, confirmation and settlement. 3. Personnel who are in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and	Article 18: Risk management: 1. Risk management measures are as below: (1) Credit risk management: Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information. (2) Market risk management: Market risk arising from the fluctuations of foreign exchange rates or from other factors shall be closely monitored and controlled. (3) Liquidity risk management: Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets. (4) Cash flow risk management: The Company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement. (5) Operating risk management: Delegation systems and operating procedures set forth herein are employed to control operating risk. (6) Legal risk management: Any legal documents in respect of financial derivative transactions shall first be reviewed by legal department before being executed to control legal risk. 2. Different personnel shall be assigned for trading, confirmation and settlement. 3. Personnel who are in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and

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reporting shall be made to the Board of Directors. 4. The transaction associated with hedging purpose for business requirements shall be evaluated twice per month by finance department, and the evaluation reports shall be submitted to ~~CEO~~ the chairman of the board or the person designated by the chairman of the board. 5. The authorized trader will need to submit hedging objects, types of transaction and details to authorized manager for approval before derivatives trading, and shall report to the most recent Board of Directors meeting.	reporting shall be made to the Board of Directors. 4. The transaction associated with hedging purpose for business requirements shall be evaluated twice per month by finance department, and the evaluation reports shall be submitted to the chairman of the board or the person designated by the chairman of the board. 5. The authorized trader will need to submit hedging objects, types of transaction and details to authorized manager for approval before derivatives trading, and shall report to the most recent Board of Directors meeting.
Article 19: Management principles by the Board of Directors: 1. The Board of Directors shall appoint ~~CEO~~ the chairman of the board or the person designated by the chairman of the board to monitor and control the trading risk of derivatives at all times and periodically assesses whether the result of trading is consistent with the management policy and whether the risk undertaking is within the ambit permitted. 2. Appointed by the Board, the ~~CEO~~ chairman of the board or the person designated by the chairman of the board should be responsible for regularly reviewing the adequacy of the current risk management measures are consistency with the principles and procedures set forth herein. Once having identified unusual transactions and performances, the ~~CEO~~ chairman of the board or the person designated by the chairman of the board needs undertake any actions deemed necessary to correct the situation and report to the Board immediately.	Article 19: Management principles by the Board of Directors: 1. The Board of Directors shall appoint the chairman of the board or the person designated by the chairman of the board to monitor and control the trading risk of derivatives at all times and periodically assesses whether the result of trading is consistent with the management policy and whether the risk undertaking is within the ambit permitted. 2. Appointed by the Board, the chairman of the board or the person designated by the chairman of the board should be responsible for regularly reviewing the adequacy of the current risk management measures are consistency with the principles and procedures set forth herein. Once having identified unusual transactions and performances, the chairman of the board or the person designated by the chairman of the board needs undertake any actions deemed necessary to correct the situation and report to the Board immediately.
Article 29: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: 1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real	Article 29: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: 1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real

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property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements or subscription or redemption of domestic money market funds. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: (1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds. (3) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT$500 million. (4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3. The cumulative transaction amount of real property acquisitions and disposals (cu-	property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements or subscription or redemption of domestic money market funds. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances: (1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds. (3) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT$500 million. (4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3. The cumulative transaction amount of real property acquisitions and disposals (cu-

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mulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.	mulative acquisitions and disposals, respectively) within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.
Article 31-1: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a foreign subsidiary whose shares have no par value or a par value other than NT$10, for the calculation of transaction amounts of 20 percent of paid-in capital under Articles 8 to 10 and 13, 10 percent of ~~shareholders' equity~~ equity attributable to owners of the parent shall be substituted.	Article 31-1: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a foreign subsidiary whose shares have no par value or a par value other than NT$10, for the calculation of transaction amounts of 20 percent of paid-in capital under Articles 8 to 10 and 13, 10 percent of equity attributable to owners of the parent shall be substituted.

ATTACHMENT VII: REVISIONS TO RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

Mark-up and Clean Revisions

MARK-UP VERSION	CLEAN VERSION
13. Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all the attending shareholders after solicitation by the chairman. ~~If there is any objection, the chairman may request the shareholder making objection or waiving right raise his/her hand or stand up to count the voting rights. If the voting rights do not constitute the number required by the law or the Articles of Incorporation, the agenda item shall be deemed passed and no voting will be necessary.~~ ~~Other items than the items listed the agenda of the Meeting, or any amendment to, or alternative to the original agenda items shall be seconded by another shareholder.~~	13. Except otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all the attending shareholders after solicitation by the chairman.

