

Stock Code : 3036

WT Microelectronics Co., Ltd.

Handbook of 2016 General Shareholders' Meeting (Translation)

MEETING TIME : June 3, 2016

PLACE : 14F, No.738, Chung Cheng Road, Chung Ho District, New Taipei City
(WT's meeting room)

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WT Microelectronics Co., Ltd.
Agenda of 2016 General Shareholders' Meeting

Time: June 3, 2016 (Friday), 9 a.m.

Venue: 18F, No. 738, Zhongzheng Rd, Zhonghe District, New Taipei City
(WT Microelectronics meeting room)

Meeting Agenda :

- 1. Call the Meeting to Order (report the attendance)**
- 2. Chairperson Remarks**
- 3. Discussion Item 1**
 - (1) Amendments to Articles of Incorporation.
- 4. Report Items**
 - (1) 2015 Business Report.
 - (2) Supervisors' Review Report.
 - (3) 2015 Report on Distribution of Remuneration of Employees and Directors and Supervisors.
- 5. Proposed Resolutions**
 - (1) 2015 Business Report and Financial Statements
 - (2) Distribution of 2015 Earnings
- 6. Discussion Item 2**
 - (1) New Share Issuance through Capitalization of 2015 Earnings.
 - (2) Amendments to Procedures for Acquisition or Disposal of Assets °
- 7. Election Matters**
 - (1) Election of Director and Supervisors.
- 8. Other Matters**
 - (1) Release of the Prohibition on New Directors from Participation in Competitive Business.
- 9. Questions and Motions**
- 10. Adjournment**

Discussion Item 1

Item No. 1: **(Proposed by the Board of Directors)**

Proposal: Amendments to Articles of Incorporation.

Explanation: Articles of Incorporation are amended in accordance with the amendments to Company Act promulgated in Hua-Zong-Yi-Yi-Zi No. 10400058161 on May 20, 2015 and the Company's operations, as attached in Annex 1 (Page 8 to 10).

Resolution:

Report Items

Item No. 1: (Proposed by the Board of Directors)

Proposal: 2015 Business Report.

Explanation: 1. 2015 business operations are reported by General Manager.
2. 2015 Business Report, Independent Auditors' Report, Parent Company Only Financial Statements, and Consolidated Financial Statements are attached as Annex 2, Annex 3, and Annex 4 (Page 11 to 28).

Item No. 2: (Proposed by the Board of Directors)

Proposal: Supervisors' Review Report.

Explanation: Supervisors' Review Report is attached as Annex 5 (Page 29-30).

Item No. 3: (Proposed by the Board of Directors)

Proposal: 2015 Report on Distribution of Remuneration of Employees and Directors and Supervisors.

Explanation: According to Article 19 of Articles of Incorporation, 2015 remuneration of employees and directors and supervisors amounting to NT\$22,030,000 and NT\$10,000,000 respectively are distributed by cash.

Proposed Resolutions

Item No. 1: (Proposed by the Board of Directors)

Proposal: Adoption of 2015 Business Report and Financial Statements.

Explanation: 2015 Parent Company Only Financial Statements and Consolidated Financial Statements of WT Microelectronics Co., Ltd. were approved by the Board of Directors and audited by CPA Hsu, Yong-Chien and CPA Hsu, Sheng-Chung from PricewaterhouseCoopers Taiwan. The financial statements mentioned in the preceding paragraph and Business Report were also reviewed by supervisors of WT Microelectronics Co., Ltd. The Supervisors' Review Report is attached as Annex 2, Annex 3, and Annex 4 (Page 11 to 28).

Resolution:

Item No. 2: (Proposed by the Board of Directors)

Proposal: Adoption of Distribution of 2015 Earnings.

Explanation: 1. Distribution of 2015 Earnings was approved by the Board of Directors and reviewed by supervisors of WT Microelectronics Co., Ltd. Table for Distribution of Earnings is attached as Annex 6 (Page 31).

2. Cash dividends amounting to NT\$1,298,149,342 were distributed, with each share worth NT\$2.9. Cash dividends were rounded to the nearest whole number. The total amount of cash dividends less than NT\$1 was adjusted in accordance with the total amount of cash dividends.

3. Upon the approval of General Shareholders' Meeting, the Board of Directors shall resolve the ex-dividend date, ex-rights date, base date of new share issuance through capitalization and date of issuance, and other relevant issues.

4. In the event that proposed distribution of earnings is affected by the change in the Company's common shares, the Board of Directors shall adjust cash to be distributed to each share based on the number of actual shares outstanding.

Resolution:

Discussion Item 2

Item No. 1:

(Proposed by the Board of Directors)

Proposal: New Share Issuance through Capitalization of 2015 Earnings.

Explanation:

1. The stock dividends from distributable earnings in 2015 amount to NT\$223,818,860. 22,381,886 new shares are issued through capitalization, with each share worth NT\$10.
2. 50 new shares out of 1,000 shares are distributed through capitalization in accordance with the shareholding recorded in the shareholder register on the ex-rights date. Fractional shares less than 1 share are combined by shareholders within 5 days upon the date of transfer termination. Those less than 1 share are distributed by cash based on the face value rounded up to NT\$1. The Board of Directors is authorized to ask specific persons to purchase fractional shares less than 1 share.
3. Upon the approval of General Shareholders' Meeting and competent authorities, the Board of Directors shall resolve the ex-rights date, base date of new share issuance through capitalization and date of issuance, and other relevant issues.
4. In the event that proposed distribution of earnings is affected by the change in the Company's common shares, the Board of Directors shall adjust cash to be distributed to each share based on the number of actual shares outstanding.
5. The rights and obligations of new shares are same as those of original shares.

Resolution:

Item No. 2:

(Proposed by the Board of Directors)

Proposal: Amendments to Procedures for Acquisition or Disposal of Assets.

Explanation: Procedures for Acquisition or Disposal of Assets are amended in response to the Company's actual operations. The comparison table is attached as Annex 7 (Page 32 to 36).

Resolution:

Election Matters

Item No. 1:

(Proposed by the Board of Directors)

Proposal: Election of Director and Supervisors.

Explanation: 1. The term of directors and supervisors will be expired on June 18, 2016. Upon the approval of the Board of Directors, the election of 7 directors (including 2 independent directors) and 2 supervisors will be held in the Regular Shareholders' Meeting, with the term of 3 years from June 3, 2016 to June 2, 2019.

2. The election of directors and supervisors is based on nominations. Shareholders shall select directors and supervisors from the list of candidates, which was reviewed and approved by the Board of Directors on April 18, 2016. The Educational Background, Experience, and number of shares held are described in Annex 8 (Page 37 to 39).

Voting Result:

Other Matters

Item No. 1:

(Proposed by the Board of Directors)

Proposal: Release of the Prohibition on New Directors from Participation in Competitive Business.

Explanation: 1. According to Article 209 of 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. Candidates for the 8th directors (including independent directors) holding concurrent In-Services in other companies are described in Annex 9 (Page 40). It is proposed that the General Shareholders' Meeting release the prohibition on new directors from participation in competitive business.

Resolution:

Questions and Motions

Adjournment

WT Microelectronics Co., Ltd.
Comparison Table for Amendments to Articles of Incorporation

Amended Article	Existing Article	Description
<p>Article 3: The Company is headquartered in New Taipei City and when necessary may establish branches at home and abroad according to resolutions by the board of directors.</p>	<p>Article 3: The Company is headquartered in New Taipei City and when necessary may establish branches <u>or offices or shipping warehouses</u> at home and abroad according to resolutions by the Board of Directors.</p>	<p>Amended in accordance with the Company's operations.</p>
<p>Article 5: The authorized capital of the Company is NT\$<u>10</u> billion, consisting of <u>1</u> billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required. The total capital mentioned in the preceding paragraph shall reserve NT\$1.9 billion, consisting of 19 million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.</p>	<p>Article 5: The authorized capital of the Company is NT\$<u>7</u> billion, consisting of <u>0.7</u> billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required. The total capital mentioned in the preceding paragraph shall reserve NT\$1.9 billion, consisting of 19 million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.</p>	<p>Amended in accordance with the Company's operations.</p>
<p>Article 7: The share certificates of the Company shall without exception be in registered form, signed by, <u>or</u> affixed with the seals of three directors, and authenticated by the competent governmental authority upon issuance. <u>Shares issued by the Company and registered with centralized securities depository enterprises need not be in certificate form.</u></p>	<p>Article 7: The share certificates of the Company shall without exception be in registered form, signed by, and affixed with the seals of three directors, and authenticated by the competent governmental authority upon issuance. <u>Shares issued by the Company may not be in certificate form.</u></p>	<p>Amended in accordance with the Order.</p>
<p>Article 19: <u>If the Company makes profits (which mean profits before tax without deducting the remuneration of employees and directors and supervisors), more than 1% of such profits shall be distributed to employees and up to 1% to directors and supervisors as their remuneration. If the Company has accumulated losses, the reserve shall be appropriated to offset</u></p>	<p>Article 19: (Deleted).</p>	<p>Part of Article 20 is moved to this article and amended in accordance with the Order.</p>

Amended Article	Existing Article	Description
<p><u>such losses.</u></p> <p><u>The remuneration mentioned in the preceding paragraph shall be distributed by stock or cash to eligible employees, while the remuneration of directors and supervisors shall be distributed by cash only.</u></p> <p><u>The board of directors shall resolve on the matters mentioned in two preceding paragraphs and report in the General Shareholders' Meeting.</u></p>		
<p>Article 20:</p> <p>If the Company has earnings, such earnings shall be appropriated to offset <u>accumulated</u> losses; then, 10% of such remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. If necessary, the special reserve shall be recognized or reversed in accordance with the Order or regulations of competent authorities. Such remaining earnings and the undistributed earnings in the beginning of the year amount to distributable earnings, which shall be held or distributed in accordance with the Company's dividend policy. The amount of distributable earnings and the method of distribution shall be proposed by the board of directors and resolved in General Shareholders' Meeting.</p>	<p>Article 20:</p> <p>If the Company has earnings, such earnings shall be appropriated to <u>pay</u> the <u>profit-seeking enterprise income tax</u> and offset <u>past</u> losses; then, 10% of such remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. If necessary, the special reserve shall be recognized or reversed in accordance with the Order or regulations of competent authorities. Such remaining earnings and the undistributed earnings in <u>past years</u> amount to distributable earnings, which shall be held or distributed in accordance with the Company's dividend policy. The amount of distributable earnings and the method of distribution shall be proposed by the board of directors and resolved in General Shareholders' Meeting. <u>The distribution percentage is as follows:</u></p> <ol style="list-style-type: none"> <u>1. More than 1% as employees' bonuses.</u> <u>2. Up to 3% as the remuneration of directors and supervisors.</u> 	<p>Amended in accordance with the Order.</p>
<p>Article 20-2: (Deleted).</p>	<p>Article 20-2: <u>According to Article 20, the employees' bonuses may be distributed by stock to eligible employees. The board of directors is authorized to resolve on the qualification and distribution ratio.</u></p>	<p>The original article is integrated with Article 19 and amended.</p>
<p>Article 22: The Articles of Incorporation were formulated on December 20, 1993. The 1st amendment was made on May</p>	<p>Article 22: The Articles of Incorporation were formulated on December 20, 1993. The 1st amendment was made on May</p>	<p>Number and date of amendments are added.</p>

