WIN Semiconductors Corp.

2018 Annual General Shareholders' Meeting Minutes

(Translation)

Time: 9:00 a.m., June 15, Friday, 2018

Place: 2F, No. 68, Wuner 1st St., Gueishan District, Taoyuan City
(Fullon Hotel Linkou)

Attending Shareholders: The total number of shares represented by shareholders attending the meeting in person or by proxy is 358,854,903 shares (including casted electronically 299,494,573 shares), representing 84.90% of the total number of issued shares of the Company (i.e. 422,666,384 shares)

Chairman: Dennis Chen Recorder: Joan Lu

Attending Directors: Yu-Chi Wang (Director), Wen-Ming Chang (Director), Shun-Ping Chen (Director), Shih-Chun Hsieh, Representative of International Fiber Technology Co., Ltd. (Director), Jin-Shih Lin (Independent Director), Shen-Yi Li (Independent Director), Wei-Lin Wang (Independent Director)

Attendees: Ya-Ling Chen (CPA, KPMG)

I. As the number of shares represented by attending shareholder has reached the required quorum for shareholders' meeting, the chairman declares the shareholders' meeting begins

II. Chairperson Remarks: (Omitted)

III. Report Items

Report 1: 2017 business report (see Attachment I, pages 7-9).

Report 2: 2017 Audit Committee's review report (see Attachment II, page 10).

Report 3: 2017 employees' profit sharing bonus and Directors' compensation

1. The Company's profit of 2017 is NT$4,577,559,611 (this is the pre-tax profit after deducting of the employees' profit sharing bonus and compensation for Directors). The proposed employees' profit sharing bonus and Directors' compensation are NT$308,400,000 and NT$89,500,000 respectively, and are to be distributed in cash.
2. These amounts were approved by the Board of Directors meeting on March 22, 2018.

Report 4: 2017 private placement of common shares execution report

1. The execution report is made and attached hereto as Attachment VI (pages 27-29).

IV. Proposed Items

Proposal 1: **Proposed by the Board**

Adoption of the 2017 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, Ya-Ling Chen and Mei-Yen Chen of KPMG. In addition, the Financial Statements have been approved by the Board of Directors and have been examined by the Audit Committee of the Company.
2. The Business Report has been approved by the Board of Directors and has been examined by the Audit Committee of the Company.
3. The 2017 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached hereto as Attachments I (pages 7-9), III and IV (pages 11-25).

Voting Result:

Shares present at the time of voting was 358,854,903 votes. Voting in favor 319,920,948 votes (including votes casted electronically 260,848,366 votes) representing 89.15% of share presented, voting against 15,977 votes (including votes casted electronically 15,977 votes), voting invalid or abstained 38,917,978 votes (including votes casted electronically 38,630,230 votes). RESOLVED, that the 2017 Business Report and Financial Statements be and hereby were accepted as submitted.

Proposal 2: **Proposed by the Board**

Adoption of the proposal for distribution of 2017 profits.

Explanation:

1. The Company's net profit of 2017 is NT$3,764,199,878. In accordance with Article 22-1 of the Articles of Incorporation, the 2017 profit allocation proposal is made and attached hereto as Attachment V (page 26).
2. The proposed dividend to shareholders is a cash dividend of NT$7 per common share. Subject to the approval of the 2018 Annual Meeting of Shareholders, the Chairman of the Board will be authorized to determine the ex-dividend date and payment date. If the total amount of outstanding common shares changes owing to WIN redeeming its common shares and the distribution ratio for the cash dividend needs to be adjusted, the Chairman of the Board of Directors of WIN will be authorized by the General Shareholders Meeting to make such adjustments.

3. Distribution of cash dividend will be rounded down to an integer, and will authorize the Chairman to distribute the total rounded down amounts to specific persons for adjustment.

Voting Result:

Shares present at the time of voting was 358,854,903 votes. Voting in favor 320,476,870 votes (including votes casted electronically 261,404,288 votes) representing 89.30% of share presented, voting against 15,977 votes (including votes casted electronically 15,977 votes), voting invalid or abstained 38,362,056 votes (including votes casted electronically 38,074,308 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Discussion Items

Proposal 1: **Proposed by the Board**

Proposal for release of Directors from non-competition restrictions.

Explanation:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Directors of the Company who participate in the operations of another company, that engages in the same or similar business scope as the Company hereby requests the shareholders' approval to release these directors and their proxies from the non-competition restrictions.

   The positions that Directors concurrently engage in: (added)

Name of Independent Director	The essential position the director engages in
Wei-Lin Wang	Independent Director, Fuzetec Technology Co., Ltd.

Voting Result:

Shares present at the time of voting was 358,854,903 votes. Voting in favor 294,260,330 votes (including votes casted electronically 235,187,748 votes) representing 81.99% of share presented, voting against 14,271,494 votes (including votes casted electronically 14,271,494 votes), voting invalid or abstained 50,323,079 votes (including votes casted electronically 50,035,331 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2: **Proposed by the Board**

Proposal for the issuance of Restricted Stock Awards ("RSA").

Explanation:

1. To retain and attract professional employees and remain competitive, and to ensure that employees interests are aligned with the interests of shareholders and the long-term value and profitability of the firm. For this reason, it is proposed to issue Restricted Stock Awards in accordance with Article 267 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" issued by Financial Supervisory Commission.
2. The number of shares issued by the Company under this plan shall not exceed 1,700,000 common shares, with par value NT$10, for a total amount of NT$17,000,000. The shares will be issued free to qualified employees. The issuance terms and conditions, qualification requirement for employees and the allocation of shares, the reason why it is necessary to issue restricted stocks for employees, the expensable amount, and the dilution of the Company's earnings

per share and any other impact on shareholders' equity are attached hereto as Attachment VII (pages 30-31).

3. With respect to the issuance of RSA, the relevant restrictions, important agreement and any other matters not set forth here shall be dealt with in accordance with the applicable laws and regulations and the actual issuance plan set by the Company.
4. If some revision or adjustment has to be made due to the competent authority's instruction, amendment to the laws and regulations, or other objective circumstances, it is proposed that the Annual Shareholders' Meeting authorizes the Board of Directors or the appointed person by the Board with full power and authority to handle all the issues regarding the issuance of RSA.