IV. APPENDIX

APPENDIX I: RULES AND PROCEDURES OF SHAREHOLDERS' MEETING (BEFORE AMENDMENT)

WIN Semiconductors Corp.
Rules and Procedures of Shareholders' Meeting

Approved by the AGM on June 5, 2012

1. Unless otherwise provided for in applicable laws and regulations or the Company's Articles of Incorporation, Shareholders' Meeting Rules and Procedures of the Company shall comply with the following articles.
2. The shareholders or their appointed proxies are referred to as shareholders on these articles.
3. Shareholders' meetings (the "Meeting") shall be held at the Company's premises or at another place that is convenient for shareholders to attend and suitable for a Meeting. The Meeting shall not start earlier than 9:00 AM or later than 3:00 PM.
4. The Company may appoint retained lawyers, certified public accountants or related persons to participate in the Meeting.
5. The Company shall provide a sign-in book allowing attending shareholders to sign in or require attending shareholders to submit attendance cards in lieu of signing in. Shareholders shall be admitted to the Meeting on the basis of attendance passes, attendance cards, or other attendance documents; those persons soliciting proxy forms shall be required to present identification documents for checking identities.

   When the government or a legal entity is a shareholder, more than one representative may attend the Meeting. However, a legal entity serving as proxy to attend the Meeting may appoint only one representative to attend.
6. Voting and attendance at the Meeting shall be based on number of shares. If a shareholder requests counting of number of the attendees, the chairman may turn it down. After such request was made, a resolution is duly passed should the attendance constitute the quorum if a voting is made on an agenda item.

   Shares of shareholders without voting rights shall not be included in the total number of issued and outstanding shares when voting on resolutions. If there is concern that a shareholder's interest may conflict with and adversely affect the Company's interests with regard to any matters discussed at the Meeting, such shareholder may not participate in voting, and may not represent another shareholder to exercise his or her voting rights.

   The number of shares of those persons not permitted to exercise their voting rights in the foregoing paragraph shall not be included in counting the total number of voting shares for attending shareholders.

   Except in the case of a trust enterprise or securities proxy organization approved by the securities competent authority, the proxy voting rights of a person serving as a proxy for two or more shareholders may not exceed 3% of total issued and outstanding shares voting rights; if it does exceed 3%, the excess portion shall not be counted.

7. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors or one of the Directors shall preside at the Meeting in accordance with Article 208 of the Company Law of the Republic of China.

   If the Meeting is convened by any person entitled to convene the Meeting other than the Board of Directors, such person shall be the chairman to preside at the Meeting. If there is more than one such person entitles to convene the Meeting, those persons shall nominate amongst themselves to be the Meeting's chairman.

   The notifications and announcements shall state the reasons for the Meeting. The election or discharge of directors and supervisors, the amendment of this Company's Articles of Incorporation, the dissolution, merger, or spin-off of the Company, or the matters specified in the Article 185, Paragraph 1 of the Company Law, or Article 26-1 or Article 43-6 of the Securities and Exchange Law shall be listed among the reasons for the Meeting, and may not be proposed as provisional motions.

8. The Company shall locate the surveillance video taping at the entrance of the Meeting place, and the proceeding of the Meeting shall be audio recorded and videotaped and these tapes shall be preserved for at least one year. However, the said audio and video tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

9. The chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and the Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements, the number of shares represented by the attending shareholders has not yet constituted more than one-third of all issued and outstanding shares, the chairman shall announce the termination of the Meeting.

   If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China, and shareholders shall be notified to attend another shareholders' meeting to approve the tentative resolutions within one month.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

10. The agenda of the Meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.
    The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such meeting.
    Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including provisional motions) listed in the agenda are completed.
11. When a shareholder attending the meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card) and the account name of the shareholder. The chairman shall determine the sequence of shareholder's speeches.
    If any attending shareholder at the Meeting submits a speech note but does not speak, no speech should be deemed to have been made by the shareholder. In case the content of the speech of a shareholder is inconsistent with the content of the speech note, the content of actual speech shall prevail.
    The same shareholder may not speak more than twice concerning the same item without the chairman's consent, and each speech time may not exceed five minutes. The chairman may stop the speech of any shareholder who violates the above provision or exceeds the scope of the agenda item.
    Unless otherwise permitted by the chairman and the speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder, otherwise the chairman shall stop such interruption.
    When a legal-entity shareholder has appointed two or more representatives to attend the Meeting, only one representative can speak for each agenda item.
    The chairman may respond himself/herself or designate another person to respond after the speech of attending shareholder.
12. Unless otherwise listed in the agenda items, there shall be no discussion or voting. The chairman must provide sufficient time for the explanation and discussion of all items on the agenda and amendments and provisional motions submitted by shareholders; the chairman may announce an end of discussion and submit an item for a vote if the chairman deems that the agenda item is ready for voting. If the item(s) discussion of which was ended by the chairman is announced by the chairman to submit for voting(s), the votings may be conducted at same time, but each agenda item shall be voted separately.
13. Except otherwise specified in the Company Law or the Company's Articles of In-

corporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. An agenda item shall be deemed approved and shall have the same effect as if it was voted by casting ballots if no objection is voiced by all the attending shareholders after solicitation by the chairman. If there is any objection, the chairman may request the shareholder making objection or waiving right raise his/her hand or stand up to count the voting rights. If the voting rights do not constitute the number required by the law or the Articles of Incorporation, the agenda item shall be deemed passed and no voting will be necessary.

Other items than the items listed the agenda of the Meeting, or any amendment to, or alternative to the original agenda items shall be seconded by another shareholder.

14. If there is amendment to or substitute for an agenda item, the chairman shall decide the sequence of voting for such original agenda item, the amendment and the substitute. If any one of them has been approved, the others shall be deemed vetoed and no further voting will be necessary.
15. The chairman shall appoint persons to handle checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be shareholders. The ballots shall be publicly counted at the Meeting venue and the results of voting shall be announced at the Meeting and placed on record.
16. During procession of the Meeting, the chairman may announce recession. In case of force majeure, the chairman may determine to suspend the Meeting and announce the time of resuming the Meeting. In accordance with Article 182 of the Company Law of the Republic of China, the shareholders may have resolution to extend or continue the Meetings in five days.

    Before the agenda (including provisional motions) set for the Meeting are completed, if the Meeting place cannot continue to be used, a new place will be located for resumption of the Meeting.
17. Persons handling affairs of the Meeting shall wear identification cards or arm badges. The chairman may order disciplinary officers or security guards to assist in keeping order in the Meeting place. Such disciplinary officers or security guards shall wear arm badges marked “Disciplinary Personnel” when assisting in maintaining order in the Meeting place.

    If the Meeting place is equipped with loudspeaker equipment, the chairman shall stop any shareholders using equipment not installed by the Company from speaking.

    The chairman shall order disciplinary officers or security guard to escort any shareholders who violate these Rules and Procedures and fail to heed the chairman’s correction, or disrupt the proceeding of the Meeting and fail to desist, to leave the Meeting place.
18. If the election of directors and supervisors is conducted during the Meeting, such an election shall be performed in accordance with the Company’s Rules for Elec-

tion of Directors and Supervisors, and the results must be announced at the Meeting.

The ballots casts in the election in the forgoing paragraph shall be sealed and signed by the persons responsible for checking ballots and kept for at least one year. If a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, ballots shall be kept until the end of the lawsuit.

19. Resolutions made at the Meeting shall be complied in the form of minutes. The chairman shall affix his signature or seal to the minutes, which shall be issued to shareholders within 20 days after the end of the Meeting.

    With regard to the issue of minutes in the forgoing paragraph, the minutes may be distributed in the form of an announcement on the Market Observation Post System Website.

    The minutes must faithfully record the Meeting's date (year, month, day), place, chairman's name, resolution method, summary of proceeding and results of resolutions.

    The minutes of the Meeting shall be preserved for as long as the Company exists.

    "There is no objection from any shareholders after solicitation by the chairman and the resolution is passed "shall be recorded in the minutes if no objection is voiced after solicitation by the chairman before an agenda item is put to a vote. If there are any objections, however, the resolution method, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.

    If any resolutions made by the Meeting are material information pursuant to the applicable laws and regulations or the Taiwan Stock Exchange Corporation's (GreTai Securities Market's) regulations, the Company shall transmit the content of such resolutions to the Market Observation Post System Website within the specified period of time.

20. Shareholders attending the Meeting shall have the obligation to observe Meeting rules, obey resolutions and maintain order at the Meeting place.
21. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

APPENDIX II: ARTICLES OF INCORPORATION

WIN Semiconductors Corp.
Articles of Incorporation

Section I General Provisions

Article 1

This Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 穩懋半導體股份有限公司 in Chinese.

Article 2

The scope of business of the Corporation shall be as follows:

1. CC01080 - Manufacturing of electronic parts and components.
2. F119010 - Wholesale of electronic materials.
3. ZZ99999 - All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Corporation shall have its principal office in Taoyuan Hsien, Taiwan, and shall be free, whenever necessary and upon approval of the board of directors and government authorities in charge, to set up branch offices at various locations within or outside the territory of the Republic of China.

