WIN Semiconductors Corp.

2020 Annual General Shareholders' Meeting Minutes

(Translation)

Time: 9:00 a.m., June 12, Friday, 2020

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 349,757,574 shares (including casted electronically 296,914,852 shares), representing 82.47% of the total number of issued shares of the Company (i.e. 424,056,384 shares)

Attending Directors: Chin-Tsai Chen (Chairman), Yu-Chi Wang (Director), Wen-Ming Chang (Director), Shun-Ping Chen (Director), Ming-Chien Hsieh, Representative of International Fiber Technology Co., Ltd. (Director), Chin-Shih Lin (Independent Director), Shen-Yi Lee (Independent Director) and Hai-Ming Chen (Independent Director)

Attendees: Kyle Chen (CEO), Chia-Chien Tang (CPA, KPMG)

Chairman: Chin-Tsai Chen

Recorder: Joan Lu

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: 2019 Business Report
See Attachment I.

Report 2: 2019 Audit Committee's review report
See Attachment II.

Report 3: 2019 Employees' profit sharing bonus and Directors' compensation

1. The Company's profit for 2019 was NT$ 5,942,002,106 (this was the pre-tax profit before deducting the employees' profit sharing bonus and compensation for Directors). The proposed employees' profit sharing bonus and Directors' compensation were NT$368,400,000 and NT$106,900,000 respectively, and both will be distributed in cash.
2. These amounts were examined by Remuneration Committee on March 5, 2020 and approved by the Board of Directors meeting on March 18, 2020.

Report 4: Status of distribution for cash dividend of 2019 earnings

1. In accordance with Article 22-1 of the Articles of Incorporation, distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. The proposed dividend to shareholders is a cash dividend of NT$7 per common share, amounting to NT$2,968,394,688. Distribution of cash dividend will be rounded down to an integer, and the Chairman will be authorized to distribute the total rounded down amounts to specific persons for adjustment.
3. The proposal was resolved by the Board of Directors and the Chairman of the Board of Directors was authorized to determine the ex-dividend date and payment date. If the total amount of common shares changes and the distribution ratio for the cash dividend needs to be adjusted, the Chairman of the Board of Directors was authorized to make such adjustments.

Report 5: Status of endorsement and/or guarantee of the Company

1. Endorsement and/or guarantees were conducted in accordance with the Company's "Procedures for Endorsement & Guarantee."

2. The Company provided endorsements and guarantees for bank loans of its subsidiaries. The balance of endorsements and guarantees amounted to NT$5,996,000 thousand as of December 31st, 2019, and did not exceed the limit, below please see the details:

Unit: thousand NT$

Name of endorsees/guarantees	Remaining balance of endorsement/guarantee (Note 1)	Limit of endorsements/guarantees for any single entity (Note 2)
Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.	495,083	14,828,734
Jiangsu Chainwin Kang Yuan Agricultural Development Co., Ltd.	1,100,183	14,828,734
Jiangsu Win Yield Agriculture Development Co., Ltd.	1,650,276	14,828,734
Jiangsu Win Shine Agriculture Development Co., Ltd.	550,092	14,828,734
Jiangsu Chainwin Agriculture and Animal Technology Co., Ltd.	1,100,183	14,828,734
Jiangsu Merit/CM Agriculture Development Co., Ltd.	1,100,183	14,828,734
Total	**5,996,000**	**14,828,734** (Aggregate limit of endorsement / guarantee)

Note 1: The aggregate credit line for above endorsees/ guarantees is no more than US$200 million, the Company provides different limit of endorsements/guarantees for each endorsee/ guarantee based on their credit line and the remaining balance of endorsement/guarantee is calculated by the ratio of each endorsee/ guarantee’s credit line to the aggregate credit line. The exchange rate of USD/NTD=29.98 is being used for the calculation.

Note 2: The aggregate amount of endorsements and/or guarantees of the Company shall not exceed 50% of net worth of the financial statements audited or reviewed by the CPA. . The limits to any single enterprise shall not exceed 50% of the Company’s net worth of the financial statements audited or reviewed by the CPA.

IV. Proposed Items

Proposal 1: **Proposed by the Board**

Adoption of the 2019 Business Report, Financial Statements and Profit Allocation

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, have been audited by independent auditors, Chia-Chien Tang and Ya-Ling Chen of KPMG. In addition, the Financial Statements, Business Report and Profit Allocation Proposal have been approved by the Board of Directors and examined by the Audit Committee of the Company.

2. The 2019 Business Report, independent auditors' audit report, Financial Statements and Profit Allocation Proposal are attached hereto as Attachments I, III, IV and V.

Voting Result:

Shares present at the time of voting was 349,757,574 votes. Voting in favor 272,430,054 votes (including votes casted electronically 219,617,332 votes) representing 77.89% of share presented, voting against 14,910 votes (including votes casted electronically 14,910 votes), voting invalid or abstained 77,312,610 votes (including votes casted electronically 77,282,610 votes). RESOLVED, that the 2019 Business Report, Financial Statements and Profit Allocation be and hereby were accepted as submitted.

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 Law, 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.
3. The positions that Directors concurrently engage in:

Name of Independent Director	The essential position the director engages in
Chin-Tsai Chen (Dennis Chen, 陳進財)	Chairman, Jiangsu Win Yield Agriculture Development Co., Ltd. Chairman, Jiangsu Win Shine Agriculture Development Co., Ltd
International Fiber Technology Co., Ltd. Representative: Ming-Chien Hsieh (國際纖維科技股份有限公司代表人：謝明健)	Chairman, Kuo Chang Investment Enterprise Co., Ltd. Director, Kuo Cheng Investment Enterprise Co., Ltd.