Voting Result:

Shares present at the time of voting was 358,854,903 votes. Voting in favor 304,762,495 votes (including votes casted electronically 245,689,913 votes) representing 84.92% of share presented, voting against 15,348,078 votes (including votes casted electronically 15,348,078 votes), voting invalid or abstained 38,744,330 votes (including votes casted electronically 38,456,582 votes). RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Special Motions: None.

VII. Adjournment: At 9:25a.m of June 15, 2018.

ATTACHMENT I: 2017 BUSINESS REPORT

For WIN, 2017 was both a challenging and a fruitful year. In 2017, apart from continuing strong growth in the area of microwave communications, we began mass production and shipment for optical devices during the second half of the year in response to the development of new consumer products. During the year, our efforts to develop III-V compound semiconductor technology, and to leverage the technology in other fields of applications, began to pay off significantly. Since the company was established in 1999, we have consistently hoped IDM customers worldwide would be able to increase their dependence on our process technology and production capacity, and ultimately decide to outsource all productions to WIN. After a long period of cultivation, at the end of last year, one of our major IDM customers decided to form a strategic alliance with us via private placement, which proved that our longstanding business model was correct. We believe that this kind of cooperation will have a demonstration effect, causing other IDMs to reduce their willingness to expand their capacity, and instead explore the possibility of cooperating with wafer foundries. It's also worth mentioning that Morgan Stanley Capital International (MSCI) formally announced that WIN was included for the first time on its Global Standard Indexes at the end of 2017. This not only affirmed our business performance, but also enabled WIN—already closely linked with the global wireless communications industry—to establish tighter ties with the global capital market.

The Company's revenues and profits grew by 25% and 21% in 2017, setting new highs for the company. But in spite of this success, we haven't forgotten the importance of continuously improving corporate governance. For the third time in a row, the Company was among the top 5% TPEx-listed companies in Taiwan's corporate governance assessment during the first half of 2017, which was both an encouragement and a goad. Although a company's business success may change with economic conditions, good corporate governance should be a manager's eternal rule. We will continue to maintain and enhance our corporate governance long-term and strive to boost shareholders' return on equity, and we are confident in our growth during 2018.

2017 operating results and 2018 outlook are reported as follow:

A. Operating Performance in 2017

1. Operating Performance

The Company’s 2017 consolidated revenues totaled NT$17,086,555 thousand, representing an increase of 25.42% compared to the year 2016. 2017 net profit attributable to owners of parent was NT$ 3,764,200 thousand, representing an increase of 20.93% compared to the prior year, and EPS for 2017 was NT$9.34.

2. Analysis of Receipts, Expenditures, and Profitability

Unit: NT$ thousands; %

Items			2017 (Consolidated)	2016 (Consolidated)
Interest Income & Interest Expense	Interest Income		26,121	11,104
	Interest Expense		54,946	20,220
Profitability	Return on Total Assets (%)		11.86	12.32
	Return on Equity (%)		17.43	17.87
	Ratio to Issued Capital (%)	Operating Income	108.11	85.72
		Pre-tax Income	107.15	95.36
	Profit Ratio (%)		21.74	22.73
	Earnings per Share (NT$ dollars)		9.34	6.04

3. Budget Implementation

The Company is not required to make public its 2017 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

The secret to maintaining leadership in the industry is to devote significant resources to the development of future technologies. We have accumulated close to 20 years of technology development experience, and have applied all of the technologies we have developed to our mainstream terminal products, which has powered our continuing growth momentum. Because we always stay close to our market, we are well aware of future trends, understand customers' needs, and can develop the most advanced technologies for our customers' use. We expect optical devices and 5G communications to be our chief engines of growth during the next few years. In the case of optical devices, we will continue to team up with customers to jointly develop new 3D sensing technology for use in handheld devices. We are also developing technologies for data center, AR/VR, and LiDAR related applications, and are being qualified by some of our customers. As for 5G communications applications, our microwave communications technology roadmap spans both the sub-6GHz and millimeter waves. We began developing relevant processes as early as several years ago, and our products are currently being qualified by our customers.

B. Business Plan in 2018

We continued to expand in 2017 with capital expenditures approaching NT$4 billion. Apart from responding to demand during the peak season of that year, we also helped ensure that the world's first smartphones with a 3D sensing function were shipped on time, and laid the foundation for continued growth this year. During 2018, we will continue to expand capacity at our Fab C in Guishan Taoyuan. Beyond increasing our clean room space, we will continue to optimize our production line’s efficiency and acquire new production machineries. As a result, we expect our capital expenditures during 2018 to be closed to the sum of our expenditures of the past two years, and our new capacity will increase by more than 20%.

C. Development Strategy

Our strategy has always been based on the advantages of R&D ability and mass production strength on III-V compound semiconductor technology , and we will continue employ a foundry business model as we expand our applications market from microwave to light waves. Looking ahead to the future, we are optimistic regarding the development of optical devices, especially 3-D sensing applications on handheld devices, which is an area where WIN is already a leader. According to projections issued by the market research organization Yole Development, the global value of 3-D image sensing functions will increase by a CAGR of close to 37.7% from 2017 to 2022. We look forward to the demand for optical devices growing rapidly with the emergence of even more handheld devices and brands during the next few years, as well as the increasing maturity of AR/VR applications and ADAS. In addition, we also have high expectations of 5G microwave communications applications, which will appear during the next few years. This is not merely because demand for power amplifiers will increase sharply as the frequency of handheld devices extends to sub-6 GHz in the 5G age, but also because demand for 5G infrastructure will increase to keep pace with applications, and base stations will require the high-frequency, high-power technologies that we specialize in. These technologies, including integrated millimeter waves components and GaN technology, will enable WIN to pull further ahead of competitors. We therefore expect optical devices and 5G to be the two major engines of WIN' growth during the coming years.

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

Although we have maintained our position as the GaAs foundry leader, there has been no let up in challenges from our competitors. In the face of pressure from customers to cut prices, new competitors' attempts to replicate, or even pirate, our business model and technology, and uncertainty concerning domestic legal and regulatory trends, we at WIN must constantly seek innovation and engage in R&D in order to maintain our technological leadership. And at the same time, we will also strengthen our information security in order to guard our business secrets and maintain our competitiveness. We further plan to establish various types of strategic alliances with customers in order to maintain our win-win relationships.

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

ATTACHMENT II: 2017 AUDIT COMMITTEE'S REVIEW REPORT

2017 AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the Company's 2017 Business Report, Financial Statements (parent-company-only & consolidated), and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit WIN's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of WIN Semiconductors Corp. According to relevant article 14-4 of the Securities and Exchange Act and article 219 of the Company Law, we hereby submit this report.