Article 4

The Corporation may provide endorsement and guarantee and act as a guarantor pursuant to the Corporation's Endorsement and Guarantee Procedure, whenever the Corporation deems it necessary to carry out its business.

Section II Capital Stock

Article 5

The total capital stock of the Corporation shall be in the amount of 10,000,000,000 New Taiwan Dollars, divided into 1,000,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments subject to the approval by the meeting of the Board of Directors. The Corporation may issue employee stock options from time to time. A total of 100,000,000 shares (representing 1,000,000,000 New Taiwan Dollars) among the above total capital stock shall be reserved for issuing employee stock options.

Article 6

The share certificates of the Corporation shall all be name-bearing, signed by at least three directors and numbered, and issued after being authenticated by the government authority in charge or its designated stock issuance registration institution. After becoming a public company, the Corporation may issue shares without printing share certificates, provided that the stock shall be recorded with the centralized securities custody institution.

Article 7

All transfers of stocks and name changes conducted by shareholders shall follow the Company Law and applicable regulations.

Article 8

All transfers of stocks, pledges of rights, losses, successions, gifts, losses of seal, amendments of seal, changes of address or similar stock transactions conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations of Public Companies" unless specified otherwise by securities laws and regulations.

Article 8 – 1

When it is proposed that the Corporation cease public offering of its shares, the Corporation shall submit such proposal for approval by the Shareholders' Meeting in accordance with the Company Law of the Republic of China, provided that such clause shall not be varied or amended during the period of registration with and/or listing on the Emerging Market of Gre Tai Securities Market, Taiwan Stock Exchange Corporation and/or the Gre Tai Securities Market.

Section III Shareholders Meeting

Article 9

Shareholders' Meetings of the Corporation are of two types, namely: (1) regular meetings, and (2) special meetings. Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary. The above-stated shareholders' meetings shall be convened by the Board of Directors unless otherwise provided for in the Company Law of the Republic of China.

Article 10

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it by signing/sealing a proxy stating scope of authorization. The handling of proxies shall follow Procedures Governing Using Proxies in Shareholders Meetings of a Public Company issued by the government authority in charge.

Article 11

Unless otherwise provided for by laws, each share of stock in the Corporation shall be entitled to one vote.

Article 12

Expect as provided in the Company Law of the Republic of China, shareholders' meeting may be held if attended by shareholders representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

Section IV Directors of the Board and Supervisors

Article 13

The Corporation shall have seven (7) Directors and three (3) Supervisors, who shall be elected by the shareholders' meeting among any persons with legal ability to act, and to serve a term of office of three (3) years. All Directors and Supervisors shall be eligible for re-election.

After the public offering of the shares of the Corporation, the Corporation may have two (2) seats of Independent Directors out of the above-mentioned seven (7) seats of Directors, and Independent Directors shall be elected in accordance with the nomination system provided in Article 192-1 of the Company Law. Matters relevant to acceptance of candidate nomination, announcement, etc. shall be proceeded pursuant to the Company Law, Securities Exchange Law and the related laws and regulations. The election of Independent Directors and Directors of the Corporation shall be conducted concurrently and the number of the Independent Directors and Directors to be elected shall be calculated separately.

Article 14

The Board of Directors is consisted of Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors and a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Board of Directors shall have the authority to undertake all matters on behalf of the Corporation pursuant to the laws and regulations, the Articles of Incorporation of the Corporation, and the resolutions adopted by the Shareholders' meeting and the meeting of the Board of Directors.

Article 14 - 1

The Board of Directors may establish various committees with different functions. The committees subordinated to the Board of Directors shall stipulate charters and rules regarding the exercise of rights and duties and which shall be put in force upon approval by the Board of Directors.

Article 15

The Board of Directors shall hold a meeting at least once every quarter.

The reasons for convention of meetings of the Board of Directors shall be specified in the meeting notice and be given to each Director and Supervisor, provided that a meeting of the Board of Directors may be convened at any time in the event of emergency. The notice for convention of meetings of the Board of Directors shall be given to each Director and Supervisor in writing, in the form of electronic transmission or facsimile.

Article 16

The authorities of the Board of Directors shall follow the Company Law of the Republic of China and other applicable regulations.