Name of Independent Director	The essential position the director engages in
Li-Cheng Yeh (葉力誠)	Director Representative, AIMobile Co., Ltd.
Shen-Yi Lee (李伸一)	Independent Director, Capital Securities Corporation

Voting Result:

Shares present at the time of voting was 349,757,574 votes. Voting in favor 253,797,206 votes (including votes casted electronically 200,984,484 votes) representing 72.56% of share presented, voting against 66,457 votes (including votes casted electronically 66,457 votes), voting invalid or abstained 95,893,911 votes (including votes casted electronically 95,863,911 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 12, 2020.

ATTACHMENT I: 2019 BUSINESS REPORT

The year 2019 was a year of abundance to WIN Semi. Despite the industry being in a slump at the beginning of the year, our revenue began to show an upward trend each quarter following changes in the smartphone market and strong demand from customers, as well as capacity expansion being completed at the right time. This led to our record high revenue, net profit, and EPS for the year. As we enter the year 2020, governments or telecom operators around the world are accelerating the release of the 5G spectrum and construct 5G infrastructures, and smartphone manufacturers are expected to release multiple 5G models to meet the demand. Based on the estimates of numerous research institutes, penetration of 5G smartphones will rise from 1% in 2019 to 15-20% in 2020, and surpass 30% in 2021. Hence, 5G can be expected to formally enter its growth stage this year. WIN Semi. is the global leader of wireless communications power amplifiers, and has long developed related solutions for customers. We have continued to invest production capacity and R&D resources in preparation for future growth.

In spite of this success, we have not forgotten the importance of continuously improving corporate governance. WIN Semi. was selected as an Industry Mover in the Sustainability Yearbook 2020 published by S&P Global and RobecoSAM in 2020, showing that we have taken a great leap in sustainable operation and information disclosures. WIN Semi.'s overall sustainability performance ranked top 10 in the global semiconductor and semiconductor equipment industries, which proves that WIN Semi.'s efforts in implementing sustainable operation is recognized internationally and neck and neck with leaders in the semiconductor industry. The Sustainability Yearbook published by RobecoSAM is compiled based on CSA (SAM Corporate Sustainability Assessment) results for global industries each year. In the 2019 assessment items, WIN Semi. received high scores for innovation management, code of business conduct, customer relationship management, supply chain management, and corporate citizenship and philanthropy.

Furthermore, WIN Semi. has published Chinese and English version CSR reports since 2016, and was recognized in the top 5% of TPEx-listed companies in the Corporate Governance Evaluation co-organized by Taiwan Stock Exchange and Taipei Exchange for 5 consecutive years. The Company will continue dedicate our efforts to corporate governance.

2019 operating results and 2020 outlook are reported as follow:

A. Operating Performance in 2019

1. Operating Performance

The Company’s 2019 consolidated revenues totaled NT$21,377,724 thousand, representing an increase of 23.5% compared to the year 2018. 2019 net profit attributable to owners of parent was NT$4,474,399 thousand, representing an increase of 43.2% compared to the prior year, and EPS for 2019 was NT$10.59.

2. Analysis of Receipts, Expenditures, and Profitability

Unit: NT$ thousands; %

Items			2019 (Consolidated)	2018 (Consolidated)
Interest Income & Interest Expense	Interest Income		67,365	59,064
	Interest Expense		50,699	22,456
Profitability	Return on Total Assets (%)		11.45	8.51
	Return on Equity (%)		16.26	12.27
	Ratio to Issued Capital (%)	131.08	75.63	75.63
		127.19	88.12	88.12
	Profit Ratio (%)		20.59	17.71
	Earnings per Share (NT$ dollars)		10.59	7.39

3. Budget Implementation

The Company is not required to make public its 2019 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

WIN continues to provide diversified new technologies to service customers; the primary compound semiconductors materials have expanded from GaAs to GaN with more than 20 processes are available and production-ready in order to satisfy the diverse wireless communication needs. In terms of market application, WIN has actively focused on the R&D for 5G infrastructure and optical communications technologies under the Internet of Things (IoT) trend in order to capture future market opportunities. In addition, WIN developed various optional processes to fullfill various unique application requirements and package technology. That approach enables highly integrated product design and superior performance with advanced packaging. For instance, the interconnection structure of Bump can be used for flip-chip attachment of GaAs die to a variety of substrate material, the optional metal layer for compact interconnection designs and high Q-factor inductors, the optional PN diodes (ESD Diode) for ESD protection, and the pHEMT technology for 0.5um E/D mode for logics circuit design. Moreover, WIN developed Hotvia, the BS via could be designed as GND or for transmitting the RF signals. Hotvia not only eases the installation with die attachment process but also eliminate wire bonding for great RF performance. WIN also provides bumping re-distribution layer (RDL) for flexible bumping.) WIN Semi. will continue to strengthen the development of technologies to provide customers with high-quality and competitive solutions for 5G smartphones, infrastructure, 3D sensing, and other optical devices.

B. Business Plan in 2020

In order to meet the growth in market demand, WIN Semi. has launched a new capacity expansion plan of 5,000 wafers per month in advance at the end of 2019. Even though we immediately faced interference from the pandemic of COVID-19 as soon as we entered 2020, capacity expansion is still in full swing in Fab C, and we expect new capacity to be sequentially released each month from end of the second quarter. We expect this new capacity to contribute during the peak season this year.