Amended Article	Existing Article	Description
<p>23, 1994.</p> <p>The 2ed amendment was made on August 5, 1994.</p> <p>The 3rd amendment was made on November 11, 1994.</p> <p>The 4th amendment was made on January 13, 1997.</p> <p>The 5th amendment was made on March 17, 1997.</p> <p>The 6th amendment was made on June 8, 1998.</p> <p>The 7th amendment was made on March 30, 1999.</p> <p>The 8th amendment was made on May 31, 1999.</p> <p>The 9th amendment was made on September 15, 1999.</p> <p>The 10th amendment was made on April 6, 2000.</p> <p>The 11th amendment was made on May 2, 2001.</p> <p>The 12th amendment was made on November 6, 2001.</p> <p>The 13th amendment was made on June 17, 2002.</p> <p>The 14th amendment was made on June 15, 2004.</p> <p>The 15th amendment was made on May 25, 2005.</p> <p>The 16th amendment was made on May 25, 2005.</p> <p>The 17th amendment was made on June 14, 2006.</p> <p>The 18th amendment was made on June 15, 2007.</p> <p>The 19th amendment was made on June 16, 2009.</p> <p>The 20th amendment was made on June 15, 2010</p> <p>The 21st amendment was made on June 15, 2011.</p> <p>The 22ed amendment was made on June 13, 2012.</p> <p>The 23rd amendment was made on June 10, 2015.</p> <p><u>The 24th amendment was made on June 3, 2016.</u></p>	<p>23, 1994.</p> <p>The 2ed amendment was made on August 5, 1994.</p> <p>The 3rd amendment was made on November 11, 1994.</p> <p>The 4th amendment was made on January 13, 1997.</p> <p>The 5th amendment was made on March 17, 1997.</p> <p>The 6th amendment was made on June 8, 1998.</p> <p>The 7th amendment was made on March 30, 1999.</p> <p>The 8th amendment was made on May 31, 1999.</p> <p>The 9th amendment was made on September 15, 1999.</p> <p>The 10th amendment was made on April 6, 2000.</p> <p>The 11th amendment was made on May 2, 2001.</p> <p>The 12th amendment was made on November 6, 2001.</p> <p>The 13th amendment was made on June 17, 2002.</p> <p>The 14th amendment was made on June 15, 2004.</p> <p>The 15th amendment was made on May 25, 2005.</p> <p>The 16th amendment was made on May 25, 2005.</p> <p>The 17th amendment was made on June 14, 2006.</p> <p>The 18th amendment was made on June 15, 2007.</p> <p>The 19th amendment was made on June 16, 2009.</p> <p>The 20th amendment was made on June 15, 2010</p> <p>The 21st amendment was made on June 15, 2011.</p> <p>The 22ed amendment was made on June 13, 2012.</p> <p>The 23rd amendment was made on June 10, 2015.</p>	

WT Microelectronics Co., Ltd. Business Report

1. 2015 Business Report

(1) Business Performance:

The consolidated operating income of the Group in 2015 was NT\$113,598,195,000, an increase of 5.41% compared to NT\$107,766,685,000 in 2014. The new income in 2015 was NT\$2,349,567,000, an increase of 4.64% (NT\$104,205,000) compared to NT\$2,245,362,000 in 2014. The scope of business includes industrial control, automotive electronics, smart phones, netcom equipment, home appliances and personal computers. In addition to the increase in the operating income, in 2015 the net income also grew 7.95% compared to 2014. The Group continuously introduced new products, engaged in new markets, and expanded quality clients in order to increase profits. Moreover, streamlined operating procedures and an optimized operating management system benefited the management of product supply and demand as well as operational efficiency.

Unit: NT\$1,000

Item	2014	2015	Increase/ Decrease	Increase/ Decrease (%)
Operating income	107,766,685	113,598,195	5,831,510	5.41%
Operating profit	2,461,914	2,475,682	13,768	0.56%
Net income	1,837,340	1,983,418	146,078	7.95%

(2) Financial Balance and Profitability:

Item		2014	2015
Financial structure	Liabilities to assets ratio (%)	67.21	64.13
	Long-term funds to fixed assets ratio (%)	2,512.01	3,643.00
Solvency	Current ratio (%)	149.11	153.90
	Acid-test ratio (%)	89.17	94.33
Profitability	Return on assets (%)	5.15	4.80
	Return on equity (%)	14.05	12.88
	Net profit rate (%)	1.70	1.75
	Basic earnings per share (NT\$) (Note)	4.71	4.49

Note: The calculation is based on the weighted average number of shares outstanding for the period adjusted by the increase of weighted average number of shares outstanding through capitalization of earnings.

(3) Research and Development:

With the popularity of smart phones and tablets, people are looking for the next high-growth product. In recent years, 4G LTE internet grows popular with lower costs, faster computer processing, and more diverse sensors, making internet of things (IOT), internet of vehicles (IOV), wearable technology, smart robots and many intelligent

element highlights of the semiconductor industry in the next generation. The Group has key components like digital power components, micro-electro-mechanical components, high-performance microprocessors, image sensors, main processing chip, and high-precision analog components, and invests in development and design of all-round solutions, such as the IOT gateway solution, the smart ECG solution, and the smart phone application solution, in order to grasp the vast opportunity in the mobile generation. To provide technical support for the abovementioned design and development, the Group continues to accumulate the knowledge and skills of system integration in order to improve the technical quality of overall development. In addition, the Group also cooperates with world-class chip design manufacturers in the hope of offering quality technical services and solutions. The research and development expenses in recent three years are as follows:

Unit: NT\$1,000

Item	2013	2014	2015
Net operating income	87,759,131	107,766,685	113,598,195
Research and development expense	279,409	314,762	325,245
Research and development expense to net operating income ratio	0.32%	0.29%	0.29%

2. 2016 Business Plan

In 2016, the Company will continuously expand new markets and new applications and improve product structures and profitability based on the overall economics market condition; in addition, the Company will adjust expenses, promote operational efficiency, and improve the ability to provide additional values for the semiconductor industry chain.

(1) Strategies:

- Introduce new product lines and new markets: Optimize portfolios by introducing new product lines that accord with the market demand and have high margin, improving the capability of product and market planning, perfecting the market layout of non-3C products, IOT, and wearable devices, and increasing the shipments in automotive electronics, industrial control, and medical treatment.
- Improve client penetration and expansion: Optimize management, quality of services, and product penetration for existing clients; expand quality clients from automotive electronics, industrial control, and medical treatment and cooperate more closely with leading vendors in every industry; provide quality technical support and all-round solutions, promote products more efficiently, and maintain a long-term relationship with new clients.
- Perfect value-added services: Help original manufacturers design through solid customer relationships and a quick response to the market; increase the additional values of products and the Company's overall profits through strong technical support for clients' development of new products.

(2) Management:

- Improve the operational risk control: Thoroughly control the inventory level, billing period, accounts receivable, exchange rate hedging, working capital, contractual risk identification, and bank credit and build the abnormality

management system.

- Continuously improve operational efficiency and profitability: Improve the capability of operational management through simplifying operating procedures and optimizing an operating management system; adjust expenses to improve profitability and productivity; continuously focus on the return on working capital (ROWC) and return on equity (ROE).
- Strengthen financial control and build a solid and flexible financial system: The Group adopts the all-round risk control and management system, which allows the management to identify and measure the market risk, credit, risk, liquidity risk, and cash flow risk. With the solid internal control system and operating procedures, the Group considers economics, competitions, and market risks in a timely manner and asks sales representatives and financial supervisors to regularly follow up the collection of accounts receivable. In addition, the Group increases the flexibility in the use of funds through various channels to lower the cost and operational risk.

(3) Human Resources:

- **Improve organizational management:**

Timely adjust the organizational structure and staffing based on the changes in the market, internal operations, and future development to allow both the Company and employees to quickly respond to challenges in a changing market.
- **Perfect employees' quality:**
 - Long-term reserve: Recruit outstanding young talents in accordance with the Company's long-term development strategies in order to optimize the Company's staffing and competitiveness.
 - New employee training: Strengthen new employee training, which allows employees to become familiar with products and applications and provide value-added services that meet clients' needs; in addition, set up a communication channel between the management and employees to communicate the corporate cultures and philosophy.
 - Potential talent development: Discover talents with high potentials and customize development plans through best job training and capacity upgrades; enhance the cultivation of administrators of all levels.
- **Strengthen performance management:**
 - Emphasize employees' duties and missions and consistent implementation.
 - Review operating achievements and productivity and set up a more practical and specific targets and KPI.

Chairman: CHENG, WEN-TSUNG

Manager: CHENG, WEN-TSUNG

Accounting Supervisor: YANG, HSING-YU

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WT Microelectronics Co., Ltd.

We have audited the accompanying separate balance sheets of WT Microelectronics Co., Ltd. as of December 31, 2015 and 2014, and the related separate statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audits.