Article 17

Meetings of the Board of Directors shall be presided by the Chairman of the Board of Directors. In his absence, acting for him shall be determined in accordance with Article 208 of the Company Law of the Republic of China. Other than the Board of Directors, anyone who has the right to convene a shareholders' meeting shall preside that shareholders' meeting. If there are two (2) or more persons who have the right to convene such meeting, a chairman shall be elected among themselves.

Article 18

Expect as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. A Director may, by written authorization stating the scope of authority, appoint another Director to attend the meeting, provided that one Director may not be acting for two or more Directors.

Article 19

The Corporation may defray compensation to all the Directors and Supervisors when they perform the duties relevant to the Corporation. The Board of Directors is authorized to determine the compensation for all Directors and Supervisors based on the standards of the industry, taking into account the individual performance and the long term performance of the Corporation, and the business operation risk of the Corporation. The compensation for Independent Directors may be reasonably different from Directors.

Article 19 - 1
The Corporation may purchase liability insurance for Directors and Supervisors.

Section V Management

Article 20
The Corporation may appoint a Chief Executive Officer, whose appointment, discharge and compensation shall follow Article 29 of the Company Law of the Republic of China and be appointed by a resolution attended by a majority of Directors and adopted with the concurrence of the majority of the Directors present at the meeting.

Section VI Accounting

Article 21
After closing of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular Shareholders' meeting for acceptance:
1. Business Report;
2. Financial Statements, and
3. Proposal Concerning Appropriation of Net Profits or Losses.

Article 22
If there is any net profit after closing of a fiscal year, the Corporation shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equal to the total capital amount of the Corporation; and then set aside or rotate special reserve according to the rule set out by the government authority in charge. Any balance left over shall be allocated according to the following principles:
1. Employee bonus: not less than 5% but no more than 10%. The cash and stock bonus ratio for employee bonus shall be in proportionate to that distributed to shareholders and shall be determined pursuant to Employee Bonus Procedure of the Corporation. Stock-type employee bonus may be distributed to qualified employees of affiliates of the Corporation.
2. Compensation of Directors and Supervisors: not less than 1% but no more than 3%.
3. The balance is shareholders' dividend, in which cash dividend shall not be lower than 10% of entire dividend.

As the Corporation is a high-tech firm with intensive capital expenditure, conditions, timing, amount and kinds of the above-stated dividend policy may be adjusted, taking into account economic cycles, industry change and the Corporation's growth and cash demand.

Section VII Supplementary Provisions

Article 23

The amount of re-investment by the Corporation may exceed 40% of its paid-in capital.

Article 24

In regard to all matters not provided for in the Articles of Incorporation, the Company Law and relevant laws and regulations of the Republic of China shall govern.

Article 25

The Article of Incorporation are agreed to and signed on December 12, 1999 by all the promoters of the Corporation, and the first Amendment was approved by the shareholders' meeting on May 12, 2000, the second Amendment on May 4, 2001, the third Amendment on June 24, 2002, the fourth Amendment on June 24, 2003, the fifth Amendment on October 26, 2004, the sixth Amendment on June 24, 2005, the seventh Amendment on June 2, 2006, the eighth Amendment on June 19, 2008, the ninth Amendment on June 26, 2009, the tenth Amendment on June 24, 2010, the eleventh Amendment on June 10, 2011 and the twelfth Amendment on June 5, 2012.

APPENDIX III: PROCEDURES FOR ACQUISITION OR DISPOSAL OF ASSETS (BEFORE AMENDMENT)

WIN Semiconductors Corp.
Procedures for Acquisition or Disposal of Assets

Approved by the AGM on June 5, 2012

Chapter I General Principles

Article 1: This Company's acquisition or disposal of assets should be made in accordance with the following Procedures. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2: The term "assets" as used in these Procedures includes the following:

1. Securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities).
2. Real property and other fixed assets.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Derivatives.
6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
7. Other major assets.

Article 3: Terms used in this Procedure are defined as follows:

1. Derivatives: refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, demergers, acquisitions,

or transfer of shares in accordance with law: refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under the sixth paragraph of Article 156of the Company Act.

3. Related party: refers to “related parties” as defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF).

4. Subsidiary: refers to “subsidiary” as defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.

5. Professional appraiser: refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.

6. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of the Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

7. Mainland China area investment: refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

8. Net worth: refers to the value calculated according to the latest financial reports audited or reviewed by the certified public accountants (CPAs).

Article 4: Professional appraisers and their officers, CPAs, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Chapter II Disposition Procedures

Section I Establishment of Disposition Procedures

Article 5: The Company shall establish the procedures for the acquisition or disposal of assets. After the procedures have been approved by the Board of Directors, they shall be submitted to each supervisor, and then to a shareholders meeting for approval; the same applies when the procedures are amended. If any Director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the Director's dissenting opinion to each supervisor.