WIN Semiconductors Corp.
Chairman of the Audit Committee: Jin-Shih Lin

March 22, 2018

ATTACHMENT III: INDEPENDENT AUDITORS' REPORT AND 2017 CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors of WIN Semiconductors Corp. :

Opinion

We have audited the consolidated financial statements of WIN Semiconductors Corp. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2017 and 2016 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Evaluation of inventory

   Please refer to Note 4(h) "Inventories" for accounting policies, Note 5(a) for accounting assumptions, judgments and estimation uncertainty of inventories, and Note 6(d) for the amount of loss on valuation of inventories of the consolidated financial statements.

   Due to the industry demand, WIN Semiconductors Corp. and its subsidiaries store a high ratio of precious metals which result in a lower inventory turnover. Therefore, the Group cannot require sufficient information on inventories that were sold or used on the reporting date. Since the technology changes rapidly, the inventory may be out of date or may not conform to market demand, resulting in a risk wherein the carrying amount of inventories may exceed its net realizable value.

How the matter was addressed in our audit:

Our principal audit procedures included: Testing the accuracy of the estimations of inventories at the lower of cost and net realizable value. Referring to the recent selling price and considering the amount of written off inventories in the subsequent events to evaluate the appropriateness of the amount of loss on valuation of inventories or obsolescence. Analyzing the historical accuracy of judgments, including inspecting the amount of loss on valuation of inventories or obsolescence recognized in prior year and with reference to actual disposal to assess rationality of the judgments of the current period. Moreover, comparing with the provision for inventories valuation and obsolescence made in the current year to evaluate the appropriateness of the assumptions.

2. Assessment of goodwill impairment

   Please refer to Note 4(o) “Impairment of non financial assets” for accounting policies, Note 5(b) for accounting assumptions, judgments and estimation uncertainty of assessment of goodwill impairment, and Note 6(g) for the illustration of acquisition of subsidiary and non controlling interests of the consolidated financial statements.

   WIN Semiconductors Corp. and its subsidiaries periodically assess and perform their impairment test of goodwill based on the recoverable amount that is calculated by using the value in use method. The value in use method takes into account by predicting the future cash flow, and is decided by applying the discount rate. Since the assessment of goodwill impairment relies on the subjective judgment and estimation made by the management, it has been identified as a key audit matter.

   How the matter was addressed in our audit:

   Our principal audit procedures included: Assessing the rationality of method used in measuring the recoverable amount, which is provided by the management of the Group, including evaluating the appropriateness of assumption and estimation on major parameters, such as the forecast of cash flow and discount rate. Comparing with the historical accuracy of judgments, including inspecting the amount of forecast of cash flow in prior year and with reference to actual cash flow to evaluate the appropriateness of the assumptions. Performing the sensitivity analysis on main assumption.

Other Matter

WIN Semiconductors Corp. has prepared its parent company only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC as well as SIC endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya Ling Chen and Mei Yen Chen.

KPMG

Taipei, Taiwan (The Republic of China)
March 22, 2018

Note to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Balance Sheets

December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2017		December 31, 2016	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents	$ 7,849,123	21	2,388,143	9
1110	Current financial assets at fair value through profit or loss	1,301,307	3	218,250	1
1125	Current available-for-sale financial assets	1,661,562	5	974,767	4
1170	Accounts receivable, net	1,551,390	4	1,068,714	4
1210	Other receivables due from related parties	182,249	1	-	-
1310	Inventories	3,744,681	10	2,727,432	10
1400	Current biological assets	96,738	-	133,029	1
1470	Other current assets	400,064	1	309,074	1
	Total current assets	16,787,114	45	7,819,409	30
	Non-current assets:				
1523	Non-current available-for-sale financial assets	1,793,869	5	1,625,267	6
1543	Non-current financial assets at cost	22,915	-	24,832	-
1546	Non-current investments in debt instrument without active market	62,200	-	92,600	-
1550	Investments accounted for using equity method	327,269	1	291,036	1
1600	Property, plant and equipment (	14,468,268	39	13,348,978	51
1760	Investment property	1,441,902	4	1,468,113	6
1780	Intangible assets	257,844	1	229,539	1
1830	Non-current biological assets	37,450	-	48,290	-
1840	Deferred tax assets	77,200	-	75,354	-
1915	Prepayments for business facilities	1,640,765	5	1,263,897	5
1990	Other non-current assets	110,656	-	123,324	-
	Total non-current assets	20,240,338	55	18,591,230	70
	Total assets	$ 37,027,452	100	26,410,639	100

		December 31, 2017		December 31, 2016	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Notes and accounts payable	$ 1,698,485	4	975,478	4
2200	Other payables	2,802,419	8	2,056,522	7
2320	Long-term liabilities, current portion	352,056	1	940,194	4
2399	Other current liabilities	224,505	1	222,226	1
	Total current liabilities	5,077,465	14	4,194,420	16
	Non-Current liabilities:				
2540	Long-term borrowings	5,905,480	16	3,673,749	14
2570	Deferred tax liabilities	33,489	-	33,728	-
2600	Other non-current liabilities	206,273	-	190,858	1
	Total non-current liabilities	6,145,242	16	3,898,335	15
	Total liabilities	11,222,707	30	8,092,755	31
	Equity :				
3110	Ordinary shares	4,226,664	11	4,076,664	15
3200	Capital surplus	9,052,896	25	3,758,737	14
3300	Retained earnings	10,821,687	29	9,376,801	36
3400	Other equity interests	1,467,968	4	761,897	2
3500	Treasury shares	-	-	(347,660)	(1)
	Total equity attributable to owners of parent	25,569,215	69	17,626,439	66
36XX	Non-controlling interests	235,530	1	691,445	3
	Total equity	25,804,745	70	18,317,884	69
	Total liabilities and equity	$ 37,027,452	100	26,410,639	100