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

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of WT Microelectronics Co., Ltd. as of December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in conformity with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

PricewaterhouseCoopers, Taiwan
March 15, 2016

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WT MICROELECTRONICS CO., LTD.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
Current assets			
1100	Cash and cash equivalents	\$ 157,925	\$ 203,536
1170	Accounts receivable, net	7,854,835	4,124,410
1180	Accounts receivable - related parties	4,446,543	2,602,088
1200	Other receivables	632,860	4,727,924
130X	Inventory	12,761,133	11,819,875
1410	Prepayments	90,450	271,113
11XX	Total current assets	<u>25,943,746</u>	<u>23,748,946</u>
Non-current assets			
1543	Financial assets carried at cost – non-current	17,875	17,875
1550	Investments accounted for using equity method	13,357,648	11,798,583
1600	Property, plant and equipment	462,471	458,468
1780	Intangible assets	134,981	131,831
1840	Deferred income tax assets	227,436	243,739
1900	Other non-current assets	112,599	115,492
15XX	Total non-current assets	<u>14,313,010</u>	<u>12,765,988</u>
1XXX	Total assets	<u>\$ 40,256,756</u>	<u>\$ 36,514,934</u>

(Continued)

WT MICROELECTRONICS CO., LTD.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(10)	\$ 11,754,542	\$ 8,266,415
2170	Accounts payable		8,049,504	8,886,113
2180	Accounts payable - related parties	7	193,272	250,157
2200	Other payables	6(11)	603,704	627,533
2220	Other payables - related parties	7	33,937	416,813
2230	Current income tax liabilities	6(25)	112,918	119,395
2320	Long-term liabilities, current portion	6(12)	-	1,807,470
2399	Other current liabilities	7	429,241	225,175
21XX	Total current liabilities		<u>21,177,118</u>	<u>20,599,071</u>
Non-current liabilities				
2540	Long-term loans	6(12)	1,905,880	1,807,470
2570	Deferred income tax liabilities	6(25)	249,666	232,752
25XX	Total non-current liabilities		<u>2,155,546</u>	<u>2,040,222</u>
2XXX	Total liabilities		<u>23,332,664</u>	<u>22,639,293</u>
Equity				
Share capital				
3110	Share capital - common stock	6(15)	4,476,377	3,544,434
Capital surplus				
3200	Capital surplus	6(16)	6,278,786	4,787,758
Retained earnings				
3310	Legal reserve	6(17)	1,121,704	937,984
3350	Unappropriated retained earnings		3,344,755	3,178,514
Other equity interest				
3400	Other equity interest	6(18)	1,702,470	1,426,951
3XXX	Total equity		<u>16,924,092</u>	<u>13,875,641</u>
Commitments and contingent liabilities				
Significant subsequent events				
3X2X	Total liabilities and equity		<u>\$ 40,256,756</u>	<u>\$ 36,514,934</u>

The accompanying notes are an integral part of these financial statements.

WT MICROELECTRONICS CO., LTD.
SEPARATE STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2015 AMOUNT	2014 AMOUNT
4000	Operating revenue	\$ 87,510,801	\$ 83,407,830
5000	Operating costs	(84,864,647)	(80,733,004)
5900	Net operating margin	<u>2,646,154</u>	<u>2,674,826</u>
	Operating expenses		
6100	Selling expenses	(1,045,332)	(1,024,265)
6200	General and administrative expenses	(383,057)	(407,756)
6300	Research and development expenses	(181,905)	(173,894)
6000	Total operating expenses	<u>(1,610,294)</u>	<u>(1,605,915)</u>
6900	Operating profit	<u>1,035,860</u>	<u>1,068,911</u>
	Non-operating income and expenses		
7010	Other income	45,014	11,159
7020	Other gains and losses	16,398	(170,307)
7050	Finance costs	(262,179)	(262,296)
7070	Share of loss of associates and joint ventures accounted for using equity method	<u>1,335,804</u>	<u>1,442,576</u>
7000	Total non-operating income and expenses	<u>1,135,037</u>	<u>1,021,132</u>
7900	Profit before income tax	<u>2,170,897</u>	<u>2,090,043</u>
7950	Income tax (expense) benefit	(187,648)	(252,841)
8200	Profit for the year	<u>\$ 1,983,249</u>	<u>\$ 1,837,202</u>
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains (losses) on remeasurements of defined benefit plans	(\$ 5,836)	\$ 2,643
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(671)	(255)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>992</u>	<u>(449)</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(5,515)</u>	<u>1,939</u>
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Financial statements translation differences of foreign operations	381,967	536,024
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(106,448)</u>	<u>68,783</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss	<u>275,519</u>	<u>604,807</u>
8300	Total other comprehensive income for the year	<u>\$ 270,004</u>	<u>\$ 606,746</u>
8500	Total comprehensive income for the year	<u>\$ 2,253,253</u>	<u>\$ 2,443,948</u>
	Earnings per share		
9750	Basic earnings per share	<u>\$ 4.49</u>	<u>\$ 4.71</u>
9850	Diluted earnings per share	<u>\$ 4.48</u>	<u>\$ 4.71</u>

The accompanying notes are an integral part of these financial statements.

WT MICROELECTRONICS CO., LTD.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Change in net equity of associates and joint ventures accounted for under equity method	Retained Earnings			Other equity interest		Total equity
		Share capital - common stock	Additional paid-in capital	Treasury stock transactions		Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
Year 2014											
Balance at January 1, 2014		\$ 3,375,651	\$ 4,738,336	\$ 40,742	\$ -	\$ 807,550	\$ 152,576	\$ 2,329,927	(\$ 249,283)	\$ 1,071,427	\$ 12,266,926
Appropriations of 2013 earnings:	6(17)										
Legal reserve		-	-	-	-	130,434	-	(130,434)	-	-	-
Reversal of special reserve		-	-	-	-	-	(152,576)	152,576	-	-	-
Cash dividends		-	-	-	-	-	-	(843,913)	-	-	(843,913)
Stock dividends		168,783	-	-	-	-	-	(168,783)	-	-	-
Profit for the year		-	-	-	-	-	-	1,837,202	-	-	1,837,202
Other comprehensive income for the year	6(13)										
	(18)(25)	-	-	-	-	-	-	1,939	524,098	80,709	606,746
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	8,680	-	-	-	-	-	8,680
Balance at December 31, 2014		<u>\$ 3,544,434</u>	<u>\$ 4,738,336</u>	<u>\$ 40,742</u>	<u>\$ 8,680</u>	<u>\$ 937,984</u>	<u>\$ -</u>	<u>\$ 3,178,514</u>	<u>\$ 274,815</u>	<u>\$ 1,152,136</u>	<u>\$ 13,875,641</u>
Year 2015											
Balance at January 1, 2015		\$ 3,544,434	\$ 4,738,336	\$ 40,742	\$ 8,680	\$ 937,984	\$ -	\$ 3,178,514	\$ 274,815	\$ 1,152,136	\$ 13,875,641
Issuance of common stock for cash	6(15)	525,000	1,470,000	-	-	-	-	-	-	-	1,995,000
Share-based payments	6(14)	-	21,028	-	-	-	-	-	-	-	21,028
Appropriations of 2014 earnings:	6(17)										
Legal reserve		-	-	-	-	183,720	-	(183,720)	-	-	-
Cash dividends		-	-	-	-	-	-	(1,220,830)	-	-	(1,220,830)
Stock dividends		406,943	-	-	-	-	-	(406,943)	-	-	-
Profit for the year		-	-	-	-	-	-	1,983,249	-	-	1,983,249
Other comprehensive income (loss) for the year	6(13)										
	(18)(25)	-	-	-	-	-	-	(5,515)	265,276	10,243	270,004
Balance at December 31, 2015		<u>\$ 4,476,377</u>	<u>\$ 6,229,364</u>	<u>\$ 40,742</u>	<u>\$ 8,680</u>	<u>\$ 1,121,704</u>	<u>\$ -</u>	<u>\$ 3,344,755</u>	<u>\$ 540,091</u>	<u>\$ 1,162,379</u>	<u>\$ 16,924,092</u>

Note: Directors' and supervisors' remuneration amounting to \$8,000 and employees' bonus amounting to \$70,000 had been deducted from the Statements of Income.

The accompanying notes are an integral part of these financial statements.

WT MICROELECTRONICS CO., LTD.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 2,170,897	\$ 2,090,043
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(23)	47,293	41,215
Amortization	6(23)	16,041	19,827
Provision for doubtful accounts	12(2)	3,476	13,110
Share-based payments	6(14)	21,028	-
Impairment loss	6(9)	-	170,309
Gain on reversal of contingent consideration in business combination	6(20)	-	(11,045)
Investment income from the excess of the carrying amount over the capital reduction of financial assets carried at cost		(1,335,804)	(1,442,576)
Interest expense	6(22)	159,300	144,899
Interest income	6(20)	(11,195)	(599)
Dividend income	6(20)	-	(999)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable		(3,733,901)	(1,214,016)
Accounts receivable - related parties		(1,844,455)	106,077
Other receivables		4,095,064	(2,590,435)
Inventories		(941,258)	(1,703,740)
Prepayments		180,663	(32,918)
Net changes in liabilities relating to operating activities			
Accounts payable		(836,609)	795,123
Accounts payable - related parties		(56,885)	116,163
Other payables		(21,025)	87,689
Other current liabilities		204,066	174,999
Accrued pension liabilities		(7,896)	(7,323)
Cash used in operations		(1,891,200)	(3,244,197)
Interest received		11,195	599
Dividends received		514,938	490,293
Interest paid		(159,905)	(143,272)
Income taxes paid		(159,916)	(135,104)
Net cash used in operating activities		(1,684,888)	(3,031,681)

(Continued)

WT MICROELECTRONICS CO., LTD.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets carried at cost		\$ -	(\$ 6,000)
Acquisition of investments accounted for using equity method	6(29)	(503,404)	(33,365)
Acquisition of property, plant and equipment	6(7)	(44,549)	(41,069)
Acquisition of intangible assets	6(8)	(17,359)	(20,619)
Prepayment for business combination	6(28)	-	(30,128)
Increase in other non-current assets		(3,626)	(44,500)
Net cash used in investing activities		(568,938)	(175,681)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		3,488,127	4,289,700
Other payables - related parties	7	(385,075)	396,375
Decrease in long-term loans		(1,709,060)	(870,060)
Cash dividends paid	6(17)	(1,220,830)	(843,913)
Issuance of common stock for cash	6(15)	1,995,000	-
Net cash provided by financing activities		2,168,162	2,972,102
Net effect of changes in foreign currency exchange rates		40,053	63,038
Net decrease in cash and cash equivalents		(45,611)	(172,222)
Cash and cash equivalents at beginning of year		203,536	375,758
Cash and cash equivalents at end of year		\$ 157,925	\$ 203,536