When the procedures for the acquisition and disposal of assets are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Article 6: The Company specifies the following items in the procedures:

1. The scope of assets: refer to Article 2 of the Procedure.

2. Appraisal procedures:

(1) The units responsible for implementation should report the reasons for acquisition or disposition of assets, subject matter, transaction counterparties, transaction price, terms of payment, and appraisal results or evaluation reports etc. to the level in-charge for decision making.

(2) The means of price determination:

i. In acquiring or disposing real estate and other fixed assets: refer to Article 8 in Section 2 of the Procedure.

ii. In acquiring or disposing securities:

(i) The price of securities trading at a centralized securities exchange market or at the place of business of a securities firm is determined by its listed price or market price.

(ii) The price of securities not trading at a centralized securities exchange market, at the place of business of a securities firm or at a private placement: refer to Article 9 in Section 2 of the Procedure.

iii. In acquiring or disposing memberships or intangible assets: refer to Article 10 in Section 2 of the Procedure.

iv. Related party transactions: refer to Section 3 of the Procedure.

v. Engaging in derivatives trading: refer to Section 4 of the Procedure.

vi. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions and assignment of shares: refer to Section 5 of the Procedure.

3. Operating procedures:

(1) Degree of authority delegated and the levels to which authority is delegated

The acquisition and disposition of assets should be decided in accordance with the Company's delegation of authorization and in the following situations, provided, however, the matters shall be approved by the Board of Directors in advance:

i. In acquiring or disposing real estate.

ii. In acquiring or disposing of securities for any individual transaction, where the transaction amount reaches 10 percent or more of the Company’s net worth.

iii. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares.

iv. In acquiring of securities (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of securities (excluding balancing funds, bond funds and money market funds) reaches 60 percent or more of the Company’s net worth.

v. In acquiring of individual security (excluding balancing funds, bond funds and money market funds), where the accumulated original costs of the security reaches 10 percent or more of the Company’s net worth.

vi. In acquiring or disposing of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more.

(2) The units responsible for implementation

i. Securities: the finance department.

ii. Real estate, other fixed assets, memberships, intangible assets: the using department or the relevant department in-charge of assets management.

iii. Derivatives: the finance department.

iv. Assets acquired or disposed of through mergers and consolidations, splits, acquisitions, and assignment of shares: the project team assembled by the relevant departments.

4. Public announcement and regulatory filing procedures: refer to Chapter III of the Procedure.

5. Total amounts of real estate and securities acquired by the Company and each subsidiary not for business use in, and limits on individual securities.

(1) The total amount of any real estate purchased by the Company not for business use may not exceed 50 percent of the Company’s net worth; the total amount of any real estate purchased by each subsidiary of the Company not for business use may not exceed 50 percent of the Company's net worth.

(2) The total amount of all security investments by the Company and all of its subsidiaries may not exceed 100 percent of the Company's net worth.

(3) The amount of security investment by the Company in each individual security may not exceed 50 percent of the Company’s net worth; the amount of security investment by the Company and all of its subsidiaries in each individual security may not exceed 100 percent of the Company's net worth. The amount of security investment by each subsidiary of the Company in each individual security may not exceed 20 percent of the Company's net worth.

6. Control procedures for the acquisition and disposal of assets by subsidiaries

(1) The Company shall urge its subsidiaries to enact the “Procedures for Acquisition or Disposal of Assets” and implement the proce-

dures in accordance with proper authorizations of the organizations.

(2) The Company shall supervise its subsidiaries to assure the latter's acquisition or disposal of assets are in compliance with the "Procedures for Acquisition or Disposal of Assets".

7. The Company's persons-in-charge engages in any acquisition or disposal of assets shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures. Subsequent castigation is subject to the related personnel guidelines and procedures of the Company.

Article 7: With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Section II Acquisition or Disposal of Assets

Article 8: In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 9: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 10: Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 10-1: The calculation of the transaction amounts referred to in the preceding three Articles shall be done in accordance with second paragraph of Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 11: Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Section III Related Party Transactions

Article 12: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10-1 herein.

When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 13: When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

2. The reason for choosing the related party as a trading counterparty.

3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15.

4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.

5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article.

7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with second paragraph Article 29 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use machinery and equipment between the Company and its subsidiaries, the Company's Board of Directors delegate the Chairman of Board of Directors to decide such matters when the transaction is within 10 percent of the Company's net value and subsequently submitted to and ratified by the next Board of Directors meeting.