WIN Semiconductors Corp. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2017		2016	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue**	$ 17,086,355	100	13,623,076	100
5000	**Operating costs**	(10,758,385)	(63)	(8,616,865)	(63)
	Gross profit from operating	6,327,970	37	5,006,211	37
	Operating expenses:				
6100	Selling expenses	(197,524)	(1)	(169,804)	(1)
6200	Administrative expenses	(868,302)	(5)	(735,461)	(5)
6300	Research and development expenses	(692,809)	(4)	(606,344)	(5)
	Total operating expenses	(1,758,635)	(10)	(1,511,609)	(11)
	Net operating income	4,569,335	27	3,494,602	26
	Non-operating income and expenses:				
7010	Other income	202,740	1	137,384	1
7020	Other gains and losses	(30,093)	-	318,332	2
7050	Finance costs	(54,946)	-	(20,220)	-
7770	Shares of losses of associates and joint ventures accounted for using equity method	(158,357)	(1)	(42,554)	-
	Total non-operating income and expenses	(40,656)	-	392,942	3
7900	**Profit before tax**	4,528,679	27	3,887,544	29
7950	**Total tax expense**	(813,384)	(5)	(791,239)	(6)
	Profit	3,715,295	22	3,096,305	23
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss :**				
8311	Remeasurements of defined benefit plans	201	-	(13,272)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(34)	-	2,256	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	167	-	(11,016)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(74,329)	(1)	(45,648)	(1)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	807,998	5	397,017	3
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method	9,263	-	301	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	742,932	4	351,670	2
8300	**Other comprehensive income**	743,099	4	340,654	2
8500	**Total comprehensive income**	**$ 4,458,394**	**26**	**3,436,959**	**25**
	Profit (loss), attributable to:				
8610	Profit attributable to owners of parent	$ 3,764,200	22	3,112,774	23
8620	Loss attributable to non-controlling interests	(48,905)	-	(16,469)	-
		$ 3,715,295	**22**	**3,096,305**	**23**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 4,470,438	26	3,480,374	26
8720	Comprehensive income (loss), attributable to non-controlling interests	(12,044)	-	(43,415)	(1)
		$ 4,458,394	**26**	**3,436,959**	**25**
	Earnings per common share (expressed in dollars)				
9750	Basic earnings per share	**$ 9.34**		**6.04**	
9850	Diluted earnings per share	**$ 9.30**		**5.99**	

WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings			Other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2016	$ 5,965,641	3,815,017	800,954	6,244,544	7,045,498	19,783	363,161	382,944	-	17,209,100	-	17,209,100
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	267,163	(267,163)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(298,333)	(298,333)	-	-	-	-	(298,333)	-	(298,333)
	-	-	267,163	(565,496)	(298,333)	-	-	-	-	(298,333)	-	(298,333)
Profit (losses) for the year ended December 31, 2016	-	-	-	3,112,774	3,112,774	-	-	-	-	3,112,774	(16,469)	3,096,305
Other comprehensive income for the year ended December 31, 2016	-	-	-	(11,016)	(11,016)	(18,401)	397,017	378,616	-	367,600	(26,946)	340,654
Total comprehensive income for the year ended December 31, 2016	-	-	-	3,101,758	3,101,758	(18,401)	397,017	378,616	-	3,480,374	(43,415)	3,436,959
Capital reduction	(1,789,999)	-	-	-	-	-	-	-	-	(1,789,999)	-	(1,789,999)
Changes in equity of associates and joint ventures accounted for using equity method	-	5,549	-	-	-	-	-	-	-	5,549	-	5,549
Disposal of investments accounted for using equity method	-	-	-	-	-	337	-	337	-	337	-	337
Exercise of employee stock options	1,022	1,880	-	-	-	-	-	-	-	2,902	-	2,902
Purchase of treasury share	-	-	-	-	-	-	-	-	(983,491)	(983,491)	-	(983,491)
Retirement of treasury share	(100,000)	(63,709)	-	(472,122)	(472,122)	-	-	-	635,831	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	734,860	734,860
Balance at December 31, 2016	4,076,664	3,758,737	1,068,117	8,308,684	9,376,801	1,719	760,178	761,897	(347,660)	17,626,439	691,445	18,317,884
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	311,277	(311,277)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(1,811,999)	(1,811,999)	-	-	-	-	(1,811,999)	-	(1,811,999)
	-	-	311,277	(2,123,276)	(1,811,999)	-	-	-	-	(1,811,999)	-	(1,811,999)
Profit (losses) for the year ended December 31, 2017	-	-	-	3,764,200	3,764,200	-	-	-	-	3,764,200	(48,905)	3,715,295
Other comprehensive income for the year ended December 31, 2017	-	-	-	167	167	(101,927)	807,998	706,071	-	706,238	36,861	743,099
Total comprehensive income for the year ended December 31, 2017	-	-	-	3,764,367	3,764,367	(101,927)	807,998	706,071	-	4,470,438	(12,044)	4,458,394
Issue of shares	200,000	5,340,000	-	-	-	-	-	-	-	5,540,000	-	5,540,000
Purchase of treasury share	-	-	-	-	-	-	-	-	(96,317)	(96,317)	-	(96,317)
Retirement of treasury share	(50,000)	(45,841)	-	(348,136)	(348,136)	-	-	-	443,977	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	(159,346)	(159,346)	-	-	-	-	(159,346)	-	(159,346)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(443,871)	(443,871)
Balance at December 31, 2017	$ 4,226,664	9,052,896	1,379,394	9,442,293	10,821,687	(100,208)	1,568,176	1,467,968	-	25,569,215	235,530	25,804,745