The accompanying notes are an integral part of these financial statements.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WT Microelectronics Co., Ltd.
PWCR15000449

We have audited the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WT Microelectronics Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of WT Microelectronics Co., Ltd. as of and for the years ended December 31, 2015 and 2014, on which we have expressed an unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan
March 15, 2016

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
Current assets			
1100	Cash and cash equivalents	\$ 1,579,320	\$ 1,551,837
1125	Available-for-sale financial assets		
	- current	871,809	1,295,309
1170	Accounts receivable, net	22,805,921	13,561,792
1200	Other receivables	1,154,578	7,079,686
130X	Inventory	16,551,947	15,349,741
1410	Prepayments	164,999	450,175
1470	Other current assets	60,156	18,165
11XX	Total current assets	43,188,730	39,306,705
Non-current assets			
1523	Available-for-sale financial assets,		
	net - non-current	533,896	59,255
1543	Financial assets carried at cost –		
	non-current	32,893	33,102
1550	Investments accounted for using		
	equity method	223,150	127,283
1600	Property, plant and equipment	524,676	635,157
1760	Investment property - net	107,384	108,198
1780	Intangible assets	1,576,655	1,543,533
1840	Deferred income tax assets	280,951	300,912
1900	Other non-current assets	708,497	202,514
15XX	Total non-current assets	3,988,102	3,009,954
1XXX	Total assets	\$ 47,176,832	\$ 42,316,659

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
Current liabilities			
2100	Short-term borrowings	\$ 15,261,376	\$ 10,741,992
2170	Accounts payable	11,249,387	12,313,390
2200	Other payables	1,171,192	1,144,493
2230	Current income tax liabilities	232,963	227,034
2320	Long-term liabilities, current portion	-	1,807,470
2399	Other current liabilities	147,948	127,090
21XX	Total current liabilities	<u>28,062,866</u>	<u>26,361,469</u>
Non-current liabilities			
2540	Long-term loans	1,905,880	1,807,470
2570	Deferred income tax liabilities	259,997	249,111
2600	Other non-current liabilities	23,414	22,436
25XX	Total non-current liabilities	<u>2,189,291</u>	<u>2,079,017</u>
2XXX	Total liabilities	<u>30,252,157</u>	<u>28,440,486</u>
Equity attributable to owners of parent			
Share capital			
3110	Share capital - common stock	4,476,377	3,544,434
Capital surplus			
3200	Capital surplus	6,278,786	4,787,758
Retained earnings			
3310	Legal reserve	1,121,704	937,984
3350	Unappropriated retained earnings	3,344,755	3,178,514
Other equity interest			
3400	Other equity interest	1,702,470	1,426,951
31XX	Equity attributable to owners of the parent	<u>16,924,092</u>	<u>13,875,641</u>
36XX	Non-controlling interest	<u>583</u>	<u>532</u>
3XXX	Total equity	<u>16,924,675</u>	<u>13,876,173</u>
Commitments and contingent liabilities			
Significant subsequent events			
3X2X	Total liabilities and equity	<u>\$ 47,176,832</u>	<u>\$ 42,316,659</u>

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2015		2014	
		AMOUNT		AMOUNT	
4000	Operating revenue	6(23) and 7	\$ 113,598,195	\$	107,766,685
5000	Operating costs	6(4) and 7	(107,207,896)	(101,585,423)
5900	Net operating margin		6,390,299		6,181,262
	Operating expenses	6(27)			
6100	Selling expenses		(2,787,050)	(2,644,951)
6200	General and administrative expenses		(802,322)	(759,635)
6300	Research and development expenses		(325,245)	(314,762)
6000	Total operating expenses		(3,914,617)	(3,719,348)
6900	Operating profit		2,475,682		2,461,914
	Non-operating income and expenses				
7010	Other income	6(24)	65,912		49,245
7020	Other gains and losses	6(25)	297,236		138,267
7050	Finance costs	6(26)	(370,322)	(368,397)
7060	Share of loss of associates and joint ventures accounted for under equity method	6(7)	(118,941)	(35,667)
7000	Total non-operating revenue and expenses		(126,115)	(216,552)
7900	Profit before income tax		2,349,567		2,245,362
7950	Income tax expense	6(29)	(366,149)	(408,022)
8200	Profit for the year		\$ 1,983,418	\$	1,837,340

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2015 AMOUNT	2014 AMOUNT
Other comprehensive income (loss)			
Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Gains (losses) on remeasurements of defined benefit plans	6(16) (\$ 6,644)	\$ 2,336
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29) 1,129	(397)
8310	Components of other comprehensive income that will not be reclassified to profit or loss	(5,515)	1,939
Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations	282,581	525,501
8362	Unrealized gain on valuation of available-for-sale financial assets	10,243	80,709
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	(17,267)	(1,421)
8360	Components of other comprehensive income that will be reclassified to profit or loss	275,557	604,789
8300	Total other comprehensive income for the year	<u>\$ 270,042</u>	<u>\$ 606,728</u>
8500	Total comprehensive income for the year	<u>\$ 2,253,460</u>	<u>\$ 2,444,068</u>
Profit attributable to:			
8610	Owners of the parent	\$ 1,983,249	\$ 1,837,202
8620	Non-controlling interest	169	138
		<u>\$ 1,983,418</u>	<u>\$ 1,837,340</u>
Comprehensive income attributable to:			
8710	Owners of the parent	\$ 2,253,253	\$ 2,443,948
8720	Non-controlling interest	207	120
		<u>\$ 2,253,460</u>	<u>\$ 2,444,068</u>
Earnings per share			
9750	Basic earnings per share	6(30) \$ 4.49	\$ 4.71
9850	Diluted earnings per share	\$ 4.48	\$ 4.71

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											
		Capital Reserves			Change in net equity of associates and joint ventures accounted for under equity method	Retained Earnings			Other equity interest			Non-controlling interest	Total equity
		Share capital - common stock	Additional paid-in capital	Treasury stock transactions		Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total		
Year 2014													
Balance at January 1, 2014		\$3,375,651	\$ 4,738,336	\$ 40,742	\$ -	\$ 807,550	\$ 152,576	\$2,329,927	(\$ 249,283)	\$ 1,071,427	\$ 12,266,926	\$ 562	\$12,267,488
Appropriations of 2013 earnings:	6(20)												
Legal reserve		-	-	-	-	130,434	-	(130,434)	-	-	-	-	-
Reversal of special reserve		-	-	-	-	(152,576)	-	152,576	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(843,913)	-	-	(843,913)	-	(843,913)
Stock dividends		168,783	-	-	-	-	-	(168,783)	-	-	-	-	-
Consolidated net income for 2014		-	-	-	-	-	-	1,837,202	-	-	1,837,202	138	1,837,340
Other comprehensive income (loss) for 2014	6(21)	-	-	-	-	-	-	1,939	524,098	80,709	606,746	(18)	606,728
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	8,680	-	-	-	-	-	8,680	-	8,680
Changes in non-controlling interest	6(22)	-	-	-	-	-	-	-	-	-	-	(150)	(150)
Balance at December 31, 2014		<u>\$3,544,434</u>	<u>\$4,738,336</u>	<u>\$ 40,742</u>	<u>\$ 8,680</u>	<u>\$ 937,984</u>	<u>\$ -</u>	<u>\$3,178,514</u>	<u>\$ 274,815</u>	<u>\$ 1,152,136</u>	<u>\$ 13,875,641</u>	<u>\$ 532</u>	<u>\$13,876,173</u>
Year 2015													
Balance at January 1, 2015		\$3,544,434	\$ 4,738,336	\$ 40,742	\$ 8,680	\$ 937,984	\$ -	\$3,178,514	\$ 274,815	\$1,152,136	\$ 13,875,641	\$ 532	\$13,876,173
Issuance of common stock for cash	6(18)	525,000	1,470,000	-	-	-	-	-	-	-	1,995,000	-	1,995,000
Share-based payments	6(17)	-	21,028	-	-	-	-	-	-	-	21,028	-	21,028
Appropriations of 2014 earnings:	6(20)												
Legal reserve		-	-	-	-	183,720	-	(183,720)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,220,830)	-	-	(1,220,830)	-	(1,220,830)
Stock dividends		406,943	-	-	-	-	-	(406,943)	-	-	-	-	-
Consolidated net income for 2015		-	-	-	-	-	-	1,983,249	-	-	1,983,249	169	1,983,418
Other comprehensive income (loss) for 2015	6(21)	-	-	-	-	-	-	(5,515)	265,276	10,243	270,004	38	270,042
Changes in non-controlling interest	6(22)	-	-	-	-	-	-	-	-	-	-	(156)	(156)
Balance at December 31, 2015		<u>\$4,476,377</u>	<u>\$6,229,364</u>	<u>\$ 40,742</u>	<u>\$ 8,680</u>	<u>\$1,121,704</u>	<u>\$ -</u>	<u>\$3,344,755</u>	<u>\$ 540,091</u>	<u>\$1,162,379</u>	<u>\$ 16,924,092</u>	<u>\$ 583</u>	<u>\$16,924,675</u>

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the year		\$ 2,349,567	\$ 2,245,362
Adjustments to reconcile net income to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(27)	65,773	58,734
Amortization	6(27)	20,082	24,243
Provision for doubtful accounts	12(2)	25,154	14,360
Impairment loss	6(11)(25)	-	170,309
Share-based payments	6(17)	21,028	-
Gain on disposal of investments	6(25)	(176,488)	(345,380)
Gain on reversal of contingent consideration in business combination	6(24)	-	(11,045)
Investment income from the excess of the carrying amount over the capital reduction of financial assets carried at cost	6(24)	-	(19,650)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	118,941	35,667
Gain on disposal of property, plant and equipment, net	6(8)(25)	(124,627)	-
Interest expense	6(26)	199,929	174,516
Interest income	6(24)	(4,467)	(4,283)
Dividend income	6(24)	(12,173)	(3,733)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable		(8,898,958)	(1,534,762)
Other receivables		5,933,980	(2,624,862)
Inventories		(777,613)	(2,219,949)
Prepayments		294,760	(123,873)
Net changes in liabilities relating to operating activities			
Accounts payable		(1,656,049)	722,254
Other payables		19,115	21,273
Other current liabilities		19,503	40,268
Accrued pension liabilities		(9,055)	(8,309)
Cash used in operations		(2,591,598)	(3,388,860)
Dividends received		12,173	3,733
Interest received		4,467	4,283
Interest paid		(196,793)	(166,367)
Income taxes paid		(339,741)	(274,425)
Net cash used in operating activities		(3,111,492)	(3,821,636)