C. Development Strategy

The Company is optimistic about the demand on handheld devices and base stations created by the upgrade of wireless communications spec to 5G and Wi-Fi 6/7. Along with the popularization of the applications of optical devices, these developments will be the two main engines of growth in the next few years. With regard to 5G wireless communications, the Company closely following developments in 5G spectrum, whether it may be the most popular n77, n78, or n79 during early stages of 5G, frequency bands not used by 4G, or the n41 band that overlaps with the 4G spectrum. All of these require redesigned independent 5G power amplifiers. The Company began providing customers with 5G Sub-6GHz power amplifier solutions several years ago, and began to ramp-up production in the second half of 2019. WIN Semi. monitors developments in the release of more 5G bands in countries around the world, and even refarming the 4G spectrum for 5G, developing corresponding processes to meet customers' demand. As for infrastructure such as base stations, WIN Semi. has long applied the GaAs pHEMT process in 4G/5G base station mmWave power amplifiers and low noise amplifiers, as well as SATCOM and VSAT ground stations and MEO and LEO satellites. WIN Semi. also saw the opportunity of 5G LDMOS being replaced by GaN, and began developing GaN technologies 5-10 years in advance. Mass production has already begun to meet market demand, and shipments significantly increased in 2019 compared with the previous year.

With regard to optical devices, 3D sensing continued to maintain market leadership in 2019. Besides increasing smartphone applications and customers this year, automotive 3D sensing device projects, such as LiDAR and gesture recognition, continue to be implemented. After years of development, there will be opportunities to deliver small amounts of optical transceivers for data centers this year, and we look forward to greater contributions in the next few years.

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

WIN has always believed that there will always be competition and that the Company needs to stay ahead of the competition to maintain its leadership in the industry. The economic and political situation is volatile, and industry supply and demand fluctuates. This year, we must also face the potential impact of the novel coronavirus pandemic. Besides staying alert and cautiously responding, WIN believes that implementing corporate governance and abiding by the law will always be the right way to operate a business.

Chin-Tsai Chen	*Kyle Chen*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*

ATTACHMENT II: 2019 AUDIT COMMITTEE'S REVIEW REPORT

AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the Company's 2019 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: Chin-Shih Lin

March 18, 2020

ATTACHMENT III: INDEPENDENT AUDITORS' REPORT AND 2019 CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To 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, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, 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 of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended 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

In 2019, we conducted our audit in accordance with the Regulations Governing Auditing, the Ruling No. 1090360805 issued by the FSC and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. In 2018, we conducted our audits 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, 2019. 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(e) for the amount of loss on valuation of inventories of the consolidated financial statements.

Due to the high industry demand and rapid fluctuation of the price of precious metals, the Group stored a significant volume of the said material, which resulted in slow turnover of inventories. Therefore, the Group 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. Consequently, the evaluation of inventory is identified as a key matter in our audit.

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(m) for the intangible assets.

The Group 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, 2019 and 2018, 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 and issued into effect 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, 2019 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 Chia-Chien Tang and Ya-Ling Chen.

KPMG

Taipei, Taiwan (The Republic of China)
March 18, 2020

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

WIN Semiconductors Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 5,926,473	14	5,462,173	16
1110	Current financial assets at fair value through profit or loss (Note 6(b))	506,849	1	103,263	-
1170	Notes and accounts receivable, net (Notes 6(c) and 6(x))	2,406,673	6	1,422,365	4
1310	Inventories (Note 6(e))	4,389,156	10	3,907,390	11
1400	Current biological assets (Note 6(f))	21,923	-	103,289	-
1470	Other current assets (Notes 3(a), 6(d) and 6(n))	399,076	1	336,049	1
	Total current assets	13,650,150	32	11,334,529	32
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	565,804	1	722,405	2
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(b))	4,556,205	11	2,356,132	7
1535	Non-current financial assets at amortized cost (Note 6(b))	-	-	29,900	-
1550	Investments accounted for using equity method (Note 6(g))	532,591	1	532,808	2
1600	Property, plant and equipment (Notes 6(i), 6(j), 6(k), 7 and 8)	17,866,310	43	15,568,252	44
1755	Right-of-use assets (Notes 3(a) and 6(k))	442,348	1	-	-
1760	Investment property (Notes 6(l) and 8)	1,401,155	3	1,421,528	4
1780	Intangible assets (Notes 3(a), 6(i) and 6(m))	577,454	2	586,953	2
1830	Non-current biological assets (Note 6(f))	10,066	-	31,059	-
1840	Deferred tax assets (Note 6(t))	235,826	1	135,802	-
1915	Prepayments for business facilities (Note 7)	2,137,914	5	2,643,202	7
1990	Other non-current assets (Notes 3(a), 6(n), 7 and 8)	150,279	-	97,033	-
	Total non-current assets	28,475,952	68	24,125,074	68
	Total assets	$ 42,126,102	100	35,459,603	100