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WIN Semiconductors Corp. and Its Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from (used in) operating activities:		
Profit before tax	$ 4,528,679	3,887,544
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,514,612	2,338,116
Amortization expense	47,398	33,943
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	16,411	(28,838)
Interest expenses	54,946	20,220
Interest income	(26,121)	(11,104)
Dividend income	(87,859)	(55,532)
Shares of losses of associates and joint ventures accounted for using equity method	166,787	49,835
Losses on disposal of property, plant and equipment	1,809	2,786
Gains on disposal of investments	(163,028)	(227,111)
Impairment loss on financial assets	2,635	-
Changes in biological assets at fair value	17,455	(16,959)
Total adjustments to reconcile profit	2,545,045	2,105,356
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in current financial assets at fair value through profit or loss	(831)	(29,222)
Increase in accounts receivable, net	(482,676)	(347,001)
Increase in inventories	(1,026,689)	(279,342)
Decrease (increase) in biological assets	(92,323)	22,327
Decrease (increase) in other current assets	(105,198)	138
Total changes in operating assets	(1,707,717)	(633,100)
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	912,344	(386,703)
Increase in other payables	371,790	95,757
Increase (decrease) in other current liabilities	2,397	(398,223)
Increase in other non-current liabilities	1,361	1,645
Total changes in operating liabilities	1,287,892	(687,524)
Total changes in operating assets and liabilities	(419,825)	(1,320,624)
Cash inflow generated from operations	6,653,899	4,672,276
Dividends received	5,200	2,785
Income taxes paid	(765,072)	(888,561)
Net cash flows from operating activities	5,894,027	3,786,500
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	(1,200,963)	(2,796,160)
Proceeds from disposal of current financial assets at fair value through profit or loss	109,289	3,669,438
Acquisition of current available-for-sale financial assets	-	(21,732)
Acquisition of non-current available-for-sale financial assets	(229,014)	(376,870)
Proceeds from disposal of current available-for-sale financial assets	181,000	-
Proceeds from disposal non-current available-for-sale financial assets	150,745	284,140
Acquisition of investments accounted for using equity method	(30,330)	(486,720)
Proceeds from capital reduction of investments accounted for using equity method	39,833	109,426
Proceeds from disposal of non-current investments in debt instrument without active market	30,400	67,000
Acquisition of property, plant and equipment	(2,694,713)	(2,036,046)
Proceeds from disposal of property, plant and equipment	3,947	891
Acquisition of investment properties	(1,258)	-
Decrease (increase) in other receivables due from related parties	(181,200)	4,938
Acquisition of intangible assets	(83,782)	(46,267)
Net cash inflows (outflows) from business combination	(36,959)	963,765
Increase in other non-current assets	(8,784)	(44,786)
Increase in prepayments for business facilities	(1,299,756)	(1,189,832)
Interest received	22,232	12,205
Dividends received	82,659	52,747
Net cash flows used in investing activities	(5,146,654)	(1,833,863)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(23,656)
Proceeds from long-term debt	5,963,500	2,514,000
Repayments of long-term debt	(4,320,979)	(841,506)
Increase in other non-current liabilities	14,255	6,127
Cash dividends paid	(1,811,999)	(298,333)
Proceeds from issuing shares	5,540,000	-
Capital reduction payments to shareholders	-	(1,789,999)
Exercise of employee share options	-	2,902
Payments to acquire treasury shares	(114,515)	(965,293)
Interest paid	(53,096)	(18,189)
Change in non-controlling interests	(462,802)	-
Net cash flows from (used in) financing activities	4,754,364	(1,413,947)
Effect of exchange rate changes on cash and cash equivalents	(40,757)	(20,204)
Net increase in cash and cash equivalents	5,460,980	518,486
Cash and cash equivalents at beginning of period	2,388,143	1,869,657
Cash and cash equivalents at end of period	$ 7,849,123	2,388,143

ATTACHMENT IV: INDEPENDENT AUDITORS' REPORT AND 2017 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

Independent Auditors' Report

The Board of Directors of WIN Semiconductors Corp. :

Opinion

We have audited the financial statements of WIN Semiconductors Corp. ("the Company"), which comprise the balance sheets as of December 31, 2017 and 2016, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years ended December 31, 2017 and 2016 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report was as follows:

Evaluation of inventory

Please refer to Note 4(g) "Inventories" for accounting policies, Note 5 for accounting assumptions, judgments and estimation uncertainty of inventories, and Note 6(d) for the amount of loss on valuation of inventories of the parent company only financial statements.

Due to the industry demand, WIN Semiconductors Corp. stores a high ratio of precious metals which result in a lower inventory turnover. Therefore, the Company cannot obtain sufficient information on inventories that were sold or used on the reporting date. Since the technology changes rapidly, the inventory may be out of date or may not conform to market demand, resulting in a risk wherein the carrying amount of inventories may exceed its net realizable value.

<u>How the matter was addressed in our audit:</u>

Our principal audit procedures included: Testing the accuracy of the estimations of inventories at the lower of cost and net realizable value. Referring to the recent selling price and considering the amount of written off inventories in the subsequent events to evaluate the appropriateness of the amount of loss on valuation of inventories or obsolescence. Analyzing the historical accuracy of judgments, including inspecting the amount of loss on valuation of inventories or obsolescence recognized in prior year and with reference to actual disposal to assess rationality of the judgments of the current period. Moreover, comparing with the provision for inventories valuation and obsolescence made in the current year to evaluate the appropriateness of the assumptions.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya Ling Chen and Mei Yen Chen.

KPMG
Taipei, Taiwan (The Republic of China)
March 22, 2018

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, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2017 Amount	%	December 31, 2016 Amount	%
	Current assets:				
1100	Cash and cash equivalents	$ 6,692,816	18	1,434,161	6
1110	Current financial assets at fair value through profit or loss	1,131,696	3	72,750	-
1125	Current available-for-sale financial assets	1,661,562	5	974,767	4
1170	Accounts receivable, net	454,663	1	532,672	2
1180	Accounts receivable due from related parties, net	1,285,142	4	521,957	2
1310	Inventories	3,735,524	10	2,716,765	11
1470	Other current assets	368,740	1	293,150	1
	Total current assets	15,330,143	42	6,546,222	26
	Non-current assets:				
1523	Non-current available-for-sale financial assets	1,149,835	3	1,164,160	5
1546	Non-current investments in debt instrument without active market	62,200	-	92,600	-
1550	Investments accounted for using equity method	2,660,032	7	1,675,609	7
1600	Property, plant and equipment	14,163,365	39	13,181,802	51
1760	Investment property	1,441,902	4	1,468,113	6
1780	Intangible assets	81,879	-	73,352	-
1840	Deferred tax assets	77,200	-	75,354	-
1915	Prepayments for business facilities	1,640,615	5	1,263,897	5
1990	Other non-current assets	52,271	-	50,787	-
	Total non-current assets	21,329,299	58	19,045,674	74
	Total assets	$ 36,659,442	100	25,591,896	100

	Liabilities and Equity	December 31, 2017 Amount	%	December 31, 2016 Amount	%
	Current liabilities:				
2170	Accounts payable	$ 1,682,749	5	941,535	4
2200	Other payables	2,722,598	7	1,978,321	8
2320	Long-term liabilities, current portion	352,056	1	940,194	3
2399	Other current liabilities	211,649	1	207,072	1
	Total current liabilities	4,969,052	14	4,067,122	16
	Non-Current liabilities:				
2540	Long-term borrowings	5,905,480	16	3,673,749	14
2570	Deferred tax liabilities	33,489	-	33,728	-
2600	Other non-current liabilities	182,206	-	190,858	1
	Total non-current liabilities	6,121,175	16	3,898,335	15
	Total liabilities	11,090,227	30	7,965,457	31
	Equity:				
3110	Ordinary shares	4,226,664	11	4,076,664	16
3200	Capital surplus	9,052,896	25	3,758,737	14
3300	Retained earnings	10,821,687	30	9,376,801	37
3400	Other equity interests	1,467,968	4	761,897	3
3500	Treasury shares	-	-	(347,660)	(1)
	Total equity	25,569,215	70	17,626,439	69
	Total liabilities and equity	$ 36,659,442	100	25,591,896	100

WIN Semiconductors Corp.

Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

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

		2017		2016	
		Amount	%	Amount	%
4000	**Operating revenue**	$ 16,477,395	100	13,299,527	100
5000	**Operating costs**	(10,367,930)	(63)	(8,414,261)	(63)
	Gross profit from operating	6,109,465	37	4,885,266	37
	Operating expenses :				
6100	Selling expenses	(109,666)	(1)	(85,376)	(1)
6200	Administrative expenses	(734,840)	(4)	(667,364)	(5)
6300	Research and development expenses	(674,475)	(4)	(605,674)	(5)
	Total operating expenses	(1,518,981)	(9)	(1,358,414)	(11)
	Net operating income	4,590,484	28	3,526,852	26
	Non-operating income and expenses:				
7010	Other income	181,820	1	130,025	1
7020	Other gains and losses	(30,475)	-	297,470	2
7050	Finance costs	(54,946)	-	(20,220)	-
7070	Shares of losses of subsidiaries, associates and joint ventures accounted for using equity method	(109,323)	(1)	(30,543)	-
	Total non-operating income and expenses	(12,924)	-	376,732	3
7900	**Profit before tax**	4,577,560	28	3,903,584	29
7950	**Total tax expense**	(813,360)	(5)	(790,810)	(6)
	Profit	3,764,200	23	3,112,774	23
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or los:**				
8311	Remeasurements of defined benefit plans	201	-	(13,272)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(34)	-	2,256	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	167	-	(11,016)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(136,844)	(1)	(6,675)	-
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	617,146	4	357,577	3
8380	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	225,769	1	27,714	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax	706,071	4	378,616	3
8300	**Other comprehensive income**	706,238	4	367,600	3
8500	**Total comprehensive income**	**$ 4,470,438**	**27**	**3,480,374**	**26**
	Earnings per common share (expressed in dollars)				
9750	Basic earnings per share	**$ 9.34**		**6.04**	
9850	Diluted earnings per share	**$ 9.30**		**5.99**	

WIN Semiconductors Corp.

Statements of Changes in Equity

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity interest				
	Ordinary shares	**Capital surplus**	**Legal reserve**	**Unappropriated retained earnings**	**Total retained earnings**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) on available -for-sale financial assets**	**Total other equity interest**	**Treasury shares**	**Total equity**
Balance at January 1, 2016	$ 5,965,641	3,815,017	800,954	6,244,544	7,045,498	19,783	363,161	382,944	-	17,209,100
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	267,163	(267,163)	-	-	-	-	-	-
Cash dividends	-	-	-	(298,333)	(298,333)	-	-	-	-	(298,333)
	-	-	267,163	(565,496)	(298,333)	-	-	-	-	(298,333)
Profit for the year ended December 31, 2016	-	-	-	3,112,774	3,112,774	-	-	-	-	3,112,774
Other comprehensive income for the year ended December 31, 2016	-	-	-	(11,016)	(11,016)	(18,401)	397,017	378,616	-	367,600
Total comprehensive income for the year ended December 31, 2016	-	-	-	3,101,758	3,101,758	(18,401)	397,017	378,616	-	3,480,374
Capital reduction	(1,789,999)	-	-	-	-	-	-	-	-	(1,789,999)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	-	5,549	-	-	-	337	-	337	-	5,886
Exercise of employee stock options	1,022	1,880	-	-	-	-	-	-	-	2,902
Purchase of treasury share	-	-	-	-	-	-	-	-	(983,491)	(983,491)
Retirement of treasury share	(100,000)	(63,709)	-	(472,122)	(472,122)	-	-	-	635,831	-
Balance at December 31, 2016	4,076,664	3,758,737	1,068,117	8,308,684	9,376,801	1,719	760,178	761,897	(347,660)	17,626,439
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	311,277	(311,277)	-	-	-	-	-	-
Cash dividends	-	-	-	(1,811,999)	(1,811,999)	-	-	-	-	(1,811,999)
	-	-	311,277	(2,123,276)	(1,811,999)	-	-	-	-	(1,811,999)
Profit for the year ended December 31, 2017	-	-	-	3,764,200	3,764,200	-	-	-	-	3,764,200
Other comprehensive income for the year ended December 31, 2017	-	-	-	167	167	(101,927)	807,998	706,071	-	706,238
Total comprehensive income for the year ended December 31, 2017	-	-	-	3,764,367	3,764,367	(101,927)	807,998	706,071	-	4,470,438
Issue of shares	200,000	5,340,000	-	-	-	-	-	-	-	5,540,000
Purchase of treasury share	-	-	-	-	-	-	-	-	(96,317)	(96,317)
Retirement of treasury share	(50,000)	(45,841)	-	(348,136)	(348,136)	-	-	-	443,977	-
Changes in ownership interests in subsidiaries	-	-	-	(159,346)	(159,346)	-	-	-	-	(159,346)
Balance at December 31, 2017	**$ 4,226,664**	**9,052,896**	**1,379,394**	**9,442,293**	**10,821,687**	**(100,208)**	**1,568,176**	**1,467,968**	**-**	**25,569,215**

Note: The appropriations for 2017 and 2016 directors and supervisors' remuneration amounting to $89,500 and $76,300, employee's remuneration, amounting to $308,400 and $263,000, were recognized and accrued in the 2017 and 2016 earnings.

WIN Semiconductors Corp.