(Continued)

The accompanying notes are an integral part of these consolidated financial statements.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets – current		\$ 181,975	\$ 372,012
Increase in other financial assets		(42,050)	(15,855)
Acquisition of available-for-sale financial assets– non-current		-	(6,375)
Acquisition of financial assets carried at cost	6(6)	-	(16,000)
Proceeds from capital reduction of financial assets carried at cost		-	36,652
Acquisition of investments accounted for using equity method		(222,740)	(108,670)
Net cash outflow from business combination	6(32)	-	(33,311)
Acquisition of property, plant and equipment	6(8)	(63,142)	(55,664)
Proceeds from disposal of property, plant and equipment	6(8)	239,388	23
Acquisition of intangible assets	6(10)	(17,359)	(20,619)
Prepayment for business combination	6(12)	-	(30,128)
Increase in other non-current assets	6(12)	(517,291)	(42,903)
Net cash (used in) provided by investing activities		(441,219)	79,162
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		4,510,383	5,168,363
Decrease in long-term loans		(1,709,060)	(870,060)
Increase (decrease) in other non-current liabilities		698	(4,113)
Cash dividends paid	6(18)	(1,220,830)	(843,913)
Issuance of common stock for cash	6(18)	1,995,000	-
Changes in non-controlling interest	6(22)	(156)	(150)
Net cash provided by financing activities		3,576,035	3,450,127
Net effect of changes in foreign currency exchange rates		4,159	64,814
Increase (decrease) in cash and cash equivalents		27,483	(227,533)
Cash and cash equivalents at beginning of year		1,551,837	1,779,370
Cash and cash equivalents at end of year		\$ 1,579,320	\$ 1,551,837

The accompanying notes are an integral part of these consolidated financial statements.

**WT Microelectronics Co., Ltd.
Supervisors' Review Report**

The Board of Directors have prepared and submitted to us 2015 Parent Company Only Financial Statements and Consolidated Financial Statements audited by CPA Hsu, Yong-Chien and CPA Hsu, Sheng-Chung from PricewaterhouseCoopers Taiwan and 2015 Business Report,. We, the Supervisors, have duly examined the same as correct and accurate. We hereby report to the 2016 General Shareholders' Meeting in accordance to Article 219 of Company Act.

Sincerely,

2016 General Shareholders' Meeting

WT Microelectronics Co., Ltd.

Supervisor: TSAI, KAO-CHUNG

Supervisor: TANG YE INVESTMENT CO., LTD.

Representative: HU, HSIU-HSING

March 15, 2016

**WT Microelectronics Co., Ltd.
Supervisors' Review Report**

The Board of Directors have prepared and submitted to us Table for Distribution of Earnings in 2015. We, the Supervisors, have duly examined the same as correct and accurate. We hereby report to the 2016 General Shareholders' Meeting in accordance to Article 219 of Company Act.

Sincerely,

2016 General Shareholders' Meeting

WT Microelectronics Co., Ltd.

Supervisor: TSAI, KAO-CHUNG

Supervisor: TANG YE INVESTMENT CO., LTD.

Representative: HU, HSIU-HSING

April 18, 2016

WT Microelectronics Co., Ltd.
Table for Distribution of Earnings
2015

Unit: NT\$

Undistributed earnings at the beginning of the period		\$ 1,367,020,560
Add: Adjustment on actuarial gains or losses in 2015		(5,514,567)
Adjusted undistributed earnings		1,361,505,993
Add: Net income after tax in 2015	\$ 1,983,248,567	
Less: Legal reserve (10%)	(198,324,857)	
Total distributable earnings in 2015		1,784,923,710
Accumulated distributable earnings at the end of the period		3,146,429,703
Less: Distribution items		
Cash dividends (NT\$2.9 per share)	(1,298,149,342)	
Stock dividends (NT\$0.5 per share)	(223,818,860)	
Total distribution items		(1,521,968,202)
Undistributed earnings at the end of the period		\$ 1,624,461,501

Note: Earnings in 2015 are distributed first.

Chairman: CHENG, WEN-TSUNG

Manager: CHENG, WEN-TSUNG

Accounting Supervisor: YANG, HSING-YU

WT Microelectronics Co., Ltd.
**Comparison Table for Amendments to Procedures for Acquisition or Disposal
of Assets**

Amended Article	Existing Article	Description
<p>Article3: Definition Terms used in these Procedures are defined as follows: 1~6 (omitted). <u>7. Total asset:</u> <u>Refers to the total asset in the latest parent company only financial statements stipulated in Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u> <u>8. Terms not defined in these Procedures shall have the same meanings stipulated in Regulations Governing the Acquisition and Disposal of Assets by Public Companies or related laws.</u></p>	<p>Article3: Definition Terms used in these Procedures are defined as follows: 1~6 (omitted).</p>	<p>New term is defined</p>
<p>Article 6: Authorized Amount 1. Total amounts of real property and securities acquired by the <u>Company</u> and each subsidiary for non-business use, and limits on individual securities are as follows: (1) Total amounts of real property acquired by the <u>Company</u> for non-business use shall not exceed <u>30%</u> of the Company's <u>net worth</u>. (2) Total amounts of securities shall not exceed <u>300%</u> of the Company's <u>net worth</u>. (3) Limits on individual securities shall not exceed <u>300%</u> of the Company's <u>net worth</u>. 2. The scope of short-term and long-term investments and the benefit analysis of the <u>Company</u> and each subsidiary shall be in accordance with the investment cycle stipulated in the internal control system of the Company.</p>	<p>Article 6: Authorized Amount 1. Total amounts of real property and securities acquired by the Company and each subsidiary for non-business use, and limits on individual securities are as follows: (1) Total amounts of real property acquired by the company for non-business use shall not exceed <u>5%</u> of the Company's <u>total asset</u>. (2) Total amounts of securities shall not exceed <u>40%</u> of the Company's <u>total asset</u>. (3) Limits on individual securities shall not exceed <u>40%</u> of the Company's <u>total asset</u>. 2. The scope of short-term and long-term investments and the benefit analysis of the company and each subsidiary shall be in accordance with the investment cycle stipulated in the internal control system of the Company.</p>	<p>1. Subject is amended. 2. Total amounts of real property and securities acquired for non-business use and limits on individual securities are amended. 3. Definition is moved to Article 3.</p>

Amended Article	Existing Article	Description
<p>3. When the <u>Company</u> and each subsidiary invest in monetary funds with lower risks and profits, the total amount of such monetary funds shall not exceed 100% of paid-in capital of the Company.</p>	<p>3. When the company and each subsidiary invest in monetary funds with lower risks and profits, the total amount of such monetary funds shall not exceed 100% of paid-in capital of the Company. <u>“Total asset” and “paid-in capital” specified in these Procedures are based on the total amount of asset and paid-in capital in the latest parent company only financial statements stipulated in Regulations Governing the Preparation of Financial Reports by Securities Issuers; if the Company’s share has no face value or the face value per share is not NT\$10, 20% of paid-in capital is calculated as 10% of equity attributable to owners of the parent company.</u></p>	
<p>Article 7: Authorization Level</p> <p>1. The level of real property or securities acquired or disposed for non-business use</p> <p>(1) Real property shall be acquired or disposed by the Company for non-business use upon the approval of the board of directors.</p> <p>(2) Securities acquired or disposed from a centralized trading market or OTC market with the amount less than <u>NT\$50 million</u> shall be approved by General Manager; securities with the amount <u>more than NT\$50 million but less than NT\$300 million</u> shall be approved by Chairman; securities with the amount <u>more than NT\$300 million</u> shall be approved by the board of directors.</p> <p>(3) Securities not acquired or disposed from a centralized trading market or OTC market with the amount less than <u>NT\$50 million</u> shall be</p>	<p>Article 7: Authorization Level</p> <p>1. The level of real property or securities acquired or disposed for non-business use</p> <p>(1) Real property shall be acquired or disposed by the Company for non-business use upon the approval of the board of directors.</p> <p>(2) Securities acquired or disposed from a centralized trading market or OTC market with the amount less than <u>NT\$20 million (inclusive)</u> shall be approved by General Manager; securities with the amount <u>more than NT\$20 million but less than NT\$100 million (inclusive)</u> shall be approved by Chairman; securities with the amount <u>more than NT\$100 million</u> shall be approved by the board of directors.</p> <p>(3) Securities not acquired or disposed from a centralized trading market or OTC market with the amount less than <u>NT\$20 million (inclusive)</u> shall</p>	<p>1. Authorization levels of securities, memberships, and intangible assets acquired or disposed are amended.</p> <p>2. Terms like “more than”, “less than” and “inclusive” are amended according to logic.</p>