		December 31, 2019		December 31, 2018	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Notes and accounts payable	$ 1,826,214	4	1,093,074	3
2200	Other payables	3,657,585	9	2,469,630	7
2280	Current lease liabilities (Notes 3(a), 6(q) and 6(ad))	68,740	-	-	-
2399	Other current liabilities (Notes 6(x) and 6(ad))	423,161	1	265,679	1
	Total current liabilities	5,975,700	14	3,828,383	11
	Non-current liabilities:				
2540	Long-term borrowings (Notes 6(p), 6(ad) and 8)	5,788,125	14	5,802,600	16
2580	Non-current lease liabilities (Notes 3(a), 6(q) and 6(ad))	300,587	1	-	-
2600	Other non-current liabilities (Notes 6(s) and 6(ad))	222,158	-	224,235	1
	Total non-current liabilities	6,310,870	15	6,026,835	17
	Total liabilities	12,286,570	29	9,855,218	28
	Equity (Notes 6(b), 6(h), 6(s), 6(u) and 6(v)):				
3110	Ordinary shares	4,240,564	10	4,238,144	12
3200	Capital surplus	9,244,308	22	9,199,357	26
3300	Retained earnings	13,399,189	32	11,178,324	31
3400	Other equity interests	2,773,407	7	763,882	2
	Total equity attributable to owners of parent	29,657,468	71	25,379,707	71
36XX	Non-controlling interests	182,064	-	224,678	1
	Total equity	29,839,532	71	25,604,385	72
	Total liabilities and equity	$ 42,126,102	100	35,459,603	100

WIN Semiconductors Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2019		2018	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(g) and 6(x))**	$ 21,377,724	100	17,310,716	100
5000	**Operating costs (Notes 6(e), 6(f), 6(g), 6(j), 6(k), 6(m), 6(q), 6(r), 6(s), 6(v), 6(y), 7 and 12)**	(13,216,850)	(62)	(11,895,545)	(69)
	Gross profit from operating	8,160,874	38	5,415,171	31
	Operating expenses (Notes 6(c), 6(j), 6(k), 6(l), 6(m), 6(q), 6(r), 6(s), 6(v), 6(y), 7 and 12):				
6100	Selling expenses	(339,221)	(2)	(238,957)	(1)
6200	Administrative expenses	(1,153,012)	(5)	(997,791)	(6)
6300	Research and development expenses	(1,107,918)	(5)	(973,921)	(5)
6450	Losses on expected credit impairment (reversal of expected credit impairment)	(2,171)	-	840	-
	Total operating expenses	(2,602,322)	(12)	(2,209,829)	(12)
	Net operating income	5,558,552	26	3,205,342	19
	Non-operating income and expenses (Notes 4(c), 6(b), 6(g), 6(i), 6(j), 6(q), 6(r), 6(z) and 7):				
7010	Other income	274,337	1	245,718	1
7020	Other gains and losses	(187,524)	(1)	415,834	2
7050	Finance costs	(50,699)	-	(22,456)	-
7770	Shares of losses of associates and joint ventures accounted for using equity method	(201,238)	(1)	(109,815)	-
	Total non-operating income and expenses	(165,124)	(1)	529,281	3
7900	**Profit before tax**	5,393,428	25	3,734,623	22
7950	**Tax expense (Note 6(t))**	(992,667)	(4)	(668,561)	(4)
	Profit	4,400,761	21	3,066,062	18
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss (Notes 6(s), 6(t) and 6(u))**				
8311	Gains (losses) on remeasurements of defined benefit plans	2,492	-	(34,051)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,114,856	10	(352,044)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(499)	-	7,730	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	2,116,849	10	(378,365)	(2)
8360	**Components of other comprehensive income that will be reclassified to profit or loss (Notes 6(g) and 6(u))**				
8361	Exchange differences on translation of foreign financial statements	(151,023)	(1)	46,105	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method	4,263	-	(33,317)	-
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	(146,760)	(1)	12,788	-
8300	**Other comprehensive income, net**	1,970,089	9	(365,577)	(2)
8500	**Total comprehensive income**	$ 6,370,850	30	2,700,485	16
	Profit (loss) attributable to:				
8610	Profit attributable to owners of parent	$ 4,474,399	21	3,124,454	18
8620	Profit (losses) attributable to non-controlling interests	(73,638)	-	(58,392)	-
		$ 4,400,761	21	3,066,062	18
	Comprehensive income (loss) attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 6,447,998	30	2,811,518	16
8720	Comprehensive income (loss), attributable to non-controlling interests	(77,148)	-	(111,033)	-
		$ 6,370,850	30	2,700,485	16
	Earnings per common share (expressed in New Taiwan dollars) (Note 6(w))				
9750	Basic earnings per share	$ 10.59		7.39	
9850	Diluted earnings per share	$ 10.53		7.35	