Statements of Cash Flows

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from (used in) operating activities:		
Profit before tax	$ 4,577,560	3,903,584
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,487,549	2,331,155
Amortization expense	41,826	32,129
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	34,775	(13,993)
Interest expenses	54,946	20,220
Interest income	(18,285)	(9,811)
Dividend income	(70,680)	(46,681)
Shares of losses of subsidiaries, associates and joint ventures accounted for using equity method	109,323	30,543
Losses on disposal of property, plant and equipment	1,809	2,768
Gains on disposal of investments	(160,043)	(209,987)
Total adjustments to reconcile profit	2,481,220	2,136,343
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable, net	78,009	(232,538)
Increase in accounts receivable due from related parties, net	(763,185)	(146,241)
Increase in inventories	(1,019,023)	(281,748)
Increase in other current assets	(75,862)	(159)
Total changes in operating assets	(1,780,061)	(660,686)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	741,214	(368,332)
Increase in other payable	384,189	95,132
Increase (decrease) in other current liabilities	4,577	(399,734)
Increase in other non-current liabilities	1,361	1,645
Total changes in operating liabilities	1,131,341	(671,289)
Total changes in operating assets and liabilities	(648,720)	(1,331,975)
Cash inflow generated from operations	6,410,060	4,707,952
Income taxes paid	(764,527)	(888,336)
Net cash flows from operating activities	5,645,533	3,819,616
Cash flows from (used in) investing activities:		
Acquisition of current financial assets at fair value through profit or loss	(1,165,963)	(2,761,160)
Proceeds from disposal of current financial assets at fair value through profit or loss	74,230	3,669,438
Acquisition of current available-for-sale financial assets	-	(21,732)
Acquisition of non-current available-for-sale financial assets	(229,014)	(356,864)
Proceeds from disposal of current available-for-sale financial assets	181,000	-
Proceeds from disposal of non-current available-for-sale financial assets	150,745	284,140
Acquisition of investments accounted for using equity method	(1,204,000)	(540,500)
Proceeds from capital reduction of investments accounted for using equity method	39,833	109,426
Proceeds from disposal of non-current investments in debt instrument without active markets	30,400	67,000
Acquisition of property, plant and equipment	(2,201,117)	(1,986,782)
Proceeds from disposal of property, plant and equipment	3,929	891
Acquisition of investment properties	(1,258)	-
Acquisition of intangible assets	(46,839)	(44,067)
Increase in other non-current assets	(1,484)	(2,046)
Increase in prepayment for business facilities	(1,299,606)	(1,189,832)
Interest received	18,487	10,911
Dividends received	70,680	46,681
Net cash flows used in investing activities	(5,579,977)	(2,714,496)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(23,656)
Proceeds from long-term debt	5,963,500	2,514,000
Repayments of long-term debt	(4,320,979)	(841,506)
Increase (decrease) in other non-current liabilities	(9,812)	6,127
Cash dividends paid	(1,811,999)	(298,333)
Proceeds from issuing shares	5,540,000	-
Capital reduction payments to shareholders	-	(1,789,999)
Exercise of employee share options	-	2,902
Payments to acquire treasury shares	(114,515)	(965,293)
Interest paid	(53,096)	(18,189)
Net cash flows from (used in) financing activities	5,193,099	(1,413,947)
Net increase (decrease) in cash and cash equivalents	5,258,655	(308,827)
Cash and cash equivalents at beginning of period	1,434,161	1,742,988
Cash and cash equivalents at end of period	**$ 6,692,816**	**1,434,161**

ATTACHMENT V: PROFIT ALLOCATION PROPOSAL

WIN Semiconductors Corp.

2017 Profit Allocation Proposal

Unit: NT$

Net profit of 2017	**3,764,199,878**
Less: 10% legal reserve	(376,419,988)
Retained earnings in 2017 available for distribution	**3,387,779,890**
Distributable item:	
Cash dividends to common share holders (NT$7 per share)	**(2,958,664,688)**
Unappropriated retained earnings of 2017	**429,115,202**
Add: uappropriated retained earnings, Dec. 31, 2016	6,185,408,323
Add: remeasurements of defined benefit plans	166,830
Less: retirement of treasury share	(348,136,138)
Less: changes in ownership interests in subsidiaries	(159,346,525)
Unappropriated retained earnings, Dec. 31, 2017	**6,107,207,692**

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 equivalent 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. If there is still remaining balance, the Board of Directors should draw up a meeting regarding the issue of profit distribution and report to the shareholders' meeting for the resolution of the distribution of the 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.

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

ATTACHMENT VI: 2017 PRIVATE PLACEMENT OF SECURITIES EXECUTION REPORT

Item	2017 1st Private Placement Date of issuance: January 17, 2018
Securities under private placement	Common shares
Date of resolution and approved quantity	June 16, 2017, not exceeding 40,000,000 shares
Basis and rationality of price setting	1. In accordance with "Directions for Public Companies Conducting Private Placements of Securities", the higher of the following two calculations shall be the reference price: (a) the simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days, or (b) for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. 2. The actual issuance price shall no lower than the reference price. 3. The pricing date is the Board meeting date on December 8, 2017. The simple average closing price of the common shares of the Company for the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction is NT$267.50, NT$268.17 and NT$283.60, respectively, the closing price for 1 business day, NT$267.50, has been chosen. In addition, the simple average closing price of the common shares of the Company for 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction is NT$276.92. The higher of the two prices, that is, NT$276.92 is the reference price. The actual issuance price, NT$277, is not lower than the reference price and meets the 2017 AGM resolutions.
Method of selection of specified parties	The strategic investors have the priority to be considered as Specific Persons for private placement if (i) being qualified for the rules in Article 43-6, Security and Exchange Act and relevant regulations, (ii) can meet the Company's business needs in terms of developing new market, expanding operation scale and generating direct or indirect benefits for future operations. The major targets will be the Company's customers and shall not be insiders or related parties of the Company. It is proposed to authorize the Company's Board to determine the Specific Persons for private placement.