Amended Article	Existing Article	Description
<p>approved by General Manager; securities with the amount <u>more than NT\$50 million but less than NT\$300 million</u> shall be approved by Chairman; securities with the amount <u>more than NT\$300 million</u> shall be approved by the board of directors.</p> <p>2. Acquisition or disposal of equipment Equipment acquired or disposed by the Company with the amount of less than NT\$50 million shall be approved by General Manager; equipment with the amount <u>more than NT\$50 million but less than NT\$300 million</u> shall be approved by Chairman; equipment with the amount <u>more than NT\$300 million</u> shall be approved by the board of directors.</p> <p>3. Acquisition or disposal of memberships and intangible assets (1) Memberships acquired or disposed by the Company with the amount of less than NT\$2 million shall be approved by General Manager; memberships with the amount <u>more than NT\$2 million but less than NT\$10 million</u> shall be approved by Chairman; memberships with the amount more than NT\$10 million shall be approved by the board of directors.</p> <p>(2) Intangible assets acquired or disposed by the Company with the amount of less than NT\$50 million shall be approved by General Manager; intangible assets with the amount <u>more than NT\$50 million but less</u></p>	<p>be approved by General Manager; securities with the amount <u>more than NT\$20 million but less than NT\$100 million (inclusive)</u> shall be approved by Chairman; securities with the amount <u>more than NT\$100 million</u> shall be approved by the board of directors.</p> <p>2. Acquisition or disposal of equipment Equipment acquired or disposed by the Company with the amount of less than NT\$20 million (inclusive) shall be approved by General Manager; equipment with the amount more than NT\$20 million but less than NT\$100 million (inclusive) shall be approved by Chairman; equipment with the amount more than NT\$100 million shall be approved by the board of directors.</p> <p>3. Acquisition or disposal of memberships and intangible assets (1) Memberships acquired or disposed by the Company with the amount of less than NT\$2 million (inclusive) shall be approved by General Manager <u>according to the internal signing procedures</u>; memberships with the amount between NT\$2 million and NT\$10 million (inclusive) shall be approved by Chairman; memberships with the amount more than NT\$10 million shall be approved by the board of directors.</p> <p>(2) Intangible assets acquired or disposed by the Company with the amount of less than NT\$5 million (inclusive) shall be approved by General Manager <u>according to the internal signing procedures</u>; intangible</p>	

Amended Article	Existing Article	Description
<p><u>than NT\$300 million</u> shall be approved by Chairman; intangible assets with the amount <u>more than NT\$300 million</u> shall be approved by the board of directors.</p>	<p>assets with the amount <u>between NT\$5 million and NT\$50 million (inclusive)</u> shall be approved by Chairman; intangible assets with the amount <u>more than NT\$50 million</u> shall be approved by the board of directors.</p>	
<p>Article 18: Trading Principles and Strategies 1~4 (omitted). 5. Amount of transaction and maximum loss limit: (1) Amount of transaction 1. Non-transaction purpose (1) Amount of foreign exchange hedging: Limited to the net foreign exchange from monthly operations (including the expected net foreign exchange to be generated in the future) (2) Amount of financial hedging transactions: Limited to the total liability of the Company. 2. Transactional purpose The amount of other financial transactions is limited to US\$1 million (including the equivalent of currency). (2) Maximum loss limit 1. Non-transaction purpose Hedging forward foreign exchange transactions or losses from exchange are limited to 10% of total liability of the Company. 2. Transactional purpose Realized or unrealized losses from non-hedging products trading are limited to NT\$10 million. Realized or unrealized losses from individual derivative trading</p>	<p>Article 18: Trading Principles and Strategies 1~4 (omitted). 5. Amount of transaction and maximum loss limit: (1) Amount of transaction 1. Non-transaction purpose (1) Amount of foreign exchange hedging: Limited to the net foreign exchange from monthly operations (including the expected net foreign exchange to be generated in the future) (2) Amount of financial hedging transactions: Limited to the total liability of the Company. 2. Transactional purpose Amount of other financial transactions: Limited to US\$1 million (including the equivalent of currency) upon the approval of General Manager. (2) Maximum loss limit 1. Non-transaction purpose Hedging forward foreign exchange transactions or losses from exchange are limited to 10% of total liability of the Company. 2. Transactional purpose Realized or unrealized losses from non-hedging products trading are limited to NT\$10 million. Realized or unrealized losses from individual derivative trading</p>	<p>1. Authorized amount for the transactional purpose originally stipulated in Paragraph 5 is deleted and moved to Paragraph 6. 2. Authorized amount of derivative products is added to Paragraph 6.</p>

Amended Article	Existing Article	Description
<p>contracts are limited to NT\$8 million.</p> <p>6. Authorized Amount:</p> <p><u>(1) Non-transaction purpose:</u></p> <p><u>1. Chairman: Amount of single transaction exceeding US\$50 million or the equivalent.</u></p> <p><u>2. General Manager: Amount of single transaction less than US\$50 million or the equivalent.</u></p> <p><u>Chairman is authorized to adjust the authorized amount mentioned in the preceding paragraph in response to the environmental changes and report to the board of directors.</u></p> <p><u>(2) Transactional purpose: All amounts of transactions shall be approved by Chairman.</u></p>	<p>contracts are limited to NT\$8 million.</p>	

WT Microelectronics Co., Ltd.
List of Candidates for Directors (Including Independent Directors)
and Supervisors

Title Name/ Company Name	Educational Background/Experience/ Credential	Current In-Service	Number of Shares Held
Director CHENG, WEN-TSUNG	Educational Background: Tunghai University Experience: Chairman, WT Microelectronics Co., Ltd.	Chairman, WT Microelectronics Co., Ltd.	24,930,583
Director HSU, WEN-HUNG	Educational Background: National Chengchi University Experience: Director and Senior Vice President, WT Microelectronics Co., Ltd.	Director and Senior Vice President, WT Microelectronics Co., Ltd.	8,433,613
Director KAO, HSIN-MING	Educational Background: EMBA, National Taiwan University Experience: Section Head, Electronics Research Institute, Institute for Industrial Research	Director, WT Microelectronics Co., Ltd. Chairman, Marketech International Corp. Chairman, Macrotec Electronics Corp. Chairman, Ji Shuan Investment Co, Ltd. Director, Acter Co., Ltd. Chairman, MIC Techno Co., Ltd. Supervisor, Probeleader Co., Ltd.	3,812,043
Director SUN, CHI-WEN	Educational Background: Ph.D., Physics, Electrical Engineering, and Business Economics, California Institute of Technology Experience: Visiting Professor, National Chiao Tung University Visiting Professor, Graduate School of Electronics Engineering and Computer Science, Peking University Chair Professor, Academia Sinica Visiting Expert, Department of Electrical Engineering, National Taiwan University	Director, WT Microelectronics Co., Ltd. Chairman, S Square System Limited	0

Title Name/ Company Name	Educational Background/Experience/ Credential	Current In-Service	Number of Shares Held
Director CHENG, KEN-YI	<p>Educational Background: Department of Accounting, Feng Chia University</p> <p>Experience: General Manager, Best Yield Development Consulting, Inc. Consultant, R&D Department, Barits Securities Corp. Vice President, Hung Yang Venture Capital Co., Ltd. Assistant Manager, Underwriting Department, Taiwan International Securities Co., Ltd.</p>	<p>Director, WT Microelectronics Co., Ltd. General Manager, Grand Fortune Securities Co., Ltd Independent Director, Holy Stone Enterprise Co., Ltd. Director, Solytech Enterprise Corporation Director, Shieh Yeh Machinery Industry Co., Ltd. Representative of Corporate Supervisor, Leader Electronics Inc. Independent Director, Prolific Technology Inc. Independent Director, HiTrend Technology (Shanghai) Co., Ltd. Director, Cai Qi Er Consultants Ltd.</p>	0
Independent Director CHENG, TIEN-CHONG	<p>Educational Background: MBA, Santa Clara University</p> <p>Experience: CEO, FIH Mobile Limited, subsidiary of Foxconn Technology Group Vice President, Foxconn Technology Group President, Texas Instruments Asia-Pacific President, HP China</p>	<p>Director, Aurotek Corporation Director, Jorjin Technologies Inc.</p>	0
Independent Director KUNG, JU-CHIN	<p>Educational Background: MBA, University of California, Master of Laws, National Chengchi University</p> <p>Experience: Assistant Manager, PricewaterhouseCoopers</p> <p>Credential: CPA in the U.S. CPA in Taiwan CPA in China</p>	<p>CFO, Cite Media Holding Group CEO, Cite Cultural & Arts Foundation Supervisor, CoAsia Microelectronics Corp. Managing Director, Magazine Business Association of Taipei Associate Professor, China Industrial & Commercial Research Institute</p>	0
Supervisor HU, HSIU-HSING	<p>Educational Background: Graduate School, Business Administration, National Taiwan University</p> <p>Experience: Senior Assistant Manager, Direct Investment Department, China Development Industrial Bank Vice President, Yangtze Associates</p>	<p>Representative of Corporate Supervisor, WT Microelectronics Co., Ltd. Director, Yeu Hwan Technology Corp., LTD. Supervisor, T-Mac Techvest PCB Co., Ltd.</p>	0

Title Name/ Company Name	Educational Background/Experience/ Credential	Current In-Service	Number of Shares Held
Supervisor TANG YE INVESTMENT CO., LTD.	Educational Background: Not applicable Experience: Supervisor, WT Microelectronics Co., Ltd.	Supervisor, WT Microelectronics Co., Ltd.	3,201,598

WT Microelectronics Co., Ltd.
List of Directors (Including Independent Directors) Candidates
Holding Concurrent In-Services in Other Companies

Director (including Independent Director)	Current In-Service in Other Companies
CHENG, WEN-TSUNG	Chairman, Nuvision Technology Inc. Representative of Corporate Director, JCD Optical (Cayman) Co., Ltd.
HSU, WEN-HUNG	Representative of Corporate Director, Nuvision Technology Inc.
KAO, HSIN-MING	Chairman and CEO, Marketech International Corp. Chairman, Macrotec Electronics Corp. Director, ACTER CO., LTD Chairman, Chairman, MIC-Techno Co., Ltd. Chairman eZoom Information Inc. Representative of Corporate Director, Xuan Yang Materials Technology Corp. Representative of Corporate Director and Chairman, MARKETECH INTEGRATED PTE LTD. Representative of Corporate Director, MARKETECH INTERNATIONAL SDN. BHD. Representative of Corporate Director, MARKET GO PROFITS LTD. Representative of Corporate Director, HEADQUARTER INTERNATIONAL LTD. Representative of Corporate Director, TIGER UNITED FINANCE LTD. Representative of Corporate Director, MIC-TECH GLOBAL CORP. Representative of Corporate Director, MIC-TECH VENTURES ASIA PACIFIC INC. Representative of Corporate Director, RUSSKY H.K. LIMITED Chairman, MIC-TECH VIET NAM CO., LTD. Chairman, MARKETECH CO., LTD. Representative of Corporate Director, MARKETECH ENGINEERING PTE. LTD. Representative of Corporate Director, MARKETECH INTEGRATED CONSTRUCTION CO., LTD. Representative of Corporate Director, MARKETECH INTEGRATED MANUFACTURING CO., LTD. Representative of Corporate Director, FRONTKEN MIC CO., LIMITED Representative of Corporate Director, LEADER FORTUNE ENTERPRISE CO, LTD. Representative of Corporate Director, TPP-MIC CO., LIMITED Representative of Corporate Director, MICT International Limited Representative of Corporate Director, Chairman, and General Manager, MIC-Tech (Shanghai) Corp. Ltd. Representative of Corporate Director and Chairman, MIC-Tech China Trading (Shanghai) Co., Ltd. Representative of Corporate Director, ChenGao M&E Engineering (Shanghai) Co., Ltd. Representative of Corporate Director, Chairman, and General Manager, Shanghai Puritic Co., Ltd. Representative of Corporate Director and Chairman, MIC-Tech Electronics Engineering Corp. Representative of Corporate Director, Chairman, and General Manager, Fuzhou Jiwei System Integrated Co., Ltd. Representative of Corporate Director, Chairman, and General Manager, MIC-Tech (WuXi) Co., Ltd. Representative of Corporate Director, SKMIC (WuXi) Corp.