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings			Other equity interests							
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Other unearned compensation for restricted shares of employees	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2018	$ 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
Effects of retrospective application and retrospective restatement	-	-	-	166,337	166,337	-	1,401,839	(1,568,176)	-	(166,337)	-	-	-
Equity at beginning of period after adjustments	4,226,664	9,052,896	1,379,394	9,608,630	10,988,024	(100,208)	1,401,839	-	-	1,301,631	25,569,215	235,530	25,804,745
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	376,420	(376,420)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(2,958,665)	(2,958,665)	-	-	-	-	-	(2,958,665)	-	(2,958,665)
	-	-	376,420	(3,335,085)	(2,958,665)	-	-	-	-	-	(2,958,665)	-	(2,958,665)
Profit (losses) for the year ended December 31, 2018	-	-	-	3,124,454	3,124,454	-	-	-	-	-	3,124,454	(58,392)	3,066,062
Other comprehensive income for the year ended December 31, 2018	-	-	-	(26,321)	(26,321)	65,429	(352,044)	-	-	(286,615)	(312,936)	(52,641)	(365,577)
Total comprehensive income for the year ended December 31, 2018	-	-	-	3,098,133	3,098,133	65,429	(352,044)	-	-	(286,615)	2,811,518	(111,033)	2,700,485
Disposal of investments accounted for using equity method	-	(21,163)	-	-	-	(1,421)	-	-	-	(1,421)	(22,584)	-	(22,584)
Change in ownership interest in subsidiaries	-	-	-	(40,573)	(40,573)	-	-	-	-	-	(40,573)	-	(40,573)
Adjustments to share of changes in equity associates	-	635	-	-	-	-	-	-	-	-	635	-	635
Issuance of restricted shares of employees	11,480	163,877	-	-	-	-	-	-	(175,357)	(175,357)	-	-	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	17,049	17,049	17,049	-	17,049
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	96,486	96,486
Stock option compensation cost of subsidiary	-	3,112	-	-	-	-	-	-	-	-	3,112	3,695	6,807
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	91,405	91,405	-	(91,405)	-	-	(91,405)	-	-	-
Balance at December 31, 2018	4,238,144	9,199,357	1,755,814	9,422,510	11,178,324	(36,200)	958,390	-	(158,308)	763,882	25,379,707	224,678	25,604,385
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	312,446	(312,446)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(2,118,972)	(2,118,972)	-	-	-	-	-	(2,118,972)	-	(2,118,972)
	-	-	312,446	(2,431,418)	(2,118,972)	-	-	-	-	-	(2,118,972)	-	(2,118,972)
Profit (losses) for the year ended December 31, 2019	-	-	-	4,474,399	4,474,399	-	-	-	-	-	4,474,399	(73,638)	4,400,761
Other comprehensive income for the year ended December 31, 2019	-	-	-	1,993	1,993	(143,250)	2,114,856	-	-	1,971,606	1,973,599	(3,510)	1,970,089
Total comprehensive income for the year ended December 31, 2019	-	-	-	4,476,392	4,476,392	(143,250)	2,114,856	-	-	1,971,606	6,447,998	(77,148)	6,370,850
Disposal of investment accounted for using equity method	-	(1,510)	-	-	-	-	-	-	-	-	(1,510)	-	(1,510)
Changes in ownership interests in subsidiaries	-	(5,161)	-	(119,915)	(119,915)	-	-	-	-	-	(125,076)	-	(125,076)
Adjustments to share of changes in equity associates	-	875	-	-	-	-	-	-	-	-	875	-	875
Issuance of restricted shares of employees	2,620	47,744	-	-	-	-	-	-	(50,364)	(50,364)	-	-	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	71,643	71,643	71,643	-	71,643
Purchase and retirement of restricted shares of stock for employees	(200)	200	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	31,205	31,205
Stock option compensation cost of subsidiary	-	2,803	-	-	-	-	-	-	-	-	2,803	3,329	6,132
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(16,640)	(16,640)	-	16,640	-	-	16,640	-	-	-
Balance at December 31, 2019	$ 4,240,564	9,244,308	2,068,260	11,330,929	13,399,189	(179,450)	3,089,886	-	(137,029)	2,773,407	29,657,468	182,064	29,839,532

WIN Semiconductors Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		2019	2018
Cash flows from (used in) operating activities:			
Profit before tax	$	5,393,428	3,734,623
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		3,348,054	3,158,550
Amortization expense		66,993	63,588
Losses on expected credit impairment (reversal of expected credit impairment)		2,171	(840)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss		(246,768)	57,848
Interest expense		50,699	22,456
Interest income		(67,365)	(59,064)
Dividend income		(124,881)	(101,910)
Share-based payments		77,775	23,856
Shares of losses of associates and joint ventures accounted for using equity method		199,856	117,837
Losses (gains) on disposal of property, plant and equipment		375,910	(2,210)
Losses (gains) on disposal of investments		28,115	(286,514)
Changes in biological assets at fair value		(52)	(1,139)
Unrealized foreign exchange gains		(4,386)	-
Losses on lease modification		3,773	-
Prepayments for business facilities transferred to expenses		-	15
Total adjustments to reconcile profit (loss)		3,709,894	2,992,473
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in financial assets at fair value through profit or loss		(240,810)	23,485
Decrease (increase) in notes and accounts receivable		(986,334)	135,566
Increase in inventories		(486,866)	(150,018)
Decrease (increase) in biological assets		88,734	(12,397)
Decrease (increase) in other current assets		(73,847)	81,000
Total changes in operating assets		(1,699,123)	77,636
Changes in operating liabilities:			
Increase (decrease) in notes and accounts payable		733,140	(607,933)
Increase in other payables		464,709	143,905
Increase in other current liabilities		172,367	10,804
Increase in other non-current liabilities		2,987	1,827
Total changes in operating liabilities		1,373,203	(451,397)
Total changes in operating assets and liabilities		(325,920)	(373,761)
Cash inflow generated from operations		8,777,402	6,353,335
Dividends received		3,091	4,642
Income taxes paid		(696,134)	(878,459)
Net cash flows from operating activities		8,084,359	5,479,518
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(76,775)	(84,704)
Proceeds from disposal of financial assets at fair value through other comprehensive income		17,274	244,675
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		6,667	-
Proceeds from disposal of non-current financial assets at amortized cost		29,900	32,300
Acquisition of financial assets at fair value through profit or loss		(467,525)	(477,593)
Proceeds from disposal of financial assets at fair value through profit or loss		768,367	1,486,555
Proceeds from capital reduction of financial assets at fair value through profit or loss		35	-
Acquisition of investments accounted for using equity method		(248,320)	(389,970)
Proceeds from disposal of investments accounted for using equity method		-	21,925
Acquisition of property, plant and equipment		(3,516,505)	(3,188,631)
Proceeds from disposal of property, plant and equipment		77,653	4,334
Decrease in other receivables due from related parties		-	181,200
Acquisition of intangible assets		(40,360)	(46,528)
Net cash inflows (outflows) from business combination		(138,256)	56,790
Acquisition of right-of-use assets		(41,018)	-
Decrease (increase) in other non-current assets		(58,298)	24,295
Increase in prepayments for business facilities		(1,789,359)	(2,403,075)
Interest received		68,873	63,792
Dividends received		121,790	97,268
Net cash flows used in investing activities		(5,285,857)	(4,377,367)
Cash flows from (used in) financing activities:			
Proceeds from long-term debt		5,282,865	4,891,000
Repayments of long-term debt		(5,291,600)	(5,346,025)
Decrease in guarantee deposits received		(17,457)	(617)
Repayments of lease liabilities		(68,555)	-
Cash dividends paid		(2,118,972)	(2,958,665)
Interest paid		(30,292)	(22,945)
Changes in non-controlling interests		(38,532)	(68,770)
Net cash flows used in financing activities		(2,282,543)	(3,506,022)
Effect of exchange rate changes on cash and cash equivalents		(51,659)	16,921
Net increase (decrease) in cash and cash equivalents		464,300	(2,386,950)
Cash and cash equivalents at beginning of period		5,462,173	7,849,123
Cash and cash equivalents at end of period	$	5,926,473	5,462,173