When a matter is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

Article 14: The Company that acquires real property from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest

on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted-average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either the means listed in the preceding paragraph.

The Company that acquires real property from a related party and appraises the cost of the real property in accordance with first and second paragraphs of this Article shall also engage a CPA to check the appraisal and render a specific opinion.

When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13 and the preceding three paragraphs do not apply:

1. The related party acquired the real property through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.

3. The real property is acquired through signing of a joint development contract with the related party.

Article 15: When the results of the Company's appraisal conducted in accordance with first and second paragraphs of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 16. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

   (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

   (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.

   (3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.

2. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.

Article 16: Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Article 14 and Article 15 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.

2. Supervisors shall comply with Article 218 of the Company Law.

3. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Section IV Engaging in Derivatives Trading

Article 17: The Company engages in derivatives trading shall be in accordance with the following trading principles and strategies:

1. Types of derivatives:

The Company can only engage in derivatives trading for hedging purpose. The mainly type of derivatives are forward contracts and option contracts.

2. Operating or hedging strategies:

Engaging in derivatives trading is to assist the risk management of the Company, and hedging should be the only concern. To avoid credit risk, the trading counterparties shall be those financial institutions that have business relationships with the Company.

3. Segregation of duties:

(1) The finance department: in charge of derivative trading in accordance with the Procedures shall collect market information from time to time, be familiar with the relative laws, regulations and the skills of trading, periodically calculate the net position deriving from foreign assets against liabilities of the Company, process the hedging in consistent with the Company's strategy and provide information to managing, sales, and purchasing units in time for decision making.

(2) The accounting department: the derivatives transactions shall be recorded, reported in the financial statements and calculated realized gains or losses and unrealized gains or losses in accordance with Generally Accepted Accounting Principles.

(3) The auditing department: regularly and non-regularly auditing the derivative transactions in accordance with internal audit system.

4. Essentials of performance evaluation

The finance department shall regularly evaluate net gains or losses and unsettled contract, and report to authorized manager for decision reference and performance evaluation to correct and improve the strategy.

5. Total amount of derivatives contracts that may be traded and the maximum loss limit on total trading and for individual contracts:

(1) Derivatives trading for hedging purpose:

i. Total aggregate contract amount: the total amount of derivatives which the Company is capable to take is based on 100% of latest quarterly revenue amounts.

ii. Capped amount on losses of contracts: the capped amount on losses of each individual contract shall not exceed 10 percent of the specific contract amount, the capped amount on losses of all contracts shall not exceed 30 percent of the total contracts amount. Chairman's approval is required in special circumstances.

(2) Derivatives trading for trading purpose:

The Company shall not engage in derivatives trading for trading purpose.

Article 18: Risk management:

1. Risk management measures are as below:

(1) Credit risk management:

Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information.

(2) Market risk management:

Market risk arising from the fluctuations of foreign exchange rates or from other factors shall be closely monitored and controlled.

(3) Liquidity risk management:

Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets.

(4) Cash flow risk management:

The Company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement.

(5) Operating risk management:

Delegation systems and operating procedures set forth herein are employed to control operating risk.

(6) Legal risk management:

Any legal documents in respect of financial derivative transactions shall first be reviewed by legal department before being executed to control legal risk.

2. Different personnel shall be assigned for trading, confirmation and settlement.

3. Personnel who are in charge of risk evaluation, monitoring and controlling shall not be in same department as those described in the preceding paragraph, and reporting shall be made to the Board of Directors.

4. The transaction associated with hedging purpose for business requirements shall be evaluated twice per month by finance department, and the evaluation reports shall be submitted to CEO.

5. The authorized trader will need to submit hedging objects, types of transaction and details to authorized manager for approval before derivatives trading, and shall report to the most recent Board of Directors meeting.

Article 19: Management principles by the Board of Directors:

1. The Board of Directors shall appoint CEO to monitor and control the trading risk of derivatives at all times and periodically assesses whether the result of trading is consistent with the management policy and whether the risk undertaking is within the ambit permitted.

2. Appointed by the Board, the CEO should be responsible for regularly reviewing the adequacy of the current risk management measures are consistency with the principles and procedures set forth herein. Once having identified unusual transactions and performances, the CEO needs undertake any actions deemed necessary to correct the situation and report to the Board immediately.

Article 20: In accordance with the relevant regulations, a reference book shall be established and maintained to record the Company's financial derivative transactions

Internal audit personnel is required to evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, to conduct auditing on how well the related departments according to the Procedures, and to make report on a monthly basis. Should there be any violation found, a written report is needed to notify the supervisors.