Director (including Independent Director)	Current In-Service in Other Companies
	Representative of Corporate Director, Frontken-MIC (WuXi) Co., Ltd. Representative of Corporate Director, Integrated Manufacturing & Services Co., Ltd.
SUN, CHI-WEN	Chairman, S Square System Limited
CHENG, KEN-YI	Independent Director, Holy Stone Enterprise Co., Ltd. Director, Solytech Enterprise Corporation Director, Shieh Yeh Machinery Industry Co., Ltd. Independent Director, Prolific Technology Inc. Independent Director, HiTrend Technology (Shanghai) Co., Ltd.
CHENG, TIEN-CHONG	Director, Aurotek Corporation Director, Jorjin Technologies Inc.

**WT Microelectronics Co., Ltd.
Rules for Director and Supervisor Elections**

Article 1: The election of directors and supervisors of the Company shall be handled in accordance with these Rules.

Article 2: The candidate nomination system and accumulated voting with single name registered on the ballot will be used for the election of directors and supervisors. The attendance card number of the electors may be used on the ballot instead of the name of the electors. Each share has the number of exercisable votes same as the number of directors and supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate, or may be split for election of two or more candidates, on the candidate list of directors and supervisors, unless otherwise stipulated or limited.

Article 3: Independent and non-independent directors and supervisors shall be selected from the list of candidates in the General Shareholders' Meeting and elected at the same time in accordance with the quota stipulated in Articles of Incorporation and related announcements. The voting result is determined by electronic votes or ballots. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected independent or non-independent director or supervisor. If two or more persons obtain the same number of votes and the number of such persons exceeds the specified seats available, such persons obtaining the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate who is not present.

Article 4: The ballots shall be prepared by the board of directors and marked with the weights and distributed to shareholders present in order to hold the election in accordance with the quota of directors or supervisors. The election held by electronic votes requires no ballots.

Article 5: When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting.

Article 6: The ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting

Article 7: If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should be filled in the column of to be elected. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.

Article 8: A ballot shall be void upon any of the following conditions:

1. The ballot was not in the form provided in accordance with these Rules.
2. The ballot was blank when cast in the ballot box.
3. The handwriting on the ballot was blurred or illegible or has been altered.
4. If the candidate is a shareholder of the Company, the name(s) of the candidate(s) and shareholder's number are not consistent with the shareholder register; if the candidate is not a shareholder of the Company, the name(s) and numbers of identification certificates are verified to be inconsistent.
5. There are other written characters or symbols in addition to the name(s) of the candidate(s), or shareholders number (the number of identification certificate) and the designated number of voting rights on the ballot.
6. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to identify each of them.
7. There are two or more than two candidates on the candidate list filled in on the same ballot.

Article 9: The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting or the person designated by the chairperson.

Article 10: Matters not provided in these Rules shall be handled in accordance with the Articles of Incorporation of the Company and relevant laws and regulations.

Article 11: These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments.

These Rules were formulated on May 31, 1999.

The 1st Amendment was made on May 2, 2001.

The 2ed Amendment was made on June 17, 2002.

The 3rd Amendment was made on June 10, 2015.

**WT Microelectronics Co., Ltd.
Rules of Procedure for Shareholder Meetings**

- Article 1: Meetings of shareholders shall be acted upon in accordance with these Rules. Matters not provided in these Rules shall be handled in accordance with Company Act and relevant laws and regulations.
- Article 2: Shareholders mentioned in these Rules refer to shareholders themselves and proxies attending the meeting on behalf of shareholders.
- Article 3: Shareholders or proxies present may turn in their attendance cards to sign in, who will be recognized as present. The Company is not responsible for the recognition of attendance.
- Article 4: The total attendance and vote shall be calculated based on shares in accordance with the attendance cards turned in at the meeting plus ballots or electronic votes. If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved.
- When a corporate is authorized to attend the shareholders' meeting, only one representative shall be appointed by the corporate.
- When corporate shareholders appoint two or more representatives to attend the shareholders' meeting, only one representative has the right to speak for the same proposal.
- Article 5: The venue of shareholders' meeting shall be at the Company or a convenient and suitable location. The shareholders' meeting shall be held during 9 a.m. and 3 p.m.
- Article 6: If a shareholders' meeting is convened by the board, the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, the chairman shall designate one director to act on his behalf. If the chairman has not appointed a proxy, the meeting chair shall be elected from among the directors present.
- If the meeting is convened by any other person besides the board of directors who is entitled to convene the meeting, such person shall be the chairman to preside at the meeting. If there are more than two persons convening the meeting, then shall be the one elected by the other.
- Article 7: The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, that if during postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted, the chairman may announce the dissolution. When the shareholders present at the meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act. Shareholders shall be informed of such tentative resolutions and the shareholders' meeting will be convened within one months.
- If before the end of the meeting and at enough shares become present to

constitute a quorum, the chairman may then re-submit the tentative resolutions to the meeting for approval, in accordance with Article 174 of the Company Act.

Article 8: The agenda for the shareholders' meetings shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall be conducted in accordance with the agenda, which may not be altered without a resolution adopted at the shareholders' meeting.

The preceding provisions of this Article apply mutatis mutandis to cases where shareholders' meetings are convened by any person(s), other than the Board of Directors, entitled to convene the meeting.

Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Questions and Motions) set forth in the preceding provisions of this Article are concluded, or in case of disorder of other matters that make the meeting hard to proceed normally. If the chairman announces adjournment of the meeting and violates these rules of procedure, the meeting may be continued after electing one of the attendees to be the meeting chairman in accordance to the approval of the majority of the votes represented by the attending shareholders.

After the meeting is adjourned, shareholders may not separately elect a chair and resume the meeting at the original or another venue.

Article 9: When a shareholder attending the meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine sequence of shareholders' speeches.

A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. In the case where the contents of a shareholder's speech differ from those specified on the speaker's card, the contents of the actual speech shall prevail.

When shareholders' authorization is limited by proxies in the power of attorney or through other methods, proxies' speech or votes shall prevail, regardless of the Company's awareness.

Article 10: A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech.

The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.

Unless otherwise permitted by the chairman and speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; the chairman shall stop any such interruptions.

Shareholders not obeying the chairman regarding the situations mentioned in preceding two paragraphs shall be handled in accordance with Paragraph 4 of Article 18.

Article 11: The chairman may respond or designate other persons to respond after an attending shareholder's speech.

Article 12: Discussions or votes shall be carried out only for proposals. When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the

motion for resolution. For such motions which are announced by the chairman to be determined by votes, ballots may be casted for several motions at the same time but shall be voted separately.

Article 13: Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes represented by the attending shareholders.

The resolution by electronic votes shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

In case of objection, a ballot shall be cast for a vote by each motion or by each proposal (including election) to be determined by the chairman. Votes shall be counted separately.

If there is an amendment or replacement proposal to the original proposal, the chairman shall decide the sequence of voting for such proposals, provided that if any one of the proposals has been approved, other matters shall be deemed vetoed and no further voting is required.

Article 14: Shareholders of the Company have one vote per share, except for those limited to vote or having no vote in accordance with Paragraph 2, Article 179 of Company Act.

According to Article 177-1 of Company Act, shareholders exercising their votes through ballots or electronic votes are deemed present in the shareholders' meeting. However, such shareholders shall waive their votes for questions and motions and the amendments or alternatives of the original proposals in the shareholders' meeting.

Article 15: The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.

The vote counting process of the voting and election shall be announced at the venue of the meeting once completed, including the weights. And the result of the vote counting process shall be recorded.

Article 16: The Company may appoint designated attorneys, certified public accounts or other relevant persons to attend shareholders' meetings.

Article 17: The recording mentioned in the preceding paragraph shall be kept for at least one year. The litigations brought by shareholders in accordance with Article 189 of Company Act shall be recorded until closed.

Article 18: The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.

The chairman may direct disciplinary officers or security personnel to maintain the order of the Meeting. For identification purposes, they shall wear a badge bearing the words of "disciplinary officer."

If a public-address system is available at the venue, the chairman may stop the shareholder's speech using equipment outside the Company's setting. Persons that violate the Rules or interfere with the procedures of the shareholders' meeting and disobey the chairman's correction will be asked by disciplinary officers or security personnel to leave the venue.

Article 19: During the process of the meeting, the chairman may announce a recess at an appropriate time. In case of irresistible circumstances, the chairman may suspend the shareholders' meeting and announce the time of continuance of the meeting. If the shareholders' meeting cannot be held at the venue before the scheduled procedures (including Questions and Motions) of the meeting agenda are ended, the shareholders' meeting may be proceeded at another venue.

Article 20: These Rules and procedures shall be effective after ratification at the shareholders' meetings. The same applies to modifications.

These Rules were formulated on May 31, 1999.

The 1st amendment was made on April 6, 2000.

The 2ed amenders was made on June 17, 2002.

The 3rd amendment was made on May 25, 2005.

The 4th amendment was made on June 10, 2015.

**WT Microelectronics Co., Ltd.
Articles of Incorporation**

Chapter 1 General Provisions

Article 1: The Company, organized under the Company Act, shall be named YWT Microelectronics Co., Ltd.