ATTACHMENT IV: INDEPENDENT AUDITORS' REPORT AND 2019 PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

Independent Auditors' Report

To 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, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, 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 of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

In 2019, we conducted our audit in accordance with the Regulations Governing Auditing, the Ruling No. 1090360805 issued by the FSC and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. In 2018, we conducted our audits 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 of the current period. 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(e) for the amount of loss on valuation of inventories of the financial statements.

Due to the high industry demand and rapid fluctuation of the price of precious metals, the Company stored a significant volume of the said material, which resulted in slow turnover of inventories. 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. Consequently, the evaluation of inventory is identified as the key matter in our audit.

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.

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 the 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 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, 2019 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 Chia-Chien Tang and Ya-Ling Chen.

KPMG

Taipei, Taiwan (The Republic of China)
March 18, 2020

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 independent 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 independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

WIN Semiconductors Corp.

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2019 Amount	%	December 31, 2018 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 3,763,950	9	3,474,932	10
1110	Current financial assets at fair value through profit or loss (Note 6(b))	154,921	-	17,475	-
1170	Accounts receivable, net (Notes 6(c) and 6(u))	2,401,924	6	553,914	1
1180	Accounts receivable due from related parties, net (Notes 6(c), 6(u) and 7)	-	-	942,499	3
1210	Other receivables due from related parties (Notes 6(d) and 7)	1,199	-	-	-
1310	Inventories (Note 6(e))	4,358,799	11	3,876,539	11
1470	Other current assets (Notes 3(a), 6(d) and 6(k))	273,994	1	264,180	1
	Total current assets	10,954,787	27	9,129,539	26
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	565,804	1	722,405	2
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(b))	3,585,443	9	1,682,788	5
1535	Non-current financial assets at amortized cost (Note 6(b))	-	-	29,900	-
1550	Investments accounted for using equity method (Note 6(f))	6,174,200	15	4,379,635	13
1600	Property, plant and equipment (Notes 6(g) and 8)	15,669,777	38	14,784,516	42
1755	Right-of-use assets (Notes 3(a) and 6(h))	48,318	-	-	-
1760	Investment property (Notes 6(i) and 8)	1,401,155	4	1,421,528	4
1780	Intangible assets (Note 6(j))	122,411	-	94,261	-
1840	Deferred tax assets (Note 6(q))	235,826	1	135,802	-
1915	Prepayments for business facilities	2,129,251	5	2,618,079	8
1990	Other non-current assets (Notes 6(k) and 8)	49,348	-	50,198	-
	Total non-current assets	29,981,533	73	25,919,112	74
	Total assets	$ 40,936,320	100	35,048,651	100

	Liabilities and Equity	December 31, 2019 Amount	%	December 31, 2018 Amount	%
	Current liabilities:				
2170	Accounts payable	$ 1,821,018	4	1,079,252	3
2200	Other payables	3,559,935	9	2,351,057	7
2220	Other payables to related parties (Note 7)	7,195	-	-	-
2280	Current lease liabilities (Notes 3(a), 6(n) and 6(aa))	33,526	-	-	-
2399	Other current liabilities (Notes 6(u) and 7)	397,526	1	217,950	1
	Total current liabilities	5,819,200	14	3,648,259	11
	Non-Current liabilities:				
2540	Long-term borrowings (Notes 6(m), 6(aa) and 8)	5,226,000	13	5,802,600	17
2580	Non-current lease liabilities (Notes 3(a), 6(n) and 6(aa))	15,072	-	-	-
2600	Other non-current liabilities (Notes 6(p) and 6(aa))	218,580	1	218,085	-
	Total non-current liabilities	5,459,652	14	6,020,685	17
	Total liabilities	11,278,852	28	9,668,944	28
	Equity (Notes 6(b), 6(p), 6(q), 6(r) and 6(s)):				
3110	Ordinary shares	4,240,564	10	4,238,144	12
3200	Capital surplus	9,244,308	22	9,199,357	26
3300	Retained earnings	13,399,189	33	11,178,324	32
3400	Other equity interests	2,773,407	7	763,882	2
	Total equity	29,657,468	72	25,379,707	72
	Total liabilities and equity	$ 40,936,320	100	35,048,651	100

WIN Semiconductors Corp.