Section V Merger, Spin-off, Acquisition and Transfer of Shares

Article 21: The Company that conducts a merger, demerger, acquisition, or transfer of shares, shall, prior to convening the board of directors to resolve on the matter, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

Article 22: The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Companies shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 23: The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.

3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and 4.

Article 24: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 25: The Companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

2. An action, such as a disposal of major assets, that affects the company's financial operations.

3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 26: The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.

2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4. The manner of handling changes in the number of participating entities or companies.

5. Preliminary progress schedule for plan execution, and anticipated completion date.

6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 27: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 28: Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 23, Article 24, and Article 27.

Chapter III Public Disclosure of Information

Article 29: Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.

2. Merger, demerger, acquisition, or transfer of shares.

3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.

4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:

   (1) Trading of government bonds.

(2) Trading of bonds under repurchase/resale agreements.

(3) Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT$500 million.

(4) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT$500 million.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.

2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

3. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 30: Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Chapter IV Miscellaneous

Article 31: Information required to be publicly announced and reported in accordance with the provisions of Chapter III on acquisitions and disposals of assets by a subsidiary of the company that is not itself a public company in Taiwan shall be reported by the Company.

The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to first paragraph of Article 29, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.

Article 31-1: In the case of a foreign subsidiary whose shares have no par value or a par value other than NT$10, for the calculation of transaction amounts of 20 percent of paid-in capital under Articles 8 to 10 and 13, 10 percent of shareholders’ equity shall be substituted.

Article 32: Commitment to the ROC GreTai Securities Market

1. The Company shall not waive subsequent right(s) of subscribing stock

in WIN SEMI. USA, INC. and Win Semiconductors Cayman Islands Co., Ltd. newly issued for the purpose of capital increase. In case any strategic alliance or other waiving of such right that is approved the ROC GreTai Securities Market, special resolution of the Board of Directors shall be obtained for waiving the right.

2. Any amendments of the preceding paragraph shall be announced on the Market Observation Post System (MOPS) and reported to the ROC GreTai Securities Market.

Article 33: The Procedures shall become effective upon approval by the Board of Directors and be reported to the shareholders' meeting. The same applies in case of any revisions.

APPENDIX IV: DIRECTORS' AND SUPERVISORS' REMUNERATION AND EMPLOYEES' BONUS

1. The Board adopted a proposal for 2013 compensation to directors and supervisors and employees' cash bonus at its Meeting on March 07, 2014. The proposal was as below:

Unit: NT$

Item	2013
Directors' and supervisors' remuneration	49,900,000
Employees' cash bonus	166,400,000

The amounts of the above-mentioned items, which have been expensed under the Company's 2013 income statements, do not differ materially from the amounts proposed by the Board.

APPENDIX V: EFFECT UPON BUSINESS PERFORMANCE, EARNINGS PER SHARE AND RETURN ON EQUITY OF ANY STOCK DIVIDEND DISTRIBUTION

No stock dividend distributed, not applicable.

APPENDIX VI: SHAREHOLDING OF DIRECTORS AND SUPERVISORS

WIN Semiconductors Corp.
Shareholding of Directors and Supervisors

Book closure date: April 22, 2014

Position	Name	Shareholding	Shareholding ratio (%)
Chairman	Dennis Chen	22,305,571	3.01%
Director	Cheng-Hui Wang	1,563,000	0.21%
Director	Yu-Chi Wang	2,458,243	0.33%
Director	William Chang	928,000	0.13%
Director	Steve Chen	3,458,368	0.47%
Independent Director	Chao-Shun Chang	0	0.00%
Independent Director	Wei-Lin Wang	0	0.00%
Subtotal	**Directors**	**30,713,182**	**4.15%**
Supervisor	International Fiber Technology Co, Ltd.-Representative: Shih-Chuan Hsieh	6,300,000	0.85%
Supervisor	Mei-Lan Wang	0	0.00%
Supervisor	Cheng-Li Huang	0	0.00%
Subtotal	**Supervisors**	**6,300,000**	**0.85%**

1. Total issued shares: 740,637,928 shares.
2. The minimum required combined shareholding of all directors by law:
   23,700,414 shares.
   The minimum required combined shareholding of all supervisors by law:
   2,370,041 shares.
3. The combined shareholding of all directors on the book closure date:
   30,713,182 shares (4.15%).
   The combined shareholding of all supervisors on the book closure date:
   6,300,000 shares (0.85%)