Article 2: The Company's scope of business includes:

1. Processing, manufacturing, research and development, trade, and import and export of various electronic components and finished products
2. Manufacturing, trade, and import and export of various telephone equipment and components.
3. General import/export trade (except futures)
4. Agency of quotations and tenders for domestic and foreign vendors
5. I301010 Software Design Services
6. F218010 Retail Sale of Computer Software
7. F118010 Wholesale of Computer Software
8. G801010 Warehousing and Storage
9. F113070 Wholesale of Telecom Instruments
10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is headquartered in New Taipei City and when necessary may establish branches or offices or shipping warehouses at home and abroad according to resolutions by the Board of Directors.

Article 4: Any and all public announcements to be made by the Company shall be in accordance with Article 28 of Company Act.

Chapter 2 Shares

Article 5: The authorized capital of the Company is NT\$7 billion, consisting of 0.7 billion shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required.

The total capital mentioned in the preceding paragraph shall reserve NT\$1.9 billion, consisting of 19 million shares, with a par value of NT\$10 per share, for stock options, preferred stock with warrants, or corporate bonds with warrants.

Article 6: The Company can invest other companies and become their shareholders. The amount of investment is not limited by 40% of paid-up share capital stipulated in Article 13 of Company Act.

Article 7: The share certificates of the Company shall without exception be in registered form, signed by, and affixed with the seals of three directors, and authenticated by the competent governmental authority upon issuance. Shares issued by the Company may not be in certificate form.

Article 7-1: Unless otherwise stipulated, shareholder services of the Company shall be handled in accordance with Regulations Governing the Administration of

Shareholder Services of Public Companies.

Article 7-2: When the Company transfers the shares to employees based on an average price lower than the actual repurchase price, or issues the employee stock options based on the price lower than the closing price of common shares on the date of issuance, the resolution shall be adopted by the consent of shareholders present with a majority of the total issued shares and two-thirds of the votes represented by those in attendance at the meeting.

Article 8: All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter 3 Shareholders' Meeting

Article 9: Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

Article 10: For any shareholders' meeting, a shareholder who may not attend the meeting due to certain reasons may appoint a proxy in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and related laws and regulations.

Article 11: Each shareholder of the Company is entitled to one vote per share, unless otherwise stipulated or limited.

Article 11-1: (Deleted).

Article 12: Unless otherwise provided by applicable laws and Articles of Incorporation of the Company, a resolution of the shareholders' meeting shall be in accordance with the Rules of Procedure for Shareholder Meetings stipulated by the Company.

Chapter 4 Directors and Supervisors

Article 13: The Company shall have five to nine directors, including at least 2 independent directors, 1/5 of total directors, and 2 supervisors.

Pursuant to Article 192-1 and Article 216-1 of Company act, the election of directors and supervisors shall be based on a candidate nomination system. Directors and supervisors of the Company shall be selected from the list of candidates in the shareholders' meeting. The term of office shall be three years, and they may continue in office if re-elected. The election of directors and independent directors shall be held at the same time and voted separately. The aggregate shareholding percentages of the entire bodies of directors and supervisors shall comply with the regulations prescribed by the securities supervisory authorities.

Article 14: The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of

directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman shall represent the Company. The chairman and directors shall perform their duties in accordance with the resolutions and instructions made by the board of directors.

Article 14-1: Unless otherwise provided for by applicable law or regulation, a resolution of the board of directors shall be adopted by the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

Article 14-2: Unless otherwise stipulated in Company Act, meetings of the board of directors shall be convened by the chairman of the board of directors.

Directors and supervisors shall be informed of the convocation of the meeting of the board of directors and the subject of the meeting in writing or by fax or email seven days before the meeting; though in emergency situations, a meeting may be called whenever necessary.

A directors may authorize a director to attend the meeting of the board of directors on behalf of them with the power of attorney stating the scope of authorization.

Article 15: If the chairman of the board is on leave or cannot perform his duties for some reason, the board of directors shall designate one proxy in accordance with Article 208 of Company Act.

Article 16: The remuneration of directors and supervisors shall be proposed by Remuneration Committee considering the participation in the Company's operations and contributions and referring to the Company's business performance and the normal standards in the same trade, and submitted to the board of directors for resolution.

Article 16-1: The Company may buy liability insurance for directors in order to reduce the risk of accusation by shareholders or other interested parties due to the performance of duties in accordance with applicable laws and regulations. The same applies to supervisors of the Company.

Chapter 5 Managers

Article 17: The Company may appoint several managers, whose commissioning, decommissioning and pay rate shall be decided in accordance with Article 29 of Company Act.

Chapter 6 Finance

Article 18: According to Article 228 of Company Act, after the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to the supervisors for review. Supervisors shall prepare the review report accordingly and submit it to the general shareholders' meeting for reviewing and for ratification:

1. Business Report
2. Financial Statements
3. Proposal Concerning Appropriation of Net Profits or Recovering of Losses

Article 19: (Deleted).

Article 20: If the Company has earnings, such earnings shall be appropriated to pay the profit-seeking enterprise income tax and offset past losses; then, 10% of such remaining earnings shall be appropriated as the legal reserve, unless the legal reserve has reached the total paid-in capital. If necessary, the special reserve shall be recognized or reversed in accordance with the Order or regulations of competent authorities. Such remaining earnings and the undistributed earnings in past years amount to distributable earnings, which shall be held or distributed in accordance with the Company's dividend policy. The amount of distributable earnings and the method of distribution shall be proposed by the board of directors and resolved in General Shareholders' Meeting. The distribution percentage is as follows:

1. More than 1% as employees' bonuses.
2. Up to 3% as the remuneration of directors and supervisors.

Chapter 7 Supplementary Provisions

Article 20-1: The Company's dividend policy is based on the following guidelines:

The Company's dividend policy is determined by the board of directors based on the business plan, investments, capital budgets, and changes in the environment. As the Company is currently in a growth stage, the earnings shall be held to respond to funds required for operational growth and investments. Currently, the Company adopts the minimum cash dividends plus additional dividends. The earnings are distributed as follows:

The distribution of earnings shall be at least based on 40% of distributable earnings for the period. Considering the future profits and capital demands, the distribution of cash dividends shall be at least 10% of total dividends distributed for the period, if total distributed earnings exceed 30% of paid-in capital before distribution, cash dividends shall be at least 20% of total dividends distributed for the period.

Article 20-2: According to Article 20, the employees' bonuses may be distributed by stock to eligible employees. The board of directors is authorized to resolve on the qualification and distribution ratio.

Article 21: According to Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Company may provide endorsements and guarantees and act as a guarantor. Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with other applicable laws or regulations.

Article 22: The Articles of Incorporation were formulated on December 20, 1993.

The 1st amendment was made on May 23, 1994.

The 2^{ed} amendment was made on August 5, 1994.

The 3rd amendment was made on November 11, 1994.

The 4th amendment was made on January 13, 1997.

The 5th amendment was made on January 3, 1997.

The 6th amendment was made on March 17, 1997.

The 7th amendment was made on June 8, 1998.

The 8th amendment was made on March 30, 1999.

The 9th amendment was made on May 31, 1999.

The 10th amendment was made on September 15, 1999.
The 11th amendment was made on April 6, 2000.
The 12th amendment was made on May 2, 2001.
The 13th amendment was made on November 6, 2001.
The 14th amendment was made on June 17, 2002.
The 15th amendment was made on June 15, 2004.
The 16th amendment was made on May 25, 2005.
The 17th amendment was made on June 14, 2006.
The 18th amendment was made on June 15, 2007.
The 19th amendment was made on June 16, 2009.
The 20th amendment was made on June 15, 2010.
The 21st amendment was made on June 15, 2011.
The 22^{ed} amendment was made on June 13, 2012.
The 23rd amendment was made on June 10, 2015.

WT Microelectronics Co., Ltd.

Chairman CHENG, WEN-TSUNG

Current Shareholding of Directors and Supervisors

1. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by all directors of the Company shall be 20,000,000 and that held by all supervisors of the Company shall be 2,000,000.
2. As of the date of transfer termination (April 5, 2016), the respective and current shareholding of directors and supervisors recorded in the shareholder register is as follows:

Title	Name	Number of Shares Held	Percentage of Shareholding to Total Shares Issued (%) (Note)
Chairman	CHENG, WEN-TSUNG	24,930,583	5.57
Director	HSU, WEN-HUNG	8,433,613	1.88
Director	SUNG KAO, HSIN-MING	3,812,043	0.85
Director	SUN, CHI-WEN	0	0
Director	CHENG, KEN-YI	0	0
Total		37,176,239	8.30
Supervisor	TSAI, KAO-CHUNG	0	0
Supervisor	TANG YE INVESTMENT CO., LTD.	3,201,598	0.72
Total		3,201,598	0.72

Note: The total number of shares issued is 447,637,704.

3. The shareholding of directors and supervisors of the Company has reached the statutory standard.

【Appendix 5】

The Impact of Stock dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Unit: NT\$

Year		2016	
Item			
Paid-in capital in the beginning of the period (NT\$)		4,476,377,040	
Distribution of stock and cash dividends (Note 1)	Cash dividends per share (NT\$)	2.9	
	Number of shares distributed through capitalization of earnings (share)	0.05	
	Number of shares distributed through capitalization of capital reserve (share)	0	
Change in business performance	Operating profits	Note 2	
	Increase/decrease ratio of operating profits, compared to the previous year		
	Net income		
	Increase/decrease ratio of net income, compared to the previous		
	Earnings per share (EPS) (NT\$)		
	Increase/decrease ratio of earnings per share, compared to the previous year		
	Annual average return on investment (ROI) (reciprocal of annual average price-earnings ratio (PER))		
Estimated EPS And PER	Cash dividends distributed through capitalization of all earnings	Estimated earnings per share (NT\$)	Note 2
		Estimated annual average ROI	
	No capitalization of capital reserve	Estimated EPS (NT\$)	
		Estimated annual average ROI	
	Cash dividends distributed through capitalization of earnings without capitalization of capital	Estimated EPS (NT\$)	
		Estimated annual average ROI	

Note 1: The estimated distribution of stock and cash dividends in 2016 is accrued in accordance with the resolution of the Board of Directors on April 18, 2016 and processed upon the approval of General Shareholders' Meeting.

Note 2: The Company does not publish the 2016 financial forecast, so there is no need to disclose the 2016 financial forecast.

**Thanks for Attending the General Shareholders'
Meeting!**

We Look forward to Hearing from You!