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		2019		2018	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(u) and 7)**	$ 20,852,558	100	16,757,646	100
5000	**Operating costs (Notes 6(e), (g), (h), (j), (n), (o), (p), (s), (v), 7 and 12)**	(12,777,640)	(61)	(11,453,327)	(68)
	Gross profit form operating	8,074,918	39	5,304,319	32
	Operating expenses (Notes 6(g), (h), (i), (j), (n), (o), (p), (s), (v), 7 and 12):				
6100	Selling expenses	(276,128)	(1)	(131,388)	(1)
6200	Administrative expenses	(918,807)	(5)	(802,989)	(5)
6300	Research and development expenses	(1,026,429)	(5)	(916,432)	(5)
	Total operating expenses	(2,221,364)	(11)	(1,850,809)	(11)
	Net operating income	5,853,554	28	3,453,510	21
	Non-operating income and expenses (Notes 6(b), 6(g), 6(n), (o), (w) and 7):				
7010	Other income	225,254	1	208,523	1
7020	Other gains and losses	(169,992)	(1)	377,909	2
7050	Finance costs	(31,564)	-	(22,452)	-
7070	Share of losses of subsidiaries, associates and joint ventures accounted for using equity method	(410,550)	(2)	(224,879)	(1)
	Total non-operating income and expenses	(386,852)	(2)	339,101	2
7900	**Profit before tax**	5,466,702	26	3,792,611	23
7950	**Total tax expenses (Note 6(q))**	(992,303)	(5)	(668,157)	(4)
	Profit	4,474,399	21	3,124,454	19
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss (Notes 6(p), 6(q) and 6(r))**				
8311	Remeasurements of defined benefit plans	2,492	-	(34,051)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,845,073	9	(371,497)	(2)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	269,783	1	19,453	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(499)	-	(7,730)	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	2,116,849	10	(378,365)	(2)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss (Notes 6(r))**				
8361	Exchange differences on translation of foreign financial statements	(112,518)	(1)	120,184	1
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(30,732)	-	(54,755)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(143,250)	(1)	65,429	-
8300	**Other comprehensive income, net**	1,973,599	9	(312,936)	(2)
8500	**Total comprehensive income**	**$ 6,447,998**	**30**	**2,811,518**	**17**
	Earnings per common share (expressed in dollars) (Note 6(t))				
9750	**Basic earnings per share**	**$ 10.59**		**7.39**	
9850	**Diluted earnings per share**	**$ 10.53**		**7.35**	

WIN Semiconductors Corp.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity interests					
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Other unearned compensation for restricted shares of employees	Total other equity interests	Total equity
Balance at January 1, 2018	$ 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
Effects of retrospective application	-	-	-	166,337	166,337	-	1,401,839	(1,568,176)	-	(166,337)	-
Equity at beginning of period after adjustments	4,226,664	9,052,896	1,379,394	9,608,630	10,988,024	(100,208)	1,401,839	-	-	1,301,631	25,569,215
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	376,420	(376,420)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(2,958,665)	(2,958,665)	-	-	-	-	-	(2,958,665)
	-	-	376,420	(3,335,085)	(2,958,665)	-	-	-	-	-	(2,958,665)
Profit for the year ended December 31, 2018	-	-	-	3,124,454	3,124,454	-	-	-	-	-	3,124,454
Other comprehensive income for the year ended December 31, 2018	-	-	-	(26,321)	(26,321)	65,429	(352,044)	-	-	(286,615)	(312,936)
Total comprehensive income for the year ended December 31, 2018	-	-	-	3,098,133	3,098,133	65,429	(352,044)	-	-	(286,615)	2,811,518
Disposal of investments accounted for using equity method	-	(19,746)	-	-	-	(1,165)	-	-	-	(1,165)	(20,911)
Adjustments to share of changes in equities of subsidiaries	-	2,330	-	-	-	(256)	-	-	-	(256)	2,074
Changes in ownership interests in subsidiaries	-	-	-	(40,573)	(40,573)	-	-	-	-	-	(40,573)
Issuance of restricted shares of employees	11,480	163,877	-	-	-	-	-	-	(175,357)	(175,357)	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	17,049	17,049	17,049
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	91,405	91,405	-	(91,405)	-	-	(91,405)	-
Balance at December 31, 2018	4,238,144	9,199,357	1,755,814	9,422,510	11,178,324	(36,200)	958,390	-	(158,308)	763,882	25,379,707
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	312,446	(312,446)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(2,118,972)	(2,118,972)	-	-	-	-	-	(2,118,972)
	-	-	312,446	(2,431,418)	(2,118,972)	-	-	-	-	-	(2,118,972)
Profit for the year ended December 31, 2019	-	-	-	4,474,399	4,474,399	-	-	-	-	-	4,474,399
Other comprehensive income for the year ended December 31, 2019	-	-	-	1,993	1,993	(143,250)	2,114,856	-	-	1,971,606	1,973,599
Total comprehensive income for the year ended December 31, 2019	-	-	-	4,476,392	4,476,392	(143,250)	2,114,856	-	-	1,971,606	6,447,998
Adjustments to share of changes in equities of subsidiaries	-	2,168	-	(28,253)	(28,253)	-	28,252	-	-	28,252	2,167
Changes in ownership interests in subsidiaries	-	(5,161)	-	(119,914)	(119,914)	-	-	-	-	-	(125,075)
Issuance of restricted shares of employees	2,620	47,744	-	-	-	-	-	-	(50,364)	(50,364)	-
Purchase and retirement of restricted shares of stock for employees	(200)	200	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted shares of employees	-	-	-	-	-	-	-	-	71,643	71,643	71,643
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	11,612	11,612	-	(11,612)	-	-	(11,612)	-
Balance at December 31, 2019	$ 4,240,564	9,244,308	2,068,260	11,330,929	13,399,189	(179,450)	3,089,886	-	(137,029)	2,773,407	29,657,468