<table>
<tr><td>The reasons for private placement</td><td>Considering the effectiveness, feasibility and costs to raise capital, the Company proposes to raise funds by way of issuance of common shares through private placement. Also, it is proposed to authorize the Company's Board to implement the private placement based on the capital market status and Company's actual needs, which can increase the flexibility and effectiveness. Fundraising through private placement with the imposed trading limitation period of 3 years can ensure more long-term cooperation between the Company and the strategic investors.</td></tr>
<tr><td>Date of payment and completion</td><td>The aggregate subscription price NT$5,540,000,000 was fully received on December 22, 2017.</td></tr>
<tr><td>Information of contributing parties</td><td><table>
<tr><th>Target</th><th>Eligibility</th><th>Quantity purchased</th><th>Relationship with the company</th><th>Participation in company operations</th></tr>
<tr><td>Avago Technologies General IP (Singapore) Pte. Ltd.</td><td>Subparagraph 2, Paragraph 1, Article 43-6 of Security and Exchange Act</td><td>20,000,000 shares</td><td>Non related-party of the Company</td><td>No</td></tr>
</table></td></tr>
<tr><td>Actual purchase price</td><td>NT$277</td></tr>
<tr><td>Difference between the actual purchase price and the reference price</td><td>The actual issuance price, NT$277, is not lower than the reference price and meets the 2017 AGM resolutions.</td></tr>
<tr><td>Impact of private placement on shareholder's equity</td><td>Shares of private placement to total ordinary shares is 4.73%.</td></tr>
<tr><td>Use of funds from private placement and the progress of proposed plans</td><td>The Board of Directors has resolved to issue 20,000,000 shares on December 8, 2017, the fundraising amount has been fully paid on December 22, 2017. Therefore, the Board has resolved to terminate the remaining 20,000,000 shares for private placement during the remaining period on December 29, 2017. The execution report was as follows:<table>
<tr><th>Project name</th><th>Projected amount</th><th>Actual amount (up to March 22, 2018)</th><th>Achievement</th></tr>
<tr><td>Capital expenditure</td><td>NT$1,277,163,603</td><td>NT$ 980,023,166</td><td>76.73%</td></tr>
<tr><td>Research & development expenses and working capital</td><td>NT$4,262,836,397</td><td>NT$2,319,110,083</td><td>54.40%</td></tr>
<tr><td>Total</td><td>NT$5,540,000,000</td><td>NT$3,299,133,249</td><td>59.55%</td></tr>
</table></td></tr>
</table>

Effectiveness of private placement	The capital usage plan and projected benefits of private placement: Proceeds raised will be used as capital expenditure, research & development expenses and working capital. The private placement will reinforce the financial structure and contribute to the stability of the Company's growth, which can benefit shareholders' equity.

ATTACHMENT VII: THE 2018 NEW SHARES FOR EMPLOYEE RESTRICTED SHARES AWARDS PLAN

Total amount of issuance	Not exceed 1,700,000 common shares with par value NT$10, for a total amount of NT$17,000,000. Within one year from the date of the shareholders resolution, the Company may, depending on its actual need, register with the competent authority single tranche or multiple tranche of the restricted shares for the employees. For the number of shares effectively registered, the Company may issue the shares all at once or by tranches. The Chairman of the Board is authorized to determine the actual issuance date.
Terms and conditions	1. Issue price: free to qualified employees. 2. Type of shares: newly issued common shares. 3. Vesting conditions: subject to the actual issuance plan, the granted employees shall achieve the performance goal. (1) The award of Restricted Stock shall vest at a rate of 100% at the end of three years of continuous employment after granting the award and achievement both of personal performance goals and business performance. (2) The aforementioned personal performance goals shall mean the year-end individual performance evaluation is better than B^+, which takes into account various KPIs of performance and contribution to the firm. (3) The aforementioned business performance goals shall mean the Earnings Per Share (EPS) of the Company for the previous year prior to the scheduled date to vest is not less than NT$7, and the Return On Equity (ROE) and of the Company for the previous year prior to the scheduled date to vest is not less than 11%. **In determining the business performance hurdles we considered the 3-year average net income and resulting ROE accordingly.** (4) Granted employees shall have no violation on any terms of the Company's employment agreement, employee handbook, or policies during the vesting period, otherwise the Company shall redeem and cancel all new restricted employee shares. 4. Conditions of the employee who fails to meet the vesting conditions or in the event of inheritance: in the event that an employee fails to meet the vesting conditions, the Company shall redeem and cancel all new restricted employee shares. For other circumstances, it shall follow the actual issuance plan. 5. Restricted rights before employees meet the vesting conditions: (1) During the vesting period, employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares. (2) All the attending rights, proposal rights, motion rights, speech rights, voting rights and any other shareholder rights are the same as the issued ordinary shares of the Company and shall be exercised by the trustee. (3) During the vesting period, the RSA can participate in stock and cash dividends and subscription to cash rights issues and subscription is not required to be deposited in trust. (4) If the vested date is during the book closure period, the

	lifting of the restrictions on RSA data and procedure shall be executed by the trustee rules or related regulations.
Qualification requirement for employees and the allocation of shares	1. Regular employees of the Company that the restricted employee shares are awarded to and meet certain performance requirements shall be eligible for the Restricted Stock Awards Plan. The award will be limited to employees who are: (1) highly relevant to the future strategy and development of the Company, (2) critical to the Company's business operation, (3) key technical talent. The number of granted shares shall be determined by seniority, position, performance, overall contribution, special contribution and other meaningful factors in management. The results of shares distribution shall be reviewed by the Chairman of the Board and resolved by the Board of Directors. **2. The Company's managerial officers defined by the Securities and Exchange Act are not eligible to this program.** 3. In terms of percentage, the estimated number of eligible employees will be fewer than 100 people, which represents around 8% of our total indirect labor. 4. The sum of the cumulative number of shares granted to each employee shall be in accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers".
The reason why it is necessary to issue restricted stocks for employees	To retain and attract professional employees and remain competitive, and to ensure that employees interests are aligned with the interests of shareholders and the long-term value and profitability of the firm.
The expensable amount, and the dilution of the Company's earnings per share and any other impact on shareholders' equity	1. The expensable amount: The Company shall value the shares' fair market value and record expenses during the vesting period annually. The expense is approximately in the amount of NT$ 370,736 thousand calculated based on the closing share price on May 3, 2018. The amortized expense is estimated to be in the amount of NT$ 41,193 thousand, NT$ 123,579 thousand, NT$ 123,579 thousand, and NT$ 82,386 thousand for 2018, 2019, 2020 and 2021, respectively. 2. The dilution of the Company's earnings per share and any other impact on shareholders' equity: The dilution of the Company's EPS is estimated to be approximately in the amount of NT$ 0.10, NT$ 0.29, NT$ 0.29 and NT$0.19 for 2018, 2019, 2020 and 2021, respectively. The total number of proposed shares is equivalent to 0.4% of the Company outstanding common shares, and there is no material impact on existing shareholders' equity.
Other important stipulations	The Restricted Stock Awards issued may be deposited in a security trust account.