WIN Semiconductors Corp.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	$ 5,466,702	3,792,611
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	3,284,900	3,120,537
Amortization expense	57,599	53,836
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(221,437)	32,387
Interest expense	31,564	22,452
Interest income	(45,143)	(40,999)
Dividend income	(95,870)	(79,329)
Compensation cost arising from share-based payments	71,643	17,049
Shares of losses of subsidiaries, associates and joint ventures accounted for using equity method	410,550	224,879
(Gains) losses on disposal of property, plant and equipment	372,900	(2,403)
Gains on disposal of investments	-	(237,129)
Other income	(1,776)	-
Total adjustments to reconcile profit (loss)	3,864,930	3,111,280
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable	(1,848,010)	(99,251)
Decrease in accounts receivable due from related parties	942,499	342,643
Increase in inventories	(487,360)	(148,308)
Decrease (increase) in other current assets	(30,728)	97,199
Total changes in operating assets	(1,423,599)	192,283
Changes in operating liabilities:		
Increase (decrease) in accounts payable	741,766	(603,497)
Increase in other payables	449,122	137,468
Increase in other payable to related parties	7,195	-
Increase in other current liabilities	179,576	6,301
Increase in other non-current liabilities	2,987	1,827
Total changes in operating liabilities	1,380,646	(457,901)
Total changes in operating assets and liabilities	(42,953)	(265,618)
Cash inflow generated from operations	9,288,679	6,638,273
Income taxes paid	(695,697)	(878,240)
Net cash flows from operating activities	8,592,982	5,760,033
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(76,775)	(84,704)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,526	228,838
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,667	-
Proceeds from disposal of non-current financial assets at amortized cost	29,900	32,300
Acquisition of financial assets at fair value through profit or loss	(467,526)	(477,593)
Proceeds from disposal of financial assets at fair value through profit or loss	708,083	1,451,464
Proceeds from capital reduction of financial assets at fair value through profit or loss	35	-
Acquisition of investments accounted for using equity method	(2,201,490)	(1,705,270)
Proceeds from disposal of investments accounted for using equity method	-	21,925
Acquisition of property, plant and equipment	(1,959,016)	(2,712,970)
Proceeds from disposal of property, plant and equipment	77,466	3,367
Acquisition of intangible assets	(33,468)	(43,538)
Decrease in other non-current assets	850	2,073
Increase in prepayments for business facilities	(1,784,177)	(2,378,658)
Interest received	46,511	42,151
Dividends received	95,870	79,329
Other income received	577	-
Net cash flows used in investing activities	(5,543,967)	(5,541,286)
Cash flows from (used in) financing activities:		
Proceeds from long-term debt	4,715,000	4,891,000
Repayments of long-term debt	(5,291,600)	(5,346,025)
Repayments of lease liabilities	(32,735)	-
Cash dividends paid	(2,118,972)	(2,958,665)
Interest paid	(31,690)	(22,941)
Net cash flows used in financing activities	(2,759,997)	(3,436,631)
Net increase (decrease) in cash and cash equivalents	289,018	(3,217,884)
Cash and cash equivalents at beginning of period	3,474,932	6,692,816
Cash and cash equivalents at end of period	$ 3,763,950	3,474,932

ATTACHMENT V: PROFIT ALLOCATION PROPOSAL

WIN Semiconductors Corp.

2019 Profit Allocation Proposal

Unit: NT$

Net profit of 2019	**4,474,399,081**
Less: 10% legal reserve	(447,439,908)
Retained earnings in 2019 available for distribution	**4,026,959,173**
Distributable item:	
Cash dividends to common share holders (NT$7 per share)	**(2,968,394,688)**
Unappropriated retained earnings of 2019	**1,058,564,485**
Add: Unappropriated retained earnings, Dec. 31, 2018	6,991,092,059
Add: Disposal of investments in equity instruments designated at fair value through other comprehensive income	11,611,929
Add: Remeasurements of defined benefit plans	1,993,600
Less: Adjustments to share of changes in equities of subsidiaries	(28,252,956)
Less: Changes in ownership interests in subsidiaries	(119,913,833)
Unappropriated retained earnings, Dec. 31, 2019	**7,915,095,284**

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 Corporation shall set aside at least 50% for shareholders' dividends, 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.

It is authorized the distributable dividends and bonuses or legal capital reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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.

Chin-Tsai Chen	*Kyle Chen*	*Linna Su*
Chairman	*CEO*	*Accounting Officer*